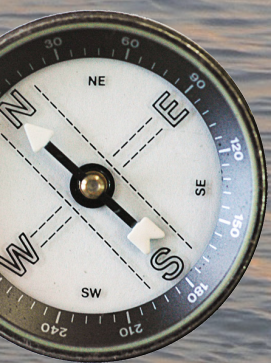


*South Carolina Retirement Systems*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2011  
Pension Trust Funds of the State of South Carolina



CHARTING OUR FINANCIAL FUTURE



**South Carolina Retirement Systems**  
*A Division of the South Carolina State Budget and Control Board*

# **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2011**

**Pension Trust Funds of the State of South Carolina**

**Fontaine Business Center  
202 Arbor Lake Drive  
Columbia, South Carolina 29223**

**William M. Blume, Jr., CPA  
Director**

**Prepared through the joint efforts of the Retirement Systems' staff.**

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# INTRODUCTORY SECTION





**A** boatwright is a person who builds boats and ships. As any boatwright knows, you have to have a plan before you begin your work. This plan helps him build the most airtight, buoyant and efficient boat needed to complete the tasks ahead. He begins by first identifying the purpose of this vessel and then goes to work creating blueprints to guide his work.

Just as the boatwright bases his blueprints on the goals and purpose of his ship, the South Carolina Retirement Systems utilizes all of its resources to administer its five defined benefit plans to provide retirement benefits for the state's public school teachers, police officers, fire fighters, judges, solicitors, National Guard, General Assembly members and state workers.

## Introductory Section

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Nikki R. Haley, Chair  
Governor  
Curtis M. Loftis, Jr.  
State Treasurer  
Richard Eckstrom  
Comptroller General

### SC Budget and Control Board South Carolina Retirement Systems

1-803-737-6800 William M. Blume, Jr., CPA  
Director 1-800-868-9002

Hugh K. Leatherman, Sr.  
Chairman,  
Senate Finance Committee  
W. Brian White  
Chairman,  
Ways and Means Committee  
Marcia S. Adams  
Executive Director

### LETTER OF TRANSMITTAL

November 23, 2011

The Honorable Nikki Haley, Governor  
and  
SC Budget and Control Board  
State of South Carolina

Dear Members of the Budget and Control Board:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the South Carolina Retirement Systems for the fiscal year ended June 30, 2011. The South Carolina Retirement Systems is required by Section 9-1-300 of the South Carolina Code of Laws to publish annually a report of the fiscal transactions of the Systems, and this CAFR fulfills that statutory requirement. Since the Retirement Systems is a part of the primary government of the state of South Carolina, the Systems' financial information is also included in the CAFR of the state. Responsibility for both the accuracy of the data, and the completeness and reliability of the presentation, including all disclosures, rests with the management of the Systems. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the Systems.

The CAFR was prepared to conform to the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board (GASB). GASB is an organization established under the Financial Accounting Foundation which establishes and improves governmental standards. GASB is recognized as the official source of generally accepted accounting principles (GAAP) for state and local governments.

Transactions of the Systems are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements and supporting schedules; however, the cost of internal control should not exceed anticipated benefits. The financial statements presented in this CAFR have been independently audited by Clifton Gunderson, LLP, under the direction of the State Auditor's Office. Clifton Gunderson issued an unqualified opinion, which means that based upon the audit, they concluded that the financial statements were fairly presented in all material respects and are free from material misstatement, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Governmental Auditing Standards, as part of obtaining reasonable assurance about whether the Systems' financial statements are free of material misstatement, Clifton Gunderson also considered internal

## Introductory Section

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controls over financial reporting and compliance with certain provisions of laws, regulations, contracts, and other matters. Although independent auditors cannot guarantee the accuracy of the statements, they do have a reasonable basis for the opinion they render. The independent auditor's report is presented as the first component of the financial section of this report. Management's Discussion and Analysis (MD&A), which can also be found in the financial section starting on Page 27, provides a narrative introduction to and analysis of the financial statements. This letter of transmittal is meant to complement the MD&A and should be read in conjunction with it.

### Profile of the Systems

The South Carolina Retirement Systems administers five defined benefit pension plans. A defined benefit plan is a retirement plan in which contributions are made to fund a level of retirement income at a future retirement date. Specified monthly service retirement benefits, as well as disability benefits and death benefits are provided to eligible members and/or their surviving beneficiaries. The plans' terms specify the amount of pension benefits to be provided at a future date or after a certain period of time. The benefit amount specified is a function of a formula based on years of service, compensation, and age. Our administrative and reporting structure is outlined in the introductory section of this report.

This report contains information on the following defined benefit pension trust funds:

- The South Carolina Retirement System (SCRS) was established July 1, 1945, to provide retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, and other participating local subdivisions of government.
- The Police Officers Retirement System (PORS) was established July 1, 1962, to provide retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.
- The Retirement System for Members of the General Assembly of the State of South Carolina (GARS) was established January 1, 1966, to provide retirement and other benefits to members of the General Assembly.
- The Retirement System for Judges and Solicitors of the State of South Carolina (JSRS) was established July 1, 1979, to provide retirement and other benefits to state judges and solicitors. JSRS also covers circuit public defenders.
- The National Guard Retirement System (NGRS) was established July 1, 1975, to provide supplemental retirement benefits to members who served in the South Carolina National Guard.

### Fiscal Year 2011 Highlights

No legislative changes were enacted during fiscal year 2011; however, the South Carolina Retirement Systems continue to experience many of the same challenges and opportunities that other public pension plans encounter. One of the most basic challenges facing defined benefit plans relates to establishing adequate funding mechanisms to ensure long-term sustainability of providing benefits under the plan, while also providing stakeholders with customer service at a best practices level coupled with reduced administrative costs.

## Introductory Section

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### Administrative Activities

In fiscal year 2011, the Retirement Systems conducted an online customer satisfaction survey which allowed the division to gauge satisfaction with our service among all of our stakeholder groups. In addition to covered employers and retired members, both with satisfaction ratings exceeding 96 percent, satisfaction ratings were obtained from active employees and other members. Other members include retirees, beneficiaries, inactive members, and those survey participants who chose not to identify their category. Ratings for active employees and other members were more than 95 percent and 98 percent, respectively.

Retirement Systems' staff continued efforts to improve efficiencies and implement process improvements in all operational areas while limiting expenditures. During fiscal year 2011, administrative functions were consolidated by creating a Defined Contributions unit that is responsible for management oversight of both the South Carolina Deferred Compensation Program (SCDCP) and the State Optional Retirement Plan (State ORP). This achieved staffing efficiencies by cross-training staff members to perform duties for both programs. Changes were also made to the division's organizational structure in efforts to improve operational efficiencies.

### Public Policy Activities

Prompted by the recent recession and compounded by other economic and demographic factors, public pension funds across the country are financially stressed. Many have experienced growth in their plans' unfunded liabilities, and public policymakers are faced with challenges of devising well-reasoned actions to restore the retirement plans' funding and providing adequate retirement benefits in cost efficient and equitable manners.

In February 2011, the S.C. Senate Retirement and Employee Benefits Subcommittee was established to review the five defined benefit plans administered by the Retirement Systems. Committee members were charged with developing long term solutions that would achieve financial sustainability for the plans while being fair to all stakeholders. A subsequent S.C. House Retirement Ad Hoc Study Committee was also established to perform similar reviews and offer solutions.

### Operational System Improvements

During fiscal year 2011, significant improvements were implemented in the Retirement Systems' web-based Electronic Employer Services (EES) system which included expanding features and functionality for receiving and updating employer provided data. We also began front-end imaging of incoming enrollment documents to improve the workflow processing and eliminate duplicate handling of paper forms.

### Summary of Financial Condition

#### Actuarial Results

A funding objective of the pension trust funds is to meet future benefit obligations of retirees and beneficiaries through employee and employer contributions and investment earnings. Each year, the external consulting actuaries determine the actuarial soundness of the plans based on long term obligations and the sufficiency of current contribution levels to fund the liabilities of each plan over a reasonable time frame. The most recent valuations dated July 1, 2010, concluded that all systems are operating on an actuarially sound basis. All five systems are considered to be adequately funded within the Governmental Accounting Standards Board's (GASB'S) standards and the SC Budget and Control Board's policy that requires actuarial liabilities be funded over a period not to exceed 30 years.

## Introductory Section

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The current funded ratios of the five plans range from a low of 35.9 percent for NGRS to a high of 74.5 percent for PORS. The funded ratio for SCRS, which represents the largest membership of the five plans, decreased slightly from 67.8 percent to 65.5 percent. The unfunded actuarial liability for SCRS increased from \$11.97 billion to \$13.4 billion. Accordingly, the period for amortizing SCRS' unfunded actuarial accrued liability grew; however, in order to satisfy the 30 year amortization period requirement, the increase was offset through the Budget and Control Board's approval of an employer contribution increase of 0.92 percent effective July 1, 2012. The unfunded actuarial liability for PORS increased from \$1.08 billion to \$1.24 billion. Similarly, an employer contribution increase of .305 percent was approved for PORS effective July 1, 2012. The NGRS has a very low funded ratio because at one time, the plan was not funded on an actuarial sound basis. In 2006, the General Assembly made a commitment to ensure the NGRS plan would be sufficiently funded prospectively and transferred administrative responsibility from the Adjutant General's Office to the South Carolina Retirement Systems. Now recurring funds are set aside each year in the state's annual budget to fund NGRS over an amortization period that does not exceed 30 years, so continued future improvement in the funded ratio is expected.

Because the fiscal year 2010 actuarial valuation highlighted substantial funding requirements for the plans' future sustainability, the Systems' governing board, the SC Budget and Control Board, requested a second opinion. A second actuarial firm was engaged and a parallel valuation was completed with the purpose of obtaining an independent assessment of the plans' assumptions and actuarial soundness, along with other analyses and tools to support the legislative efforts to improve funding and ensure future retirement security. Due to the Board's funding policy, considerable effort was made to match the calculated amortization period based on current contribution rates as well as the contribution necessary to attain a 30 year amortization period. The parallel valuation confirmed the previously calculated actuarial accrued liabilities.

Although the plans experienced an actuarial gain on plan assets for the 2010 fiscal year, which resulted from actual investment returns being greater than the assumed rate of investment return, only a portion of investment gains and losses are recognized each year because actuarial smoothing techniques are utilized to mitigate volatility. Under the smoothing techniques used, the Systems recognized a net actuarial loss on investment returns for the valuation year. Under SCRS, the smoothing methodology resulted in a net amount of \$5.7 billion in excess investment losses being deferred as of the July 1, 2010 valuation. Other non-investment related experience activity such as mortality, salary experience, payroll growth and turnover, which are considered normal within the course of plan experience, contributed to other actuarial gains and losses, as actual experience cannot be precisely predicted and will never exactly match the estimated assumptions. In accordance with Act 311 of the South Carolina Code of Laws and the actuary assumptions that were in effect at that time, up to a 2 percent automatic annual Cost of Living Allowance (COLA) was provided to eligible SCRS and PORS annuitants when certain conditions were satisfied. The Consumer Price Index for Wage Earners and Clerical Workers (CPI-W) for the calendar year ended December 31, 2009, increased from the prior year, resulting in a 2 percent COLA for annuitant payees effective July 1, 2010.

For additional financial information, refer to management's discussion and analysis, financial statements and schedules included in the financial section and the actuarial section of this report.

## Introductory Section

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### Investment Performance

The South Carolina Retirement System Investment Commission (RSIC) faced another challenging year of investing and managing the assets of the retirement trust funds. Uncertainties such as government intervention by the Federal Reserve to stimulate the economy due to fears of a “double dip” recession, the focus of Congress on the U.S. debt ceiling, and concern over the health of the European financial system and potential for a default of their sovereign debt contributed to the RSIC’s challenges.

As of June 30, 2011, the Retirement Systems’ total assets in the investment portfolio were valued at \$26.2 billion, an increase over the \$22.9 billion of assets one year prior. In addition to this portfolio growth, from a cash flow perspective, a net amount of \$897 million, in excess of incoming contributions, was paid out of the plan for retiree benefit obligations. The portfolio’s overall investment performance for the fiscal year ending June 30, 2011, was 18.59 percent. This performance significantly exceeded its benchmarks as well as the 8 percent actuarial assumed rate of investment return.

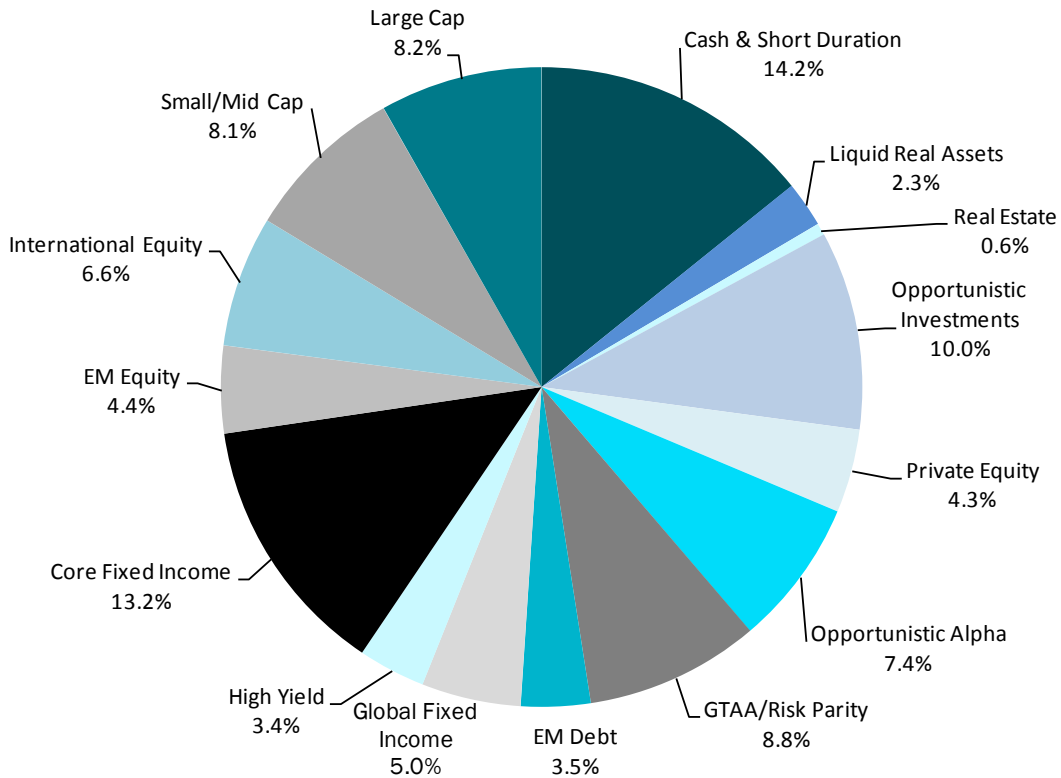
The plan assets are invested by the Commission in a manner consistent with a long-term investment time horizon. While the financial markets continue to experience significant volatility, the assets of the Retirement Systems are invested in a broadly diversified manner in an effort to mitigate risk. Although member benefits accrued and payable under the Retirement Systems’ defined benefit plans are not dependent on individual member account balances, investment returns are a critical overall funding component.

An optimally diversified investment portfolio is designed to generate long-term returns sufficient to ensure the program’s financial stability. While the Systems’ investment performance was historically limited by state constitution and state statute, the Commission has implemented a diversified asset allocation policy including a wide variety of alternative investments. With the help of the retained investment consultant (NEPC), the RSIC manages investments across a progressive asset allocation designed to generate attractive long-term risk-adjusted returns.

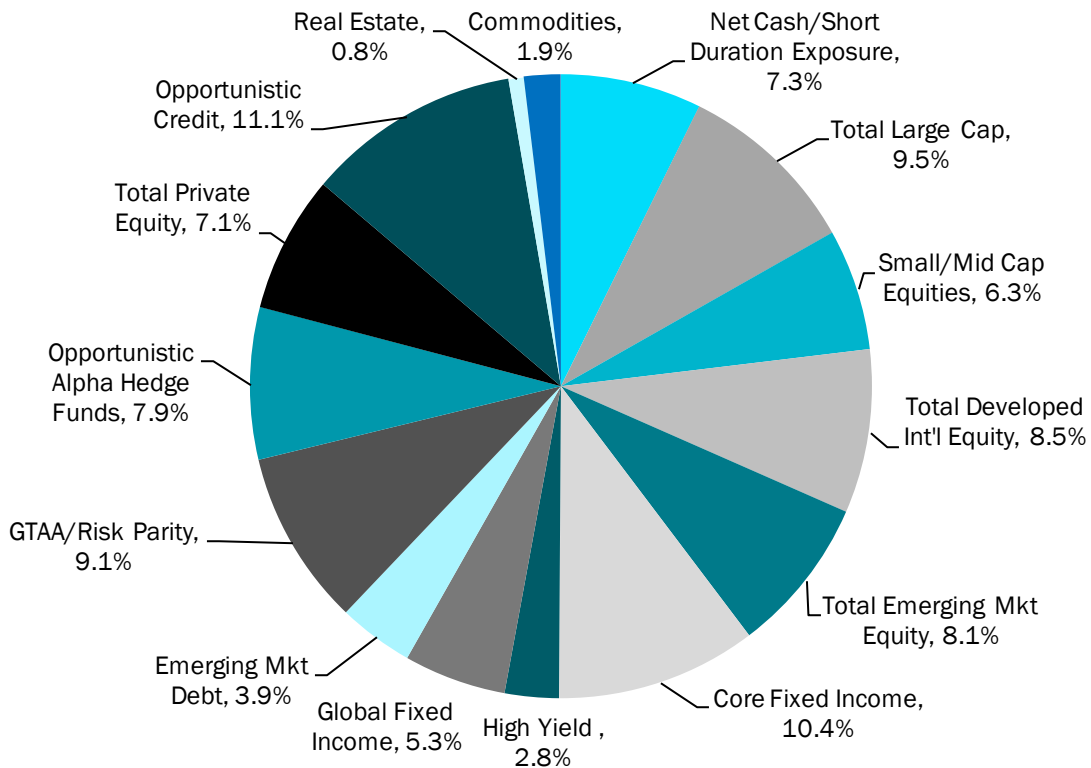
The following charts summarize the diversification progress of the Retirement Systems’ trust funds from the prior fiscal year and the target allocation in effect as of fiscal year ended June 30, 2011.

# Introductory Section

## Actual Asset Allocation as of June 30, 2010



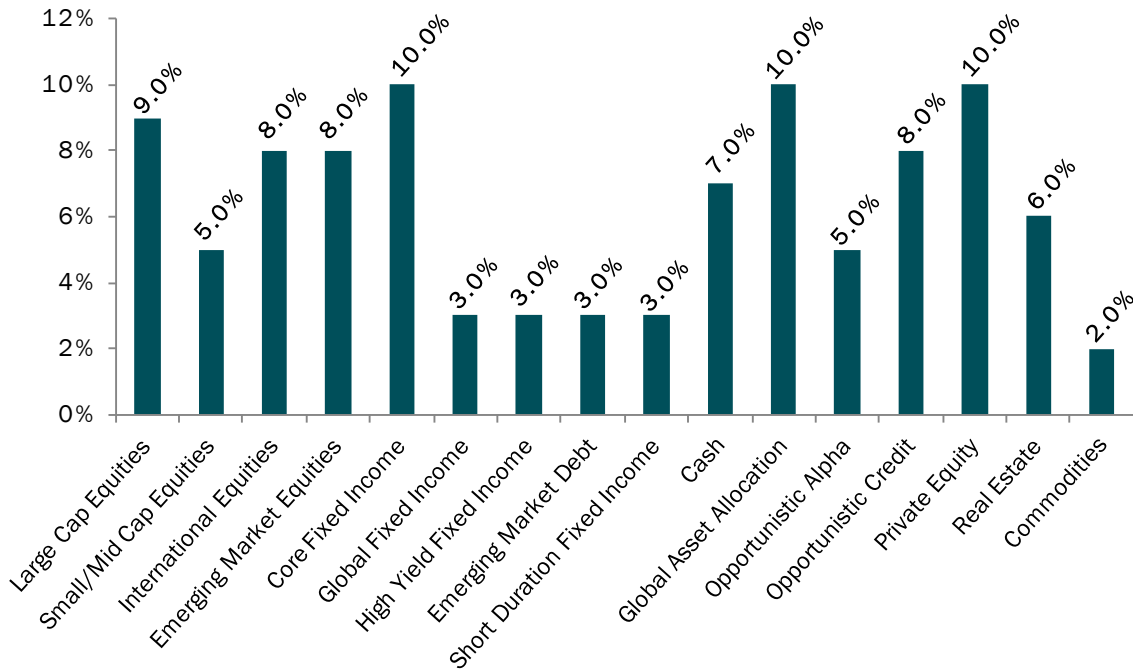
## Actual Asset Allocation as of June 30, 2011





## Introductory Section

### Target Asset Allocation



**Note: Target Asset Allocation in effect at fiscal year end 2011 and adopted by Commission on November 18, 2010.**

Investment performance, in comparison to the actuarial assumed rate of investment return, is one of the most significant factors in the actuarial valuations. As previously mentioned, the actuarial asset valuation method utilized dampens year-to-year fluctuations, smoothes the effect of volatility in the market and helps provide a consistent estimate for the actuarial value of assets. Detailed investment results for fiscal year 2011 can be found within both the financial and investment sections of this report.

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Carolina Retirement Systems for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This was the 24th consecutive year that the Retirement Systems has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Introductory Section

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### Public Pension Standards Award

The South Carolina Retirement Systems received the Public Pension Coordinating Council's Public Pension Standards Award in 2011 for the eighth consecutive year in recognition of meeting professional plan design and administration standards. The Public Pension Coordinating Council is a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement.

### Acknowledgments

The compilation of this report reflects the combined efforts of the staff of the South Carolina Retirement Systems functioning under your leadership. The report is intended to provide comprehensive and reliable information about the Retirement Systems, to demonstrate compliance with legal provisions, and to allow for the evaluation of responsible stewardship of the trust funds of the Retirement Systems.

We express our gratitude to the members of the Board, the General Assembly, the RSIC, the staff, the consultants, and the many people who have worked so diligently to assure the continued successful operation of the Retirement Systems for the members we serve.

Respectfully submitted,



William M. Blume, Jr., CPA  
Director



Tammy B. Nichols, CPA  
Deputy Director of Operations



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

South Carolina Retirement  
Systems

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director



Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2011***

Presented to

***South Carolina Retirement Systems***

In recognition of meeting professional standards for  
plan funding and administration as  
set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle  
Program Administrator

## Introductory Section

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### Governing Board and Administration

#### Governing Board - SC State Budget and Control Board

Nikki R. Haley, Chair	Governor
Curtis M. Loftis, Jr.	State Treasurer
Richard Eckstrom	Comptroller General
Hugh K. Leatherman, Sr.	Chairman, Senate Finance Committee
W. Brian White	Chairman, House Ways and Means Committee
Marcia S. Adams	Executive Director

#### Retirement System Investment Commission<sup>1</sup>

Allen R. Gillespie, CFA	Chairman
Reynolds Williams	Vice Chairman, Chairman Emeritus
Edward N. Giobbe	
James R. Powers	
Curtis M. Loftis, Jr.	State Treasurer
Travis Pritchett	
Robert L. Borden, CFA	Chief Executive Officer & Chief Investment Officer

#### Investment Consultant

New England Pension Consultants

#### Consulting Actuaries

Cavanaugh Macdonald Consulting, LLC

#### Retirement Systems Executive Management

William M. Blume, Jr., CPA	Director
Dianne Poston	Chief of Staff
Tammy B. Nichols, CPA	Deputy Director of Operations
Travis Turner, CPA	Deputy Director of Operations
Sharon Graham, CPA	Assistant Director – Customer Claims
Lisa Phipps	Assistant Director – Information Technology
Jamella Williams	Assistant Director – Customer Services
David Avant	General Counsel – Retirement Systems
Gwen Bynoe	Governmental Affairs
Megan B. Lightle	Manager, Communication
John E. Page, CIA, CISA	Internal Audit Manager

#### Retirement Systems Staff Responsible for Compilation of CAFR

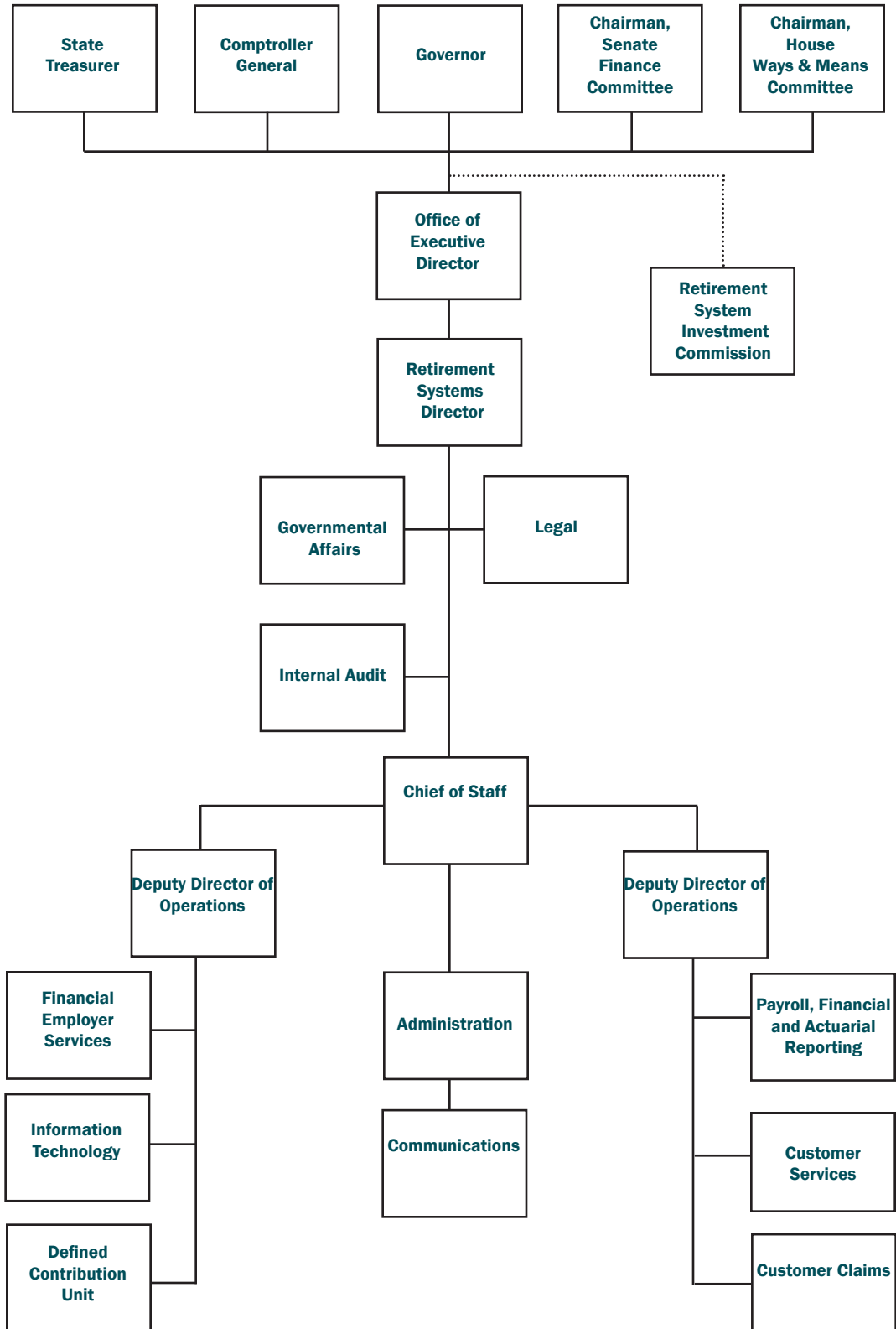
Tammy B. Nichols, CPA	Deputy Director of Operations
Danielle M. Quattlebaum, CPA	Payroll, Financial and Actuarial Reporting
Faith Wright	Payroll, Financial and Actuarial Reporting
Angie Warren	Public Information Coordinator
Megan Bagwell	Public Information Coordinator

<sup>1</sup>Refer to pages 84-87 for a complete list of investment managers.

# Introductory Section

## Organizational Chart

### South Carolina Budget and Control Board



## Introductory Section

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### Organizational Description

The structural organization of the Systems is depicted in the organizational chart on Page 20. A brief description of the primary functions performed by each department follows:

#### Administration

Responsible for managerial, budgetary, and administrative oversight of all division operations; physical plant issues, operations, and maintenance; procurement; human resources activities; communications and public information; accounts payable; postal center operations; and courier services.

#### Payroll, Financial and Actuarial Reporting

Functioning as chief financial office for the Retirement Systems, responsibilities encompass maintaining comprehensive financial accounting systems, including actuary, investments and disbursements of benefit payments, for the five statutorily defined benefit retirement plans. This department is responsible for preparation of the *Comprehensive Annual Financial Report* and *Popular Annual Financial Report* as well as staffing accounting roles for disbursing funds and reporting of financial data; tax reporting; managing daily financial operations; establishing financial policies and procedures; and communication related to actuarial valuations, legal issues and fiscal impact of proposed legislative changes. Benefit payments are disbursed in the form of monthly annuities, TERI distributions, refunds to terminated members, and death payments to beneficiaries.

#### Customer Claims

Responsible for the processing of customer claims relating to annuities, refunds, or death claims; the computation of the cost for purchases of prior service for all members of the Retirement Systems; and the auditing of service credit for our membership.

#### Information Technology

Responsible for the design, implementation and control of all automated applications within the Systems; and the maintenance of complete historical records of each member via digital imaging.

#### Financial Employer Services

Responsible for determining the average final compensation to be used in calculating a member's annuity benefit at retirement; collecting and allocating member and employer contributions; maintaining membership enrollment and beneficiary information; and the State Optional Retirement Program.

#### Customer Services

Responsible for member consultations (in person, by telephone, or on-line via the Internet) in all phases of retirement operations. Also responsible for training employers in all aspects of the Retirement Systems' member benefits, reporting procedures, and the Internet-accessed employer information system; meeting with employees as requested to present benefit overviews and pre-retirement education programs; and coordinating and conducting retirement seminars designed to better prepare members whose retirement is imminent.

#### Defined Contribution Unit

Responsible for the general oversight of the administration of the State Optional Retirement Program and the South Carolina Deferred Compensation Program.

#### Legal

Responsible for representing the South Carolina Retirement Systems in matters before circuit and appellate courts and administrative bodies, and for providing program support to the management of the South Carolina Retirement Systems.

#### Internal Audit

Responsible for providing an independent appraisal function to examine and evaluate processes and policies, and for providing assurance to management regarding the internal control structure of the division.

**This page contains no other content.**





# FINANCIAL SECTION



Cargo ships perform an essential role to the nation's economy as they provide a majority of international trade. They ensure that all goods arrive securely and on time. These vessels are specially equipped for heavy duty work such as the organizing and proper loading and unloading of all materials. As the primary vehicle which keeps all trade moving and in order, cargo ships are an important ingredient in a company's financial success.

Similarly, the South Carolina Retirement Systems provides an essential source of income to the state's public servants while also helping impact the state's economy through the disbursement of more than \$2 billion in benefits paid annually to South Carolina residents.

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### Independent Auditor's Report

The Honorable Nikki Haley, Governor,  
Members of the State Budget & Control Board, and  
Richard H. Gilbert, Jr., Deputy State Auditor  
South Carolina Retirement Systems  
Columbia, South Carolina

We have audited the accompanying financial statements of the South Carolina Retirement Systems (the Systems) a component unit of the State of South Carolina, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Systems' management. Our responsibility is to express an opinion on these financial statements based on our audit. The comparative totals for the year ended June 30, 2010, which are included for additional analysis have been derived from South Carolina Retirement Systems' 2010 financial statements and, in our report dated October 14, 2010, we expressed an unqualified opinion on such information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Systems' plan net assets as of June 30, 2011, and the changes in the plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2011 on our consideration of the Systems' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Required Supplementary Schedules of Funding Progress and Employer Contributions, as listed in the table of contents, are not required parts of the financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Other Supplementary Information on pages 62 through 68 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

The Introductory, Investment, Actuarial and Statistical Sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory, Investment, Actuarial and Statistical Sections have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clifton Gundersen LLP*

Baltimore, Maryland  
October 14, 2011

### Management's Discussion and Analysis

This section presents management's discussion and analysis of the South Carolina Retirement Systems' financial position and performance for the year ended June 30, 2011, and is offered as an introduction and analytical overview. This narrative is intended as a supplement and should be read in conjunction with the financial statements and other information presented in the *Comprehensive Annual Financial Report*.

The Retirement Systems' financial statements provide information about the activities of the five defined benefit pension plans administered (listed below), in addition to comparative summary information about the activities of the Retirement Systems as a whole:

- *South Carolina Retirement System (SCRS)* - A member contributory multi-employer plan covering teachers, as well as state and municipal employees;
- *Police Officers Retirement System (PORS)* - A member contributory multi-employer plan covering state and local law enforcement personnel and firefighters;
- *The Retirement System for Members of the General Assembly (GARS)* - A member contributory plan providing benefits to the members of the South Carolina General Assembly;
- *The Retirement System for Judges and Solicitors (JSRS)* - A member contributory plan covering Judges, Solicitors and Public Defenders; and
- *The National Guard Retirement System (NGRS)* - A non-contributory supplemental benefit plan for members of the South Carolina National Guard.

### Overview of the Financial Statements

The South Carolina Retirement Systems represents the collective retirement funds that are held in a group trust and are protected under the constitution. Administrative operations and day to day management of the plans is organizationally aligned under the State Budget and Control Board. The System is considered a division or component unit of the primary government of the state of South Carolina and therefore, trust fund financial information is also included in the comprehensive annual financial report of the state. Financial statements prepared on behalf of the Retirement Systems (Plan), include the following information:

- Statement of Plan Net Assets
- Statement of Changes in Plan Net Assets
- Notes to the Financial Statements
- Required Supplementary Information
- Other Supplementary Information

The *Statement of Plan Net Assets* presents the Plan's assets and liabilities and the resulting net assets, which are held in trust for pension benefits. This statement reflects a year-end snapshot of the Plan's investments, at fair value, along with cash and short-term investments, receivables and other assets and liabilities.

The *Statement of Changes in Plan Net Assets* presents information showing how the Plan's net assets held in trust for pension benefits changed during the year. This statement includes additions for contributions by members and employers and investment earnings and deductions for annuity payments, refunded contributions, death benefit payments and administrative expenses.

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*Notes to the Financial Statements* are an integral part of the basic financial statements and provide additional information that is necessary in order to gain a comprehensive understanding of data reported in the basic financial statements.

*Required Supplementary Information* presents information concerning the Retirement Systems' funding progress trends and its obligations to provide pension benefits to members. A schedule of required employer contributions is also presented and is useful in evaluating the condition of the plans.

*Other Supplementary Information* includes Schedules of Changes in Plan Net Assets by system, as well as schedules of administrative expenses, professional and consultant fees and investment expenses.

### Financial Highlights

- For the fiscal year ended June 30, 2011, the aggregate rate of return earned on the pooled investments of the consolidated pension trust funds as a whole was 18.59 percent. The return for the combined investment portfolio was again positive, resulting in approximately a four percent increase over the prior fiscal year's return of 14.62 percent and above the 8 percent actuarial investment assumed rate of return for the plans. With the continued volatility in the financial markets, the use of actuarial smoothing methods continue to help mitigate the long-term impact of sharply fluctuating market returns from an actuarial funding perspective. The smoothing methodology is used to offset deferred investment gains and losses against each other, which should produce an actuarial asset value fairly consistent with market value during periods of ordinary investment returns and should also result in a more stable contribution rate and funded status.
- The South Carolina Retirement System Investment Commission (RSIC), created in 2005 as a fiduciary for the Retirement Systems, has exclusive authority to invest and manage the trust funds' assets. The RSIC operates under governance policies that allow for a diverse asset allocation and which afford the chief investment officer discretion and flexibility to quickly react to changes in market conditions. The investment portfolio is structured to focus on ensuring the long-term stability of the plans, seeking superior returns at acceptable levels of risk.
- The Commission is responsible for establishing and maintaining a target asset allocation that manages risk, ensures liquidity, and affords flexibility to quickly react to changes in market conditions. During the fiscal year, the Commission increased funding of short duration investments, funded strategic partnership accounts and emerging market equity accounts and continued to fund various limited partnership commitments as capital was called. These actions resulted in a reduction in the allocation to the cash segment.
- The decrease in securities lending collateral is primarily due to the current low interest rate environment and restrictive guidelines imposed to reduce risk. These guidelines mandate that the re-investment of the cash collateral be restricted to short-term, low risk securities.
- The South Carolina Retirement Systems' total plan net assets increased by \$3.2 billion or 14.1 percent during fiscal year 2011. Total plan net assets represent the trust funds for all five defined benefit plans administered by the South Carolina Retirement Systems. Net assets of the plans are held in trust to meet future benefit obligations. The increase in net assets from \$22.7 billion to \$25.9 billion was primarily due to positive returns in the investment market.

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- Although the required percentage contribution rates remained level, there was approximately a one-half percent increase and a one-half percent decrease in the dollar amount of employee and employer contributions respectively. The changes are explained by a significant increase in the amount of employee contributions received for purchased service and a reduction in the overall covered payroll for state departments and public school districts.
- The Teacher and Employee Retention Incentive (TERI) program is a deferred retirement option program under SCRS that allows retired members to accumulate annuity benefits on a deferred basis for up to five years while continuing employment. TERI participants employed by state agencies are exempt from state grievance rights and receive a slightly lower annuity because the calculation of a member's TERI benefit includes no contributions for any unused annual leave payments paid to the member. TERI participants are required to pay the same pre-tax member contribution rate on compensation earned, in the same manner as active members. TERI participants do not earn additional service credit or interest on their TERI account, but are eligible to receive any retiree cost of living increases granted. At the end of the member's TERI participation and upon termination from employment, funds are distributed from the accumulated TERI account. The TERI participant's benefit is also subsequently recalculated to include payment for up to 45 days of unused annual leave paid at termination. The total amount of assets held in trust for future payment of accrued TERI benefits remained relatively stable with a slight increase from \$322 million to \$363 million during fiscal year 2011. The number of members actively participating in TERI increased slightly as well from 5,641 to 5,862 at fiscal year end.
- The JSRS also provides a deferred retirement option program. A JSRS member who has not yet reached the age of 60 years, but who is eligible to retire and receive the maximum monthly benefit may continue to serve as judge, solicitor, or circuit public defender and the member's normal monthly retirement benefit is deferred and placed in the system's trust fund on behalf of the member. Upon reaching the age of 60 years, the balance of the member's deferred retirement benefit is distributed to the member who may continue working and is not required to terminate their position. As of June 30, 2011, two JSRS members were participating in the deferred retirement option program and benefits held in trust totaled \$632,000.
- The total number of retired members and beneficiaries receiving monthly annuity benefits from the Retirement Systems' plans increased to over 134,000 annuitants during the year. Eligible annuitants under both SCRS and PORS received an automatic 2 percent cost of living allowance effective July 1, 2010; therefore, this benefit increase, coupled with the increase in the number of new annuitants added to the payroll during the year, resulted in an overall 6 percent increase in the dollar amount of annual benefits paid to annuitants. Approximately 2 percent of the increased pension expense was attributable to COLA's and slightly more than 4 percent was the result of a volume increase in the number of annuitants.
- In addition to the deferred retirement options available in SCRS and JSRS, all of the plans (excluding NGRS) include certain provisions that allow retired members to continue covered employment while also receiving a monthly retirement benefit. The defined benefit plans administered by South Carolina have extremely lenient return to work provisions in that a retired member of SCRS and PORS is allowed to return to work for a covered employer after retirement, or after ending their TERI participation (SCRS only), and receive their full monthly benefit, with no limit on the amount of wages they may earn from employment. SCRS, PORS and JSRS retirees who return to work for a covered employer after retirement, or ending participation in the TERI program, are required to pay the same employee contribution as an active member in the same position. A member of the GARS who has reached age 70 or 30 years of service may begin

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receiving monthly retirement benefits while continuing to serve in the General Assembly. Retired GARS members who continue to serve receive a reduced salary, but make no further employee contributions to the plan. A JSRS member who is age 60 and eligible to receive the maximum monthly benefit may begin receiving monthly retirement benefits while continuing to serve up until the end of the calendar year in which the member reaches age 72. Under all plans, the employer must pay the corresponding employer contribution for that particular plan. Collectively among the plans, employers report that nearly 22,000 retirees continue covered employment while receiving monthly retirement benefits, thereby making up approximately 8 percent of the total public workforce covered by the Retirement Systems.

- South Carolina state statute allows for retiree cost-of-living allowances (COLAs). Each July 1, eligible retired members of SCRS and PORS receive an automatic COLA equal to the percentage of the annual increase in the Consumer Price Index for Wage Earners and Clerical Workers (CPI-W) as of the previous December 31, up to an increase of 2 percent. If the CPI-W is less than 2 percent, the COLA equals the percentage of the actual increase in the CPI-W. COLAs are awarded only during periods of inflation, so no COLA will be awarded if the CPI-W is negative. The Budget and Control Board, as trustees of the state's pension trust funds, may approve ad hoc COLAs of up to 2 percent in addition to the automatic COLA, but only if stringent funding requirements are met. A 2 percent COLA was applied to eligible annuity benefits effective July 1, 2010.
- Qualified Excess Benefit Arrangement (QEBA) trust funds are maintained for each of the plans administered by the South Carolina Retirement Systems. A QEBA is intended to be a qualified governmental excess benefit arrangement within the meaning of Section 415(m)(3) of the Internal Revenue Code and provides the part of a participant's retirement benefit that would have been paid under the South Carolina Retirement Systems had there been no limitations under Code Section 415(b). The QEBA plans are separate and apart from the funds comprising the Retirement funds and are not commingled with assets of those funds. The QEBA is not prefunded; therefore, no assets or income are accumulated to pay future benefits. The amount of required contributions necessary to pay benefits under the plans is determined and deposited to the trust funds on an as-needed basis. Employer contributions to fund the excess benefits are not credited or commingled with contributions paid into and accumulated in the Retirement funds.
- The most recent actuarial valuation report prepared by Cavanaugh MacDonald Consulting, LLC and accepted as information by the South Carolina Budget and Control Board requires the SCRS employer contribution rate to be increased to 10.6 percent effective July 1, 2012, in order to maintain a 30-year funding period for the 2010 actuarial valuation. Similarly, a total employer contribution increase to 12.3 percent is required for PORS.



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### Condensed Financial Information

The Retirement Systems' ability to adequately fund retirement benefits payable to members in future years is viable because funds are accumulated and invested on a regular and systematic basis. The five defined benefit funds provide lifetime annuity benefits to vested eligible members who serve as employees of state, public school, higher education institution, local and municipal government, state legislative, judicial, and South Carolina National Guard employers.

The Systems' principal sources of revenue are employee contributions, employer contributions and investment earnings. Required annual contributions for the NGRS are funded through an annual state appropriation. Expenses of the Systems consist primarily of payments of monthly annuities to retired members or their beneficiaries, and refunds of member contributions and interest which are paid subsequent to termination of employment. The defined benefit plans include an incidental death benefit for both active and retired members and an accidental death plan for members of the PORS. The Systems also administer a State Optional Retirement Program (State ORP) which is a defined contribution plan available to newly hired employees of state agencies, higher education and public school districts.

The following summary of comparative financial statements of the pension trust funds are presented on the following page.

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### Plan Net Assets June 30 (Amounts expressed in thousands)

<b>Assets</b>	<b>2011</b>	<b>2010</b>	<b>Increase/ (Decrease)</b>	<b>% Increase/ (Decrease)</b>
Cash and cash equivalents, receivables and prepaid expenses	\$ 3,977,880	\$ 5,298,443	\$ (1,320,563)	(24.92%)
Investments, at fair value	23,870,891	18,829,568	5,041,323	26.77%
Securities lending cash collateral invested	229,161	324,593	(95,432)	(29.40%)
Capital Assets, net of accumulated depreciation	3,103	3,221	(118)	(3.66%)
<b>Total Assets</b>	<b>28,081,035</b>	<b>24,455,825</b>	<b>3,625,210</b>	<b>14.82%</b>
<b>Liabilities</b>				
Deferred retirement benefits	364,005	323,093	40,912	12.66%
Obligations under securities lending	229,161	324,593	(95,432)	(29.40%)
Other accounts payable	1,596,020	1,116,479	479,541	42.95%
<b>Total Liabilities</b>	<b>2,189,186</b>	<b>1,764,165</b>	<b>425,021</b>	<b>24.09%</b>
<b>Total Net Assets</b>	<b>\$ 25,891,849</b>	<b>\$ 22,691,660</b>	<b>\$ 3,200,189</b>	<b>14.10%</b>

### Changes in Plan Net Assets Year Ended June 30 (Amounts expressed in thousands)

<b>Additions</b>	<b>2011</b>	<b>2010</b>	<b>Increase/ (Decrease)</b>	<b>% Increase/ (Decrease)</b>
Employee contributions	\$ 644,337	\$ 641,199	\$ 3,138	0.49%
Employer contributions	948,485	952,698	(4,213)	(0.44%)
State-appropriated contributions	3,904	4,052	(148)	(3.65%)
Net Investment income	4,145,907	2,996,382	1,149,525	38.36%
Other income	3,022	2,415	607	25.13%
<b>Total Additions</b>	<b>5,745,655</b>	<b>4,596,746</b>	<b>1,148,909</b>	<b>24.99%</b>
<b>Deductions</b>				
Annuity benefits	2,403,763	2,263,699	140,064	6.19%
Refunds	99,550	89,491	10,059	11.24%
Death benefits	18,655	21,957	(3,302)	(15.04%)
Administrative & other expenses	23,498	22,317	1,181	5.29%
<b>Total Deductions</b>	<b>2,545,466</b>	<b>2,397,464</b>	<b>148,002</b>	<b>6.17%</b>
<b>Increase in Net Assets</b>	<b>3,200,189</b>	<b>2,199,282</b>	<b>1,000,907</b>	<b>(45.51%)</b>
Beginning Net Assets	22,691,660	20,492,378	2,199,282	10.73%
<b>Ending Net Assets</b>	<b>\$ 25,891,849</b>	<b>\$ 22,691,660</b>	<b>\$ 3,200,189</b>	<b>14.10%</b>

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### Analysis of the Plan's Financial Position and Results of Operations

On a combined basis, the defined benefit Plan net assets were valued at \$25.9 billion at June 30, 2011, representing a 14 percent increase in net assets from the previous fiscal year-end. Investment income, in excess of net benefits paid out, was the primary driver of the increase in Plan net assets for the fiscal year.

The Plan's return for the fiscal year 2011 was 18.59 percent. The largest asset class exposures experienced positive returns for the fiscal year: the total physical equity portfolio, 34.6 percent; the total physical fixed income portfolio, 10.2 percent; and the total alternatives portfolio, 14.3 percent. During the fiscal year, the Plan maintained its target allocation of 10 percent to cash and short duration. Although this allocation restrained the Plan's overall performance, the benefits of maintaining a cash surplus include the ability to take advantage of unscheduled investment opportunities, ensures sufficient cash is on hand to pay benefits, and prevent the possibility of being a forced seller during a market downturn.

The Plan's positive performance relative to the Policy and Strategy benchmarks was driven by solid performance across all asset classes. The opportunistic credit portfolio returned 12.5 percent and non-core fixed income portfolio, which includes high yield, global fixed income and emerging market debt, returned 14.3 percent as of fiscal year-end. Other highlights in fiscal year 2011 were hedge fund and private equity, yielding positive returns of 11.6 percent and 20.2 percent respectively which are also included in the total alternatives portfolio.

During fiscal year 2011, the total dollar amount of retirement annuities paid increased over 6 percent when compared with the previous fiscal year. As mentioned above, the increase was attributable to an automatic 2 percent cost of living allowance granted to eligible SCRS and PORS annuity recipients effective July 1, 2010, along with an increase in the number of new annuitants added to the payroll during the year. Under South Carolina state statute, provided that the actuarial assumed rate of investment return is at least 8 percent, each July 1, eligible SCRS and PORS retirees should receive an automatic COLA. The COLA is equal to the percentage of the annual increase in the CPI-W as of the previous December 31, up to an increase of 2 percent. If the CPI-W is less than 2 percent, the COLA should equal the percentage of the actual increase in the CPI-W. COLAs are awarded only during periods of inflation, so no COLA is awarded when the CPI-W is negative. SCRS and PORS retirees did not receive a COLA in fiscal year 2010 as a result of a negative CPI-W.

### Funding Status

An overall objective in the funding of a defined benefit retirement plan is to accumulate sufficient funds to meet long-term benefit obligations. The primary sources of assets to fund benefits include investment income, member contributions and employer contributions. Beginning with investment performance for the fiscal year ended June 30, 2008, a ten-year smoothing method technique is used to actuarially value assets. This asset valuation method mitigates the impact of market volatility and allows changes in market conditions to be recognized (smoothed) over a period of years. Excess returns and shortfalls determined prior to July 1, 2008, are recognized over a five-year period.

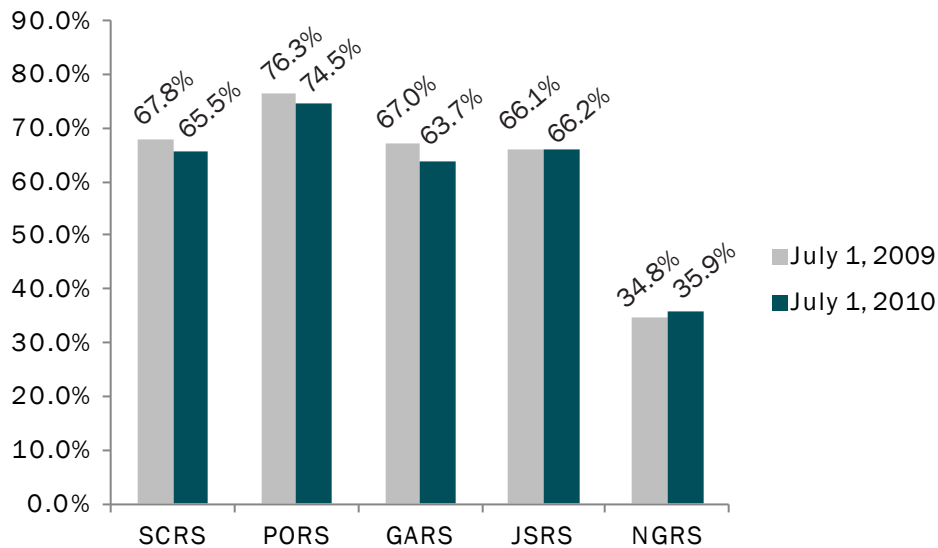
The ratio of actuarial assets to actuarial liabilities provides an indication as to whether sufficient assets are accumulated to pay benefits when due; the greater the level of funding, the larger the ratio of actuarial assets to actuarial accrued liabilities. The most recent actuarial valuations prepared as of July 1, 2010, and accepted by the South Carolina Budget and Control Board indicate that the funded ratios of each of the five individual

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plans remained relatively stable from the previous valuations. As of July 1, 2010, funding levels of all the plans are such that annual expected contributions are sufficient for the valuation to find that the plans are actuarially sound. The changes in the levels of funding do not affect the availability of funds or resources for future use and actuarial projections indicate that unfunded liabilities should be amortized and funded within acceptable funding guidelines. The funded ratios of the five plans are presented in the following graph.

**Funded Ratios**  
*(Actuarial assets as a percentage of actuarial accrued liabilities)*



### Requests for Information

This financial report is designed to provide a general overview of the Retirement Systems' finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be directed as follows:

Financial Services  
South Carolina Retirement Systems  
P.O. Box 11960  
Columbia, SC 29211-1960  
803-737-6800  
[www.retirement.sc.gov](http://www.retirement.sc.gov)

## Financial Section

# South Carolina Retirement Systems Statement of Plan Net Assets June 30, 2011

With comparative totals for June 30, 2010  
(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2010
<b>ASSETS</b>							
Cash and cash equivalents	\$2,571,401	\$ 381,861	\$ 4,565	\$ 15,118	\$ 3,020	\$ 2,975,965	\$ 3,991,357
Receivables							
Due from other Systems		458		92		550	267
Employee and employer contributions	154,831	17,109	34	684	15	172,673	180,469
Employer contributions long-term	18	8				26	352
Accrued investment income	55,107	7,761	90	308	40	63,306	63,321
Unsettled investment sales	641,058	93,240	960	3,572	461	739,291	1,058,915
Other investment receivables	21,697	3,139	33	121	16	25,006	2,798
Total receivables	872,711	121,715	1,117	4,777	532	1,000,852	1,306,122
Investments, at fair value							
Short-term securities	10,113	1,471	16	56	7	11,663	570
Debt							
Domestic Fixed Income	3,309,873	481,410	4,955	18,445	2,380	3,817,063	3,894,622
Global Fixed Income	2,780,555	404,422	4,163	15,495	1,999	3,206,634	2,839,508
Public Equity							
Domestic Equity	1,808,944	263,105	2,708	10,080	1,301	2,086,138	1,619,972
Global Equity	1,075,869	156,482	1,611	5,996	773	1,240,731	293
Alternatives	11,713,707	1,703,719	17,537	65,277	8,422	13,508,662	10,474,603
Total investments	20,699,061	3,010,609	30,990	115,349	14,882	23,870,891	18,829,568
Securities lending cash collateral invested	198,711	28,902	298	1,107	143	229,161	324,593
Prepaid expenses	924	132	2	4	1	1,063	964
Capital assets, net of accumulated depreciation	2,795	286	8	14		3,103	3,221
Total assets	24,345,603	3,543,505	36,980	136,369	18,578	28,081,035	24,455,825
<b>LIABILITIES</b>							
Due to other Systems	458	92				550	267
Accounts payable - unsettled investment purchases	1,161,046	168,870	1,738	6,470	835	1,338,959	924,170
Investment fees payable	16,059	2,336	24	91	11	18,521	17,103
Obligations under securities lending	198,711	28,902	298	1,107	143	229,161	324,593
Deferred retirement benefits	363,373			632		364,005	323,093
Due to Employee Insurance Program	41,389	1,491				42,880	38,436
Benefits payable	3,743	459			4	4,206	4,817
Other liabilities	165,795	23,822	251	917	119	190,904	131,686
Total liabilities	1,950,574	225,972	2,311	9,217	1,112	2,189,186	1,764,165
Net assets held in trust for Pension Benefits (a schedule of funding progress for each plan is presented on Page 60)	\$22,395,029	\$ 3,317,533	\$ 34,669	\$ 127,152	\$ 17,466	\$25,891,849	\$22,691,660

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# South Carolina Retirement Systems Statement of Changes in Plan Net Assets Year Ended June 30, 2011

With comparative totals for the year ended June 30, 2010  
(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2010
<b>Additions</b>							
Contributions							
Employee	\$ 562,170	\$ 79,334	\$ 624	\$ 2,209	\$ -	\$ 644,337	\$ 641,199
Employer	808,343	129,314	2,414	8,414		948,485	952,698
State appropriated					3,904	3,904	4,052
Total contributions	<u>1,370,513</u>	<u>208,648</u>	<u>3,038</u>	<u>10,623</u>	<u>3,904</u>	<u>1,596,726</u>	<u>1,597,949</u>
Investment Income							
Net appreciation in							
fair value of investments	3,447,010	497,595	5,447	19,216	2,424	3,971,692	2,778,536
Interest and dividend income	211,510	30,713	331	1,216	150	243,920	264,602
Investment expense	(61,618)	(8,945)	(98)	(346)	(43)	(71,050)	(51,104)
Net income from investing activities	<u>3,596,902</u>	<u>519,363</u>	<u>5,680</u>	<u>20,086</u>	<u>2,531</u>	<u>4,144,562</u>	<u>2,992,034</u>
From securities lending activities:							
Securities lending income	587	84	1	3	1	676	5,530
Securities lending borrower rebates	580	84	1	3	1	669	(1,182)
Net income from securities lending activities	<u>1,167</u>	<u>168</u>	<u>2</u>	<u>6</u>	<u>2</u>	<u>1,345</u>	<u>4,348</u>
Total net investment income (loss)	<u>3,598,069</u>	<u>519,531</u>	<u>5,682</u>	<u>20,092</u>	<u>2,533</u>	<u>4,145,907</u>	<u>2,996,382</u>
Supplemental retirement benefits funded by the							
State	832	37				869	999
Transfers of contributions from other Systems	52	1,907	1	193		2,153	1,416
Total additions	<u>4,969,466</u>	<u>730,123</u>	<u>8,721</u>	<u>30,908</u>	<u>6,437</u>	<u>5,745,655</u>	<u>4,596,746</u>
<b>Deductions</b>							
Refunds of contributions to members	84,591	14,902	57			99,550	89,491
Transfers of contributions to other Systems	1,914	92	147			2,153	1,416
Regular retirement benefits	1,977,325	242,872	6,528	14,518	4,011	2,245,254	2,104,139
Deferred retirement benefits	155,874			232		156,106	157,099
Supplemental retirement benefits	832	37				869	999
Death benefits	16,485	1,984	58	128		18,655	21,957
Accidental death benefits		1,534				1,534	1,462
Depreciation	107	11				118	119
Administrative expenses	18,446	2,632	32	104	13	21,227	20,782
Total deductions	<u>2,255,574</u>	<u>264,064</u>	<u>6,822</u>	<u>14,982</u>	<u>4,024</u>	<u>2,545,466</u>	<u>2,397,464</u>
Net increase	2,713,892	466,059	1,899	15,926	2,413	3,200,189	2,199,282
Net assets held in trust for Pension Benefits							
Beginning of year	19,681,137	2,851,474	32,770	111,226	15,053	22,691,660	20,492,378
End of year	<u>\$22,395,029</u>	<u>\$ 3,317,533</u>	<u>\$ 34,669</u>	<u>\$ 127,152</u>	<u>\$ 17,466</u>	<u>\$ 25,891,849</u>	<u>\$ 22,691,660</u>

The accompanying notes are an integral part of these financial statements.

# South Carolina Retirement Systems

## Notes to Financial Statements

### I. Basis of Presentation and Summary of Significant Accounting Policies

#### Description of the Entity

The financial statements of the South Carolina Retirement Systems (Systems) presented herein contain the following funds:

#### Pension Trust Funds

- South Carolina Retirement System (SCRS)
- South Carolina Police Officers Retirement System (PORS)
- Retirement System for Members of the General Assembly of the State of South Carolina (GARS)
- Retirement System for Judges and Solicitors of the State of South Carolina (JSRS)
- National Guard Retirement System (NGRS)

Each pension trust fund operates on an autonomous basis; funds may not be utilized for any purpose other than for the benefit of each plan's participants.

The Retirement Systems are part of the state of South Carolina's primary government and are included in the *Comprehensive Annual Financial Report of the State of South Carolina*. In making this determination, factors of financial accountability, governance and fiduciary responsibility of the state were considered.

#### Plan Descriptions

The South Carolina Retirement System, a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement

allowances and other benefits for public school districts and employees of the state and political subdivisions thereof.

The South Carolina Police Officers Retirement System, a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

The Retirement System for Members of the General Assembly of the State of South Carolina, a single-employer defined benefit pension plan, was created effective January 1, 1966, pursuant to the provisions of Section 9-9-20 of the South Carolina Code of Laws to provide retirement allowances and other benefits for members of the General Assembly.

The Retirement System for Judges and Solicitors of the State of South Carolina, a single-employer defined benefit pension plan, was created effective July 1, 1979, pursuant to the provisions of Section 9-8-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for judges, solicitors, and circuit public defenders of the state.

The National Guard Retirement System, a single-employer defined benefit pension plan, was created effective July 1, 1975, and is governed by the provisions of Section 9-10-30 of the South Carolina Code of Laws for the purpose of providing supplemental retirement benefits to certain members who served in the South Carolina National Guard.

## Financial Section

A summary of information related to participating employers who reported wages earned for active members during the fiscal year ended June 30, 2011, follows (dollar amounts expressed in thousands):

	State <sup>1</sup>	School	Other	Total
<b>SCRS</b>				
Number of Employers	112	114	577	803
Annual Covered Payroll	\$2,247,145	\$3,151,789	\$1,933,196	\$7,332,130
Average Number of Contributing Members	54,514	86,122	55,592	196,228
<b>PORS</b>				
Number of Employers	64	50	316	430
Annual Covered Payroll	\$346,404	\$348	\$680,440	\$1,027,192
Average Number of Contributing Members	10,253	18	17,464	27,735
<b>GARS</b>				
Number of Employers	2			2
Annual Covered Payroll	\$3,174			\$3,174
Number of Elected Positions	170			170
<b>JSRS</b>				
Number of Employers	3			3
Annual Covered Payroll	\$16,343			\$16,343
Average Number of Contributing Members	144			144
<b>NGRS</b>				
Number of Employers	1			1
Annual Covered Payroll <sup>2</sup>	N/A			N/A
Average Number of Active Members	12,274			12,274

<sup>1</sup>Each State Agency is considered a separate employer for reporting purposes. Quasi-State Agencies and Institutions of Higher Education are reported in this category.

<sup>2</sup>Annual covered payroll is not applicable for NGRS because it is a non-contributory plan.

Based upon the most recent actuarial valuations dated July 1, 2010, and adopted by the Budget and Control Board, membership in the Systems was as follows:

	SCRS	PORS	GARS	JSRS <sup>1</sup>	NGRS	Totals
Retirees and beneficiaries currently receiving benefits	111,394	12,566	346	194	3,951	128,451
Terminated members entitled to but not yet receiving benefits	156,871	11,899	36	4	2,683	171,493
Total active, elected positions, and other special contributing members	190,239	26,568	196	144	12,445	229,592
Total membership	458,504	51,033	578	342	19,079	529,536

<sup>1</sup>Total for retirees and beneficiaries includes 14 participants who retired in place and continued to serve as a judge, solicitor, or circuit public defender pursuant to the provisions of Section 9-8-60 (7)(b) of the South Carolina Code of Laws.



## Financial Section

Membership and benefit requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of each is presented below.

### Membership SCRS

Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers.

#### State ORP

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. The SCRS assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the Systems for financial statement purposes.

Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the investment providers for the employee contribution (6.50 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for a portion of the employer contribution (4.24 percent) and a death benefit contribution (.15 percent), which is retained by the SCRS. The activity for the State ORP is as follows:

**State ORP Activity**  
**Year Ended June 30, 2011**  
*(Dollar amounts expressed in thousands)*

<b>Average Number of Contributing Participants</b>	<b>19,681</b>
<b>Annual Covered Payroll</b>	<b>\$960,684</b>
<b>Employer Contributions Retained by SCRS</b>	<b>40,733</b>
<b>Death Benefit Contributions Retained by SCRS</b>	<b>1,441</b>
<b>Employee Contributions to Investment Providers</b>	<b>62,444</b>
<b>Employer Contributions to Investment Providers</b>	<b>48,034</b>

#### PORS

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order,

protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.

#### GARS

All members of the Senate and the House of Representatives are required to participate in and contribute to the system upon taking office as a member of the South Carolina General Assembly.

#### JSRS

All solicitors, circuit public defenders, judges of a Circuit or Family Court and justices of the Court of Appeals and Supreme Court are required to participate in and contribute to the system upon taking office.

#### NGRS

Membership consists of individuals who serve in the South Carolina National Guard.

### Pension Benefits SCRS

A monthly pension is payable at age 65 or with 28 years credited service regardless of age. Reduced pension benefits are payable at age 55 with 25 years of service credit. A member is eligible to receive a reduced deferred annuity at age 60 with five years earned service. Death benefits are also available to active and retired members who have at least one year of service, provided their employer participates in the program.

Each July 1, eligible SCRS retirees should receive an automatic cost-of-living adjustment (COLA) equal to the percentage of the annual increase in the Consumer Price Index for Wage Earners and Clerical Workers (CPI-W) as of the previous December 31, up to an increase of 2 percent. If the CPI-W is less than 2 percent, the COLA should equal the percentage of the actual

## Financial Section

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increase in the CPI-W. COLAs are awarded only during periods of inflation, so no COLA will be awarded if the CPI-W is negative. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for COLAs until the second July 1 after reaching age 60 or the second July 1 after the date he would have had 28 years of service credit had he not retired.

### **PORS**

A monthly pension is payable at age 55 with a minimum of five years earned service or with 25 years of service regardless of age. A member is eligible to receive a deferred annuity at age 55 with five years earned service. Death benefits are also available to members who have at least one year of service provided their employer participates in the program. An additional accidental death benefit is also offered to members killed in the line of duty while working for a covered employer.

Each July 1, eligible PORS retirees should receive an automatic cost-of-living adjustment (COLA) equal to the percentage of the annual increase in the CPI-W as of the previous December 31, up to an increase of 2 percent. If the CPI-W is less than 2 percent, the COLA should be equal to the percentage of the actual increase in the CPI-W. COLAs are awarded only during periods of inflation, so no COLA will be awarded if the CPI-W is negative.

### **GARS**

A member is eligible for a monthly pension at age 60 or with 30 years credited service. A member who has attained age 70 or has 30 years of service is eligible to retire and draw an annuity while continuing to serve in the General Assembly. A member is eligible to receive a deferred annuity with eight years of service. A death benefit is also provided to members who have at least one year of service. Retirees receive increases in benefits based upon increases in the current salary of their respective active positions.

### **JSRS**

A pension benefit is payable at age 70 with 15 years service, age 65 with 20 years service, age 65 with four years in a JSRS position and 25 years other service

with the state, 25 years service regardless of age for a judge or 24 years of service for a solicitor or a circuit public defender regardless of age. A judge is vested in the system after attaining 10 years of earned service in the position of judge, and a solicitor or a circuit public defender is vested in the system after attaining eight years of earned service. A member who has reached maximum eligibility is eligible to retire and draw an annuity while continuing to serve. A death benefit is also provided to members with at least one year of service.

Retirees receive increases in benefits based upon increases in the current salary of their respective active positions.

### **NGRS**

A monthly pension is payable at age 60 provided the member was honorably discharged from active duty with at least 20 years of total creditable military service. Of the 20 years total creditable military service, at least 15 must have been served in the South Carolina National Guard. Additionally, the last 10 years of service must have been served in the South Carolina National Guard. No cost-of-living increases are provided to NGRS retirees.

## **Summary of Significant Accounting Policies Fund Structure**

The Systems' accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate pension trust funds (fiduciary fund type) are used to account for the activities of the five public employee retirement systems administered by the Systems.

### **Basis of Accounting**

All funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan.

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## Financial Section

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### Administrative Expenses

The State Budget and Control Board's Office of Internal Operations maintains an internal service fund to account for the administrative costs of operating the Systems. All accounting and corresponding disclosures related to administrative expenses are the responsibility of the internal service fund administered by the Board. Administrative expenses are funded by both employer contributions and investment earnings and are assessed to each of the pension trust funds based on its respective portion of total assets in order to pay for actual expenses incurred during the year. Administrative expenses of the Systems include employee salaries and associated employee benefits, disability evaluations, fiduciary liability insurance and other professional service fees. In addition, the Retirement Systems Investment Commission, a separate State Agency charged with investing the trust fund assets, is funded entirely from the trust fund. Expenses for the RSIC include salaries and benefits for both investment and administrative staff and other professional service fees.

### Cash and Cash Equivalents

The Systems classifies cash on deposit in financial institutions and cash on deposit in the state's internal cash management pool as cash and cash equivalents. The Systems also classifies certain short-term highly liquid securities as cash equivalents if the date of maturity is three months or less from the date of acquisition. Forward contracts and foreign currencies are also classified as cash and cash equivalents.

### Contributions

Employee, employer, and state-appropriated contributions are recognized in the period in which they are due, pursuant to formal commitments as well as statutory requirements. Substantially all contributions receivable are collected within 30 days of year-end. All long-term employer contributions receivable are expected to be collected within the next three years.

### Investments

The Retirement System Investment Commission, created by the General Assembly in 2005 as fiduciary for the Retirement Systems, has exclusive authority for investing and managing all assets of the plan. Funds

of the Systems are invested subject to the terms, conditions, limitations, and restrictions imposed by Section 16, Article X of the South Carolina Constitution and Section 9-1-1310 (B) and Title 9 Section 16 of the South Carolina Code of Laws. The funds and assets of the various state retirement systems are not funds of the State, but are instead held in trust as provided in Section 9-16-20.

The Retirement System Investment Commission is structured as a separate state agency reporting to a group of Commissioners. Commission members are appointed and are comprised of six financial experts, including the State Treasurer and a nonvoting retired member. The RSIC employs a chief investment officer who, under the direction and supervision of the Commission, oversees the investment program for the Retirement Systems' \$25.9 billion pension trust fund. The Commission also retains an independent consultant to provide investment consulting services necessary to fulfill the duties for investing the Systems' portfolio.

As fiduciary on behalf of the Retirement Systems, the Commission enters into individual agreements with various investment managers to invest plan assets seeking superior long-term results at an acceptable level of risk. As of June 30, 2011, legal agreements were in place with 85 investment managers.

For financial statement purposes, investments of the pension trust funds are reported at fair value in the Statement of Plan Net Assets. Short term securities categorized as cash or cash equivalents are reported at fair value. The Systems holds domestic and global equity and fixed income securities which are traded on organized exchanges. These investments are valued by the investment custodian using the last reported sales price on a trade-date basis. Private market investments typically utilize a limited partnership structure and private equity funds normally represent investments in operating companies that are not publicly traded on a stock exchange. The fair values of limited partnership investments are based on valuations of the underlying companies of the limited partnerships. The fair values of alternative investments including private

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## Financial Section

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equity, opportunistic credit, real estate and certain other investments, where current market values are not readily ascertainable, are valued in good faith based on the most recent financial information available for the underlying companies and reported by the investment managers at the measurement date, adjusted for subsequent cash flow activities through June 30, 2011. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Investments are combined in a commingled investment pool, with each system owning a percentage of the pool and receiving proportionate investment income in accordance with their respective ownership percentage. Investment income includes realized and unrealized appreciation (depreciation) in the fair value of investments, interest income earned, dividend income earned, less investment expense, plus income from securities lending activities, less deductions for securities lending expenses. Several of the alternative investment managers provide account valuations on a net of fee basis. Those management fees are netted against investment income and because they are not readily separable, amounts are recorded and reported net of fees in the net appreciation (depreciation) in the fair value of investments.

### Capital Assets

Capital assets are capitalized at cost and depreciated on a straight-line basis over an estimated useful life of forty years.

## II. Contributions and Reserves

Contributions to each of the Plans are prescribed in Title 9 of the South Carolina Code of Laws.

Plan members are required to contribute at statutorily established rates. The rates applicable for fiscal year 2011 follow:

<b>SCRS</b>	<b>6.5% of earnable compensation</b>
<b>PORS</b>	<b>6.5% of earnable compensation</b>
<b>GARS</b>	<b>10% of earnable compensation</b>
<b>JSRS</b>	<b>10% of earnable compensation</b>
<b>NGRS</b>	<b>Non-contributory</b>

Employer contributions are established by the State Budget and Control Board at the actuarially determined rates recommended by the Systems' actuaries.

Contributions for the NGRS are provided by state appropriations based on the annual required contribution determined by the Systems' actuary on an annual basis.

In accordance with provisions of the 2010-2011 State Appropriations Act, an additional employer contribution surcharge of 3.90 percent of covered payroll was added to the contribution rate applicable to state and local governments, and public school entities covered by the Employee Insurance Program. This assessment is for the purpose of providing retiree health and dental insurance coverage and is not a part of the actuarially established contribution rates for retirement funding purposes. Functioning as a collecting agent, SCRS and PORS collected (amounts expressed in thousands) \$268,792 and \$14,491 respectively in retiree insurance surcharges (\$37,434 of which was applicable to the State ORP) and remitted these funds to the Employee Insurance Program.

## Financial Section

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Net Assets of each plan are required to be reserved in the following accounts:

The **Employer Fund** is credited with all employer retirement contributions and investment earnings of the Employee and Employer Funds. Upon retirement, all member account balances and contributions are transferred to the Employer Fund as all annuities and administrative expenses of the Systems are paid from this fund. Annual state appropriations to the NGRS are also credited to the Employer Fund to provide funding for the payment of annuities and administrative expenses.

The **Employee Fund** is credited with all contributions made by active members of the Systems. Interest is credited to each member's individual account at an annual rate of 4 percent by transferring funds from the Employer Fund to the Employee Fund. At termination of employment prior to retirement, employee contributions and accumulated interest may be refunded from this fund to the member. At retirement, employee contributions and interest are transferred from the Employee Fund to the Employer Fund for subsequent payment of benefits.

The **Death Benefit Fund**, formerly referred to as the Group Life Fund, (SCRS and PORS only) is the fund to which participating employers contribute for the

purpose of providing a death benefit to active and retired members of the Systems. Employer contributions and investment earnings are credited to this fund. Death benefit payments and administrative expenses are paid from this fund.

The **Accidental Death Fund** (PORS only) is the fund to which participating employers contribute for the purpose of providing annuity benefits to beneficiaries of members of PORS killed in the actual performance of their duties. This fund and its benefits are independent of any other retirement benefit available to the beneficiary. Employer contributions and investment earnings are credited to this fund. Monthly survivor annuities and administrative expenses are paid from this fund.

The **Qualified Excess Benefit Arrangement (QEBA) Fund** is the fund from which annuity benefits are paid when a benefit recipient exceeds IRC Section 415(b) limits on the amount an individual may receive annually from a qualified defined benefit pension plan. Employer contributions are credited to this fund on an as-needed basis in an amount equivalent to the amount of benefits being paid out of the QEBA fund due to IRC Section 415(b) limitations.

Balances in the respective reserves at June 30, 2011, were as follows (amounts expressed in thousands):

	SCRS	PORS	GARS	JSRS	NGRS	Total
Employee Fund	\$ 6,472,646	\$ 786,724	\$ 7,100	\$ 18,864	\$ -	\$ 7,285,334
Employer Fund	15,807,512	2,465,596	27,569	108,288	17,466	18,426,431
Death Benefit Fund	114,871	28,446				143,317
Accidental Death Fund		36,767				36,767
Qualified Excess Benefit Arrangement Fund						
	\$22,395,029	\$ 3,317,533	\$ 34,669	\$ 127,152	\$ 17,466	\$25,891,849

## Financial Section

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### III. Deposits and Investments

#### Deposit and Investment Risk Disclosures

The tables presented on Pages 45-48 include disclosures of credit and interest rate risk in accordance with Governmental Accounting Standards Board Statement 40 and are designed to inform financial statement users about investment risks which could affect the Systems' ability to meet its obligations. These tables classify investments by risk type, while the financial statements disclose investments by asset class. The table amounts were provided by the custodian bank and agree to the Statement of Plan Net Assets.

#### Custodial Credit Risk

##### Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Systems' deposits may not be recovered. As prescribed by South Carolina state statute, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks. These deposits are secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the state against loss in the event of insolvency or liquidation of the institution or for any other cause. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 or collateralized with securities held by the state or its agent in the State Treasurer's name as custodian.

The total amount of the Systems' deposits at June 30, 2011, was as follows (amounts expressed in thousands):

	<b>Carrying Amount</b>
<b>SCRS</b>	\$ 37,809
<b>PORS</b>	5,575
<b>GARS</b>	67
<b>JSRS</b>	110
<b>NGRS</b>	38
<b>Total</b>	<u>\$ 43,599</u>

Actual bank balances at June 30, 2011, totaled \$71,930 (expressed in thousands).

#### Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Systems will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. Investing for the Systems is governed by Section 16, Article X of the South Carolina Constitution and Section 9-1-1310(B) and Title 9 Section 16 of the South Carolina Code of Laws. Funds held in trust for the Retirement Systems may be invested and reinvested in a variety of instruments including, but not limited to, fixed income instruments of the United States, foreign fixed income obligations, swaps, forward contracts, futures and options, domestic and international equity securities, private equity, real estate, and fund of funds.

## Financial Section

The following table presents the fair value of investments as of June 30, 2011:

### Statement of Invested Assets June 30, 2011 (Amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
<b>Short Term Investments</b>	
Commingled Funds U.S. Debt	\$ 162,268
Short Term Investment Funds (U.S. Regulated)	1,220,664
Repurchase Agreements	822,085
U.S. Treasury Bills	1,270
Certificates of Deposit	11,253
<b>Total Short Term Investments</b>	2,217,540
<b>Equity Allocation</b>	
<b>Domestic Equity</b>	
Common Stocks	2,023,690
Real Estate Investment Trusts	56,520
Preferred	3,192
Convertible Preferred	2,736
<b>Global Equity</b>	1,240,731
<b>Total Equity</b>	3,326,869
<b>Fixed Income Allocation</b>	
<b>Domestic Fixed Income</b>	
<b>U.S. Government:</b>	
U.S. Government Treasuries <sup>1</sup>	1,003,056
U.S. Government Agencies	96,843
<b>Mortgage Backed:</b>	
Government National Mortgage Association	287,955
Federal National Mortgage Association	309,616
Federal Home Loan Mortgage Association	1,875
Federal Home Loan Mortgage Association (Multiclass)	3,418
Collateralized Mortgage Obligations	1,985
<b>Municipals</b>	85,278
<b>Corporate:</b>	
Corporate Bonds	1,140,597
Convertible Bonds	19,428
Asset Backed Securities	290,500
<b>Yankee Bonds<sup>2</sup></b>	9,707
<b>Private Placements</b>	507,658
<b>Global Fixed Income:</b>	
International Asset Backed	4,893
International Commingled Funds	2,406,154
International Corporate Bonds	236,969
International Emerging Debt	526,710
International Government Bonds	91,181
<b>Total Fixed Income</b>	7,023,823
<b>Alternatives</b>	
Credit Default Swaps	650
Equity Index and Interest Rate Swaps	16
Total Return Swaps	(81,443)
Commingled Funds Balanced	2,389,241
Futures Contracts	76,122
Options	(3,148)
Hedge Funds	3,301,719
Opportunistic Credit	860,197
Private Equity Limited Partnerships	1,041,013
Real Estate	36,220
Strategic Partnerships	5,888,075
<b>Total Alternative Investments</b>	13,508,662
<b>Total Invested Assets</b>	\$ 26,076,894
<b>Invested Securities Lending Collateral</b>	\$ 229,161

<sup>1</sup>U.S. Government Treasuries includes Notes, Bonds, and Treasury Inflation Protected Securities (TIPS).

<sup>2</sup>Yankee Bonds are foreign bonds denominated in U.S. Dollars and are registered with the Securities and Exchange Commission (SEC) for sale in the United States.

**Reconciliation of Statement of Invested Assets (listed above) to the Statement of Plan Net Assets:**

<b>Total Invested Assets</b>	\$ 26,076,894
<b>Short Term Investments classified as Cash &amp; Cash Equivalents:</b>	
Commingled Funds U.S. Debt	(162,268)
Short Term Investment Funds (U.S. Regulated)	(1,220,664)
Repurchase Agreements	(822,085)
U.S. Treasury Bills	(860)
Corporates	(126)
<b>Total Investments on Statement of Plan Net Assets</b>	\$ 23,870,891

## Financial Section

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While the Systems' have no formal interest rate risk policy, interest rate risk is managed within the portfolio using effective duration, which is a measure of the price sensitivity of a bond or a portfolio of bonds to interest rate movements given a 50 basis point change in interest rates. Effective duration takes into account that expected cash flows will fluctuate as interest rates change and provides a measure of risk that changes proportionately with market rates. Within the investment policy, operational guidelines specify the degree of interest rate risk taken versus the benchmark within each fixed income portfolio.

The Systems invests in mortgage-backed securities which are reported at fair value in the Statement of Plan Net Assets and are based on cash flows from principal and interest payments of the underlying mortgages. These securities are sensitive to prepayments, which are likely in an environment of declining interest rates, and thereby reduce the value of the security. The Systems invests in these securities to diversify the fixed income portfolio and minimize risk. Disclosures for interest rate risk at June 30, 2011, are noted below (amounts expressed in thousands):

<b>Investment Type</b>	<b>Fair Value</b>	<b>Effective Duration (option adjusted duration)</b>
<b>Short Term Investments</b>		
Commingled Funds U.S. Debt	\$ 162,268	
Short Term Investment Funds (U.S. Regulated)	1,220,664	0.08
Repurchase Agreements	1,017,850	0.06
U.S. Treasury Bills	1,270	0.19
Certificates of Deposit	11,253	0.08
<b>Total Short Term Investments</b>	<u>2,413,305</u>	
<b>Equity Allocation</b>		
Preferred	1,580	87.63
Convertible Preferred	1,296	1.57
<b>Total Equity</b>	<u>2,876</u>	
<b>Fixed Income Allocation</b>		
<b>U.S. Government:</b>		
U.S. Government Treasuries	1,003,056	3.44
U.S. Government Agencies	96,843	3.44
<b>Mortgage Backed:</b>		
Government National Mortgage Association	287,955	2.07
Federal National Mortgage Association	309,616	4.50
Federal Home Loan Mortgage Association	1,875	2.51
Federal Home Loan Mortgage Association (Multiclass)	3,418	0.58
Collateralized Mortgage Obligations	1,985	0.06
<b>Municipals</b>	85,278	6.64
<b>Corporate:</b>		
Corporate Bonds	938,492	3.86
Convertible Bonds	19,428	2.40
Asset Backed Securities	287,948	0.14
<b>Yankee Bonds</b>	9,707	3.51
<b>Private Placements</b>	496,711	3.62
<b>Global Fixed Income:</b>		
International Asset Backed Securities	4,893	0.93
International Corporate Bonds	234,290	4.25
International Government Bonds	91,181	2.48
<b>Total Fixed Income</b>	<u>3,872,676</u>	
<b>Alternatives</b>		
Credit Default Swaps	94	1.14
Interest Rate Swap	(1,876)	49.42
Eurodollar Futures	417	298.11
International Bond Futures	72	3,259.63
Treasury Note Futures	406	47.67
Treasury Bond Futures	104	(877.42)
<b>Total Alternatives</b>	<u>(783)</u>	
<b>Total Invested Assets</b>	<u>\$ 6,288,074</u>	
<b>Total Portfolio Effective Duration (option adjusted duration)</b>		<b>2.16</b>



## Financial Section

### Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Systems. As a matter of practice, there are no overarching limitations for credit risk exposures within the overall fixed income portfolio. Each individual portfolio within fixed income is managed in accordance with operational guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers, and average credit quality. A quality rating of lower than C is not permissible in any of the fixed income guidelines except in those circumstances of downgrades subsequent to purchase, in which case the investment manager is responsible for communicating the downgrade to the consultant and RSIC staff. The Systems' fixed income investments were rated by Moody's and are presented below:

### South Carolina Retirement Systems Credit Risk - Moody's Quality Ratings June 30, 2011

(Amounts expressed in thousands)

Investment Type and Fair Value	Agency <sup>1</sup>	AAA	AA	A	BAA	BA	B	CAA	CA	NR <sup>2</sup>
<b>Short Term Investments</b>										
Commingled Funds U.S. Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$162,268
Short Term Investment Funds (U.S. Regulated)		1,220,664								
Repurchase Agreements										1,017,835
Certificates of Deposit										11,253
<b>Equity Investments</b>										
Preferred							1,613	135		1,444
Convertible Preferred					1,919					817
<b>Fixed Income Allocation</b>										
<b>U.S. Government Agencies</b>	93,718									3,125
<b>Mortgage Backed:</b>										
Federal National Mortgage Association	309,616									
Federal Home Loan Mortgage Association	1,875									
Federal Home Loan Mortgage Association (Multiclass)	3,418									
Collateralized Mortgage Obligation	1,985									
<b>Municipals</b>		12,656	32,102	40,137	383					
<b>Corporate:</b>										
Corporate Bonds		93,641	72,595	122,750	211,456	96,823	195,717	48,811	199	332,016
Convertible Bonds					4,395	1,401	457	352	2,005	10,818
Asset Backed Securities		77,256	98,978	62,880	10,150	17,306	2,716			21,214
<b>Yankee Bonds</b>				2,057	2,338	5,312				
<b>Private Placements</b>		99,628	39,651	41,274	59,793	30,835	95,250	41,822		99,405
<b>Global Fixed Income:</b>										
International Asset Backed		3,768	1,125							
International Commingled Funds										2,406,154
International Corporate Bonds		79,377	46,413	34,952	27,284	9,554	33,721			5,668
International Emerging Debt										526,710
International Government Bonds		76,354	5,002	3,420	2,518					3,887
<b>Alternatives</b>										
Credit Default Swaps										650
Equity and Interest Rate Swaps										16
Total Return Swaps										(1,312)
Futures Contracts										76,122
Options										(3,138)
	<u>\$ 410,612</u>	<u>\$1,663,344</u>	<u>\$ 295,866</u>	<u>\$ 307,470</u>	<u>\$320,236</u>	<u>\$161,231</u>	<u>\$329,474</u>	<u>\$91,120</u>	<u>\$2,204</u>	<u>4,674,952</u>

<sup>1</sup>Agency rating is assigned to securities issued by government sponsored enterprises such as Federal National Mortgage Association (FNMA), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal Farm Credit Banks (FFCB) that do not have a credit rating. These enterprises have an implied guarantee by the U. S. Government.

<sup>2</sup> NR represents securities that were either not rated or had a withdrawn rating.

## Financial Section

### Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Systems' policy for reducing this risk is to comply with the Statement of Investment Objectives as amended and adopted by the Commission which states that "except that no limitations on issues and issuers shall apply to obligations of the U.S. Government and Federal Agencies, the domestic fixed income portfolio shall contain no more than 6 percent exposure to any single issuer." As of June 30, 2011 there is no single issuer exposure within the portfolio that

comprises 5 percent or more of the overall portfolio. Therefore, there is no concentration of credit risk.

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Systems participates in foreign markets to diversify assets, reduce risk and enhance returns. Exposure to foreign investments has, to date, been achieved synthetically using financial futures, forwards and swaps. Currency forwards are used to manage currency fluctuations and are permitted by investment policy. Policy, however, forbids speculating in forwards and other derivatives.

The table below presents the Systems' exposure to foreign currency risk in U.S. dollars as of June 30, 2011, (amounts expressed in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Futures Contracts	Private Equity	Alternative Investments	Fixed Income
Australian Dollar	\$ 706	\$ 69,259	\$ 1,175	\$ -	\$ -	\$ 35,834
Brazil Real		337				646
British Pound Sterling	(1,030)	249,075	6,289			11,546
Canadian Dollar	(7,437)	105,731	2,785			40,520
Chinese Yuan Renminbi		30,163				
Euro Currency	(10,584)	458,013	14,148	112,097	165,584	36,130
Hong Kong Dollar	(830)	38,432	595			
Japanese Yen	(19,222)	275,398	13,810			(137)
Norwegian Krone	82	2,919				
Philippines Peso		3,139				
Singapore Dollar		5,861				
South Korean Won		2,902				
Swedish Krona	(1,585)	37,211	511			
<b>Totals</b>	<b>\$ (39,900)</b>	<b>\$ 1,278,440</b>	<b>\$ 39,313</b>	<b>\$ 112,097</b>	<b>\$ 165,584</b>	<b>\$ 124,539</b>

### Derivatives

Derivatives are financial instruments whose value is derived from underlying assets or data. All of the Systems' derivatives are considered investments. Excluding futures, derivatives generally take the form of contracts in which two parties agree to make payments at a later date based on the value of specific assets or indices. Through certain collective trust funds, the Systems may invest in various derivative financial instruments such as futures and options thereon; forward foreign currency contracts; options; interest rate, currency, equity, index, and total return swaps; interest-only

strips; and CMOs to enhance the performance and reduce volatility. The Systems' derivatives, consisting of futures, forward contracts and swaps directly managed by the Commission, are presented in the tables on Pages 49-51.

To date, the primary reasons for the Commission's use of derivative contracts have pertained to their ability to facilitate changes to the asset allocation of the total plan and for their low cost of implementation. The Commission uses derivatives for several reasons:

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- **Asset Allocation:** In many cases, synthetic exposures (using derivatives) are placeholders until managers are hired and funded. In time, the Commission may substitute traditional managers for much of the synthetic exposure currently in the portfolio. Efficient markets dictate that in some asset classes, synthetics are the best way to achieve exposure.
- **Risk Management:** Derivatives allow investors the ability to swiftly and efficiently increase or decrease exposures in order to manage portfolio risk.
- **Cost:** A synthetic (derivative) solution is often the least expensive way to gain exposure to an asset class or to manage portfolio risk. Derivatives are more beneficial in each of the three major measures of cost: commission costs, market impact of trading, and opportunity costs.

Futures are contractual obligations that require the buyer (seller) to buy (sell) assets at a predetermined date at a predetermined price. These contracts are standardized and traded on an organized exchange with gains and losses settled daily thereby significantly reducing credit and default risk. Gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Plan Net Assets. To comply with the requirements of multiple exchanges, securities in the amount of \$139.042 million of various GNMA's were held in trust by the clearing brokers on June 30, 2011, to satisfy the required margin amount to establish the Systems' futures exposure.

The table below presents classification information on the Systems' derivatives at June 30, 2011 (amounts in thousands):

	Changes in Fair Value		Fair Value at 6/30/2011	
	Classification	Gain/(Loss)	Classification	Amount
<b>Investment derivatives:</b>				
Futures Contracts	Net appreciation/(depreciation)	\$ 153,652	Alternative Investments	\$ 75,123
Forward Contracts	Net appreciation/(depreciation)	(19,048)	Cash & Cash Equivalents	(10,287)
Swaps	Net appreciation/(depreciation)	130,202	Alternative Investments	(81,443)

As of June 30, 2011, the Systems had the following exposure via futures contracts (dollar amounts in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value*
MTF CAC40 10EU	July 2011	Long	2,218	\$ 127,971
EURX DAX INDEX	September 2011	Long	424	113,596
EURX ER STX 50	September 2011	Long	3,313	136,800
NEW FTSE 100	September 2011	Long	2,704	256,236
HKFE - HSI	July 2011	Long	259	37,326
IBEX 35 PLUS	July 2011	Long	297	44,236
FTSE MIB INDEX	September 2011	Long	246	36,046
TSE TOPIX	September 2011	Long	2,512	264,233
SFE SPI 200	September 2011	Long	854	105,166
AMSTERDAM INDEX	July 2011	Long	373	36,747
S&P TSE 60 INDEX	September 2011	Long	866	136,787
OMXS30 INDEX	July 2011	Long	2,022	35,729
Total International Equity				<b>1,330,873</b>
EMINI S&P 500	September 2011	Long	19,590	1,288,532
Total Large Cap Equity				<b>1,288,532</b>
<b>Total</b>				<b>\$ 2,619,405</b>

\*Notional value is the nominal or face amount that is used to calculate payments made on derivative instruments (futures, forwards, swaps, etc.). This amount generally does not change hands and is thus referred to as notional. The notional amount represents the economic equivalent to an investment in the physical securities represented by the derivative contract.

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Forwards are contractual obligations that require the delivery of assets at a fixed price on a predetermined date. These contracts are “over-the-counter” (OTC) instruments, meaning they are not traded on an or-

ganized exchange. Currency forwards gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Plan Net Assets.

As of June 30, 2011, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value	Base Gain/(Loss)	Base Exposure
JP Morgan Chase Bank	\$ 228,063	\$ (1,728)	16.67%
Westpac Banking Corp	228,056	(1,721)	16.67%
Royal Bank of Canada	211,188	(1,855)	15.43%
Deutsche Bank	204,879	(2,000)	14.97%
HSBC Securities	181,738	(2,064)	13.28%
Societe Generale SA	178,402	(905)	13.04%
Credit Suisse AG	89,573	(479)	6.55%
BNP Paribas	46,399	465	3.39%
<b>Totals</b>	<b>\$ 1,368,298</b>	<b>\$ (10,287)</b>	<b>100.00%</b>

The Systems has entered into various swap agreements to manage risk exposure. Swaps are OTC agreements to exchange a series of cash flows according to specified terms. The underlying asset can be an interest rate, an exchange rate, a commodity price or any other index.

Total return swaps are primarily used to efficiently achieve a target asset allocation. Exposures to an asset class are typically gained by paying a reference rate such as LIBOR, plus or minus a spread, in exchange for the risk and returns of a desired market index. Similarly, exposures can be reduced by receiving a reference rate in exchange for the economic risks and returns of an index.

Counterparty risk, or default risk, is the risk that a party will not honor its contractual obligations. The Systems seeks to actively manage its counterparty risk by thorough analysis and evaluation of all potential counterparties by investment staff and the independent overlay manager. Risk is further minimized through

diversification among counterparties with high credit ratings and collateralizing unrealized gains and losses. The Systems currently does not participate in a master netting agreement. Unrealized gains and losses are not netted across instrument types. At June 30, 2011, the Systems had no credit risk to counterparties due to market conditions placing the Systems in a net payable position; however, sufficient collateral has been posted with each counterparty to satisfy all outstanding liabilities.

The table below reflects the counterparty credit ratings at June 30, 2011, for currency forwards and swap agreements (amounts in thousands):

Quality Rating	Forwards	Swaps	Total
AA1	\$ (3,577)	\$ -	\$ (3,577)
AA2	(2,983)	(37,786)	(40,769)
AA3	(3,727)	(25,657)	(29,384)
A1		(18,000)	(18,000)
<b>Total subject to credit risk</b>	<b>\$ (10,287)</b>	<b>\$ (81,443)</b>	<b>\$ (91,730)</b>

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Swap market value (or notional value) is calculated based on the actual index value of the benchmark index multiplied by the number of index units. The index value is the level or price of the benchmark index. The index units were determined at commencement of the swap and are detailed in the term sheet. At June 30, 2011, the Systems held swaps as shown in the table below (amounts expressed in thousands):

Counterparty	Total Return Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Gain (Loss) Since Trade
UBS	SP500 Proxy	3 month Libor - 13 bps	S&P 500	7/15/2011	\$ 126,403	\$ 26,403
Societe Generale	DJ-UBS Commodities TR	3 month T-Bill + 9 bps	DJ-UBS Commodities	8/31/2011	326,672	56,692
BNP Paribas	EAFE + Canada Proxy	3 month Libor - 25 bps	MSCI EAFE + Canada	9/7/2011	169,640	26,275
Credit Suisse	EAFE + Canada Proxy	3 month Libor + 20 bps	MSCI EAFE + Canada	2/29/2012	359,444	(4,131)
Deutsche Bank	DJ-UBS Commodities TR	3 month T-Bill + 9 bps	DJ-UBS Commodities	2/29/2012	166,548	(8,452)
Credit Suisse	MSCI EM Proxy	3 month Libor + 15 bps	MSCI EM	7/1/2011	239,599	(6,144)
BNP Paribas	MSCI EM Proxy	3 month Libor + 38 bps	MSCI EM	10/11/2011	230,900	(9,099)
Barclays	MSCI EM Proxy	3 month Libor - 48 bps	MSCI EM	4/30/2012	406,647	(17,477)
Credit Suisse	EAFE + Canada Proxy	3 month Libor - 19 bps	EAFE + Canada	4/30/2012	379,559	(17,247)
<b>Total Return Swap Exposures</b>					<b>\$ 2,405,412</b>	<b>\$ 46,820</b>

### Alternative Investments

The Alternatives category includes exposure to private equity, global tactical asset allocation, absolute return, opportunistic credit, real estate, derivatives and strategic partnerships. Private equity investments are normally structured as limited partnerships. In this structure, the Systems is one of several limited partners, while the investment manager serves as the general partner. Investing in limited partnerships legally obligates the Systems to invest the committed amount until the investment is fully funded. All other asset classes within the Alternatives category may be housed in a variety of legal structures. The Systems established several strategic partnerships to gain access to the best ideas of the investment manager, to receive favorable economics, and to efficiently take advantage of market opportunities. Our investments within the strategic partnership accounts include allocations to private equity, opportunistic credit, real estate, absolute return strategies and cash. The Systems' allocation to opportunistic credit is designed to take advantage of the dislocations that have occurred in the credit markets. The Systems' intent is to access superior risk adjusted returns through a variety of different credit strategies.

### Commitments

The Systems has entered into contractual agreements with numerous alternative investment managers and is committed for future funding of private equity, real estate and opportunistic credit limited partnerships. As of June 30, 2011, the Systems had committed to fund various limited partnerships in the total amount of \$2.929 billion (U.S. dollars) and €218 million (Euros). The total unfunded commitment as of June 30, 2011, was \$1.360 billion (U.S. dollars) and €62 million (Euros). Subsequent to June 30, 2011, the Systems committed to fund an additional \$41.600 million (U.S. dollars) which resulted in a total remaining commitment adjusted for cash flows as of September 16, 2011, of \$1.289 billion (U.S. dollars) and €55 million (Euros). In addition, although legal contractual agreements in place do not necessarily dictate authorized commitment amounts, various other alternative investment fundings will be deployed at the full discretion of the Commission through the use of the strategic partnership accounts. These underlying investments include hedge funds, private equity, real estate, opportunistic credit and short duration fixed income.

### Securities Lending

Through a custodial agent, the Systems participate in a securities lending program whereby securities are loaned for the purpose of generating additional income. The Systems lends securities from its investment portfolios on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must initially meet or exceed 102 percent of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral, and requires additional collateral if the collateral value falls below 100 percent.

There are no restrictions on the amount of securities that may be loaned. The types of securities available for loan during the year ended June 30, 2011, included U.S. Government securities, U.S. Government agencies, corporate bonds and equities. The contractual agreement with the Systems' custodial bank provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Systems income distribution by the securities' issuers while the securities are on loan. Cash and U.S. Government securities were received as collateral for these loans. The Systems cannot pledge or sell collateral securities without a borrower default. The Systems invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the Systems must return the cash collateral to the borrower upon the expiration of the loan.

At June 30, 2011, the fair value of securities on loan was \$317.633 million. The fair value of the invested cash collateral was \$229.161 million. Securities lending obligations at June 30, 2011, were \$325.373 million with the unrealized loss in invested cash collateral of \$96.212 million reflected under "Other Liabilities" on the Statement of Plan Net Assets and recorded in the Statement of Changes in Plan Net Assets under "Net appreciation (depreciation) in fair value of investments." The Commission evaluates the securities lending program in order to minimize risk, enhance performance and ensure a cost effective fee structure is in place.

With regard to custodial credit risk, the Systems' cash collateral invested is held by the counterparty and is uninsured. All securities loaned can be terminated on demand by either the Systems or the borrower. At year end the average number of days the loans were outstanding was one day. The average weighted maturity of investments made with cash collateral was one day. At June 30, 2011, there had been no losses resulting from borrower defaults and the Systems had no credit risk exposure to borrowers because the amounts the Systems owed the borrowers exceeded the amounts the borrowers owed the Systems.

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The following table presents the fair value (amounts expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2011.

	June 30, 2011					June 30, 2010	
	SCRS	PORS	GARS	JSRS	NGRS	TOTALS	TOTALS
<b>Securities lent for cash collateral:</b>							
U.S. Government securities	\$ 47,940	\$ 6,973	\$ 72	\$ 267	\$ 34	\$ 55,286	\$ 212,422
U.S. Government agencies	-	-	-	-	-	-	17,206
Corporate bonds	69,389	10,092	104	387	50	80,022	33,505
Non-U.S. Government securities	25,109	3,652	38	140	18	28,957	-
Common Stock	132,989	19,343	199	741	96	153,368	153,435
Total securities lent for cash collateral:	<u>\$ 275,427</u>	<u>\$ 40,060</u>	<u>\$ 413</u>	<u>\$ 1,535</u>	<u>\$ 198</u>	<u>\$ 317,633</u>	<u>\$ 416,568</u>
<b>Securities lent for non-cash collateral:</b>							
Corporate bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102
Common Stock	7,405	1,077	11	41	5	8,539	8,444
	<u>\$ 7,405</u>	<u>\$ 1,077</u>	<u>\$ 11</u>	<u>\$ 41</u>	<u>\$ 5</u>	<u>\$ 8,539</u>	<u>\$ 8,546</u>
<b>Cash collateral invested as follows:</b>							
Repurchase agreements	\$ 169,740	\$ 24,688	\$ 254	\$ 946	\$ 122	\$ 195,750	\$ 14,391
Floating Rate Notes	112,510	16,364	168	627	81	129,750	310,202
Total for cash collateral invested	<u>\$ 282,250</u>	<u>\$ 41,052</u>	<u>\$ 422</u>	<u>\$ 1,573</u>	<u>\$ 203</u>	<u>\$ 325,500</u>	<u>\$ 324,593</u>
<b>Securities received as collateral:</b>							
U.S. Government securities	\$ 7,576	\$ 1,102	\$ 11	\$ 42	\$ 5	\$ 8,736	\$ 8,740
	<u>\$ 7,576</u>	<u>\$ 1,102</u>	<u>\$ 11</u>	<u>\$ 42</u>	<u>\$ 5</u>	<u>\$ 8,736</u>	<u>\$ 8,740</u>

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### IV. Capital Assets

Capital assets at June 30, 2011, consist of the following amounts (expressed in thousands). There were no additions or dispositions of capital assets during the year.

	<b>SCRS</b>	<b>PORS</b>	<b>GARS</b>	<b>JSRS</b>	<b>TOTALS</b>	<b>TOTALS 2010</b>
Land	\$ 524	\$ 54	\$ 1	\$ 3	\$ 582	\$ 582
Building	4,279	437	13	20	4,749	4,749
Total Capital Assets	4,803	491	14	23	5,331	5,331
Less: Accumulated Depreciation	(2,008)	(205)	(6)	(9)	(2,228)	(2,110)
Net Capital Assets	\$ 2,795	\$ 286	\$ 8	\$ 14	\$ 3,103	\$ 3,221

### V. Transfers Between Systems

Transfers between systems are statutorily authorized transfers of contributions and service credit from one retirement system to another retirement system that result from members voluntarily initiating the transfer when certain conditions are met.

Transfers made during the fiscal year ended June 30, 2011, were as follows (amounts expressed in thousands):

Transfers from	Transfers to					Totals
	SCRS	PORS	GARS	JSRS	NGRS	
<b>SCRS</b>	\$ -	\$ 1,907	\$ 1	\$ 6	\$ -	\$ 1,914
<b>PORS</b>				92		92
<b>GARS</b>	52			95		147
<b>JSRS</b>						
<b>NGRS</b>						
<b>Totals</b>	\$ 52	\$ 1,907	\$ 1	\$ 193	\$ -	\$ 2,153

The following schedule reflects amounts due to or from other systems as of June 30, 2011, (amounts expressed in thousands):

Due from	Due to					Totals
	SCRS	PORS	GARS	JSRS	NGRS	
<b>SCRS</b>	\$ -	\$ 458	\$ -	\$ -	\$ -	\$ 458
<b>PORS</b>				92		92
<b>GARS</b>						
<b>JSRS</b>						
<b>NGRS</b>						
<b>Totals</b>	\$ -	\$ 458	\$ -	\$ 92	\$ -	\$ 550

### VI. Related Party Transactions

The pension plans provide pension and other fringe benefits to employees of all state agencies. Revenues attributed to these agencies are recorded in the financial statements as employee and employer contributions and constitute approximately 33 percent of combined contribution revenues. In addition, the Systems receives custodial and related services from the State Treasurer.

At June 30, 2011, liabilities of approximately \$42.9 million were due to other state departments and agencies, and contributions receivable of approximately \$39 million were due from other state departments and agencies.

The National Guard Retirement System received state-appropriated contributions in the amount of \$3.9 million during the fiscal year.

The Retirement System Investment Commission was established in 2005 and is considered a separate state agency; however, the expenses of the RSIC are funded by transfers from the Systems. Transfers in the amount of approximately \$4.9 million were made to the RSIC during the fiscal year.



### VII. Deferred Retirement Option Plans

The Teacher and Employee Retention Incentive (TERI) program, implemented effective January 1, 2001, is a deferred retirement option plan available to active SCRS members eligible for service retirement on or after January 1, 2001. When a member enters TERI, the member's status changes from an active member to a retiree even though the employee continues to work at his regular job and earn his regular salary for a period of up to five years. TERI participants who entered the program after June 30, 2005, must continue to contribute at the same rate as active members. Those who entered prior to July 1, 2005, make no employee contributions while participating in TERI. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits. During the TERI participation period, the retiree's monthly benefits are accrued and accumulate in the trust account. Upon termination of employment or at the end of the TERI period (whichever is earlier), the retiree may elect to roll over his funds into a qualified, tax-sheltered, retirement plan or to receive a single-sum distribution (or a combination thereof). No interest is paid on the participant funds accumulated in the TERI account.

A total of 5,862 members were actively participating in the TERI program at June 30, 2011. The activity for this program is reflected in the following schedule:

#### **Schedule of TERI Activity Year Ended June 30, 2011 (Amounts expressed in thousands)**

<b>Beginning Liability Balance</b>	\$ 322,350
<b>Additions</b>	155,874
<b>TERI Distributions</b>	<u>(114,851)</u>
<b>Ending Liability Balance</b>	<u>\$ 363,373</u>

A deferred retirement option program has also been established under the Retirement System for Judges and Solicitors (JSRS). A member who has not yet reached the age of 60 years, but who is eligible to retire and receive the maximum monthly benefit, may continue to serve as a judge, a solicitor, or a circuit public defender. The member's normal monthly retirement benefit is deferred and placed in the system's trust fund on behalf of the member. Upon reaching the age of 60 years, the balance of the member's deferred retirement benefit is distributed to the member. As of June 30, 2011, two JSRS members were participating in the deferred retirement option program and benefits held in trust totaled \$632,000.

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### VIII. Funded Status and Funding Progress - Pension Trust Funds

The funded status of each defined benefit pension plan as of July 1, 2010, the most recent actuarial valuation date, is as follows (dollar amounts expressed in thousands):

System	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
<b>SCRS</b>	\$ 25,400,331	\$ 38,774,029	\$ 13,373,698	65.5%	\$ 7,769,820	172.1%
<b>PORS</b>	3,612,700	4,850,457	1,237,757	74.5%	1,076,467	115.0%
<b>GARS</b>	43,712	68,671	24,959	63.7%	3,854	647.6%
<b>JSRS</b>	142,871	215,823	72,952	66.2%	18,661	390.9%
<b>NGRS</b>	19,458	54,153	34,695	35.9%	N/A	N/A

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

#### Summary of Actuarial Methods and Significant Assumptions

	SCRS	PORS	GARS	JSRS	NGRS
Valuation date	07/01/10	07/01/10	07/01/10	07/01/10	07/01/10
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization period	Level percent open	Level percent open	Level dollar closed	Level percent open	Level dollar open
Remaining amortization period	30 years <sup>2</sup>	30 years <sup>3</sup>	15 years	16 years	22 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial assumptions:					
Investment rate of return	8%	8%	8%	8%	8%
Projected salary increases	4.00% - 8.00%	4.50% - 11.50%	None	3.25%	None
Includes inflation at	3.00%	3.00%	3.00%	3.00%	3.00%
Cost-of-living adjustments	Automatic 2% <sup>1</sup>	Automatic 2% <sup>1</sup>	None	3.25%	None

<sup>1</sup>Beginning the July 1st following one year of receiving benefits, the monthly benefit amount will increase by the calendar year change in CPI but not to exceed 2 percent. No COLA paid during deflation or when CPI is negative. Additional ad hoc COLAs may be paid as approved by the State Budget and Control Board and based upon the financial condition of the System.

<sup>2</sup>Pending Board approval of a 0.92% contribution rate increase effective July 1, 2012, or alternatively a 0.48% increase effective July 1, 2012, and a 0.48% increase effective July 1, 2013, to maintain a 30 year period.

<sup>3</sup>Pending Board approval of a 0.305% contribution rate increase effective July 1, 2012, or a 0.158% contribution rate increase effective July 1, 2012, and a 0.157% contribution rate increase effective July 1, 2013, to maintain a 30 year period.

### IX. Death Benefit Program

In addition to monthly pension benefits provided through the Retirement Systems, a Death Benefit Program is available to employers. For participating employers, death benefits are provided for active and retired members. These benefits are funded through separate death benefit programs for SCRS and PORS on a cost-sharing, multiple-employer basis. Coverage is provided to eligible active and retired working members as well as non-working retirees under the governing statute. Funding for the plans is collected as a percent of covered payroll as determined by the Systems' actuary and approved by the Budget and Control Board. The current employer contribution rates for the programs are 0.15 percent and 0.20 percent of payroll for SCRS and PORS respectively. These contributions fund both the active and retiree death benefits.

#### Active Death Benefits

Upon the death of an SCRS or PORS contributing member in service who had at least one full year of membership or who died as a result of an injury arising in the course of performing his duties regardless of length of membership, a death benefit equal to the annual earnable compensation of the member at the time of death is payable apart and separate from the payment of pension benefits.

#### Retiree Death Benefits

Retired members of SCRS and PORS whose last employer prior to retirement is covered by the program, and who met applicable service credit requirements, are also protected under the state-sponsored death benefit program. Upon the death of a retired member, the beneficiary of a non-working retiree will receive a benefit payment based on the member's total creditable service at the time of retirement.

Members who work after retirement by either participating in the TERI program or by returning to covered employment as a working retiree are eligible for an increased level of death benefits. Beneficiaries of working retirees are provided with a death benefit equal to the amount of the member's annual earnable compensation in lieu of the standard \$2,000, \$4,000 or \$6,000 retired member benefit.

All benefits provided by the Retirement Systems are included in the valuation, including the Incidental Death Benefit program for SCRS and PORS, which were previously covered under separate valuations. The July 1, 2010, valuations reflect the inclusion of the assets and liabilities of the Incidental Death Benefit program. The impact to SCRS was to increase the UAL by \$75 million, but due to inclusion of the additional 0.15% of payroll contributions, there was no impact to the funding period. Under PORS, there was a slight decrease to the UAL but due to additional expected contributions, the impact decreased the funding period by 2.3 years.

<u>Years of Service Credit</u>		<u>Death Benefit</u>
<u>SCRS</u>	<u>PORS</u>	
10 to 19	10 to 19	\$2,000
20 to 27	20 to 24	\$4,000
28 or more	25 or more	\$6,000

### X. Litigation

In addition to the litigation mentioned below, controversies or disputes between the South Carolina Retirement Systems and its members arising out of the provisions of Title 9 of the South Carolina Code of Laws (Retirement provisions) are resolved through the “South Carolina Retirement Systems Claims Procedures Act” established by S.C. Code Ann. §§9-21-10 et seq. Claims brought pursuant to the Claims Procedures Act generally involve matters pertinent to the individual member or beneficiary. Claims may not be brought on behalf of a class under the Claims Procedures Act.

*Ahrens et al. v. the South Carolina Retirement System, the South Carolina Retirement System and the State of South Carolina.* This case was a class action case alleging that provisions in Act No. 153 of the Acts and Joint Resolutions of the General Assembly for the year 2005 (“Act No. 153”) requiring working retirees in the South Carolina Retirement System (“SCRS”) to make employee contributions were unconstitutional and illegal. A circuit court judge certified the class in this case and issued an order on the merits in the matter granting the Plaintiffs relief based on the equitable theory of estoppel. The circuit court denied all other claims for relief made by the Plaintiffs, including their contract causes of action. The Retirement Systems and the State of South Carolina appealed the circuit court’s order to the South Carolina Supreme Court. On May 4, 2011, the Supreme Court of South Carolina found in favor of SCRS and the state of South Carolina on all claims and reversed the circuit court’s order granting plaintiffs’ relief.

*Arnold et al. v. the South Carolina Police Officers Retirement System, the South Carolina Retirement System and the State of South Carolina.* This case was a class action case filed on August 9, 2005, alleging that provisions in Act No. 153 of the Acts and Joint Resolutions of the General Assembly for the year 2005 (“Act No. 153”) requiring working retirees in the Police Officers Retirement System (“PORS”) to make employee contributions were unconstitutional and illegal. This was

the companion case of the Ahrens case above. The same circuit court judge in Ahrens heard the case and certified a class in this case and issued an order on the merits in the matter granting the Plaintiffs relief based on the equitable theory of estoppel. The circuit court denied all other claims for relief made by the Plaintiffs, including their contract causes of action. The PORS and the State of South Carolina appealed the circuit court’s order to the South Carolina Supreme Court. On May 4, 2011, the Supreme Court of South Carolina found in favor of PORS and the state of South Carolina on all claims and reversed the circuit court’s order granting plaintiffs’ relief.

*Hutto, et al v. The South Carolina Retirement System, et al.* This putative class action was filed in federal court in August, 2010 alleging that provisions in Act No. 153 of the Acts and Joint Resolutions of the General Assembly for the year 2005 (“Act No. 153”) requiring working retirees in the South Carolina Retirement System (“SCRS”) and the Police Officers Retirement System (“PORS”) to make employee contributions are unconstitutional and illegal. The plaintiffs in Hutto all retired after Act 153 was enacted and thus were on notice that they would pay retirement contributions if they chose to return to work. It is too early to offer any opinion about the potential outcome of this case. As of June 30, 2011, the Retirement Systems had collected approximately \$91 million in the form of retirement contributions from members of the Retirement Systems who are retired and returned to work on or after July 1, 2005. The Client intends to vigorously defend this matter.

*Anderson County v. Joey Preston and the South Carolina Retirement System (“SCRS”).* Defendant Joey R. Preston (“Preston”) is a retired member of SCRS who was employed by Plaintiff. Plaintiff’s Complaint seeks to rescind a severance agreement entered into by the Plaintiff with Preston. As part of the Severance Agreement, Plaintiff paid approximately \$355,000 to the Defendant SCRS to purchase retirement service

## Financial Section

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credit on behalf of Preston. Plaintiff has named Defendant SCRS in their complaint as a stakeholder and seeks a return of the \$355,000 paid to SCRS. As a result of the service purchase, Preston was able to retire and begin drawing a retirement benefit. The case is currently pending in the Anderson County Circuit Court. SCRS is defending this case to ensure that, regardless of the outcome of Plaintiff's claims related to the severance agreement, SCRS does not suffer any monetary loss as a result of the service purchase.

## Financial Section

# South Carolina Retirement Systems

## Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of the dates indicated.

### Schedule of Funding Progress

*(Amounts expressed in thousands)*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
<b>SCRS</b>						
7/01/05	\$ 21,625,510	\$ 30,217,471	\$ 8,591,961	71.6%	\$ 6,356,489	135.2%
7/01/06	22,293,446	32,018,519	9,725,073	69.6%	6,733,379	144.4%
7/01/07	23,541,438	33,766,678	10,225,240	69.7%	7,093,181	144.2%
7/01/08	24,699,678	35,663,419	10,963,741	69.3%	7,559,172	145.0%
7/01/09	25,183,062	37,150,315	11,967,253	67.8%	7,761,808	154.2%
7/01/10	25,400,331	38,774,029	13,373,698	65.5%	7,769,820	172.1%
<b>PORS</b>						
7/01/05	\$ 2,774,606	\$ 3,173,930	\$ 399,324	87.4%	\$ 850,610	46.9%
7/01/06	2,935,841	3,466,281	530,440	84.7%	931,815	56.9%
7/01/07	3,160,240	3,730,544	570,304	84.7%	992,849	57.4%
7/01/08	3,363,136	4,318,955	955,819	77.9%	1,060,747	90.1%
7/01/09	3,482,220	4,564,111	1,081,891	76.3%	1,084,154	99.8%
7/01/10	3,612,700	4,850,457	1,237,757	74.5%	1,076,467	115.0%
<b>GARS</b>						
7/01/05	\$ 46,316	\$ 69,161	\$ 22,845	67.0%	\$ 3,853	592.9%
7/01/06	46,075	69,734	23,659	66.1%	3,854	613.9%
7/01/07	46,925	71,014	24,089	66.1%	3,854	625.0%
7/01/08	47,189	69,122	21,933	68.3%	3,854	569.1%
7/01/09	45,891	68,491	22,600	67.0%	3,854	586.4%
7/01/10	43,712	68,671	24,959	63.7%	3,854	647.6%
<b>JSRS</b>						
7/01/05	\$ 118,888	\$ 204,847	\$ 85,959	58.0%	\$ 15,465	555.8%
7/01/06	124,837	211,384	86,547	59.1%	15,929	543.3%
7/01/07	132,990	229,388	96,398	58.0%	16,407	587.5%
7/01/08	138,323	213,406	75,083	64.8%	18,661	402.4%
7/01/09	141,797	214,363	72,566	66.1%	18,661	388.9%
7/01/10	142,871	215,823	72,952	66.2%	18,661	390.9%
<b>NGRS</b>						
6/30/05	\$ 12,151	\$ 46,985	\$ 34,835	25.9%	N/A	N/A
7/01/06	14,046	48,755	34,709	28.8%	N/A	N/A
7/01/07	15,937	55,917	39,980	28.5%	N/A	N/A
7/01/08	17,426	53,534	36,108	32.5%	N/A	N/A
7/01/09	18,600	53,421	34,821	34.8%	N/A	N/A
7/01/10	19,458	54,153	34,695	35.9%	N/A	N/A

## Financial Section

### South Carolina Retirement Systems Required Supplementary Information (continued)

#### Schedule of Employer Contributions (Amounts expressed in thousands)

Year Ended June 30,	SCRS		PORS		GARS		JSRS		NGRS	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Pension Cost <sup>1</sup>	Percentage Contributed
2011	\$ 808,343	100%	\$ 129,314	100%	\$ 2,414	100%	\$ 8,414	100%	\$ 3,905	100.00%
2010	818,523	100%	123,163	100%	2,598	100%	8,414	100%	3,945	102.7%
2009	827,502	100%	124,148	100%	2,495	100%	8,414	100%	3,979	101.8%
2008	774,269	100%	114,095	100%	2,440	100%	7,613	100%	3,823	103.3%
2007	644,350	100%	106,753	100%	2,358	100%	6,706	100%	3,811	103.6%
2006	577,468	100%	100,281	100%	2,171	100%	6,511	100%	2,858	137.9%

<sup>1</sup> For years prior to June 30, 2010, the Annual Pension Cost (APC) for the National Guard Retirement System includes both the Annual Required Contribution (ARC) and the discounted present value of the balance of the Net Pension Obligation (NPO). The APC for the fiscal year ended June 30, 2010, was calculated as part of the July 1, 2010 actuarial valuation; therefore, the amount listed as of June 30, 2010 contains only the ARC. The NPO is carried as an "Other Liability" in the Financial Statements of the State of South Carolina.

## Financial Section

# South Carolina Retirement Systems Schedule of Changes in Plan Net Assets SCRS Pension Trust Fund Year Ended June 30, 2011

With comparative totals for the year ended June 30, 2010  
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	QEBA FUND	TOTALS	TOTALS 2010
<b>Additions</b>						
Employee contributions						
State department employees	\$ 161,803	\$ 15,751	\$ -	\$ -	\$ 177,554	\$ 176,451
Public school employees	218,538	25,731			244,269	248,842
Other political subdivision employees	132,539	7,808			140,347	135,968
Employer contributions						
State department employees		261,453	4,749	843	267,045	269,639
Public school employees		342,495	5,785		348,280	359,876
Other political subdivision employees		190,400	2,618		193,018	189,008
Total contributions	<u>512,880</u>	<u>843,638</u>	<u>13,152</u>	<u>843</u>	<u>1,370,513</u>	<u>1,379,784</u>
Investment Income						
Net appreciation (depreciation) in fair value of investments		3,429,490	17,520		3,447,010	2,423,114
Interest and dividend income		210,439	1,071		211,510	230,224
Investment expense		(61,305)	(313)		(61,618)	(44,462)
Net income (loss) from investing activities		<u>3,578,624</u>	<u>18,278</u>		<u>3,596,902</u>	<u>2,608,876</u>
From securities lending activities:						
Securities lending income		584	3		587	4,817
Securities lending borrower rebates		577	3		580	(1,030)
Net income from securities lending activities		<u>1,161</u>	<u>6</u>		<u>1,167</u>	<u>3,787</u>
Total net investment income (loss)		<u>3,579,785</u>	<u>18,284</u>		<u>3,598,069</u>	<u>2,612,663</u>
Supplemental retirement benefits funded by the State		832			832	957
Transfers of contributions from other Systems	52				52	
Total additions	<u>512,932</u>	<u>4,424,255</u>	<u>31,436</u>	<u>843</u>	<u>4,969,466</u>	<u>3,993,404</u>
<b>Deductions</b>						
Refunds of contributions to members	84,591				84,591	75,814
Transfers of contributions to other Systems	1,255	659			1,914	1,416
Regular retirement benefits		1,976,482		843	1,977,325	1,856,661
Deferred retirement benefits		155,874			155,874	156,800
Supplemental retirement benefits		832			832	957
Death benefits		(20)	16,505		16,485	19,921
Depreciation		107			107	107
Administrative expense		18,352	94		18,446	18,070
Total deductions	<u>85,846</u>	<u>2,152,286</u>	<u>16,599</u>	<u>843</u>	<u>2,255,574</u>	<u>2,129,746</u>
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(415,562)	415,562				
Interest credited to members' accounts	238,268	(238,268)				
Net interfund transfers	<u>(177,294)</u>	<u>177,294</u>				
Net increase (decrease)	249,792	2,449,263	14,837		2,713,892	1,863,658
Net assets held in trust for Pension Benefits						
Beginning of year	6,222,854	13,358,249	100,034		19,681,137	17,817,479
End of year	<u>\$ 6,472,646</u>	<u>\$ 15,807,512</u>	<u>\$ 114,871</u>	<u>\$ -</u>	<u>\$ 22,395,029</u>	<u>\$ 19,681,137</u>



## Financial Section

# South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

### PORS Pension Trust Fund

**Year Ended June 30, 2011**

With comparative totals for the year ended June 30, 2010

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	ACCIDENTAL DEATH FUND	TOTALS	TOTALS 2010
<b>Additions</b>						
Employee contributions						
State department employees	\$ 25,132	\$ 1,122	\$ -	\$ -	\$26,254	\$26,525
Public school employees	23	148			171	245
Other political subdivision employees	48,577	4,332			52,909	50,281
Employer contributions						
State department employees		41,299	739	739	42,777	42,338
Public school employees		292	5	5	302	337
Other political subdivision employees		83,414	1,451	1,370	86,235	80,488
Total contributions	73,732	130,607	2,195	2,114	208,648	200,214
Investment Income						
Net appreciation (depreciation) in fair value of investments		488,078	4,171	5,346	497,595	335,825
Interest and dividend income		30,130	255	328	30,713	32,497
Investment expense		(8,774)	(75)	(96)	(8,945)	(6,288)
Net income (loss) from investing activities		509,434	4,351	5,578	519,363	362,034
From securities lending activities:						
Securities lending income		82	1	1	84	675
Securities lending borrower rebates		82	1	1	84	(143)
Net income from securities lending activities		164	2	2	168	532
Total net investment income (loss)		509,598	4,353	5,580	519,531	362,566
Supplemental retirement benefits funded by the State		37			37	42
Transfers of contributions from other Systems	1,248	659			1,907	1,266
Total additions	74,980	640,901	6,548	7,694	730,123	564,088
<b>Deductions</b>						
Refunds of contributions to members	14,902				14,902	13,673
Transfers of contributions to other Systems	92				92	
Regular retirement benefits		242,872			242,872	223,473
Supplemental retirement benefits		37			37	42
Death benefits			1,984		1,984	2,019
Accidental death benefits				1,534	1,534	1,462
Depreciation		11			11	11
Administrative expense		2,581	22	29	2,632	2,566
Total deductions	14,994	245,501	2,006	1,563	264,064	243,246
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(60,700)	60,700				
Interest credited to members' accounts	28,743	(28,743)				
Net interfund transfers	(31,957)	31,957				
Net increase (decrease)	28,029	427,357	4,542	6,131	466,059	320,842
Net assets held in trust for Pension Benefits						
Beginning of year	758,695	2,038,239	23,904	30,636	2,851,474	2,530,632
End of year	\$ 786,724	\$ 2,465,596	\$ 28,446	\$ 36,767	\$ 3,317,533	\$ 2,851,474

## Financial Section

### South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

#### GARS Pension Trust Fund

#### Year Ended June 30, 2011

With comparative totals for the year ended June 30, 2010

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTALS	TOTALS 2010
<b>Additions</b>				
Contributions				
Employee contributions - State departments	\$ 624	\$ -	\$ 624	\$ 544
Employer contributions - State departments		2,414	2,414	2,598
Total contributions	624	2,414	3,038	3,142
Investment Income				
Net appreciation (depreciation) in fair value of investments		5,447	5,447	4,319
Interest and dividend income		331	331	392
Investment expense		(98)	(98)	(75)
Net income (loss) from investing activities		5,680	5,680	4,636
From securities lending activities:				
Securities lending income		1	1	8
Securities lending borrower rebates		1	1	(2)
Net income from securities lending activities		2	2	6
Total net investment income (loss)		5,682	5,682	4,642
Transfers of contributions from other Systems	1		1	36
Total additions	625	8,096	8,721	7,820
<b>Deductions</b>				
Refunds of contributions to members	57		57	4
Transfers of contributions to other Systems	147		147	
Regular retirement benefits		6,528	6,528	6,512
Death benefits		58	58	6
Depreciation				1
Administrative expense		32	32	32
Total deductions	204	6,618	6,822	6,555
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(852)	852		
Interest credited to members' accounts	266	(266)		
Net interfund transfers	(586)	586		
Net increase (decrease)	(165)	2,064	1,899	1,265
Net assets held in trust for Pension Benefits				
Beginning of year	7,265	25,505	32,770	31,505
End of year	\$ 7,100	\$ 27,569	\$ 34,669	\$ 32,770

## Financial Section

# South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

### JSRS Pension Trust Fund

**Year Ended June 30, 2011**

With comparative totals for the year ended June 30, 2010

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	QEBA FUND	TOTALS	TOTALS 2010
<b>Additions</b>					
Contributions					
Employee contributions - State departments	\$ 2,029	\$ 180	\$ -	\$ 2,209	\$ 2,343
Employer contributions - State departments		8,323	91	8,414	8,414
Total contributions	<u>2,029</u>	<u>8,503</u>	<u>91</u>	<u>10,623</u>	<u>10,757</u>
Investment Income					
Net appreciation (depreciation) in fair value of investments		19,216		19,216	13,551
Interest and dividend income		1,216		1,216	1,324
Investment expense		(346)		(346)	(249)
Net income (loss) from investing activities		<u>20,086</u>		<u>20,086</u>	<u>14,626</u>
From securities lending activities:					
Securities lending income		3		3	26
Securities lending borrower rebates		3		3	(6)
Net income from securities lending activities		<u>6</u>		<u>6</u>	<u>20</u>
Total net investment income (loss)		<u>20,092</u>		<u>20,092</u>	<u>14,646</u>
Transfers of contributions from other Systems	193			193	114
Total additions	<u>2,222</u>	<u>28,595</u>	<u>91</u>	<u>30,908</u>	<u>25,517</u>
<b>Deductions</b>					
Refunds of contributions to members					
Regular retirement benefits		14,427	91	14,518	13,869
Deferred retirement benefits		232		232	299
Death benefits		128		128	11
Depreciation					
Administrative expense		104		104	101
Total deductions		<u>14,891</u>	<u>91</u>	<u>14,982</u>	<u>14,280</u>
Interfund transfers according to statutory requirements					
Contributions by members at retirement	(1,874)	1,874			
Interest credited to members' accounts	700	(700)			
Net interfund transfers	<u>(1,174)</u>	<u>1,174</u>			
Net increase (decrease)	1,048	14,878		15,926	11,237
Net assets held in trust for Pension Benefits					
Beginning of year	17,816	93,410		111,226	99,989
End of year	<u>\$ 18,864</u>	<u>\$ 108,288</u>	<u>\$ -</u>	<u>\$ 127,152</u>	<u>\$ 111,226</u>

## Financial Section

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### South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

#### NGRS Pension Trust Fund

Year Ended June 30, 2011

With comparative totals for the year ended June 30, 2010

(Amounts expressed in thousands)

	TOTALS 2011	TOTALS 2010
<b>Additions</b>		
Contributions		
State appropriated contributions	\$ 3,904	\$ 4,052
Total contributions	<u>3,904</u>	<u>4,052</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	2,424	1,727
Interest income	150	165
Investment expense	(43)	(30)
Income (loss) from investing activities	<u>2,531</u>	<u>1,862</u>
From securities lending activities:		
Securities lending income	1	4
Securities lending borrower rebates	1	(1)
Net income from securities lending activities	<u>2</u>	<u>3</u>
Total net investment income (loss)	<u>2,533</u>	<u>1,865</u>
State Appropriation for Administrative Expenses		
Total additions	<u>6,437</u>	<u>5,917</u>
<b>Deductions</b>		
Regular retirement benefits	4,011	3,624
Administrative charges	13	13
Total deductions	<u>4,024</u>	<u>3,637</u>
Net increase	2,413	2,280
Net assets held in trust for Pension Benefits		
Beginning of year	<u>15,053</u>	<u>12,773</u>
End of year	<u>\$ 17,466</u>	<u>\$ 15,053</u>

## Financial Section

### Schedule of Administrative Expenses For the Year Ended June 30, 2011 (Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
<b>Personal Services</b>						
Salaries and Wages	\$ 7,873	\$ 1,123	\$ 14	\$ 44	\$ 6	\$ 9,060
Employee Benefits	2,352	336	4	13	2	2,707
<b>Contractual Services</b>						
Data Processing Services	957	136	2	6	1	1,102
Medical & Health Services	398	57	1	2		458
Financial Audit	55	8				63
Actuarial Services	331	47	1	2		381
Other Professional Services	154	22		1		177
Legal Services	45	7				52
<b>Operating Expenses</b>						
Facilities Management	326	46		2		374
Intergovernmental Services	579	83	1	3	1	667
Transfers to Investment Commission	4,275	610	7	24	3	4,919
Telephone	111	16		1		128
Insurance	238	34		1		273
Postage	327	47	1	2		377
Supplies	95	13		1		109
<b>Other Miscellaneous Expenses</b>	330	47	1	2		380
<b>Total Administrative Expenses</b>	<u>\$ 18,446</u>	<u>\$ 2,632</u>	<u>\$ 32</u>	<u>\$ 104</u>	<u>\$ 13</u>	<u>\$ 21,227</u>

### Schedule of Professional and Consultant Fees For the Year Ended June 30, 2011 (Amounts expressed in thousands)

Professional/Consultant	Nature of Service	Amounts Paid
Cavanaugh Macdonald Consulting	Actuary Services	\$ 273
Clifton Gunderson	Audit	63
Data Network	IT Maintenance & support	369
Dell Marketing	IT Equipment & support	118
Document Systems Inc	IT tape storage & Imaging records storage	12
ERP Analysts Inc.	IT Maintenance & support	26
Gabriel Roeder Smith & Company	Actuary Services	100
Hewlett Packard	IT Maintenance & support	178
Ice Miller	IRC Consulting Services	40
SHI International	IT Maintenance & Support	79
Software AG Inc.	IT Enterprise License & Maintenance	96
Southern Imaging Group	Annual Member Statements	46
Sowell Gray Stepp & Laffitte	Attorney Fees	48
Summit Strategies Inc	Optional Retirement Plan Consultants	120
SunGard Availability Service	IT Disaster Recovery	77
Tapfin Process Solutions	Application Development Resources	130
TeamIA Inc	Imaging Maintenance/Auditing	157
Vocational Rehabilitation	Disability Case Evaluations	457
		<u>\$2,389</u>

## Financial Section

### South Carolina Retirement Systems

#### Schedule of Investment Fees and Expenses\*

**Year Ended June 30, 2011**

*(Amounts expressed in thousands)*

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
<b>Investment Managers Fees:</b>						
Aronson + Johnson + Ortiz LP	\$ 797	\$ 116	\$ 1	\$ 4	\$ 1	\$ 919
Wells Capital Management, Inc (Benson Value Team) <sup>2</sup>	29	4	-	-	-	33
Blackrock Financial Management	1,072	155	2	6	1	1,236
Bridgewater Associates, Inc.	25,238	3,660	40	142	17	29,097
Capital Guardian	1,449	210	2	8	1	1,670
Grantham, Mayo, Van Otterloo & Co. LLC	3,418	496	6	19	2	3,941
Integrity Asset Management, LLC	954	139	2	5	1	1,101
Jamison, Eaton & Wood	273	40	-	2	-	315
Loomis Sayles (Global Fixed Income)	1,510	219	2	9	1	1,741
Loomis Sayles (High Yield)	1,461	212	2	8	1	1,684
Mondrian Investment Group, Inc.	2,230	324	4	13	1	2,572
Och-Ziff Real Estate <sup>1</sup>	759	110	1	4	1	875
Penn Capital	411	60	1	2	-	474
Pacific Investment Management Co.	2,192	318	3	12	2	2,527
Post Advisory Group	1,108	161	2	6	1	1,278
Post Advisory Group Limited Duration Portfolio	1,058	154	2	6	1	1,221
Putnam Investments	3,710	539	6	21	2	4,278
Pyramis Global Advisors	1,797	262	3	10	1	2,073
Russell Investment Group	872	127	1	5	1	1,006
Schroders <sup>1</sup>	1,575	230	2	9	1	1,817
Strategos	1,083	157	2	6	1	1,249
TimesSquare Capital Management, LLC	3,008	437	5	17	2	3,469
Thompson, Seigel & Walmsley, Inc.	1,355	197	2	8	1	1,563
Turner Investment Partners, Inc.	1,719	250	3	10	1	1,983
Western Asset Management Co.	1,102	160	2	6	1	1,271
<b>Total</b>	<u>60,180</u>	<u>8,737</u>	<u>96</u>	<u>338</u>	<u>42</u>	<u>69,393</u>
Bank Fees and Investment Expenses	1,438	208	2	8	1	1,657
<b>Total Investment Management Fees</b>	<u>\$ 61,618</u>	<u>\$ 8,945</u>	<u>\$ 98</u>	<u>\$ 346</u>	<u>\$ 43</u>	<u>\$ 71,050</u>
<b>Securities Lending Expenses:</b>						
Borrower Rebates	(580)	(84)	(1)	(3)	(1)	(669)
<b>Total Securities Lending Expenses</b>	<u>\$ (580)</u>	<u>\$ (84)</u>	<u>\$ (1)</u>	<u>\$ (3)</u>	<u>\$ (1)</u>	<u>\$ (669)</u>

<sup>1</sup>Manager hired during fiscal year 2011.

<sup>2</sup>Contract terminated during fiscal year 2011.

\*Several of the alternative investment managers provide account valuations on a net of fee basis. Management fees are netted against investment income and because they are not readily separable for specific investment income, amounts are recorded and reported net of fees.



INVESTMENT SECTION



**W**indsurfing can be a bumpy ride for even the most trained and skilled athlete. Choppy water and unpredictable currents create a challenging task for surfers as they seek to manage the ups and downs of the waves for a smooth experience.

Funding for the state's five pension plans is made up of three sources: employee contributions, employer contributions and investments. The plans are invested by the Retirement System Investment Commission in a variety of funds and asset classes to ensure that the portfolio is well diversified and that we are able to generate significant long-term returns. This also helps the state ride out highs and lows in the market as the funds are spread over a wide variety of investments. Members benefit from having the Commission guide and manage their plan's funding.



# Investment Section

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STATE TREASURER



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CHIEF EXECUTIVE OFFICER  
CHIEF INVESTMENT OFFICER

**November 7, 2011**

The Honorable Nikki Haley, Governor  
Budget and Control Board  
Members of the General Assembly of South Carolina

Dear Ladies and Gentlemen:

On behalf of the Retirement System Investment Commission (RSIC), it is our pleasure to provide the enclosed report on the investments of the South Carolina Retirement Systems' (Retirement System) portfolio for Fiscal Year Ending 2011 (FYE 2011). The RSIC was created in 2005 as a fiduciary for the Retirement System to assume full responsibility of investing and managing all assets of the Retirement System.

## Capital Market Summary

FYE 2011 was another year of government intervention as fears of a "double dip" recession resurfaced later in the year and discussion of the US debt ceiling became a central topic for policymakers. In August 2010, Federal Reserve Chairman Ben Bernanke hinted that the Federal Reserve may implement additional monetary stimulus in order to kick start a somewhat stagnant economy. In November 2010, Chairman Bernanke officially announced a second round of quantitative easing where the Federal Reserve would purchase \$600 billion of Treasury securities by the end of the second quarter in 2011. Furthermore, concern over the health of the European financial system came to the forefront again as default risk increased in Greece and several other European countries. Yet, while economic uncertainty loomed, the global financial markets rallied as interest rates remained at or near historical lows in hopes that this would lead to a more robust recovery.

However, after the close of the fiscal year, our macro-economic concerns were borne out as volatility in risk assets increased and their values declined from June 30, 2011, through September 30, 2011. During this period, the S&P 500 Index was down 13.9%, the MSCI EAFE Index fell 19.0%, and the BarCap US High Yield Index dropped 6.1%, giving back much of the ground that had been gained during the fiscal year. We anticipate the markets to remain volatile over the coming year as fears of an economic slowdown and the potential for a European sovereign debt default remains high.

For FYE 2011, small-mid cap growth equity was the best performing asset class, returning 44.7% as measured by the Russell 2500 Growth Index; and the Barclays Capital US Aggregate Index (core fixed income) was the worst performing, returning 3.9%. However, other fixed income markets hit double digit returns: US High Yield was up 15.6%; Emerging Markets Debt was up 11.4%; and Global Fixed Income returned 10.5%. Large cap US stocks (S&P 500 Index) were up 30.7% and Emerging Market Equity (MSCI EME Index) gained 27.8%.

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### FYE 2011 Investment Performance Review

The Retirement System investment portfolio (Portfolio) returned 18.3%, net of fees, for FYE 2011, exceeding the Policy benchmark return of 17.1% by 1.2%. As of FYE 2011, the Portfolio's market value was \$26.2 billion, up from \$22.9 billion a year earlier. The net increase of \$3.3 billion included the impact of \$897 million of net cash outflows for retiree obligations. The Portfolio's positive performance relative to the Policy and Strategy Benchmarks was primarily due to superior investment manager performance. It is important to note that the Portfolio tends to have substantially less equity risk and a higher cash allocation than the average public pension fund.

The alternatives portion of the Portfolio continues to perform well. The RSIC's Opportunistic Credit portfolio was up 12.4%, while the Hedge Fund portfolios returned 10.9% in aggregate. On a relative basis, the Portfolios significant underweight to real estate was a detractor to returns as the NCREIF Property Index was up 16.7%.

### Asset Allocation Targets

On November 18, 2010, the Commission made several changes to the asset allocation targets, which became effective December 1, 2010. Within equity, the allocation to emerging markets increased to 8% from 5% through a slight reduction to US large cap and developed international equity. The Portfolio's target equity allocation continues to be much lower than most other public pension funds for the two reasons discussed below.

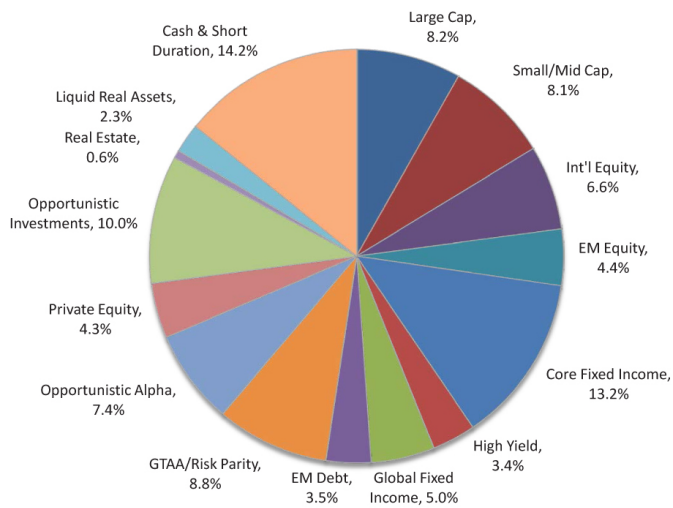
In early 2009, the RSIC recognized an opportunity to earn equity-like returns with far less risk by investing in Opportunistic Credit strategies. As these credit markets recovered significantly throughout 2010, the Commission elected to take profits and reduced the target allocation to these fixed income investments from 10% to 8%. In FYE 2011, these fixed income investments, although having double digit returns, trailed the equity markets.

Similarly, the RSIC determined that with credit spreads contracting significantly over the past year that the Global Fixed Income was likely to underperform on a relative basis during the year. The Commission reduced the target exposure to global fixed income by 1%.

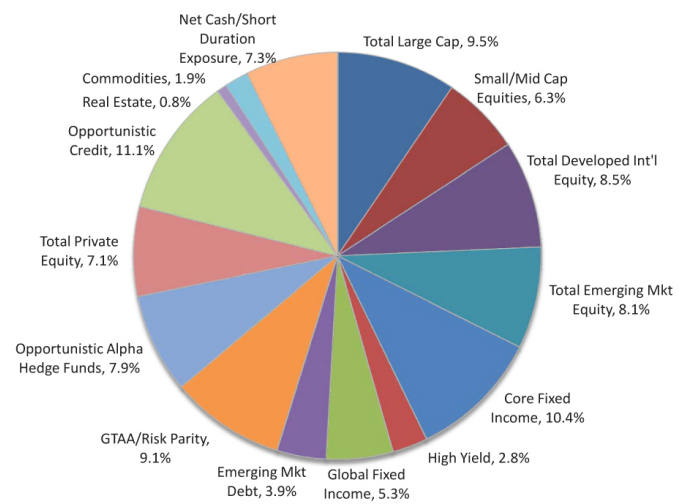
The total 4% reduction to credit and other fixed income markets was mostly reallocated to increase the Private Equity target from 7% to 10% as the Portfolio will focus on direct capital opportunities. Also, the Portfolio had very little exposure (about 1% of assets) to Real Estate throughout the year. Due to the extent of the decline in recent years, the RSIC has recently begun to prioritize investments in Real Estate as the market has started to show signs of a recovery, increasing the target allocation to 6% from 5%.

# Investment Section

Portfolio Exposure as of June 30, 2010<sup>1,2</sup>



Portfolio Exposure as of June 30, 2011<sup>1,2</sup>



<sup>1</sup> Values are rounded for presentation purposes.

<sup>2</sup> Portfolio exposure may differ from NEPC flash report due to adjustments made for managers that invest across multiple asset classes.

## Strategic Planning

In 2009 the Commission approved a three-year strategic plan, which identified a series of goals that are critical elements in building a best-in-class investment management organization. The Commission has completed three of the original seven goals, and has revised the Strategic Plan to address additional initiatives to improve investment and operational performance. These goals are detailed in the *Annual Investment Report*, along with the RSIC's mission, vision, and values statements.

## Looking Ahead

While FYE 2011 produced strong, double-digit returns for most financial markets, our expectations are for relatively modest returns over the next several years. The Commission continues to see at least four significant issues which give us concern when calculating the future investment climate. We expect a continued period of extraordinarily low interest rates as the Federal Reserve continues to use its interest rate setting power to try to stimulate economic growth. This, however, leads to a challenging environment for bonds, as the yield on the 10-Year Treasury bond is approximately 2.0%. We continue to expect an extended period of low growth as the deleveraging process continues across the US and developed economies. Further, as of the writing of this letter, there is yet to be resolution to the debt crisis in Europe and a comprehensive European solution to it seems politically challenging at best. Should Europe's economy fall into recession, we feel certain there will be spillover effects into the US economy. Finally, there is reason to believe that China's economy has been fueled by a real estate bubble and that other aspects of its economy are potentially faltering, which gives us reason to be cautious given the magnitude of China's economy in relation to the global economy.

In sum, we are cautious about investment returns in the upcoming years and are positioning the portfolio somewhat defensively as a result. We believe that the best opportunities to achieve higher

## Investment Section

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returns will be through significant investment in private markets, real estate, and emerging markets. Additionally, we intend to continue our emphasis on controlling the total cost of the Portfolio.

While the challenge at hand is significant, we are committed to serving the best interests of the participants and beneficiaries of the Retirement System, and we will continue to manage the assets of the Portfolio in a prudent and transparent manner, seeking superior returns at acceptable levels of risk. It is a tremendous responsibility and opportunity for us to serve as the Investment Commission's Chairman and CEO/CIO.

Sincerely,



Allen Gillespie, CFA  
Chairman



Robert L. Borden, CFA, CAIA  
Chief Executive Officer  
Chief Investment Officer

## Investment Section

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### South Carolina Retirement System Summary of Investment Growth (Amounts expressed in thousands)

Year Ended June 30,	Market Value of Investments <sup>1</sup>	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2011	\$ 23,232,653	17.26%	\$ 3,596,902	37.67%
2010	19,812,203	8.62%	2,612,663	154.95%
2009	18,240,380	-21.05%	(4,754,668)	-641.53%
2008	23,103,046	-6.77%	(641,196)	-121.38%
2007	24,779,857	8.97%	2,999,209	164.33%
2006	22,741,048	0.99%	1,134,639	-24.20%
2005	22,517,910	5.69%	1,496,887	-14.93%
2004	21,305,463	6.69%	1,759,686	5.83%
2003	19,969,435	8.29%	1,662,781	876.48%
2002	18,440,327	-0.20%	170,284	-86.84%

### Police Officers Retirement System Summary of Investment Growth (Amounts expressed in thousands)

Year Ended June 30,	Market Value of Investments <sup>1</sup>	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2011	\$ 3,386,895	19.93%	\$ 519,363	43.25%
2010	2,824,156	11.33%	362,566	156.79%
2009	2,536,671	-18.18%	(638,389)	-647.40%
2008	3,100,417	-4.83%	(85,415)	-122.80%
2007	3,257,632	11.66%	374,623	167.99%
2006	2,917,468	4.31%	139,785	-20.51%
2005	2,796,872	6.52%	175,849	-17.13%
2004	2,625,710	7.90%	212,201	15.22%
2003	2,433,396	8.98%	184,177	886.48%
2002	2,232,967	1.44%	18,670	-87.52%

<sup>1</sup>Market value includes investment categories classified as cash equivalents for financial statement purposes. Securities lending assets are excluded.

## Investment Section

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### General Assembly Retirement System Summary of Investment Growth (Amounts expressed in thousands)

Year Ended June 30,	Market Value of Investments <sup>1</sup>	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2011	\$ 35,488	8.65%	\$ 5,680	22.36%
2010	32,662	2.79%	4,642	149.34%
2009	31,777	-27.02%	(9,409)	-728.26%
2008	43,544	-9.27%	(1,136)	-119.09%
2007	47,992	5.98%	5,950	185.23%
2006	45,282	-2.20%	2,086	-35.58%
2005	46,300	3.42%	3,238	-19.67%
2004	44,771	3.93%	4,031	0.65%
2003	43,078	5.09%	4,005	14,203.57%
2002	40,990	-3.51%	28	-99.07%

### Judges and Solicitors Retirement System Summary of Investment Growth (Amounts expressed in thousands)

Year Ended June 30,	Market Value of Investments <sup>1</sup>	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2011	\$ 130,357	17.65%	\$ 20,086	37.14%
2010	110,798	9.44%	14,646	154.77%
2009	101,244	-19.64%	(26,741)	-693.27%
2008	125,987	-7.00%	(3,371)	-121.05%
2007	135,482	10.93%	16,017	178.00%
2006	122,128	3.24%	5,761	-29.30%
2005	118,299	6.96%	8,148	-11.35%
2004	110,597	7.73%	9,191	4.50%
2003	102,657	8.70%	8,795	758.05%
2002	94,439	0.01%	1,025	-85.62%

<sup>1</sup>Market value includes investment categories classified as cash equivalents for financial statement purposes. Securities lending assets are excluded.

## Investment Section

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### National Guard Retirement System Summary of Investment Growth (Amounts expressed in thousands)

<b>Year Ended June 30,</b>	<b>Market Value of Investments<sup>1</sup></b>	<b>% Increase for Year</b>	<b>Net Income (Loss) from Investments</b>	<b>% Increase for Year</b>
2011	\$ 17,864	19.04%	\$ 2,531	35.71%
2010	15,007	16.25%	1,865	146.39%
2009	12,909	-17.39%	(4,020)	-1,055.17%
2008	15,627	-0.55%	(348)	-117.38%
2007	15,714	23.83%	2,002	2,149.44%
2006	12,690		89	

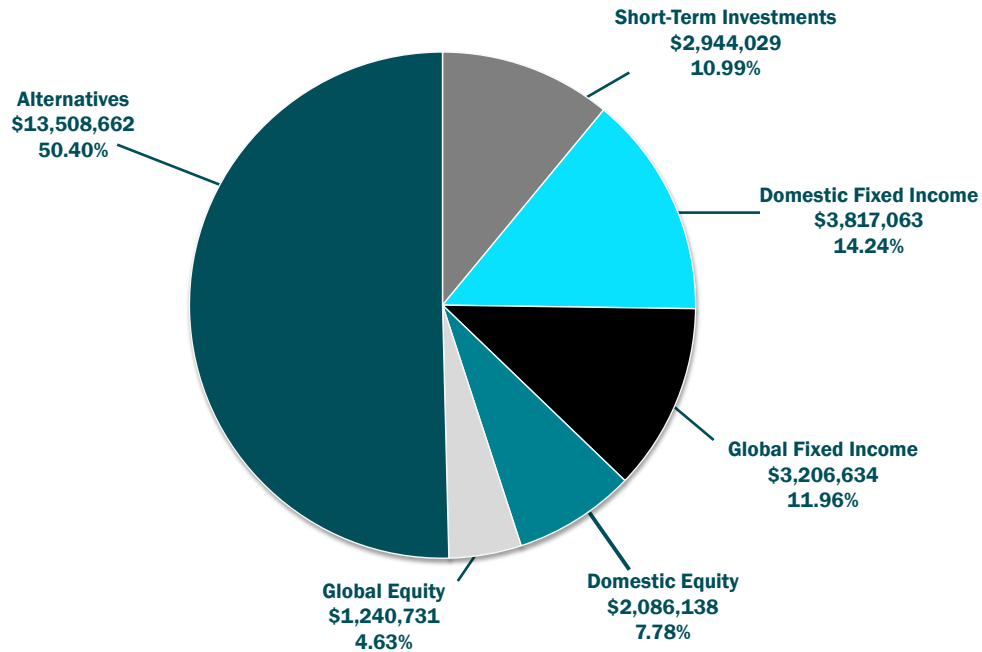
<sup>1</sup>Market value includes investment categories classified as cash equivalents for financial statement purposes. Securities lending assets are excluded.

The South Carolina Retirement Systems assumed administrative responsibilities for the National Guard Retirement System January 1, 2006; therefore, prior year data is not presented.

## Investment Section

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### South Carolina Retirement Systems Schedule of Total Asset Allocation for All Systems Market Value of Investments as of June 30, 2011 (Dollar amounts expressed in thousands)



Note: Short-term investments with an original maturity of three months or less were classified as cash equivalents for financial statement purposes. The short-term total and domestic fixed income includes cash of \$726,489 and \$126 (in thousands) respectively. Securities lending assets are excluded.

Data provided in this chart is derived from the Statement of Plan Net Assets. Refer to the Letter of Transmittal (Page 9) or the Letter from the Retirement System Investment Commission (Page 71) for a more detailed analysis of the asset allocation.



## Investment Section

### Summary of Market Value of Investments (Amounts expressed in thousands)

	South Carolina Retirement System			Police Officers Retirement System		
	Market Value		% of	Market Value		% of
	06/30/2010	06/30/2011	Market Value at 06/30/11	06/30/2010	06/30/2011	Market Value at 06/30/11
<b>Short-Term Investments</b>	\$ 3,451,424	\$ 2,543,705	10.95%	\$ 484,220	\$ 377,757	11.16%
<b>Debt:</b>						
Domestic Fixed Income	3,384,091	3,309,873	14.25%	483,997	481,410	14.21%
Global Fixed Income	2,467,288	2,780,555	11.97%	352,874	404,422	11.94%
<b>Public Equity:</b>						
Domestic Equity	1,407,616	1,808,944	7.78%	201,319	263,105	7.77%
Global Equity	255	1,075,869	4.63%	36	156,482	4.62%
<b>Alternatives</b>	9,101,529	11,713,707	50.42%	1,301,710	1,703,719	50.30%
<b>Total Investments</b>	<u>\$ 19,812,203</u>	<u>\$ 23,232,653</u>	<u>100.00%</u>	<u>\$ 2,824,156</u>	<u>\$ 3,386,895</u>	<u>100.00%</u>
	General Assembly Retirement System			Judges & Solicitors Retirement System		
	Market Value		% of	Market Value		% of
	06/30/2010	06/30/2011	Market Value at 06/30/11	06/30/2010	06/30/2011	Market Value at 06/30/11
<b>Short-Term Investments</b>	\$ 6,910	\$ 4,514	12.72%	\$ 19,597	\$ 15,064	11.55%
<b>Debt:</b>						
Domestic Fixed Income	5,327	4,955	13.96%	18,864	18,445	14.15%
Global Fixed Income	3,883	4,163	11.73%	13,754	15,495	11.89%
<b>Public Equity:</b>						
Domestic Equity	2,216	2,708	7.63%	7,846	10,080	7.73%
Global Equity		1,611	4.54%	1	5,996	4.60%
<b>Alternatives</b>	14,326	17,537	49.42%	50,736	65,277	50.08%
<b>Total Investments</b>	<u>\$ 32,662</u>	<u>\$ 35,488</u>	<u>100.00%</u>	<u>\$ 110,798</u>	<u>\$ 130,357</u>	<u>100.00%</u>
	National Guard Retirement System					
	Market Value		% of			
	06/30/2010	06/30/2011	Market Value at 06/30/11			
<b>Short-Term Investments</b>	\$ 3,677	\$ 2,989	16.73%			
<b>Debt:</b>						
Domestic Fixed Income	2,343	2,380	13.32%			
Global Fixed Income	1,709	1,999	11.19%			
<b>Public Equity:</b>						
Domestic Equity	975	1,301	7.28%			
Global Equity	1	773	4.33%			
<b>Alternatives</b>	6,302	8,422	47.15%			
<b>Total Investments</b>	<u>\$ 15,007</u>	<u>\$ 17,864</u>	<u>100.00%</u>			

Note: Market value excludes securities lending assets. Assets of the Systems are pooled; however, percentages vary slightly between systems due to cash flow differences which primarily impact the short-term investment category.

## Investment Section

### South Carolina Retirement Systems List of Largest Assets Held As of June 30, 2011

#### Top 10 Equity Holdings

Units	Description	SCRS	PORS	GARS	JSRS	NGRS	Market Value
230,000	Davita Inc	\$ 17,273,402	\$ 2,512,358	\$ 25,862	\$ 96,259	\$ 12,419	\$ 19,920,300
179,700	Chevron Corp	16,024,783	2,330,751	23,991	89,301	11,522	18,480,348
381,500	JPMorgan Chase & Co	13,543,297	1,969,827	20,277	75,472	9,737	15,618,610
285,410	Wesco International Inc	13,386,535	1,947,027	20,041	74,599	9,625	15,437,827
211,270	Renaissance RE Holdings Ltd	12,814,674	1,863,851	19,185	71,412	9,214	14,778,336
361,500	SBA Communications Corp	11,971,263	1,741,180	17,923	66,712	8,607	13,805,685
484,300	Wells Fargo & Co	11,783,767	1,713,909	17,643	65,667	8,472	13,589,458
253,100	Global Payments Inc	11,192,944	1,627,976	16,758	62,374	8,048	12,908,100
526,200	Intel Corp	10,111,198	1,470,640	15,138	56,346	7,270	11,660,592
141,750	Oil States International Inc	9,822,143	1,428,598	14,705	54,735	7,062	11,327,243
<b>Total</b>							<b>\$ 147,526,499</b>

#### Top 10 Fixed Income Holdings

Par Value	Description	SCRS	PORS	GARS	JSRS	NGRS	Market Value <sup>1</sup>
\$ (157,000,000)	Commit to Purchase GNMA SF Mtg 5.50% due 8/15/2041	\$ (149,518,435)	\$ (21,746,955)	\$ (223,853)	\$ (833,216)	\$ (107,501)	\$ (172,429,960)
101,780,973	GNMA Pool #0782570 5.50% due 2/15/2039	97,222,906	14,140,746	145,559	541,790	69,901	112,120,902
99,000,000	US Treasury Note 1.000% due 07/31/2011	85,912,395	12,495,670	128,625	478,761	61,769	99,077,220
85,100,000	US Treasury Note 2.375% due 05/31/2018	73,400,552	10,675,864	109,893	409,036	52,774	84,648,119
52,180,000	US Treasury Note 0.500% due 05/31/2013	45,294,123	6,587,878	67,813	252,409	32,566	52,234,789
50,000,000	US Treasury Note 1.750% due 01/31/2014	44,558,550	6,480,892	66,711	248,310	32,037	51,386,500
50,000,000	US Treasury Note 1.375% due 01/15/2013	44,027,002	6,403,580	65,915	245,348	31,655	50,773,500
45,123,764	GNMA Pool #0550657 5.50% due 09/15/2035	43,236,408	6,288,591	64,732	240,942	31,086	49,861,759
46,000,000	US Treasury Note 4.250% due 09/30/2012	41,857,437	6,088,024	62,667	233,257	30,095	48,271,480
(46,000,000)	Commit to Purchase FNMA SF Mtg 4.50% due 07/01/2041	(41,265,103)	(6,001,871)	(61,781)	(229,956)	(29,669)	(47,588,380)
<b>Total</b>							<b>\$ 328,355,929</b>

Note: A complete list of portfolio holdings is available upon request.

<sup>1</sup>Negative values reflect short positions which reduce exposure to the respective asset class.

# Investment Section

## South Carolina Retirement Systems Schedule of Investment Results Combined Investment Portfolio

### Benchmarks

Fiscal Years ended June 30,	Benchmarks											
	91 Day Treasury Bill Index	Barclays Capital U.S. Aggregate <sup>1</sup>	Barclays Capital Global Aggregate <sup>1</sup>	S&P Equity Index	MSCI EAFE	Venture Economics-All Private Equity 1Q in Arrears	HFRX Global Hedge Fund Index	50% MSCI World, 50% Citi WGBI	Barclays Capital U.S. High Yield Index <sup>1</sup>	NCREIF Property Index	Consumer Price Index (CPI) <sup>2</sup>	Assumed Rate of Return
2011	0.16%	3.90%	10.51%	30.69%	30.93%	19.75%	4.22%	20.35%	15.63%	16.73%	3.40%	8.00%
2010	0.16%	9.50%	5.00%	14.43%	6.37%	21.54%	6.13%	6.94%	26.77%	-1.48%	1.15%	8.00%
2009	0.95%	6.05%	2.75%	-26.21%	-30.96%	-22.71%	-18.14%	-13.44%	-2.40%	-19.56%	-1.40%	8.00%
2008	3.63%	7.12%	12.89%	-13.12%	-10.15%	12.20%	-3.00%	2.74%	-2.26%	9.21%	4.63%	8.00%
2007	5.21%	6.12%	4.67%	20.59%	27.54%	22.78%	12.72%	12.85%	11.55%	17.25%	2.71%	7.25%
2006	3.99%	-0.81%	0.25%	8.64%	27.07%	25.98%	7.81%	8.09%	4.80%	18.68%	4.33%	7.25%
2005	2.15%	6.80%	7.51%	6.32%	14.13%	17.48%	1.11%	8.90%	10.86%	18.02%	2.53%	7.25%
2004	0.98%	0.33%	4.61%	19.10%	32.85%	22.80%	4.70%	14.63%	10.33%	10.84%	3.27%	7.25%
2003	1.53%	10.40%	14.90%	0.25%	-6.06%	-11.78%	9.66%	7.37%	22.76%	7.64%	2.11%	7.25%
2002	2.63%	8.63%	12.02%	-17.99%	-9.22%	-15.44%	6.88%	-1.15%	-3.60%	5.50%	1.07%	7.25%
3-Year Annualized	0.42%	6.45%	6.04%	3.34%	-1.30%	4.13%	-3.26%	3.66%	12.68%	-2.56%	1.05%	
5-Year Annualized	2.00%	6.52%	7.10%	2.94%	1.96%	8.91%	-0.21%	5.25%	9.30%	3.45%	2.09%	
10-Year Annualized	2.12%	5.74%	7.41%	2.72%	6.12%	7.50%	2.84%	6.34%	8.99%	7.64%	2.34%	
<b>Actual Performance<sup>3</sup></b>												
Fiscal Years ended June 30,	Cash <sup>4</sup>	Domestic Fixed Income	Non-Core Fixed Income <sup>5</sup>	Domestic Equity	Non U. S. Equity <sup>6</sup>	Private Equity	Hedge Fund	Global Asset Allocation	Opportunistic Credit	Real Estate	Total Portfolio <sup>7</sup>	
2011	1.16%	4.74%	14.30%	38.68%		20.18%	11.62%	18.90%	12.49%	5.76%	18.59%	
2010	-0.87%	12.23%	18.00%	19.53%		12.37%	9.73%	13.72%	26.47%	12.02%	14.62%	
2009	0.82%	4.33%	1.72%	-28.48%		-16.02%	-13.22%	-19.21%	-14.18%		-19.60% <sup>8</sup>	
2008	3.90%	5.60%		-15.45%		-3.70%	3.10%				-2.56%	
2007	5.58%	7.02%		18.69%							13.35%	
2006	4.44%	0.69%		10.34%							5.13%	
2005	2.30%	6.87%		7.24%							7.02%	
2004		1.49%		20.88%							8.76%	
2003		11.67%		-0.40%							8.88%	
2002		8.22%		-17.32%							0.93%	
3-Year Annualized	0.66%	7.04%	11.12%	6.31%		4.28%	2.00%	2.99%	7.11%		3.13%	
5-Year Annualized	2.28%	6.75%		3.79%							3.95%	
10-Year Annualized		6.23%		3.54%							5.02%	

<sup>1</sup>Barclays PLC purchased Lehman Brothers Holdings Inc's benchmark service in 2008, and subsequently changed the beginning of the index names from "Lehman Brothers" to "Barclays Capital."

<sup>2</sup>Measure of the Consumer Price Index (CPI) - All urban Consumers (all items) represents the year-over-year changes in prices of all goods and services purchased for consumption by urban households and includes expenditures by urban wage earners and clerical workers, professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, retirees and others not in the labor force. This represents about 80 percent of the total U.S. population and is the broadest, most comprehensive measure of changes in prices of goods and services.

<sup>3</sup>Calculations were prepared using a time-weighted rate of return calculation and follows the Bank Administration Institute's recommendations on cash flows. No returns are stated for periods of time for which the Systems was not invested in specific markets.

<sup>4</sup>Effective July 1, 2004, a two percent (approximately) portion of the aggregate fixed income portfolio was segmented into a liquidity pool of short duration investments to more efficiently manage cash flows.

<sup>5</sup>Non-Core Fixed Income is comprised of high yield, global fixed income and emerging market debt.

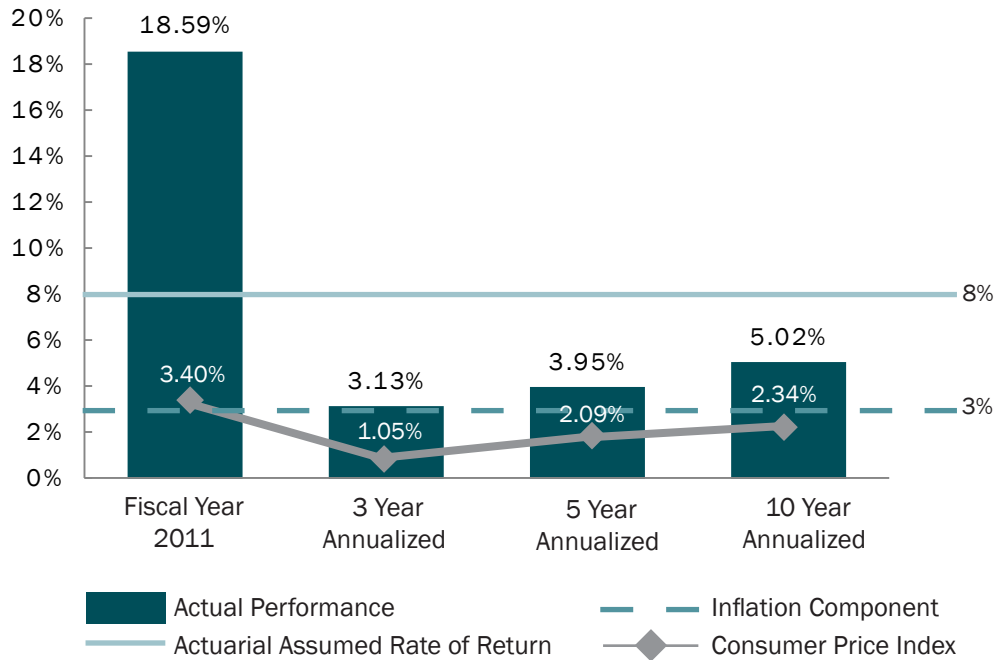
<sup>6</sup>During FY 2011, the emerging market equity segment was funded; however, results for the full fiscal year are not available.

<sup>7</sup>The returns generated from the synthetic allocations to Domestic Fixed Income, Domestic Equity, and Non U.S. Equity are reflected in the Total Portfolio returns, but they are not specifically included in the individual corresponding asset classes.

<sup>8</sup>Fiscal year 2009 performance was adjusted for a securities lending loss that was recognized in fiscal year 2009 for financial statement purposes. This adjustment resulted in total performance being restated from -19.04% to -19.60%.

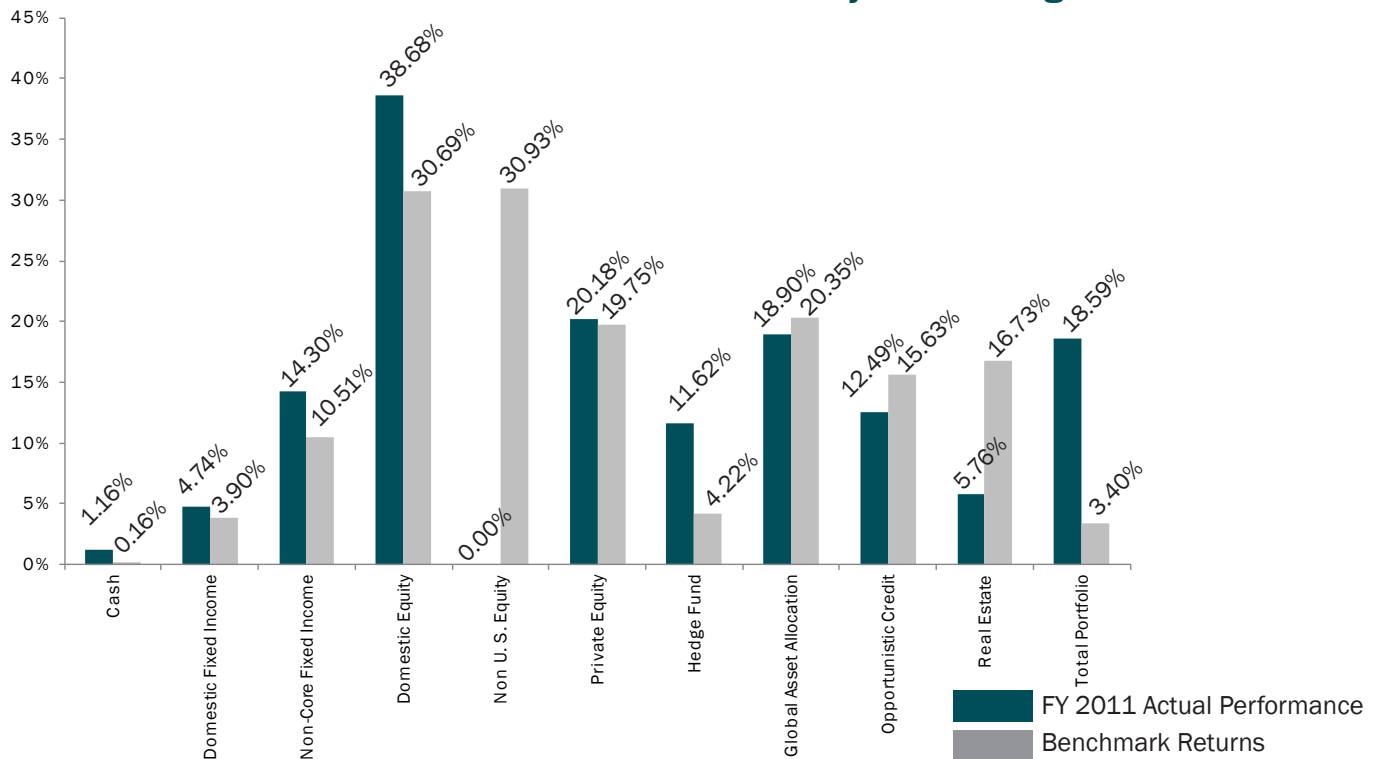
## Investment Section

### South Carolina Retirement Systems Investment Performance Summary



Note: The actuarial assumed rate of return is 8 percent starting with returns after July 1, 2008, and is composed of an assumed 3 percent inflation rate and a 5 percent real rate of return, net of investment and administrative expenses.

### Fiscal Year 2011 Investment Performance by Market Segment



Note: The Commission adopted an asset allocation model in November 2010 expected to generate a gross annual investment return of 8.33 percent for the total portfolio and returns for individual asset classes are compared to industry benchmarks for each respective asset class.

## Investment Section

### South Carolina Retirement Systems Schedule of Investment Fees and Commissions For the Year Ended June 30, 2011

	Market Value of Assets under Management at June 30, 2011 <sup>1</sup>	Fees
Investment Managers' Fees	\$ 24,881,149,407	\$ 69,392,622
Other Investment Service Fees:		
Bank Fees and Investment Expenses		1,657,619
		\$ 71,050,241

Brokerage Firm	Number of Shares Traded	Commissions <sup>2</sup>	Average Commissions per Share
Goldman Sachs & Co.	2,223,875	\$ 1,446,968	0.6507
Investment Technology Group	14,754,176	275,973	0.0187
Liquidnet, Inc.	9,575,810	202,408	0.0211
Deutsche Bank Securities	10,197,887	184,795	0.0181
Credit Suisse	8,645,237	173,168	0.0200
UBS Securities LLC	5,371,532	171,411	0.0319
Jefferies & Co., Inc.	9,288,509	169,449	0.0182
Merrill Lynch Pierce Fenner Smith, Inc.	5,563,342	157,795	0.0284
ITG Inc.	5,816,836	95,980	0.0165
Stifel Nicolaus	2,069,556	79,837	0.0386
Cantor Fitzgerald & Co., Inc.	2,654,902	79,138	0.0298
Barclays Capital Inc.	2,724,293	74,137	0.0272
Goldman Sachs Execution & Clearing	3,919,290	72,907	0.0186
Pershing LLC	2,543,594	72,667	0.0286
Baird, Robert W. & Co., Inc.	1,953,175	72,336	0.0370
Raymond James & Associates, Inc.	1,802,925	69,122	0.0383
Knight Securities Broadcort	2,526,104	65,166	0.0258
Morgan Stanley & Co., Inc.	2,543,084	64,899	0.0255
J.P. Morgan Clearing Corp.	2,746,405	60,860	0.0222
Wells Fargo Securities LLC	1,426,693	59,352	0.0416
BTIG LLC	1,200,645	57,233	0.0477
All others <sup>3</sup>	41,044,107	1,294,596	0.0315
	140,591,977	\$ 5,000,197	0.0356

Source: Data provided by the BNY Mellon, Custodial bank.

<sup>1</sup>Assets under management include categories classified as cash and cash equivalents for financial statement purposes.

<sup>2</sup>Commissions paid to brokers are considered a part of the investment asset cost and are therefore not reported as expenses of the System.

<sup>3</sup>Other brokers include 129 additional brokers each receiving less than \$50,000 in total commissions.

## Investment Section

### South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2011 (Amounts expressed in thousands)

Investment Manager	Style	Initial Funding Date	Market Value of Assets under Management at June 30, 2011 <sup>1</sup>	Fees
Aronson + Johnson + Ortiz, LP Philadelphia, PA	Large Cap Value	September 21, 2005	\$ 472,448	\$ 919
Wells Capital Management, Inc. (Benson Value Team) <sup>3</sup> Portland, OR	Small Cap Value	October 1, 2002	-	33
Integrity Asset Management, LLC Louisville, KY	Small Cap Value	March 15, 2005	200,421	1,101
Thompson, Siegel & Walmsley, Inc. Richmond, VA	Small/Mid Cap Value	March 15, 2005	254,782	1,563
TimesSquare Capital Management, LLC New York, NY	Small/Mid Cap Growth	October 1, 2002	504,090	3,469
Turner Investment Partners, Inc. Berwyn, PA	Small Cap Growth	March 15, 2005	298,804	1,983
Pyramis Global Advisors (Fidelity) Boston, MA	Small Cap Core	May 23, 2000	393,799	2,073
Blackrock Financial Management, Inc. New York, NY	Core Fixed Income	June 1, 2009	1,153,734	1,236
Jamison, Eaton & Wood Bedminster, NJ	Core Fixed Income	January 15, 2010	215,484	315
Pacific Investment Management Co. Newport Beach, CA	Core Fixed Income	May 1, 2009	1,060,377	2,527
Amundi Asset Management London, England	Global Fixed Income	September 19, 2007	313,512	
Loomis Sayles Boston, MA	Global Fixed Income	August 1, 2007	625,661	
Mondrian Investment Group, Inc. Philadelphia, PA	Global Fixed Income	August 15, 2007	914,934	2,572
Western Asset Management Co. Pasadena, CA	Global Fixed Income	August 1, 2007	552,046	1,271
Loomis Sayles Boston, MA	High Yield	May 2, 2008	191,534	1,684
Penn Capital Management, Inc. Philadelphia, PA	High Yield	May 1, 2009	79,711	474
Post Advisory Group Santa Monica, CA	High Yield	March 9, 2010	225,583	1,278
Post Advisory Group Santa Monica, CA	Limited Term High Yield	May 11, 2010	272,226	1,221
Capital Guardian Trust Co. Los Angeles, CA	Emerging Debt	June 1, 2009	526,710	1,670
Capital International <sup>2</sup> Los Angeles, CA	Emerging Market Equity	January 5, 2011	406,903	
Dimensional Fund Advisors <sup>2</sup> Austin, TX	Emerging Market Equity	September 17, 2010	381,309	
Schroders <sup>2</sup> London, England	Emerging Market Equity	September 17, 2010	452,519	1,817

Continued on Next Page

## Investment Section

### South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2011 (Amounts expressed in thousands)

Investment Manager	Style	Initial Funding Date	Market Value of Assets under Management at June 30, 2011 <sup>1</sup>	Fees
Aquiline Capital Partners, LLC New York, NY	Private Equity	March 28, 2007	100,407	
Aquiline Capital Partners, LLC <sup>2</sup> New York, NY	Private Equity	December 27, 2010	285	
Aquiline Capital Partners, LLC <sup>2</sup> New York, NY	Private Equity	August 31, 2010	123,694	
Apax Partners, LP London, England	Private Equity	March 26, 2008	38,401	
Azalea Capital Greenville, SC	Private Equity	May 3, 2010	5,188	
Bridgepoint Europe London, England	Private Equity	November 14, 2008	23,790	
Carousel Capital Partners Charlotte, NC	Private Equity	September 17, 2007	20,576	
Clayton, Dubilier & Rice New York, NY	Private Equity	January 12, 2009	59,352	
Crestview Partners LP New York, NY	Private Equity	November 6, 2008	51,113	
Goldman Sachs & Co. New York, NY	Private Equity	December 19, 2007	34,269	
Industry Ventures San Francisco, CA	Private Equity	March 27, 2009	35,566	
Industry Ventures <sup>2</sup> San Francisco, CA	Private Equity	June 16, 2011	800	
Neuberger Berman New York, NY	Private Equity	May 22, 2008	24,493	
Lexington Partners New York, NY	Private Equity	October 9, 2008	15,588	
Lexington Partners <sup>2</sup> New York, NY	Private Equity	July 14, 2010	42,468	
Northstar Capital LLC Minneapolis, MN	Private Equity	February 25, 2008	18,388	
Pantheon San Francisco, CA	Private Equity	July 2, 2007	49,907	
Pantheon San Francisco, CA	Private Equity	July 10, 2007	69,701	
Paul Capital Partners San Francisco, CA	Private Equity	May 23, 2008	43,051	
Ranieri New York, NY	Private Equity	June 18, 2010	15,543	
Ranieri <sup>2</sup> New York, NY	Private Equity	January 24, 2011	98,293	
Square 1 Ventures Durham, NC	Private Equity	May 8, 2008	29,334	

Continued on Next Page

## Investment Section

### South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2011 (Amounts expressed in thousands)

Investment Manager	Style	Initial Funding Date	Market Value of Assets under Management at June 30, 2011 <sup>1</sup>	Fees
Truebridge Capital Partners Raleigh, NC	Private Equity	December 28, 2007	28,326	
Truebridge Capital Partners Raleigh, NC	Private Equity	March 16, 2010	6,104	
Venture Investment Managers LP Palo Alto, CA	Private Equity	April 21, 2009	18,306	
Warburg Pincus New York, NY	Private Equity	December 28, 2007	77,985	
Welsh Carson Anderson & Stowe New York, NY	Private Equity	February 10, 2009	19,509	
Bridgewater Associates, Inc. Westport, CT	Hedge Funds	July 2, 2007	455,403	29,097
Bridgewater Associates, Inc. <sup>2</sup> Westport, CT	Hedge Funds	February 1, 2011	32,981	
Chilton Investment Co <sup>2</sup> Stanford, CT	Hedge Funds	October 4, 2010	73,788	
D.E. Shaw LLC New York, NY	Hedge Funds	July 2, 2007	392,879	
EnTrust Capital Ltd. New York, NY	Hedge Funds	August 31, 2007	528,926	
GAM New York, NY	Hedge Funds	August 27, 2007	23,151	
Gottex Boston, MA	Hedge Funds	September 28, 2007	502,768	
Grosvenor LP Chicago, IL	Hedge Funds	August 29, 2007	750,462	
Loomis Sayles Boston, MA	Hedge Funds	May 13, 2010	491,306	1,741
W. L. Ross New York, NY	Hedge Funds	September 12, 2008	212,392	
Bridgewater Associates, Inc. Westport, CT	Global Asset Allocation	August 1, 2007	819,316	
Grantham, Mayo, Van Otterloo & Co. LLC Boston, MA	Global Asset Allocation	August 31, 2007	743,904	3,941
Putnam Investments Boston, MA	Global Asset Allocation	January 17, 2008	826,021	4,278
Angelo Gordon, LP New York, NY	Opportunistic Credit	June 17, 2008	51,277	
Avenue Partners New York, NY	Opportunistic Credit	March 13, 2009	175,800	
Avenue Partners <sup>2</sup> New York, NY	Opportunistic Credit	November 1, 2010	78,503	
D. E. Shaw New York, NY	Opportunistic Credit	July 16, 2008	118,052	

Continued on Next Page



## Investment Section

### South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2011 (Amounts expressed in thousands)

Investment Manager	Style	Initial Funding Date	Market Value of Assets under Management at June 30, 2011 <sup>1</sup>	Fees
Sankaty Advisors Boston, MA	Opportunistic Credit	July 15, 2008	147,358	
Selene Investment Partners New York, NY	Opportunistic Credit	July 24, 2008	160,590	
Selene Investment Partners <sup>2</sup> New York, NY	Opportunistic Credit	March 31, 2011	1,400	
Strategos Capital Management, LLC Philadelphia, PA	Opportunistic Credit	October 7, 2009	251,803	1,249
Torchlight (ING Clarion) New York, NY	Opportunistic Credit	May 11, 2009	97,103	
W.L. Ross New York, NY	Opportunistic Credit	June 17, 2010	51,490	
Intercontinental Real Estate Corp. Boston, MA	Real Estate	August 3, 2009	4,617	
Carlyle Realty Partners <sup>2</sup> New York, NY	Real Estate	March 11, 2011	9,302	
Greystar <sup>2</sup> Charleston, SC	Real Estate	March 31, 2011	15,538	
LoneStar <sup>2</sup> Austin, TX	Real Estate	June 16, 2011	2,409	
Och-Ziff <sup>2</sup> New York, NY	Real Estate	March 28, 2011	4,355	875
SCRS / Apollo Strategic Partnership New York, NY	Various asset classes	January 15, 2009	602,620	
SCRS / Goldman Sachs Strategic Partnership New York, NY	Various asset classes	August 29, 2008	1,153,160	
SCRS / Lighthouse Strategic Partnership <sup>2</sup> Palm Beach Gardens, FL	Various asset classes	June 29, 2011	500,000	
SCRS / Mariner Strategic Partnership Harrison, NY	Various asset classes	November 3, 2008	932,085	
SCRS / Morgan Stanley Strategic Partnership New York, NY	Various asset classes	February 27, 2008	2,117,773	
SCRS / Reservoir Capital Strategic Partnership New York, NY	Various asset classes	September 1, 2009	59,261	
SCRS / TCW Strategic Partnership Los Angeles, CA	Various asset classes	June 20, 2008	527,755	
Russell Investment Group Tacoma, WA	Beta Overlay	May 29, 2007	1,418,439	1,006
Residual Assets <sup>4</sup>			141	

<sup>1</sup>Assets under management include categories classified as cash and cash equivalents for financial statement purposes.

<sup>2</sup>Manager hired during fiscal year 2011.

<sup>3</sup>The contract with Wells Capital Management, Inc (Benson Value Team) was terminated in June 2011.

<sup>4</sup> Balances in the Residual Assets account are held temporarily while waiting to be placed in a more permanent investment.

Several of the alternative investment managers provide account valuations on a net of fee basis. Management fees are netted against investment income and because they are not readily separable for specific investment income, amounts are recorded and reported net of fees.

	\$ 24,881,152	\$ 69,393
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# ACTUARIAL SECTION

**S**ailors of sail boats depend a great deal on their calculations. Calculations of the wind, the tide and the weather. They take into consideration all of these factors and more when determining their course and their ability to safely travel the waters.

Similarly, actuaries perform an essential calculation function for all defined benefit plans. Actuaries consider all the factors experienced by the system such as rates of retirement, withdrawal, disability and mortality to help the Systems determine the best course of assumptions to take for future expectations. Actuaries consider risk, behavior and other trends to determine the appropriate funding required to sustain the system.



## Actuarial Section

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### Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

July 27, 2011

State Budget and Control Board  
South Carolina Retirement Systems  
Columbia, South Carolina 29211

Re: Certification and Statement Regarding the Actuarial Valuations as of July 1, 2010

Dear Members of the Board:

#### **Applicable Laws**

The law governing the operation of the Retirement Systems provides that actuarial valuation of the assets and liabilities shall be made annually for the South Carolina Retirement System and the Police Officers Retirement System and at least every other year for the General Assembly Retirement System, the Judges and Solicitors Retirement System and the National Guard Retirement System. We have performed the annual actuarial valuations of each of the five separate Retirement Systems as of July 1, 2010.

#### **Funding Objective**

A funding objective is that the contribution requirements of each System will remain relatively level over time. Where contribution rates are set by the Board, the valuation is used to determine the sufficiency of the contributions to maintain or improve the measures of the Systems' funding progress (i.e. *funded ratio*, *funding period*) and provide for the complete funding of all actuarial liabilities within 30 years or less if statutorily required.

#### **Funding Methodology**

The entry age normal actuarial cost method determines each System's normal cost, the cost of the current year's benefit accrual. Additionally, the method determines the actuarial liability, the value of benefits already earned by active and retired members due to past service. A smoothing technique is utilized to produce a market-related actuarial value of assets with the goal of dampening the impact of investment return volatility. The *funded ratio* is the actuarial value of assets as a percentage of the actuarial liability.

An unfunded actuarial liability exists to the extent a System's actuarial liability exceeds its actuarial value of assets. The contribution amount in excess of the System's normal cost is the amount available to amortize an unfunded actuarial liability utilizing the System's amortization method. The System's *funding period* is the resulting number of years necessary to fully amortize the unfunded actuarial liability with the available contributions.

#### **Assumptions**

Actuarial assumptions are necessary to estimate the future economic and demographic experience of the Systems. Experience studies are performed periodically to review the assumptions and are the basis for recommended changes. The actuarial assumptions used in the valuations are internally consistent and reasonably based on the actual experience of each of the Systems.

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State Budget and Control Board  
South Carolina Retirement Systems  
July 27, 2011  
Page 2

The current actuarial assumptions are in accordance with the applicable Actuarial Standards of Practice, as well as the parameters set forth in the Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

The results and conclusions of the reports are based on the actuarial valuations as of July 1, 2010. Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience. These deviations will result in actuarial gains and losses to the respective System.

### **Data Reliance**

In preparing the valuations, we, as the actuary, relied on data provided by the Systems. As part of our work, we performed a limited review of the data for consistency and reasonableness and did not find material defects in the census data.

### **Supporting Schedules**

Our firm, as actuary, is responsible for the actuarial trend data in the financial section of the report and the supporting schedules in the actuarial section, beginning with the information for the July 1, 2010 (July 1, 2004 for the National Guard Retirement System). Information for previous years was supplied by other actuarial firms employed by the System at that time.

### **Certification**

Based on the results of the July 1, 2010 valuations, we believe that the valuations appropriately reflect each of the System's long term obligations and the current and scheduled contribution levels are sufficient to fund the liabilities of each System over a reasonable time frame, and based on these criteria may be deemed actuarially sound.

I, John Garrett, Principal, and I, Edward A. Macdonald, President, are qualified actuaries with Cavanaugh Macdonald Consulting, LLC. We are both Members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. On the basis of the foregoing, we certify that, to the best of our knowledge the valuation reports are complete and accurate and have been prepared in accordance with South Carolina's statutes and generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Our firm and its associates are completely independent of the South Carolina Retirement Systems, its officers and key personnel and do not have any relationship with them that would impair our independence.

Respectfully submitted,

Handwritten signature of John J. Garrett in blue ink.

John J. Garrett, ASA, FCA, MAAA  
Principal and Consulting Actuary

Handwritten signature of Edward A. Macdonald in blue ink.

Edward A. Macdonald, ASA, FCA, MAAA  
President

## Actuarial Section

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### South Carolina Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2010 (Amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. Assets</b>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 6,222,854
ii) Employer Annuity Accumulation Fund	19,177,477
iii) Total Current Assets	<u>\$ 25,400,331</u>
b. Present Value of Future Member Contributions	\$ 3,709,689
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 1,882,216
ii) Accrued Liability Contributions	13,373,698
iii) Total Future Employer Contributions	<u>\$ 15,255,914</u>
d. Total Assets	<u><u>\$ 44,365,934</u></u>
<b>2. Liabilities</b>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 6,222,854
ii) Present Value of Future Member Contributions	3,709,689
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 9,932,543</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment (including TERI)	\$ 22,475,868
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	11,957,523
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 34,433,391</u>
c. Total Liabilities	<u><u>\$ 44,365,934</u></u>

## Actuarial Section

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### Police Officers Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2010 (Amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. Assets</b>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 758,695
ii) Employer Annuity Accumulation Fund	2,854,005
iii) Total Current Assets	<u>\$ 3,612,700</u>
b. Present Value of Future Member Contributions	\$ 529,752
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 564,927
ii) Accrued Liability Contributions	1,237,757
iii) Total Future Employer Contributions	<u>\$ 1,802,684</u>
d. Total Assets	<u><u>\$ 5,945,136</u></u>
<b>2. Liabilities</b>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 758,695
ii) Present Value of Future Member Contributions	529,752
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 1,288,447</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 2,577,772
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	<u>2,078,917</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 4,656,689</u>
c. Total Liabilities	<u><u>\$ 5,945,136</u></u>



## Actuarial Section

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### General Assembly Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2010 (Amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. Assets</b>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 7,265
ii) Employer Annuity Accumulation Fund	36,447
iii) Total Current Assets	<u>\$ 43,712</u>
b. Present Value of Future Member Contributions	\$ 2,368
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 1,506
ii) Accrued Liability Contributions	24,959
iii) Total Future Employer Contributions	<u>\$ 26,465</u>
d. Total Assets	<u><u>\$ 72,545</u></u>
<b>2. Liabilities</b>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 7,265
ii) Present Value of Future Member Contributions <sup>1</sup>	2,368
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 9,633</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 53,486
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	<u>9,426</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 62,912</u>
c. Total Liabilities	<u><u>\$ 72,545</u></u>

<sup>1</sup>Includes future special contributors

## Actuarial Section

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### Judges and Solicitors Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2010 (Amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. Assets</b>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 17,816
ii) Employer Annuity Accumulation Fund	125,055
iii) Total Current Assets	<u>\$ 142,871</u>
b. Present Value of Future Member Contributions	\$ 13,313
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 16,091
ii) Accrued Liability Contributions	72,952
iii) Total Future Employer Contributions	<u>\$ 89,043</u>
d. Total Assets	<u><u>\$ 245,227</u></u>
<b>2. Liabilities</b>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 17,816
ii) Present Value of Future Member Contributions	13,313
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 31,129</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 150,696
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	<u>63,402</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 214,098</u>
c. Total Liabilities	<u><u>\$ 245,227</u></u>

## Actuarial Section

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### National Guard Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2010 (Amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. <u>Assets</u></b>	
a. Current Assets (Actuarial Value)	\$ 19,458
b. Present Value of Future Member Contributions	\$ -
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 4,766
ii) Accrued Liability Contributions	34,695
iii) Total Future Employer Contributions	<u>\$ 39,461</u>
d. Total Assets	<u>\$ 58,919</u>
<b>2. <u>Liabilities</u></b>	
a. Benefits to be Paid to Retired Members and Beneficiaries	\$ 28,492
b. Benefits to be Paid to Former Members Entitled to Deferred Pensions	\$ 12,411
c. Benefits to be Paid to Current Active Members	<u>\$ 18,016</u>
d. Total Liabilities	<u>\$ 58,919</u>

# Actuarial Section

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## South Carolina Retirement System Results of the Valuation as of July 1, 2010 (Dollar amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 22,475,868
b. Present Active and Inactive Members	21,890,066
c. Total Actuarial Present Value	<u>\$ 44,365,934</u>
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employee	\$ 3,709,689
b. Employer	1,882,216
c. Total Future Normal Contributions	<u>\$ 5,591,905</u>
<b>3. <u>Actuarial Liability</u></b>	\$ 38,774,029
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 25,400,331
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 13,373,698
<b>6. <u>Unfunded Actuarial Liability Rates</u><sup>1</sup></b>	
a. Active Members	6.17%
b. TERI Members (including employee contributions)	16.18%
c. ORP Members	4.68%
d. Re-employed Members (including employee contributions)	16.18%
<b>7. <u>Unfunded Actuarial Liability Liquidation Period</u><sup>2</sup></b>	30 years

<sup>1</sup>Reflects the 0.145% increase effective July 1, 2011, and the 0.145% increase effective July 1, 2012. In addition, reflects Incidental Death Benefit Contribution Rate.

<sup>2</sup>The total contribution rate is required to increase by 0.92% in FY12 or 0.48% in FY12 and 0.48% in FY13 in order to maintain a 30 year period.

## Actuarial Section

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### Police Officers Retirement System Results of the Valuation as of July 1, 2010 (Dollar amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 2,577,772
b. Present Active and Inactive Members	3,367,364
c. Total Actuarial Present Value	\$ 5,945,136
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employee	\$ 529,752
b. Employer	564,927
c. Total Future Normal Contributions	\$ 1,094,679
<b>3. <u>Actuarial Liability</u></b>	\$ 4,850,457
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 3,612,700
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 1,237,757
<b>6. <u>Unfunded Actuarial Liability Rates</u><sup>1</sup></b>	4.09%
<b>7. <u>Unfunded Actuarial Liability Liquidation Period</u><sup>2</sup></b>	30 years

<sup>1</sup>Total contribution rate is scheduled to increase by 0.233% effective July 1, 2011, and by 0.232% effective July 1, 2012, and reflects Incidental Death Benefit and Accidental Death Program contribution rates.

<sup>2</sup>The total contribution rate is required to increase by 0.305% in FY12 or 0.158% in FY12 and 0.157% in FY13 in order to maintain a 30 year period.

## Actuarial Section

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### General Assembly Retirement System Results of the Valuation as of July 1, 2010 (Dollar amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 53,486
b. Present Active and Inactive Members	19,059
c. Total Actuarial Present Value	\$ <u>72,545</u>
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employee (including special contributors)	\$ 2,368
b. Employer	1,506
c. Total Future Normal Contributions	\$ <u>3,874</u>
<b>3. <u>Actuarial Liability</u></b>	\$ 68,671
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 43,712
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 24,959
<b>6. <u>Unfunded Actuarial Liability Liquidation Period</u></b>	15 years

## Actuarial Section

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### Judges and Solicitors Retirement System Results of the Valuation as of July 1, 2010 (Dollar amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 150,696
b. Present Active and Inactive Members	94,531
c. Total Actuarial Present Value	\$ 245,227
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employee	\$ 13,313
b. Employer	16,091
c. Total Future Normal Contributions	\$ 29,404
<b>3. <u>Actuarial Liability</u></b>	\$ 215,823
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 142,871
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 72,952
<b>6. <u>Unfunded Actuarial Liability Rates</u></b>	
a. Active Members	32.93%
b. DROP and Retired-in-Place Members (including employee contributions)	55.09%
<b>7. <u>Unfunded Actuarial Liability Liquidation Period</u></b>	16 years

## Actuarial Section

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### National Guard Retirement System Results of the Valuation as of July 1, 2010 (Dollar amounts expressed in thousands)

	<u>July 1, 2010</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 28,493
b. Present Active and Inactive Members	30,426
c. Total Actuarial Present Value	\$ <u>58,919</u>
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employees	\$ -
b. Employer	4,766
c. Total Future Normal Contributions	\$ <u>4,766</u>
<b>3. <u>Actuarial Liability</u></b>	\$ 54,153
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 19,458
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 34,695
<b>6. <u>Unfunded Actuarial Liability Liquidation Period</u></b>	22 years



# Actuarial Section

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## South Carolina Retirement System Summary of Actuarial Assumptions and Methods

### 1. Investment Return to be Earned by Fund

8.00 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 5.00 percent real rate of return, net of investment and administrative expenses.

### 2. Salary Increases

Rates of annual salary increases are assumed to vary for the first 14 years of service due to expected merit and promotional increases which differs by employee group. Beginning with the 15th year of service, the assumed annual rate of increase is 4.00 percent for both groups and for all future years of service. The 4.00 percent rate of increase is composed of a 3.00 percent inflation component and a 1.00 percent real rate of wage increase (productivity) component.

Annual Increase			Annual Increase		
Years of Service	General Employees	Teachers	Years of Service	General Employees	Teachers
0	8.00%	8.00%	8	4.50%	4.75%
1	5.75%	8.00%	9	4.50%	4.75%
2	5.00%	5.50%	10	4.25%	4.75%
3	4.75%	5.25%	11	4.25%	4.50%
4	4.50%	5.00%	12	4.25%	4.40%
5	4.50%	5.00%	13	4.25%	4.40%
6	4.50%	5.00%	14	4.25%	4.40%
7	4.50%	4.75%	15+	4.00%	4.00%

We have also provided alternative results based upon a lower expectation of the rate salary increase for the short-term future. Under this alternative, the rates above for active members with eight or more years of service are decreased by 2.00 percent for the fiscal year ending June 30, 2011, and 1.00 percent for the fiscal year ending June 30, 2012.

## Actuarial Section

### 3. Decrement Rates

a. Service Retirement

		Annual Rates of					
		First Eligible Unreduced Service (Normal) Retirement		Reduced Service (Early) Retirement		Subsequent Eligibility for Unreduced Service (Normal) Retirement	
		Male	Female	Male	Female	Male	Female
<b>Employees</b>	<b>Age</b>						
	50	35%	45%			15%	15%
	55	45%	55%	8%	10%	20%	25%
	60	55%	60%	8%	13%	15%	20%
	61	40%	65%	12%	14%	15%	20%
	62	80%	70%	21%	21%	20%	35%
	63	45%	60%	14%	18%	15%	25%
	64	35%	45%	12%	15%	15%	20%
	65	40%	45%			35%	35%
	66	20%	20%			25%	25%
	67	20%	20%			25%	25%
68	20%	20%			20%	25%	
69	20%	20%			20%	25%	
70	100%	100%			100%	100%	
<b>Teachers</b>	50	50%	55%			20%	25%
	55	80%	70%	10%	11%	30%	30%
	60	65%	70%	11%	14%	45%	40%
	61	75%	70%	15%	16%	50%	45%
	62	80%	85%	25%	21%	60%	50%
	63	50%	65%	18%	20%	40%	40%
	64	40%	50%	22%	15%	35%	30%
	65	45%	50%			50%	50%
	66	20%	20%			30%	30%
	67	20%	20%			25%	30%
	68	20%	20%			25%	25%
69	20%	20%			25%	25%	
70	100%	100%			100%	100%	

b. Election of Teachers and Employees Retention Incentive (TERI)

We assumed 37.5% of all members electing to either retire or enter TERI before age 65 will elect to enter TERI and remain for three years.

c. In-Service Mortality and Disability

		Annual Rates of							
		Mortality				Disability			
		Employees		Teachers		Employees		Teachers	
Age		Male	Female	Male	Female	Male	Female	Male	Female
25		0.04%	0.01%	0.03%	0.01%	0.06%	0.06%	0.05%	0.06%
30		0.04%	0.02%	0.03%	0.01%	0.13%	0.08%	0.08%	0.08%
35		0.08%	0.03%	0.06%	0.03%	0.19%	0.16%	0.10%	0.08%
40		0.11%	0.05%	0.08%	0.04%	0.32%	0.21%	0.20%	0.13%
45		0.15%	0.07%	0.11%	0.06%	0.44%	0.30%	0.33%	0.28%
50		0.21%	0.11%	0.16%	0.09%	0.63%	0.51%	0.52%	0.44%
55		0.30%	0.16%	0.23%	0.14%	1.01%	0.81%	0.85%	0.72%
60		0.49%	0.26%	0.37%	0.22%	1.27%	1.24%	1.31%	1.10%
64		0.70%	0.35%	0.53%	0.30%	1.58%	1.72%	1.64%	1.38%

## Actuarial Section

d. Withdrawal Rates

### Probability of Decrement Due to Withdrawal

Years of Service - Male Teachers											
Age	0	1	2	3	4	5	6	7	8	9	10+
25	0.2964	0.2029	0.1384	0.0973	0.0721	0.0578	0.0513	0.0508	0.0518	0.0538	0.0560
30	0.2721	0.1922	0.1356	0.0990	0.0776	0.0662	0.0607	0.0577	0.0538	0.0477	0.0387
35	0.2531	0.1823	0.1316	0.0990	0.0805	0.0708	0.0657	0.0611	0.0540	0.0429	0.0273
40	0.2371	0.1730	0.1271	0.0979	0.0817	0.0730	0.0679	0.0619	0.0529	0.0390	0.0199
45	0.2239	0.1649	0.1228	0.0960	0.0811	0.0726	0.0669	0.0600	0.0503	0.0359	0.0167
50	0.2135	0.1587	0.1192	0.0936	0.0787	0.0698	0.0628	0.0553	0.0460	0.0335	0.0174
55	0.2063	0.1549	0.1168	0.0908	0.0742	0.0645	0.0557	0.0479	0.0401	0.0317	0.0222
60	0.1996	0.1518	0.1143	0.0865	0.0669	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

### Probability of Decrement Due to Withdrawal

Years of Service - Female Teachers											
Age	0	1	2	3	4	5	6	7	8	9	10+
25	0.2299	0.1608	0.1209	0.1006	0.0892	0.0841	0.0827	0.0802	0.0731	0.0660	0.0601
30	0.2269	0.1664	0.1260	0.1015	0.0878	0.0802	0.0751	0.0696	0.0618	0.0527	0.0426
35	0.2171	0.1597	0.1208	0.0966	0.0830	0.0748	0.0682	0.0615	0.0536	0.0434	0.0303
40	0.2045	0.1477	0.1106	0.0885	0.0759	0.0683	0.0616	0.0551	0.0475	0.0368	0.0215
45	0.1930	0.1361	0.1001	0.0798	0.0685	0.0619	0.0561	0.0504	0.0435	0.0329	0.0163
50	0.1866	0.1296	0.0937	0.0738	0.0633	0.0570	0.0523	0.0478	0.0417	0.0317	0.0154
55	0.1879	0.1308	0.0935	0.0727	0.0626	0.0543	0.0509	0.0474	0.0420	0.0331	0.0190
60	0.1948	0.1379	0.0986	0.0758	0.0660	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

### Probability of Decrement Due to Withdrawal

Years of Service - Male Employees											
Age	0	1	2	3	4	5	6	7	8	9	10+
25	0.3288	0.2466	0.1902	0.1554	0.1345	0.1166	0.0963	0.0783	0.0650	0.0595	0.0662
30	0.2939	0.2211	0.1726	0.1425	0.1236	0.1089	0.0951	0.0821	0.0704	0.0603	0.0530
35	0.2678	0.1997	0.1553	0.1285	0.1122	0.1010	0.0916	0.0822	0.0716	0.0586	0.0424
40	0.2456	0.1804	0.1384	0.1140	0.1002	0.0922	0.0861	0.0791	0.0695	0.0549	0.0335
45	0.2257	0.1636	0.1233	0.1003	0.0882	0.0825	0.0781	0.0727	0.0639	0.0493	0.0266
50	0.2082	0.1501	0.1115	0.0891	0.0774	0.0717	0.0675	0.0626	0.0547	0.0419	0.0224
55	0.1942	0.1410	0.1041	0.0814	0.0691	0.0600	0.0543	0.0488	0.0419	0.0328	0.0212
60	0.1827	0.1351	0.1002	0.0770	0.0632	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

### Probability of Decrement Due to Withdrawal

Years of Service - Female Employees											
Age	0	1	2	3	4	5	6	7	8	9	10+
25	0.2981	0.2459	0.2060	0.1772	0.1560	0.1385	0.1248	0.1159	0.1094	0.1030	0.0940
30	0.2710	0.2236	0.1864	0.1591	0.1395	0.1253	0.1145	0.1059	0.0970	0.0853	0.0688
35	0.2506	0.2015	0.1657	0.1410	0.1244	0.1130	0.1042	0.0958	0.0857	0.0712	0.0505
40	0.2329	0.1803	0.1451	0.1233	0.1101	0.1010	0.0935	0.0854	0.0748	0.0592	0.0367
45	0.2172	0.1622	0.1275	0.1080	0.0972	0.0894	0.0825	0.0746	0.0644	0.0493	0.0276
50	0.2041	0.1493	0.1151	0.0966	0.0864	0.0787	0.0715	0.0637	0.0543	0.0414	0.0234
55	0.1946	0.1429	0.1091	0.0895	0.0778	0.0688	0.0605	0.0526	0.0445	0.0353	0.0240
60	0.1873	0.1412	0.1079	0.0855	0.0701	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Note: No probability of withdrawal is applied to members eligible to retire.

## Actuarial Section

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### 4. **Mortality After Retirement**

For healthy retirees and beneficiaries, the UP-94 Mortality Table rates is used, with the female rates set back one year. A separate table of mortality rates is used for disabled retirees based upon the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Age	Healthy				Disabled			
	Employees		Teachers		Employees		Teachers	
	Male	Female	Male	Female	Male	Female	Male	Female
50	0.28%	0.14%	0.25%	0.14%	2.46%	1.27%	2.17%	1.27%
55	0.48%	0.22%	0.43%	0.22%	3.01%	1.82%	2.66%	1.82%
60	0.86%	0.42%	0.76%	0.42%	3.57%	2.40%	3.15%	2.40%
65	1.56%	0.82%	1.39%	0.82%	4.26%	3.08%	3.76%	3.08%
70	2.55%	1.37%	2.34%	1.37%	5.32%	4.14%	4.69%	4.14%
75	4.00%	2.19%	3.66%	2.19%	6.98%	5.75%	6.16%	5.75%
80	6.67%	3.80%	6.01%	3.80%	9.30%	7.95%	8.20%	7.95%
85	10.46%	6.56%	9.64%	6.56%	12.04%	11.02%	10.62%	11.02%

### 5. **Marriage Assumption**

One hundred percent of all active members are assumed to be married, with female spouses being three years younger.

### 6. **Asset Valuation Method**

The actuarial value of assets is equal to the market value of assets less a ten-year phase in of the excess (shortfall) between expected market investment return (including the return on TERI balances) and actual net investment income (excess returns and shortfalls determined prior to July 1, 2008 remain with a five-year phase in).

### 7. **Actuarial Cost Method**

The contribution rate is set by statute for both employees and employers. The funding period is determined, as described below, using the Entry Age Normal actuarial cost method. The Entry Age Normal actuarial cost method allocates the plan's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level percent of payroll necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The amortization period of the System is the number of years required to fully amortize the unfunded accrued liability with the expected amount of employer contributions in excess of the employers' portion of the normal cost.

The calculation of the amortization period takes into account scheduled increases to contribution rates applicable to future years and payroll growth. Also, the calculation of the amortization period reflects additional contributions the System receives with respect to post 7/1/2005 TERI participants, ORP

## Actuarial Section

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participants and return to work retirees. These contributions are assumed to grow at the same payroll growth rate as for active SCRS employees. It is assumed that amortization payments are made monthly at the end of the month.

**8. Unused Annual Leave**

To account for the effect of unused annual leave on Average Final Compensation, liabilities for active members are increased 2.14 percent.

**9. Unused Sick Leave**

To account for the effect of unused sick leave on members' final credited service, the service of active members who retire is increased three months.

**10. Future Cost-of-Living Increases**

Benefits are assumed to increase 2 percent annually beginning on the next July 1st following receipt of 12 monthly payments.

**11. Administrative and Investment Expenses**

The investment return assumption represents the expected return net of all administrative and investment expenses.

**12. Payroll Growth Rate**

The total annual payroll of active members (also applies to TERI, ORP and rehired retiree participants) is assumed to increase at an annual rate of 4.00 percent. This rate represents the underlying expected annual rate of wage inflation and does not anticipate increases in the number of members.

**13. Changes from Prior Valuation**

None.

## Actuarial Section

### South Carolina Retirement System Development of Actuarial Value of Assets *(Amounts expressed in thousands)*

#### Calculation of Current Year Excess Investment Income

1. Market Value of Assets at Beginning of Year <sup>1</sup>	\$	17,817,479
2. Value of TERI Accounts at Beginning of Year		430,805
3. TERI Net Cash Flow During the Year		(108,455)
4. Total Net Cash Flow During the Year		(839,283)
5. Market Value of Assets at End of Year		19,681,137
6. Value of TERI Accounts at End of Year		322,350
7. Actual Investment Income During the Year Based on Market Value		2,594,486
8. Expected Earnings for the Year		
a. Market Value of Assets, Beginning of Year [(1+2) x 8.00%]		1,459,863
b. Net Cash Flow (4 x 8.00% x .5)		(33,571)
c. Total (a + b)		1,426,292
9. Current Year Excess Investment Income (7 - 8c)		1,168,194

#### Calculation of Total Amount of Deferred Excess Investment Income

10. Amounts of Excess Investment Income from Current and Prior Years

Valuation Year	Excess Investment Income <sup>1</sup>	Percent Deferred	Amount Deferred <sup>1</sup>
2010	\$1,168,194	90%	\$1,051,375
2009	(6,646,070)	80%	(5,316,856)
2008	(2,459,444)	70%	(1,721,611)
2007	1,339,490	20%	267,898
Total Amount of Deferred Excess Investment Income			(\$5,719,194)

11. Actuarial Value of Assets as of July 1, 2010 (5 - 10)	\$	25,400,331
Approximate Rate of Return on Actuarial Value of Assets		3.3%

<sup>1</sup>Adjusted to include Incidental Death Benefit assets.

# Actuarial Section

## Police Officers Retirement System Summary of Actuarial Assumptions and Methods

### 1. Investment Return to be Earned by Fund

8.00 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 5.00 percent real rate of return, net of investment and administrative expenses.

### 2. Salary Increases

Rates of annual salary increase are assumed to vary for the first 11 years of service due to expected merit and promotional increases. Beginning with the 12th year of service, the assumed annual rate of increase is 4.50 percent for both groups and for all future years of service.

The 4.50 percent rate of increase is composed of a 3.00 percent inflation component and a 1.50 percent real rate of wage increase (productivity) component.

<u>Years of Service</u>	<u>Annual Increase</u>	<u>Years of Service</u>	<u>Annual Increase</u>
0	11.50%	7	4.75%
1	6.75%	8	4.75%
2	5.75%	9	4.75%
3	5.50%	10	4.75%
4	5.25%	11	4.75%
5	5.00%	12+	4.50%
6	4.75%		

We have also provided alternative results based upon a lower expectation of the rate of salary increase for the short-term future. Under this alternative, the rates above for active members with three or more years of service are decreased by 3.00 percent for the fiscal year ending June 30, 2011 and 1.50 percent for the fiscal year ending June 30, 2012.

### 3. Decrement Rates

The following are representative values of the assumed annual rates of withdrawal, inservice mortality, disability, and service retirement.

- a. Table below provides a summary of the assumed rates of service retirement, mortality while actively employed, and disability.

<u>Age</u>	<u>Annual Rate of</u>		
	<u>Service Retirement<sup>1</sup></u>	<u>Mortality</u>	<u>Disability</u>
20		0.03%	0.12%
25		0.03%	0.14%
30		0.04%	0.18%
35		0.07%	0.35%
40		0.10%	0.46%
45	20.00%	0.14%	0.69%
50	20.00%	0.19%	0.86%
55	14.00%	0.27%	
60	15.00%	0.44%	
64	25.00%	0.63%	

<sup>1</sup>Plus an additional 22 percent for participants under age 55 in year when first eligible for unreduced service retirement.

## Actuarial Section

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All employees are assumed to retire at age 65. In addition, 25 percent of disabilities are assumed to be duty-related, and 5 percent of pre-retirement deaths are assumed to be accidental (duty-related).

- b. Table below provides a summary of the assumed rates of withdrawal for active members prior to eligibility for retirement.

**Probability of Decrement Due to Withdrawal**

Age	Years of Service										
	0	1	2	3	4	5	6	7	8	9	10+
25	0.2494	0.1816	0.1342	0.1047	0.0885	0.0780	0.0715	0.0640	0.0545	0.0524	0.0618
30	0.2478	0.1822	0.1376	0.1107	0.0959	0.0876	0.0810	0.0732	0.0633	0.0545	0.0481
35	0.2450	0.1795	0.1359	0.1104	0.0967	0.0899	0.0837	0.0763	0.0665	0.0539	0.0381
40	0.2398	0.1739	0.1304	0.1055	0.0927	0.0868	0.0814	0.0747	0.0653	0.0510	0.0305
45	0.2312	0.1649	0.1212	0.0964	0.0845	0.0783	0.0738	0.0681	0.0595	0.0458	0.0256
50	0.2193	0.1532	0.1090	0.0839	0.0730	0.0646	0.0610	0.0564	0.0490	0.0382	0.0236
55	0.2050	0.1393	0.0944	0.0684	0.0587						
60	0.1871	0.1228	0.0773	0.0503	0.0419						

Note: No probability of withdrawal is applied to members eligible to retire.

#### 4. **Mortality After Retirement**

For healthy retirees and beneficiaries, the UP-94 Mortality Table rates are used, with female rates set back one year and male rates set forward three years. A separate table of mortality rates is used for disabled retirees. The following are sample rates for the retirees and beneficiaries:

Age	Healthy		Disabled
	Male	Female	All
50	0.39%	0.14%	2.30%
55	0.68%	0.22%	2.89%
60	1.23%	0.42%	3.62%
65	2.14%	0.82%	4.07%
70	3.35%	1.37%	4.43%
75	5.40%	2.19%	5.05%
80	8.87%	3.80%	6.77%
85	13.65%	6.56%	10.09%

#### 5. **Marriage Assumption**

One hundred percent of all active members are assumed to be married, with female spouses being four years younger.

#### 6. **Asset Valuation Method**

The actuarial value of assets is equal to the market value of assets less a ten-year phase in of the excess (shortfall) between expected market investment return and actual net investment income (excess returns and shortfalls determined prior to July 1, 2008, remain with a five-year phase in).

#### 7. **Actuarial Cost Method**

The contribution rate is set by statute for both employees and employers. The funding period is determined, as described below, using the Entry Age Normal actuarial cost method. The Entry Age Normal actuarial cost method allocates the plan's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the



## Actuarial Section

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valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level percent of payroll necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The amortization period of the System is the number of years required to fully amortize the unfunded accrued liability with the expected amount of employer contributions in excess of the employers' portion of the normal cost.

The calculation of the amortization period takes into account scheduled increases to contribution rates applicable to future years and payroll growth. Also, the calculation of the amortization period reflects additional contributions the System receives with respect to return to work retirees. These contributions are assumed to grow at the same payroll growth rate as for active employees. It is assumed that amortization payments are made monthly at the end of the month.

**8. Unused Annual Leave**

To account for the effect of unused annual leave on Average Final Compensation, liabilities for active members are increased 3.75 percent.

**9. Unused Sick Leave**

To account for the effect of unused sick leave on members' final credited service, the service of active members who retire is increased three months.

**10. Future Cost-of-Living Increases**

Benefits are assumed to increase 2 percent annually beginning on the next July 1st following receipt of 12 monthly payments.

**11. Administrative and Investment Expenses**

The investment return assumption represents the expected return net of all administrative and investment expenses.

**12. Payroll Growth Rate**

The total annual payroll of active members (also applies to rehired retiree participants) is assumed to increase at an annual rate of 4.00 percent. This rate does not anticipate increases in the number of members.

**13. Changes from Prior Valuation**

None.

## Actuarial Section

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### Police Officers Retirement System Development of Actuarial Value of Assets *(Amounts expressed in thousands)*

#### Calculation of Current Year Excess Investment Income

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1. Market Value of Assets at Beginning of Year <sup>1</sup>	\$	2,530,632
2. Total Net Cash Flow During the Year		(39,147)
3. Market Value of Assets at End of Year		2,851,474
4. Actual Investment Income During the Year Based on Market Value		359,989
5. Expected Earnings for the Year		
a. Market Value of Assets, Beginning of Year (1 x 8.00%)		202,451
b. Net Cash Flow (2 x 8.00% x .5)		(1,566)
c. Total (a + b)		200,885
6. Current Year Excess Investment Income (4 - 5c)		159,104

#### Calculation of Total Amount of Deferred Excess Investment Income

7. Amounts of Excess Investment Income from Current and Prior Years

Valuation Year	Excess Investment Income <sup>1</sup>	Percent Deferred	Amount Deferred <sup>1</sup>
2010	\$159,104	90%	\$143,194
2009	(886,606)	80%	(709,285)
2008	(323,499)	70%	(226,449)
2007	156,569	20%	31,314
			Total Amount of Deferred Excess Investment Income
			(\$761,226)

8. Actuarial Value of Assets as of July 1, 2010 (3 - 7)	\$	3,612,700
Approximate Rate of Return on Actuarial Value of Assets		3.2%

<sup>1</sup>Adjusted to include Incidental Death Benefit and Accidental Death Program assets.

# Actuarial Section

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## General Assembly Retirement System Summary of Actuarial Assumptions and Methods

**1. Investment Return to be Earned by Fund**

8.00 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 5.00 percent real rate of return, net of investment and administrative expenses.

**2. Salary Increases**

None assumed.

**3. Decrement Rates**

The following are representative values of the assumed annual rates of in-service mortality, disability, and service retirement. No withdrawals are assumed. All members who are not re-elected are assumed to continue paying the member rate as a special contributor.

a. Unreduced Service Retirement

<u>Age</u>	<u>Rates of Retirement</u>
60 & under	40%
61	7%
62	7%
63	7%
64	7%
65	15%
66	15%
67	15%
68	15%
69	15%
70 & older	100%

In addition, members with 30 years of service are assumed to commence benefit payments immediately. Special contributors are assumed to retire at age 60.

b. In-service Mortality and Disability

<u>Age</u>	<u>Annual Rates of</u>			
	<u>Mortality</u>		<u>Disability</u>	
	<u>Employees</u>		<u>Employees</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
25	0.04%	0.01%	0.06%	0.05%
30	0.04%	0.02%	0.12%	0.07%
35	0.08%	0.03%	0.17%	0.15%
40	0.11%	0.05%	0.29%	0.19%
45	0.15%	0.07%	0.40%	0.27%
50	0.21%	0.11%	0.58%	0.46%
55	0.30%	0.16%	0.92%	0.74%
60	0.49%	0.26%	1.15%	1.12%
64	0.70%	0.35%	1.44%	1.56%

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## Actuarial Section

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### 4. **Mortality After Retirement**

For healthy retirees and beneficiaries, the UP-94 Mortality Table rates, with the female rates set back one year. A separate table of mortality rates is used for disabled retirees. The following are sample rates:

Age	Healthy		Disabled	
	Male	Female	Male	Female
50	0.28%	0.14%	3.06%	2.31%
55	0.48%	0.22%	3.86%	2.66%
60	0.86%	0.42%	4.82%	2.98%
65	1.56%	0.82%	5.42%	3.33%
70	2.55%	1.37%	5.91%	3.70%
75	4.00%	2.19%	6.74%	4.43%
80	6.67%	3.80%	9.02%	6.71%
85	10.46%	6.56%	13.45%	10.15%

### 5. **Marriage Assumption**

One hundred percent of all active and special contributor members are assumed to be married, with female spouses being four years younger.

### 6. **Asset Valuation Method**

The actuarial value of assets is equal to the market value of assets less a ten-year phase in of the excess (shortfall) between expected market investment return and actual net investment income (excess returns and shortfalls determined prior to July 1, 2008 remain with a five-year phase in).

### 7. **Actuarial Cost Method**

The Actuarial Cost Method is the Entry Age Normal actuarial cost method. The Entry Age Normal actuarial cost method allocates the plan's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level percent of payroll necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The amortization period of the System is the number of years required to fully amortize the unfunded accrued liability by June 30, 2027.

### 8. **Future Cost-of-Living Increases**

None assumed.

### 9. **Payroll Growth Rate**

None assumed.

## Actuarial Section

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**10. Administrative and Investment Expenses**

The investment return assumption represents the expected return net of all administrative and investment expenses.

**11. Changes from Prior Valuation**

None.

## Actuarial Section

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### General Assembly Retirement System Development of Actuarial Value of Assets (Amounts expressed in thousands)

#### Calculation of Current Year Excess Investment Income

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1. Market Value of Assets at Beginning of Year	\$	31,505
2. Total Net Cash Flow During the Year		(3,344)
3. Market Value of Assets at End of Year		32,770
4. Actual Investment Income During the Year Based on Market Value		4,609
5. Expected Earnings for the Year		
a. Market Value of Assets, Beginning of Year (1 x 8.00%)		2,520
b. Net Cash Flow (2 x 8.00% x .5)		(134)
c. Total (a + b)		<u>2,386</u>
6. Current Year Excess Investment Income (4 - 5c)		\$2,223

#### Calculation of Total Amount of Deferred Excess Investment Income

7. Amounts of Excess Investment Income from Current and Prior Years

<u>Valuation Year</u>	<u>Excess Investment Income</u>	<u>Percent Deferred</u>	<u>Amount Deferred</u>
2010	\$2,223	90%	\$ 2,001
2009	(12,851)	80%	(10,281)
2008	(4,578)	70%	(3,205)
2007	2,715	20%	543
Total Amount of Deferred Excess Investment Income			<u>(\$10,942)</u>

8. Actuarial Value of Assets as of July 1, 2010 (3 - 7)	\$	43,712
Approximate Rate of Return on Actuarial Value of Assets		2.6%

# Actuarial Section

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## Judges and Solicitors Retirement System Summary of Actuarial Assumptions and Methods

**1. Investment Return to be Earned by Fund**

8.00 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 5.00 percent real rate of return, net of investment and administrative expenses.

**2. Salary Increases**

3.25 percent per annum, compounded annually.

**3. Disability and Pre-retirement Mortality Rates**

The following are representative values of the assumed annual rates of disability and pre-retirement death:

Age	Annual Rates of			
	Mortality		Disability	
	Employees		Employees	
	Male	Female	Male	Female
25	0.06%	0.03%	0.04%	0.05%
30	0.07%	0.04%	0.06%	0.07%
35	0.07%	0.04%	0.08%	0.07%
40	0.10%	0.05%	0.15%	0.12%
45	0.18%	0.08%	0.25%	0.25%
50	0.30%	0.13%	0.40%	0.40%
55	0.46%	0.21%	0.65%	0.65%
60	0.65%	0.33%	1.00%	1.00%
65	0.99%	0.54%	1.25%	1.25%

No in-service withdrawals are assumed.

**4. Mortality After Retirement**

For healthy retirees and beneficiaries, the 1983 Group Annuity Mortality Table rates. A separate table of mortality rates is used for disabled retirees. The following are sample rates for the retirees and beneficiaries:

Age	Healthy		Disabled	
	Male	Female	Male	Female
60	0.92%	0.42%	4.88%	2.88%
65	1.56%	0.71%	5.95%	3.66%
70	2.75%	1.24%	7.63%	4.88%
75	4.46%	2.40%	10.22%	6.77%
80	7.41%	4.29%	14.17%	9.71%
85	11.48%	6.99%	20.09%	14.16%

## Actuarial Section

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### 5. Normal Retirement Assumption

Rates differ based upon the member being eligible to Retire in Place (RIP) prior to reaching age 72. Upon meeting the retirement eligibility requirement, participants are assumed to retire at the following rates:

**Normal Retirement Assumption**

<u>Solicitors and Public Defenders</u>				<u>Judges</u>			
Age	Service	% RIP Eligible	% Not RIP Eligible	Age	Service	% Retiring	% Not RIP Eligible
70 to 72	15 to 19	12	12	70 to 72	15 to 19	12	12
65 to 69	20 to 23	40	40	65 to 69	20 to 24	40	40
Any	24	20	40	Any	25	15	25
Any	25	15	25	Any	26	10	15
Any	26	10	12	Any	27	10	15
Any	27	10	12	Any	28	10	15
Any	28	10	12	Any	29	10	15
Any	29	5	12	Any	30	5	15
Any	30	5	12	Any	31	5	15
Any	31 <sup>1</sup>	12 <sup>1</sup>	35	Any	32 <sup>1</sup>	12 <sup>1</sup>	35
Any	32+	12	12	Any	33+	12	15

<sup>1</sup>Additionally, the remaining 88 percent of eligible members are assumed to Retire in Place. 100 percent of participants are assumed to retire upon reaching the mandatory retirement age of 72.

### 6. Marriage Assumption

Ninety-five percent of all active members are assumed to be married with female spouses being four years younger.

### 7. Asset Valuation Method

The actuarial value of assets is equal to the market value of assets less a ten-year phase in of the excess (shortfall) between expected market investment return and actual net investment income (excess returns and shortfalls determined prior to July 1, 2008 remain with a five-year phase in).

### 8. Actuarial Cost Methods

The contribution rate is set by statute for both employees and employers. The funding period is determined, as described below, using the Entry Age Normal actuarial cost method. The Entry Age Normal actuarial cost method allocates the plan's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level percent of payroll necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The amortization period of the System is the number of years required to fully amortize the unfunded accrued liability with the expected amount of employer contributions in excess of the employers' portion of the normal cost.



## Actuarial Section

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The calculation of the amortization period takes into account scheduled increases to contribution rates applicable to future years and payroll growth. Also, the calculation of the amortization period reflects additional contributions the System receives with respect to return to work retirees. These contributions are assumed to grow at the same payroll growth rate as for active employees. It is assumed that amortization payments are made monthly at the end of the month.

**9. Future Cost-of-Living Increases**

Benefits are assumed to increase 3.25 percent annually.

**10. Administrative and Investment Expenses**

The investment return assumption represents the expected return net of all administrative and investment expenses.

**11. Payroll Growth Rate**

The total annual payroll of active members (also applies to rehired retiree participants) is assumed to increase at an annual rate of 3.25 percent. This rate does not anticipate increases in the number of members.

**12. Changes from Prior Valuation**

None.

## Actuarial Section

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### Judges and Solicitors Retirement System Development of Actuarial Value of Assets *(Amounts expressed in thousands)*

#### Calculation of Current Year Excess Investment Income

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1. Market Value of Assets at Beginning of Year	\$	99,989
2. Value of DROP Accounts at Beginning of Year		698
3. DROP Net Cash Flow During the Year		45
4. Total Net Cash Flow During the Year		(3,263)
5. Market Value of Assets at End of Year		111,226
6. Value of DROP Accounts at End of Year		743
7. Actual Investment Income During the Year Based on Market Value		14,545
8. Expected Earnings for the Year		
a. Market Value of Assets, Beginning of Year [(1+2) x 8.00%]		8,055
b. Net Cash Flow (4 x 8.00% x .5)		(120)
c. Total (a + b)		7,935
9. Current Year Excess Investment Income (7 - 8c)		6,610

#### Calculation of Total Amount of Deferred Excess Investment Income

10. Amounts of Excess Investment Income from Current and Prior Years

Valuation Year	Excess Investment Income	Percent Deferred	Amount Deferred
2010	\$6,610	90%	\$5,949
2009	(37,137)	80%	(29,710)
2008	(13,277)	70%	(9,294)
2007	7,052	20%	1,410
			Total Amount of Deferred Excess Investment Income
			(\$31,645)

11. Actuarial Value of Assets as of July 1, 2010 (5 - 10)	\$	142,871
Approximate Rate of Return on Actuarial Value of Assets		2.9%

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# Actuarial Section

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## National Guard Retirement System Summary of Actuarial Assumptions and Methods

### 1. Investment Rate of Return

Assumed annual rate of 8.00% net of investment and administrative expenses composed of a 3.00% inflation component and a 5.00% real rate of return component.

### 2. Active Member Decrement Rates

a. Table below provides a summary of the assumed rates of mortality and disability while actively employed. No death or disability benefits are payable from the System. No withdrawal from active membership is assumed for members with less than 20 years of service.

#### Annual Rates of Decrements

<u>Age</u>	<u>Pre-Retirement Mortality</u>	<u>Disability<sup>1</sup></u>
25	0.05%	0.09%
30	0.06%	0.11%
35	0.09%	0.15%
40	0.12%	0.22%
45	0.22%	0.36%
50	0.39%	0.61%
55	0.61%	1.01%
60	0.92%	1.63%

<sup>1</sup>Applied only to members with less than 20 years of service.

b. Service Retirement and Deferred Early Retirement – Regular active members with twenty or more years of service are assumed to retire based upon the age-related rates in the table below. In addition to the tabular rates, members with 30 years of service are assumed to leave service immediately. Those members electing deferred early retirement prior to age 60 are assumed to defer retirement benefits until age 60.

#### Assumed Rates of Retirement

<u>Age</u>	<u>Assumed Rate</u>
40	10%
45	10%
50	10%
55	10%
60	100%

### 3. Post-Retirement Mortality

Assumed rate of mortality for service retirees and deferred early retirees is the 1983 Group Annuity Mortality Table rates for males.

## Actuarial Section

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### Post-Retirement Mortality Assumption

Age	Male	Female
50	0.39%	0.39%
55	0.61%	0.61%
60	0.92%	0.92%
65	1.56%	1.56%
70	2.75%	2.75%
75	4.46%	4.46%
80	7.41%	7.41%
85	11.48%	11.48%

#### 4. **Marriage Assumption**

Not applicable because no death benefits are payable.

#### 5. **Asset Valuation Method**

The actuarial value of assets is equal to the market value of assets less a ten-year phase in of the excess (shortfall) between expected market investment return and actual net investment income (excess returns and shortfalls determined prior to July 1, 2008, remain with a five-year phase in).

#### 6. **Actuarial Cost Method**

The Entry Age Normal actuarial cost method allocates the plan's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level dollar amount necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is fully funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The portion of the unfunded accrued liability due to legislation which allows those guardsmen who became members of the National Guard after June 30, 1993 to become eligible for membership in the System effective January 1, 2007 is being amortized as a level dollar amount over a 15-year period beginning July 1, 2006. The remaining unfunded accrued liability from other sources is being amortized as a level dollar amount over a 30 year period beginning July 1, 2006.

#### 7. **Future Cost-of-Living Increases**

None assumed.

#### 8. **Administrative and Investment Expenses**

The investment return assumption represents the expected return net of all administrative and investment expenses.

#### 9. **Changes from Prior Valuation**

None.

## Actuarial Section

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### National Guard Retirement System Development of Actuarial Value of Assets *(Amounts expressed in thousands)*

#### Calculation of Current Year Excess Investment Income

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1. Actuarial Value of Assets at Beginning of Year	\$	18,600
2. Market Value of Assets at Beginning of Year		12,773
3. Total Net Cash Flow During the Year		415
4. Market Value of Assets at End of Year		15,053
5. Actual Investment Income During the Year Based on Market Value		1,865
6. Expected Earnings for the Year		
a. Market Value of Assets, Beginning of Year (2 x 8.00%)		1,022
b. Net Cash Flow (3 x 8.00% x .5)		17
c. Total (a + b)		1,039
7. Current Year Excess Investment Income (5 - 6c)		826

#### Calculation of Total Amount of Deferred Excess Investment Income

8. Amounts of Excess Investment Income from Current and Prior Years

Valuation Year	Excess Investment Income	Percent Deferred	Amount Deferred
2010	\$ 826	90%	\$ 744
2009	(5,339)	80%	(4,271)
2008	(1,524)	70%	(1,067)
2007	947	20%	189
			(\$4,405)
Total Amount of Deferred Excess Investment Income			

9. Actuarial Value of Assets as of July 1, 2010 (4 - 8)	\$	19,458
Approximate Rate of Return on Actuarial Value of Assets		2.4%

## Actuarial Section

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### South Carolina Retirement System Schedule of Active Member Valuation Data<sup>1</sup> As of July 1, 2010

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-10	800	190,239	\$ 7,769,820	\$ 40,842	1.20%
7-01-09	781	192,319	7,761,808	40,359	2.95%
7-01-08	776	192,820	7,559,172	39,203	3.89%
7-01-07	777	187,968	7,093,181	37,736	3.28%
7-01-06	763	184,282	6,733,379	36,538	4.06%
7-01-05	768	181,022	6,356,489	35,114	3.30%
7-01-04	763	181,827	6,180,599	33,992	1.06%
7-01-03	763	185,538	6,240,768	33,636	3.50%
7-01-02	746	189,166	6,147,712	32,499	3.42%
7-01-01	739	191,494	6,017,537	31,424	5.15%

<sup>1</sup>Does not include Teacher and Employee Retention Incentive (TERI) participants.

### Police Officers Retirement System Schedule of Active Member Valuation Data As of July 1, 2010

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-10	322	26,568	\$ 1,076,467	\$ 40,517	(0.60%)
7-01-09	318	26,598	1,084,154	40,761	1.55%
7-01-08	313	26,427	1,060,747	40,139	3.68%
7-01-07	313	25,645	992,849	38,715	3.09%
7-01-06	314	24,813	931,815	37,554	5.05%
7-01-05	314	23,795	850,610	35,747	3.16%
7-01-04	314	23,734	822,448	34,653	3.35%
7-01-03	314	23,871	800,394	33,530	6.08%
7-01-02	302	23,963	757,393	31,607	3.59%
7-01-01	296	24,821	757,335	30,512	5.50%

## Actuarial Section

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### General Assembly Retirement System Schedule of Active Member Valuation Data<sup>1</sup> As of July 1, 2010

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-10	2	170	\$ 3,854	\$ 22,671	0.00%
7-01-09	2	170	3,854	22,671	0.00%
7-01-08	2	170	3,854	22,671	0.00%
7-01-07	2	170	3,854	22,671	0.00%
7-01-06	2	170	3,854	22,671	0.00%
7-01-05	2	170	3,853	22,668	0.38%
7-01-04	2	170	3,839	22,582	(0.13%)
7-01-03	2	170	3,844	22,612	0.17%
7-01-02	2	200	4,515	22,573	(0.91%)
7-01-01	2	209	4,761	22,781	(0.12%)

<sup>1</sup>Beginning July 1, 2003, does not include special contributors.

### Judges and Solicitors Retirement System Schedule of Active Member Valuation Data As of July 1, 2010

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-10	3	144	\$ 18,661	\$ 129,590	0.00%
7-01-09	3	144	18,661	129,590	0.00%
7-01-08	3	144	18,661	129,590	1.10%
7-01-07	2	128	16,407	128,176	3.00%
7-01-06	2	128	15,929	124,445	3.00%
7-01-05	2	128	15,465	120,820	4.00%
7-01-04	2	128	14,870	116,172	3.00%
7-01-03	2	128	14,437	112,789	1.59%
7-01-02	2	128	14,211	111,026	0.73%
7-01-01	2	128	14,109	110,223	4.26%

## Actuarial Section

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### National Guard Retirement System Schedule of Active Member Valuation Data As of July 1, 2010

<u>Valuation Date</u>	<u>Number of Employers</u>	<u>Number of Active Members</u>	<u>Annual Payroll (in thousands)</u>	<u>Annual Average Pay</u>	<u>Percentage Increase In Average Pay</u>
7-01-10	1	12,445	N/A	N/A	N/A
7-01-09	1	12,599	N/A	N/A	N/A
7-01-08	1	12,559	N/A	N/A	N/A
7-01-07	1	11,076	N/A	N/A	N/A
7-01-06	1	2,502	N/A	N/A	N/A
6-30-05	1	2,864	N/A	N/A	N/A
6-30-04	1	3,425	N/A	N/A	N/A
6-30-02	1	4,010	N/A	N/A	N/A
6-30-00	1	5,289	N/A	N/A	N/A
6-30-98	1	9,604	N/A	N/A	N/A



## Actuarial Section

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**South Carolina Retirement System**  
**The Number and Earnable Compensation of Active Members**  
**As of July 1, 2010**  
*(Dollar amounts expressed in thousands)*

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
State Employees	53,142	\$ 2,367,943
Teachers	83,935	3,372,435
Other	53,162	2,029,442
Total	<u>190,239</u>	<u>\$ 7,769,820</u>

Note: In addition, there are 156,871 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

**Police Officers Retirement System**  
**The Number and Earnable Compensation of Active Members**  
**As of July 1, 2010**  
*(Dollar amounts expressed in thousands)*

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
26,568	\$ 1,076,467

Note: In addition, there are 11,899 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

## Actuarial Section

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**General Assembly Retirement System**  
**The Number and Earnable Compensation of Active Members**  
**As of July 1, 2010**  
*(Dollar amounts expressed in thousands)*

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
170	\$ 3,854

Note: There are 36 inactive members with contributions still in the system, and there are 26 special contributors. The results of the valuation were adjusted to take these members into account. Numbers shown above do not include open seats or members receiving retirement benefits while continuing in office.

**Judges and Solicitors Retirement System**  
**The Number and Earnable Compensation of Active Members**  
**As of July 1, 2010**  
*(Dollar amounts expressed in thousands)*

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
144	\$ 18,661

Note: The number of active members includes 14 participants who are either in the DROP or have retired in place. There are four inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account. Numbers above were not adjusted for open seats.

## Actuarial Section

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**South Carolina Retirement System**  
**The Number and Annual Retirement Allowances of**  
**Retired Members and Beneficiaries<sup>1</sup>**  
**As of July 1, 2010**  
*(Dollar amounts expressed in thousands)*

<b>GROUP</b>	<b>NUMBER</b>	<b>ANNUAL RETIREMENT ALLOWANCES</b>
<b>Service Retirements:</b>		
Employees:		
Men	21,054	\$ 492,848
Women	25,573	420,556
Total	46,627	913,404
Teachers:		
Men	8,646	213,803
Women	36,470	715,496
Total	45,116	929,299
<b>Disability Retirements:</b>		
Employees:		
Men	3,106	41,395
Women	4,065	49,582
Total	7,171	90,977
Teachers:		
Men	908	12,739
Women	3,827	50,173
Total	4,735	62,912
<b>Beneficiaries:</b>		
Men	1,683	14,095
Women	6,062	70,688
Total	7,745	84,783
Grand Total	111,394	\$ 2,081,375

<sup>1</sup>Includes Teacher and Employee Retention Incentive (TERI) participants.

## Actuarial Section

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### Police Officers Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries As of July 1, 2010 *(Dollar amounts expressed in thousands)*

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
<b>Service Retirements:</b>		
Men	7,781	\$ 162,426
Women	1,818	24,128
Total	9,599	186,554
<b>Disability Retirements:</b>		
Men	1,417	28,571
Women	445	6,553
Total	1,862	35,124
<b>Beneficiaries:</b>		
Men	79	608
Women	1,026	12,090
Total	1,105	12,698
Grand Total	12,566	\$ 234,376

### General Assembly Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries As of July 1, 2010 *(Dollar amounts expressed in thousands)*

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
<b>Service Retirements:</b>		
Men	239	\$ 4,668
Women	32	590
Total	271	5,258
<b>Disability Retirements:</b>		
Men	1	15
Women	0	0
Total	1	15
<b>Beneficiaries:</b>		
Men	8	81
Women	66	1,058
Total	74	1,139
Grand Total	346	\$ 6,412

## Actuarial Section

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### Judges and Solicitors Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries As of July 1, 2010 (Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
<b>Service Retirements:<sup>1</sup></b>		
Men	120	\$ 11,663
Women	14	929
Total	134	12,592
<b>Disability Retirements:</b>		
Men	1	93
Women	0	0
Total	1	93
<b>Beneficiaries:</b>		
Men	6	51
Women	53	1,625
Total	59	1,676
Grand Total	194	\$ 14,361

<sup>1</sup>Includes DROP and retired in place members.

### National Guard Retirement System The Number and Annual Retirement Allowances of Retired Members As of July 1, 2010 (Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
<b>Service Retirements:</b>		
Men	3,911	\$ 3,640
Women	40	34
Total	3,951	3,674
<b>Disability Retirements:</b>		
Men	N/A	N/A
Women	N/A	N/A
Total	N/A	N/A
<b>Beneficiaries:</b>		
Men	N/A	N/A
Women	N/A	N/A
Total	N/A	N/A
Grand Total	3,951	\$ 3,674

## Actuarial Section

### South Carolina Retirement System Schedule of Retirants Added to and Removed from Rolls<sup>1</sup> (Dollar amounts except average allowance expressed in thousands)

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-10	6,596	\$ 151,348	3,216	\$ 44,049	111,394	\$ 2,081,376	5.4%	\$ 18,685
7-01-09	6,190	101,813	2,698	36,834	108,014	1,974,077	3.4%	18,276
7-01-08	6,021	132,856	2,396	30,178	104,522	1,909,098	5.7%	18,265
7-01-07	5,944	130,286	2,252	28,455	100,897	1,806,420	6.0%	17,904
7-01-06	4,621	118,271	2,083	24,099	97,205	1,704,589	5.8%	17,536
7-01-05	7,203	167,748	2,143	23,537	94,667	1,610,417	9.8%	17,011
7-01-04	7,319	151,477	2,132	22,656	89,607	1,466,206	9.6%	16,363
7-01-03	7,866	163,867	2,510	27,662	84,420	1,337,385	11.3%	15,842
7-01-02	7,344	140,077	2,334	24,531	79,064	1,201,180	10.6%	15,193
7-01-01	12,523	284,739	2,474	23,735	74,054	1,085,634	31.7%	14,660

<sup>1</sup>Includes Teacher and Employee Retention Incentive (TERI) participants.

### Police Officers Retirement System Schedule of Retirants Added to and Removed from Rolls (Dollar amounts except average allowance expressed in thousands)

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-10	943	\$ 21,877	327	\$ 5,000	12,566	\$ 234,376	7.8%	\$ 18,652
7-01-09	931	17,937	267	3,879	11,950	217,499	6.9%	18,201
7-01-08	779	17,458	194	2,691	11,286	203,441	7.8%	18,026
7-01-07	772	16,474	205	2,745	10,701	188,674	7.8%	17,631
7-01-06	678	16,880	205	2,691	10,134	174,945	8.8%	17,263
7-01-05	778	12,576	173	2,147	9,661	160,756	9.8%	16,640
7-01-04	894	16,256	265	2,923	9,056	146,348	10.0%	16,114
7-01-03	947	18,614	226	2,733	8,427	133,015	13.6%	15,784
7-01-02	956	17,378	220	2,639	7,706	117,134	14.4%	15,200
7-01-01	989	17,235	341	3,986	6,970	102,395	14.9%	14,691

## Actuarial Section

### General Assembly Retirement System Schedule of Retirants Added to and Removed from Rolls (Dollar amounts except average allowance expressed in thousands)

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-10	7	\$ 148	14	\$ 261	346	\$ 6,412	(1.7%)	\$ 18,532
7-01-09	26	505	15	266	353	6,525	3.8%	18,484
7-01-08	19	337	10	134	342	6,286	3.3%	18,380
7-01-07	18	321	2	13	333	6,083	5.3%	18,267
7-01-06	13	238	8	179	317	5,775	1.0%	18,218
7-01-05	22	486	7	125	312	5,716	6.8%	18,321
7-01-04	12	185	9	119	297	5,353	1.2%	18,023
7-01-03	40	839	12	226	294	5,287	13.1%	17,983
7-01-02	24	453	9	160	266	4,674	6.7%	17,571
7-01-01	27	609	11	204	251	4,381	10.2%	17,454

### Judges and Solicitors Retirement System Schedule of Retirants Added to and Removed from Rolls<sup>1</sup> (Dollar amounts except average allowance expressed in thousands)

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-10	18	\$ 1,210	8	\$ 593	194	\$ 14,361	4.5%	\$ 74,025
7-01-09	10	903	4	259	184	13,744	4.9%	74,696
7-01-08	6	545	3	156	178	13,100	3.1%	73,596
7-01-07	32	2,690	1	30	175	12,711	26.5%	72,634
7-01-06	4	464	1	28	144	10,051	4.5%	69,799
7-01-05	3	581	1	27	141	9,615	6.1%	68,191
7-01-04	11	925	2	139	139	9,061	9.5%	65,190
7-01-03	11	716	7	493	130	8,275	2.8%	63,654
7-01-02	13	706	5	248	126	8,052	6.0%	63,905
7-01-01	9	685	6	442	118	7,594	3.3%	64,356

<sup>1</sup>Beginning July 1, 2007, includes participants who have retired in place.

## Actuarial Section

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### National Guard Retirement System Schedule of Retirants Added to and Removed from Rolls *(Dollar amounts except average allowance expressed in thousands)*

<u>Year Ended</u>	<u>Added to Rolls<sup>1</sup></u>		<u>Removed from Rolls<sup>1</sup></u>		<u>Rolls End of the Year</u>		<u>% Increase in Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>		
7-01-10	267	\$ 237	101	\$ 99	3,951	\$ 3,674	3.9%	\$ 930
7-01-09	378	335	85	83	3,785	3,536	7.7%	934
7-01-08	364	331	76	75	3,492	3,284	8.5%	940
7-01-07	362	329	61	58	3,204	3,028	9.8%	945
7-01-06	303	276	90	91	2,903	2,757	7.2%	950
6-30-05	244	214	89	81	2,690	2,572	5.5%	956
6-30-04					2,535	2,439	12.9%	962
6-30-02					2,213	2,160	10.9%	976
6-30-00					1,962	1,947	7.7%	992
6-30-98					1,801	1,808	13.6%	1,004

<sup>1</sup>Sufficient data is not available to complete these columns for years ending before June 30, 2005.



## Actuarial Section

### Summary of Accrued and Unfunded Accrued Liabilities (Dollar amounts expressed in thousands)

	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
<b>SCRS</b>	7-01-10	\$25,400,331	\$38,774,029	65.5%	\$13,373,698	\$ 7,769,820	172.1%
	7-01-09	25,183,062	37,150,315	67.8%	11,967,253	7,761,808	154.2%
	7-01-08	24,699,678	35,663,419	69.3%	10,963,741	7,559,172	145.0%
	7-01-07	23,541,438	33,766,678	69.7%	10,225,240	7,093,181	144.2%
	7-01-06	22,293,446	32,018,519	69.6%	9,725,073	6,733,379	144.4%
	7-01-05	21,625,510	30,217,471	71.6%	8,591,961	6,356,489	135.2%
	7-01-04	20,862,659	25,977,852	80.3%	5,115,193	6,180,599	82.8%
	7-01-03	20,197,936	24,398,931	82.8%	4,200,995	6,240,768	67.3%
	7-01-02	19,298,174	22,446,574	86.0%	3,148,400	6,147,712	51.2%
	7-01-01	18,486,773	21,162,147	87.4%	2,675,374	6,017,537	44.5%

	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
<b>PORS</b>	7-01-10	\$ 3,612,700	\$ 4,850,457	74.5%	\$ 1,237,757	\$ 1,076,467	115.0%
	7-01-09	3,482,220	4,564,111	76.3%	1,081,891	1,084,154	99.8%
	7-01-08	3,363,136	4,318,955	77.9%	955,819	1,060,747	90.1%
	7-01-07	3,160,240	3,730,544	84.7%	570,304	992,849	57.4%
	7-01-06	2,935,841	3,466,281	84.7%	530,440	931,815	56.9%
	7-01-05	2,774,606	3,173,930	87.4%	399,324	850,610	46.9%
	7-01-04	2,616,835	2,984,584	87.7%	367,749	822,448	44.7%
	7-01-03	2,511,369	2,744,849	91.5%	233,480	800,394	29.2%
	7-01-02	2,351,100	2,527,876	93.0%	176,776	757,393	23.3%
	7-01-01	2,197,982	2,324,257	94.6%	126,275	757,335	16.7%

Note: Effective for the 7-1-2000 valuation, eligibility for an unreduced retirement annuity under SCRS was reduced from 30 years of service to 28 years. The SCRS also adopted a deferred retirement option plan.

Effective 7-1-2003, actuarial assumptions were changed as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, disability incidence assumptions and withdrawal rate assumptions were revised for both SCRS and PORS. In addition, the assumed mortality rates for retired SCRS members were revised, along with the assumed mortality rates of active and disabled members for PORS.

Effective 7-1-2005, actuarial assumptions were changed to include an increase in member contributions to 6.25 percent of earnings for fiscal year 2006 and 6.50 percent beginning fiscal year 2007; all return-to-work retirees and those TERI participants who joined the system after 7-01-2005 contributing at the same rate as active employees; a reduction in the interest rate credited to accumulated employee contributions from 6 percent to 4 percent; and the addition of a guaranteed COLA equal to the change in CPI, but not to exceed 1 percent, for SCRS retirees beginning the July 1st following a full year of annuity payments.

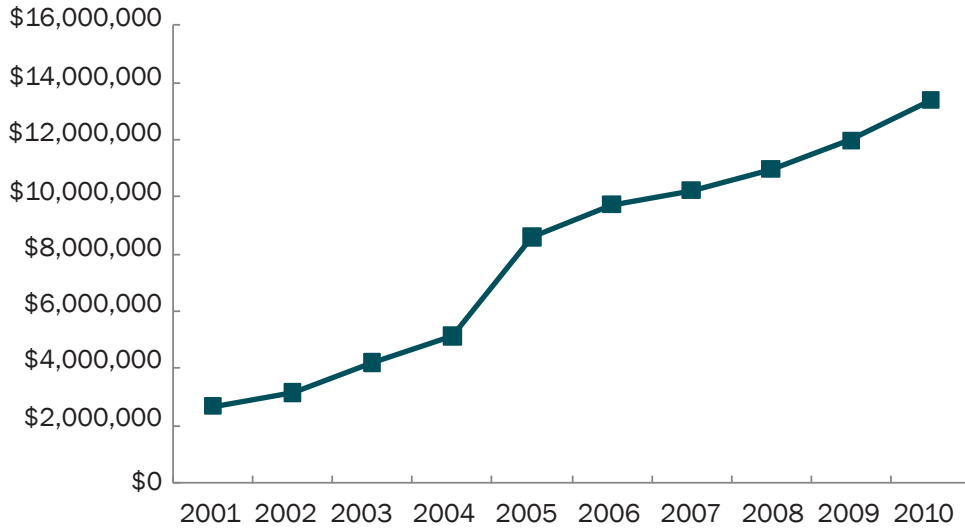
Effective 7-1-2008, actuarial assumptions for SCRS were changed as a result of a 5 year experience study. Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

## Actuarial Section

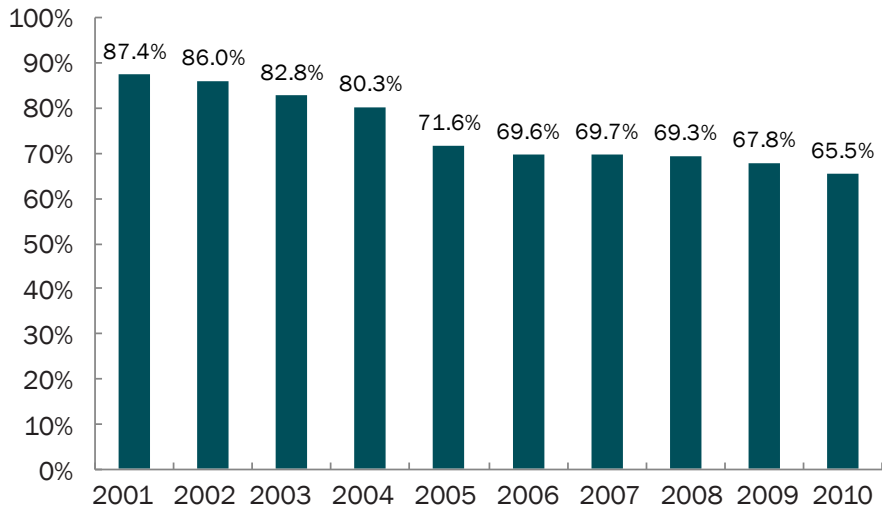
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### South Carolina Retirement System Funding Progress with Funded Ratios

**Unfunded Accrued Liabilities**  
(Amounts expressed in thousands)



**Funded Ratios**  
(Actuarial assets as a percentage of actuarial accrued liabilities)

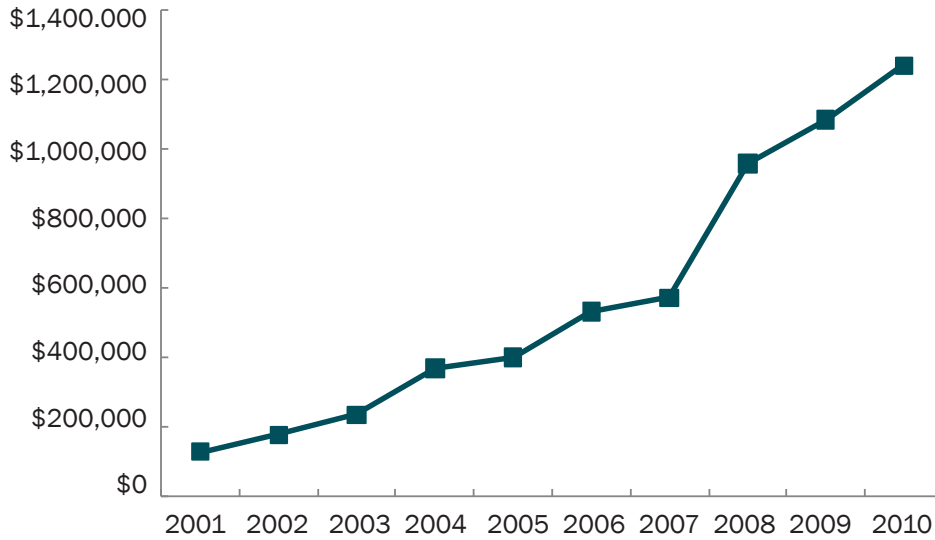


## Actuarial Section

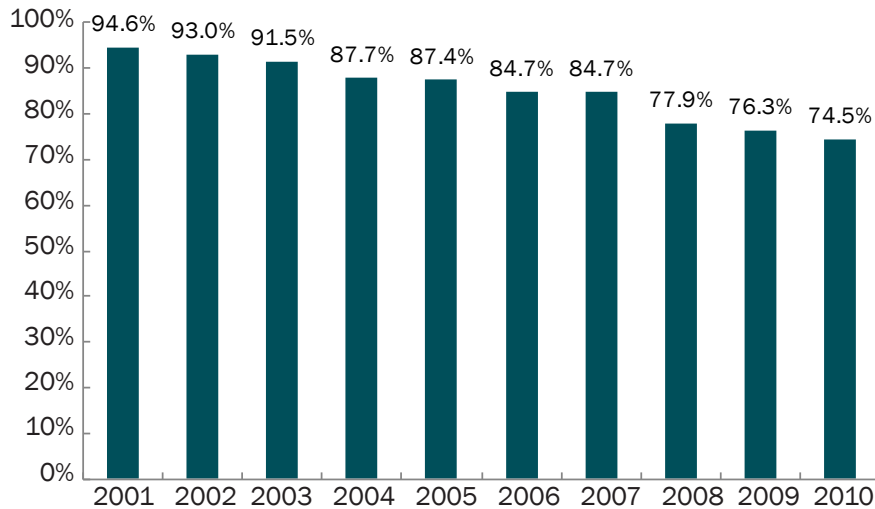
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### Police Officers Retirement System Funding Progress with Funded Ratios

**Unfunded Accrued Liabilities**  
(Amounts expressed in thousands)



**Funded Ratios**  
(Actuarial assets as a percentage of actuarial accrued liabilities)



## Actuarial Section

### Summary of Accrued and Unfunded Accrued Liabilities (Dollar amounts expressed in thousands)

GARS	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
	7-01-10	\$ 43,712	\$ 68,671	63.7%	\$ 24,959	\$ 3,854	647.6%
	7-01-09	45,891	68,491	67.0%	22,600	3,854	586.4%
	7-01-08	47,189	69,122	68.3%	21,933	3,854	569.1%
	7-01-07	46,925	71,014	66.1%	24,089	3,854	625.0%
	7-01-06	46,075	69,734	66.1%	23,659	3,854	613.9%
	7-01-05	46,316	69,161	67.0%	22,845	3,853	592.9%
	7-01-04	45,087	68,332	66.0%	23,245	3,839	605.5%
	7-01-03	44,682	66,619	67.1%	21,937	3,844	570.8%
	7-01-02	43,841	73,046	60.0%	29,205	4,515	646.9%
	7-01-01	42,788	68,291	62.7%	25,503	4,761	535.6%

JSRS	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
	7-01-10	\$ 142,871	\$ 215,823	66.2%	\$ 72,952	\$ 18,661	390.9%
	7-01-09	141,797	214,363	66.1%	72,566	18,661	388.9%
	7-01-08	138,323	213,406	64.8%	75,083	18,661	402.4%
	7-01-07	132,990	229,388	58.0%	96,398	16,407	587.5%
	7-01-06	124,837	211,384	59.1%	86,547	15,929	543.3%
	7-01-05	118,888	204,847	58.0%	85,959	15,465	555.8%
	7-01-04	112,016	185,052	60.5%	73,036	14,870	491.2%
	7-01-03	106,114	166,655	63.7%	60,541	14,437	419.3%
	7-01-02	100,074	166,440	60.1%	66,366	14,211	467.0%
	7-01-01	94,795	159,246	59.5%	64,451	14,109	456.8%

Note: The 7-1-2002, GARS valuation reflected the change in legislation effective January 1, 2003, which allows a member who has attained the age of 70 or has 30 years of service to retire and draw an annuity while continuing to serve in the General Assembly.

Effective 7-1-2003, actuarial assumptions for GARS and JSRS were changed as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, and disability incidence assumptions were revised.

Effective 7-1-2005, actuarial assumptions were changed to include updated normal retirement rates based on analysis of historical normal retirement experience.

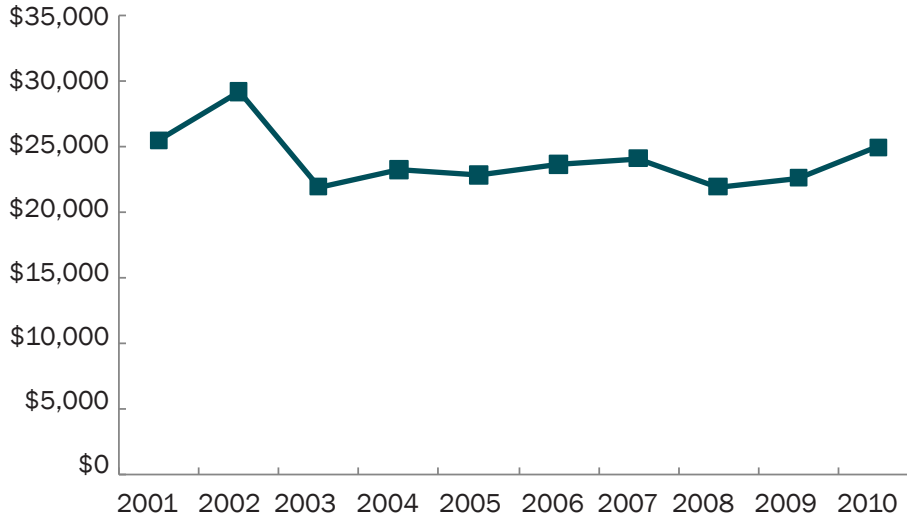
Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

## Actuarial Section

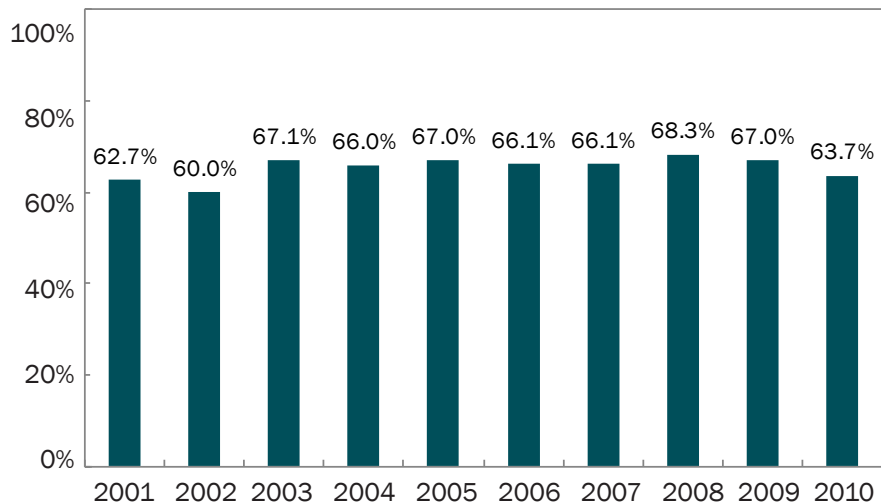
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### General Assembly Retirement System Funding Progress with Funded Ratios

**Unfunded Accrued Liabilities**  
(Amounts expressed in thousands)



**Funded Ratios**  
(Actuarial assets as a percentage of actuarial accrued liabilities)

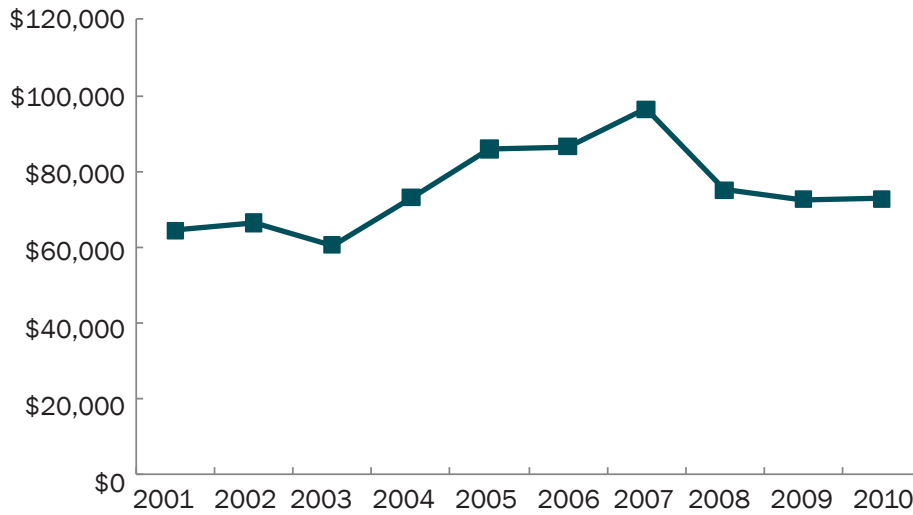


## Actuarial Section

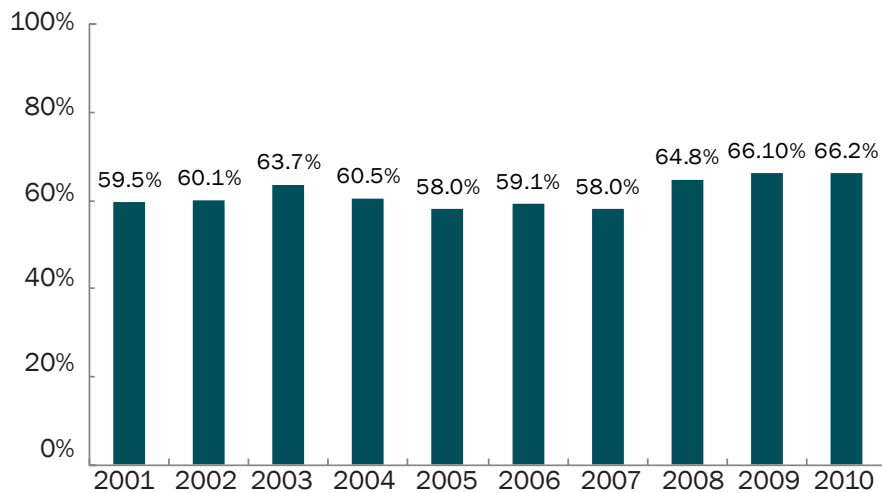
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### Judges and Solicitors Retirement System Funding Progress with Funded Ratios

**Unfunded Accrued Liabilities**  
(Amounts expressed in thousands)



**Funded Ratios**  
(Actuarial assets as a percentage of actuarial accrued liabilities)



## Actuarial Section

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### Summary of Accrued and Unfunded Accrued Liabilities (Dollar amounts expressed in thousands)

NGRS	Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
	7-01-10	\$ 19,458	\$ 54,153	35.90%	\$ 34,695	N/A	N/A
	7-01-09	18,600	53,421	34.82%	34,821	N/A	N/A
	7-01-08	17,426	53,534	32.55%	36,108	N/A	N/A
	7-01-07	15,937	55,917	28.50%	39,980	N/A	N/A
	7-01-06	14,046	48,755	28.81%	34,709	N/A	N/A
	6-30-05	12,151	46,985	25.86%	34,835	N/A	N/A
	6-30-04	13,567	47,281	28.69%	33,714	N/A	N/A
	6-30-02	12,608	44,678	28.22%	32,069	N/A	N/A
	6-30-00 <sup>1</sup>	11,089	43,427	25.54%	32,338	N/A	N/A
	6-30-98	8,640	41,478	20.83%	32,839	N/A	N/A
	6-30-96	6,259	36,756	17.00%	30,497	N/A	N/A

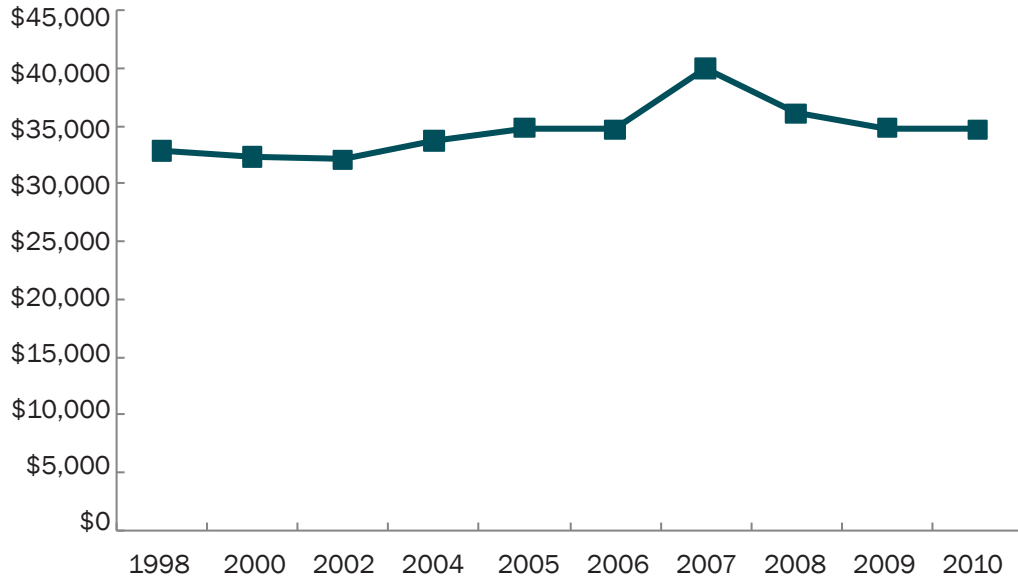
<sup>1</sup>As of April 30, 2000.

## Actuarial Section

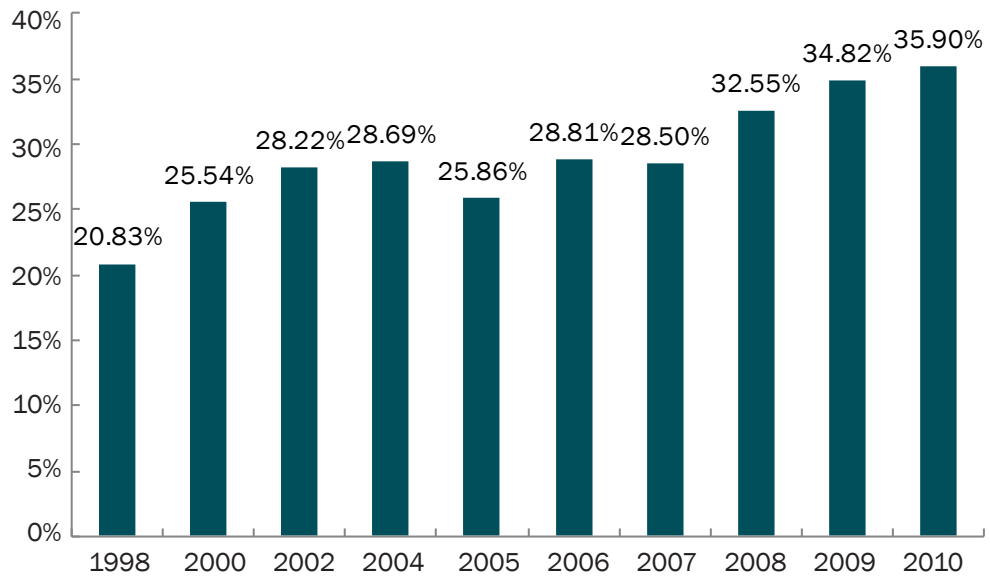
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### National Guard Retirement System Funding Progress with Funded Ratios

**Unfunded Accrued Liabilities**  
(Amounts expressed in thousands)



**Funded Ratios**  
(Actuarial assets as a percentage of actuarial accrued liabilities)





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## Actuarial Section

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### South Carolina Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2010 (Amounts expressed in thousands)

<b>Item:</b>	<b>Amount of Increase (Decrease)</b>
Beginning of Year Unfunded Actuarial Liability	\$ 11,967,253
Interest on Unfunded Actuarial Liability	957,380
Amortization Payment with Interest	(662,414)
Asset Experience	1,212,929
Salary Experience	(344,630)
Other Liability Experience	168,477
COLA	0
Benefit Changes (Addition of GLI Fund)	74,703
Assumption Changes	0
Total Increase/(Decrease)	\$ 1,406,445
End of Year Unfunded Actuarial Liability	\$ 13,373,698

### Police Officers Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2010 (Amounts expressed in thousands)

<b>Item:</b>	<b>Amount of Increase (Decrease)</b>
Beginning of Year Unfunded Actuarial Liability	\$ 1,081,891
Interest on Unfunded Actuarial Liability	86,551
Amortization Payment with Interest	(52,536)
Asset Experience	167,396
Salary Experience	(80,056)
Other Liability Experience	34,524
COLA	0
Assumption Changes	0
Incidental Death Benefit and Accidental Death	(13)
Total Increase/(Decrease)	\$ 155,866
End of Year Unfunded Actuarial Liability	\$ 1,237,757

## Actuarial Section

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### General Assembly Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2010 (Amounts expressed in thousands)

<b>Item:</b>	<b>Amount of Increase (Decrease)</b>
Beginning of Year Unfunded Actuarial Liability	\$ 22,600
Interest on Unfunded Actuarial Liability	1,808
Amortization Payment with Interest	(2,263)
Asset Experience	2,373
Salary Experience	-
Other Liability Experience	441
Benefit Changes	0
Assumption Changes	0
Total Increase/(Decrease)	2,359
End of Year Unfunded Actuarial Liability	\$ 24,959

### Judges and Solicitors Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2010 (Amounts expressed in thousands)

<b>Item:</b>	<b>Amount of Increase (Decrease)</b>
Beginning of Year Unfunded Actuarial Liability	\$ 72,566
Interest on Unfunded Actuarial Liability	5,805
Amortization Payment with Interest	(6,821)
Asset Experience	7,151
Salary Experience	(1,942)
Other Liability Experience	816
COLA	(4,623)
Benefit Changes	0
Assumption Changes	0
Total Increase/(Decrease)	386
End of Year Unfunded Actuarial Liability	\$ 72,952

## Actuarial Section

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### National Guard Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2010 *(Amounts expressed in thousands)*

<b>Item:</b>	<b>Amount of Increase (Decrease)</b>
Beginning of Year Unfunded Actuarial Liability	\$ 34,821
Interest on Unfunded Actuarial Liability	2,786
Amortization Payment with interest	(3,576)
Asset Experience	1,061
Salary Experience	N/A
Other Liability Experience (including transition and new entrants)	(397)
Benefit Changes	0
Assumption Changes	0
Total Increase/(Decrease)	(125)
End of Year Unfunded Actuarial Liability	<u>\$ 34,695</u>

## Actuarial Section

### Solvency Test (Dollar amounts expressed in thousands)

	Valuation Date			(3) Active Members (Employer Funded Portion)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
		(1) Active Member Contributions	(2) Retirants & Beneficiaries			(1)	(2)	(3)
<b>SCRS</b>	7-01-10	\$ 6,222,854	\$ 22,585,243	\$ 9,965,932	\$ 25,400,331	100%	84.9%	0.0%
	7-01-09	5,980,022	21,381,561	9,788,732	25,183,062	100%	89.8%	0.0%
	7-01-08	5,708,620	20,624,862	9,329,937	24,699,678	100%	92.1%	0.0%
	7-01-07	5,464,756	19,084,672	9,217,250	23,541,438	100%	94.7%	0.0%
	7-01-06	5,229,175	17,800,254	8,989,090	22,293,446	100%	95.9%	0.0%
	7-01-05	4,915,423	16,891,954	8,410,094	21,625,510	100%	98.9%	0.0%
	7-01-04	4,750,077	14,184,765	7,043,010	20,862,659	100%	100%	27.4%
	7-01-03	4,627,360	13,240,368	6,531,203	20,197,936	100%	100%	35.7%
	7-01-02	4,512,402	11,600,395	6,333,777	19,298,174	100%	100%	50.3%
	7-01-01	4,339,747	10,367,913	6,454,487	18,486,773	100%	100%	58.6%
<b>PORS</b>	7-01-10	\$ 758,695	\$ 2,577,772	\$ 1,513,990	\$ 3,612,700	100%	100%	18.2%
	7-01-09	726,214	2,348,685	1,489,212	3,482,220	100%	100%	27.4%
	7-01-08	697,423	2,183,645	1,437,887	3,363,136	100%	100%	33.5%
	7-01-07	658,023	1,818,914	1,253,607	3,160,240	100%	100%	54.5%
	7-01-06	622,008	1,668,449	1,175,824	2,935,841	100%	100%	54.9%
	7-01-05	585,701	1,530,199	1,058,030	2,774,606	100%	100%	62.0%
	7-01-04	548,699	1,415,627	1,020,258	2,616,835	100%	100%	64.0%
	7-01-03	516,313	1,265,173	963,363	2,511,369	100%	100%	75.8%
	7-01-02	492,178	1,136,998	898,700	2,351,100	100%	100%	80.3%
	7-01-01	464,217	977,769	882,271	2,197,982	100%	100%	85.7%

Note: Effective for the 7-1-2000 valuation, eligibility for an unreduced retirement annuity under SCRS was reduced from 30 years of service to 28 years. The SCRS also adopted a deferred retirement option plan.

Effective 7-1-2003, actuarial assumptions were changed as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, disability incidence assumptions and withdrawal rate assumptions were revised for both SCRS and PORS. In addition, the assumed mortality rates for retired SCRS members were revised, along with the assumed mortality rates of active and disabled members for PORS.

Effective 7-1-2005, actuarial assumptions were changed to include an increase in member contributions to 6.25 percent of earnings for fiscal year 2006 and 6.50 percent beginning fiscal year 2007; all return-to-work retirees and those TERI participants who joined the system after 7-01-2005 contributing at the same rate as active employees; a reduction in the interest rate credited to accumulated employee contributions from 6 percent to 4 percent; and the addition of a guaranteed COLA equal to the change in CPI, but not to exceed 1 percent, for SCRS retirees beginning the July 1st following a full year of annuity payments.

Effective 7-1-2008, actuarial assumptions for SCRS were changed as a result of a 5 year experience study. Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

## Actuarial Section

### Solvency Test (Dollar amounts expressed in thousands)

	Valuation Date	(1)	(2)	(3)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
		Active Member Contributions	Retirants & Beneficiaries	Active Members (Employer Funded Portion)		(1)	(2)	(3)
<b>GARS</b>	7-01-10	\$ 7,265	\$ 53,486	\$ 7,920	\$ 43,712	100%	68.1%	0.0%
	7-01-09	6,822	54,586	7,083	45,891	100%	71.6%	0.0%
	7-01-08	7,265	53,240	8,617	47,189	100%	75.0%	0.0%
	7-01-07	7,735	54,115	9,164	46,925	100%	72.4%	0.0%
	7-01-06	8,094	51,870	9,770	46,075	100%	73.2%	0.0%
	7-01-05	8,024	51,353	9,784	46,316	100%	74.6%	0.0%
	7-01-04	8,485	48,126	11,721	45,087	100%	76.1%	0.0%
	7-01-03	8,324	46,781	11,515	44,682	100%	77.7%	0.0%
	7-01-02	9,470	47,485	16,091	43,841	100%	72.4%	0.0%
	7-01-01	9,329	45,013	13,949	42,788	100%	74.3%	0.0%
<b>JSRS</b>	7-01-10	\$ 17,816	\$ 150,696	\$ 47,311	\$ 142,871	100%	83.0%	0.0%
	7-01-09	18,431	144,464	51,468	141,797	100%	85.4%	0.0%
	7-01-08	17,367	141,510	54,529	138,323	100%	85.5%	0.0%
	7-01-07	18,999	149,435	60,954	132,990	100%	76.3%	0.0%
	7-01-06	21,857	112,823	76,704	124,837	100%	91.3%	0.0%
	7-01-05	20,005	110,876	73,966	118,888	100%	89.2%	0.0%
	7-01-04	17,640	106,159	61,253	112,016	100%	88.9%	0.0%
	7-01-03	16,545	96,409	53,701	106,114	100%	92.9%	0.0%
	7-01-02	16,162	101,716	48,562	100,074	100%	82.5%	0.0%
	7-01-01	15,254	97,512	46,480	94,795	100%	81.6%	0.0%

Note: The 7-1-2002, GARS valuation reflected the change in legislation effective January 1, 2003, which allows a member who has attained the age of 70 or has 30 years of service to retire and draw an annuity while continuing to serve in the General Assembly.

Effective 7-1-2003, actuarial assumptions for GARS and JSRS were changed as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, and disability incidence assumptions were revised.

Effective 7-1-2005, actuarial assumptions were changed to include updated normal retirement rates based on analysis of historical normal retirement experience.

Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

## Actuarial Section

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### Solvency Test (Dollar amounts expressed in thousands)

	Valuation Date	(1)		(3)		Portion of Aggregate Accrued Liabilities Covered by Assets		
		Active Member Contributions	(2) Retirants	Active Members (Employer Funded)	Valuation Assets	(1)	(2)	(3)
<b>NGRS</b>	7-01-10	\$ 0	\$ 28,492	\$ 25,661	\$ 19,458	N/A	68.3%	0.0%
	7-01-09		27,558	25,863	18,600	N/A	67.5%	0.0%
	7-01-08		25,554	27,980	17,426	N/A	68.2%	0.0%
	7-01-07		24,627	31,290	15,937	N/A	64.7%	0.0%
	7-01-06		22,366	26,389	14,046	N/A	62.8%	0.0%
	6-30-05		20,804	26,181	12,151	N/A	58.4%	0.0%
	6-30-04		19,704	27,577	13,567	N/A	68.9%	0.0%
	6-30-02		17,597	27,081	12,608	N/A	71.6%	0.0%
	6-30-00		16,186	27,241	11,089	N/A	68.5%	0.0%
	6-30-98		14,651	26,827	8,640	N/A	59.0%	0.0%

# Actuarial Section

## Summary of Basic Provisions

SCRS	PORS	GARS	JSRS	NGRS
<b>1. Membership</b>				
All permanent, full-time and part-time employees of covered employers must join unless specifically exempted by statute or are eligible and elect to participate in the State ORP.	To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner or deputy coroner in a full-time permanent position; or be a peace officer employed by the SC Department of Corrections, the SC Department of Juvenile Justice, or the SC Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.	Generally, all persons are required to participate upon taking office as member of the General Assembly unless exempted by statute.	All solicitors, circuit public defenders, judges of a Circuit or Family Court, and justices of the Court of Appeals and Supreme Court are required to participate upon taking office unless exempted by statute.	Individuals serving in the South Carolina National Guard.
<b>2. Employee Contributions</b>				
<b>Class II</b> 6.5% of earnable compensation	<b>Class I</b> \$21 per month  <b>Class II</b> 6.5% of earnable compensation	10% of earnable compensation	10% of earnable compensation	Not applicable as this is a non-contributory plan
<b>3. Employer Contributions</b>				
<b>Class II</b> 9.24% of earnable compensation	<b>Class I</b> 7.8% of earnable compensation	Annual lump-sum appropriation	44.64% of earnable compensation	Annual lump-sum appropriation
<b>Death Benefit Program</b> 0.15% of earnable compensation	<b>Class II</b> 11.13% of earnable compensation			
	<b>Death Benefit Program</b> 0.2% of earnable compensation	<b>Death Benefit Program</b> Included within annual lump-sum appropriation	<b>Death Benefit Program</b> 0.45% of earnable compensation	<b>Death Benefit Program</b> Not applicable
<b>Accidental Death Program</b> Not applicable	<b>Accidental Death Program</b> 0.2% of earnable compensation	<b>Accidental Death Program</b> Not applicable	<b>Accidental Death Program</b> Not applicable	<b>Accidental Death Program</b> Not applicable

# Actuarial Section

## SCRS

## PORS

## GARS

## JSRS

## NGRS

### 4. Requirements for Service Annuity

<p>5 years earned service</p> <p>The member is entitled to a deferred reduced annuity at age 60.</p>	<p>5 years earned service</p> <p>The member is entitled to a deferred annuity at age 55.</p>	<p>8 years service</p> <p>The member is entitled to a deferred annuity at age 60.</p>	<p>Members are vested in the system with 10 years earned service in position of judge; 8 years earned service in position of solicitor or circuit public defender.</p> <p>For vested members who joined prior to 7/1/2004, member is eligible for a deferred annuity at age 55. For members who joined after 6/30/2004, member is eligible for a deferred annuity at age 65.</p>	<p>20 years total creditable military service, at least 15 of which must have been served in the South Carolina National Guard. Additionally, the last 10 years of service must have been served in the South Carolina National Guard.</p>
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### 5. Normal Retirement Age

Not applicable	Not applicable	Not applicable	Age 60	Not applicable
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### 6. Requirements for Full Service Retirement

<p>Age 65 or 28 years of credited service</p> <p>The member must have a minimum of five years of earned service to qualify for retirement.</p>	<p>Age 55 with 5 years of service or 25 years of credited service</p> <p>The member must have a minimum of five years of earned service to qualify for retirement.</p>	<p>Age 60 or 30 years of service</p> <p>Age 70 or 30 years of service while continuing to serve in the General Assembly</p>	<p>Age 70 with 15 years of service</p> <p>Age 65 with 20 years of service</p> <p>25 years of service as judge regardless of age</p> <p>24 years of service as solicitor or circuit public defender regardless of age</p> <p>Age 65 with 4 years earned service as judge or solicitor and at least 25 years other service with the state if a member as of 6/30/2004.</p>	<p>Age 60 provided the member was honorably discharged from active duty with at least 20 years of total creditable military service. Of that 20 years of service, 15 years, and the final 10 years, must have been served in the South Carolina National Guard.</p>
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### 7. Early Retirement

<p>Age 60 with 5% reduction for each year of age under age 65</p> <p>Age 55 with 25 years service, reduced 4% for each year of service under 28</p> <p>The member must have a minimum of five years of earned service to qualify for early retirement.</p>	<p>Age 55 with five years of service credit</p> <p>The member must have a minimum of five years of earned service to qualify for early retirement.</p>	<p>Age 60 with 8 years of service credit</p>	<p>Members are vested in the system with 10 years earned service in position of judge; 8 years earned service in position of solicitor or circuit public defender.</p> <p>For vested members who joined prior to 7/1/2004, member is eligible for a deferred annuity at age 55. For members who joined after 6/30/2004, member is eligible for a deferred annuity at age 65.</p>	<p>Not applicable</p>
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### 8. Formula for Normal Service Retirement

<p><b>Class I</b> 1.45% of Average Final Compensation times years of credited service</p> <p style="text-align: center;"><b>Continued on Next Page</b></p>	<p><b>Class I</b> \$10.97 per month for each year of service</p> <p style="text-align: center;"><b>Continued on Next Page</b></p>	<p>4.82% of earnable compensation times years of credited service</p>	<p>Annual allowance of 71.3% of the current active salary of the member's position. Benefit formula increases by</p> <p style="text-align: center;"><b>Continued on Next Page</b></p>	<p>For 20 years of service, retirees receive a \$50 monthly benefit. For each year of service beyond the 20 years,</p> <p style="text-align: center;"><b>Continued on Next Page</b></p>
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# Actuarial Section

## SCRS

## PORS

## GARS

## JSRS

## NGRS

### 8. Formula for Normal Service Retirement (continued)

#### Class II

1.82% of Average Final Compensation times years of credited service

#### Class II

2.14% of Average Final Compensation times years of credited service

2.67% for each year of active service over 25 years for judges or over 24 years for solicitors or circuit public defenders. The monthly retirement allowance may not exceed 90% of the current active salary for the member's position. Upon retirement, a member will receive an additional benefit equal to employee contributions and accumulated interest remitted after reaching the maximum 90% benefit.

up to 30 years of service, the retiree receives an additional \$5. The maximum monthly benefit a retiree can receive is \$100.

### 9. Requirements for Disability Retirement

5 years of earned service unless injury is job related. Must be disabled based on job specific standard.

5 years of earned service unless injury is job related. Must be disabled based on job specific standard.

5 years of credited service. Must be disabled based on job specific standard.

5 years of credited service. Must be disabled based on job specific standard.

Not applicable

### 10. Formula for Disability Retirement

The disability retirement benefit based on a projection of service credit to age 65 with an actuarial reduction. Minimum benefit of 15% of AFC at any age.

The disability retirement benefit is based on a projection of service credit to age 55. Minimum benefit of 15% of AFC at any age.

The disability retirement benefit is based on the greater of the following options:

- a. Service benefit based upon actual credited service or
- b. 50% of service benefit based on projection of service to earlier of age 60 or 35 years service.

The disability retirement benefit is based on the service retirement formula.

Not applicable

### 11. Benefit Options

#### Option A

##### (Maximum/Retiree Only)

Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.

#### Option A

##### (Maximum/Retiree Only)

Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.

#### Maximum Benefit

##### (Retiree Only)

Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.

#### Maximum Benefit

##### (Retiree/One-Third Spouse)

Formula as calculated in item 8. Continued annuity of one-third of member's benefit to a spouse beneficiary upon death of retiree or return of contributions to a designated non-spouse beneficiary.

Formula benefit as calculated in item 8.

#### Option B

##### (100% - 100% Joint Retiree/Survivor)

Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary. This option is subject to non-spousal beneficiary limitations based on state statute and an Internal Revenue Code formula.

#### Option B

##### (100% - 100% Joint Retiree/Survivor)

Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary. This option is subject to non-spousal beneficiary limitations based on state statute and an Internal Revenue Code formula.

#### Option 1

Provides a reduced (from the Maximum Benefit) lifetime benefit that upon retiree's death continues to retiree's beneficiary. Benefit will not revert to Maximum if all of the retiree's beneficiaries predecease the retiree.

#### Optional Allowance

Provides a reduced (from the Maximum Benefit) lifetime annuity that upon the retiree's death will continue at one-third of the retiree's annuity to a non-spouse beneficiary (or in equal shares to multiple beneficiaries).

#### Option C

##### (100% - 50% Joint Retiree/Survivor)

Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity.

#### Option C

##### (100% - 50% Joint Retiree/Survivor)

Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity.

#### Option 2

Provides a reduced (from the Maximum Benefit) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity. Benefit will not revert to Maximum if all of the retiree's beneficiaries predecease the retiree.

Continued on Next Page

Continued on Next Page

Continued on Next Page

# Actuarial Section

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## SCRS

## PORS

## GARS

## JSRS

## NGRS

### 11. Benefit Options (continued)

Note: If a retiree selects Option B or Option C and all of the retiree's beneficiaries predecease the retiree, the retiree's benefit will revert to Option A.

Note: If a retiree selects Option B or Option C and all of the retiree's beneficiaries predecease the retiree, the retiree's benefit will revert to Option A.

Revert to Maximum (1A or 2A)  
This feature will allow benefits to be changed to the Maximum Benefit if the retiree selects Option 1 or Option 2 and all of the retiree's beneficiaries predecease the retiree.

### 12. Deferred Retirement Option Programs

Upon meeting retirement eligibility, a member can elect to retire and continue working under the Teacher and Employee Retention Incentive (TERI) program for a maximum of five years, after which employment will cease. During TERI participation, the retirement annuity will not be paid to TERI retirees, but monthly benefits will be accumulated in TERI accounts and will be distributed to the members upon termination of employment. For members retiring after June 30, 2005, a payment for unused annual leave is not included in calculating TERI benefits. Upon termination, however, benefits will be increased prospectively to include payment for up to 45 days annual leave paid at termination of employment. No interest is credited to the TERI account. TERI participants who entered the program after June 30, 2005, must continue to contribute at the same rate as active members. Those who entered TERI prior to July 1, 2005, make no employee contributions while participating in the TERI program. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits.

Not applicable

Not applicable

A JSRS member who has not reached age 60, but is eligible to retire and receive the 90 percent maximum JSRS annuity may retire and continue to serve as a judge, solicitor, or circuit public defender. However, the monthly annuity will be deferred, without interest, until the member reaches age 60. Payout of the deferred annuity will be made when the retired JSRS member reaches the normal retirement age of 60.

Not applicable

Employee and employer contributions must continue to be paid while a member is participating in the JSRS deferred retirement program, but no additional service is earned.

# Actuarial Section

## SCRS

## PORS

## GARS

## JSRS

## NGRS

### 13. Return to Work Provisions

A retired member of the system who has been retired for at least 15 consecutive calendar days may be hired and return to covered employment without affecting his monthly retirement benefit. The employer and working retiree must remit employer and employee contributions at the same rate as if the member were an active contributing member. Working retirees are not eligible for subsequent disability retirement, will not earn additional service credit, and will have no additional interest credited to their account.

A retired member of the system who has been retired for at least 15 consecutive calendar days may be hired and return to covered employment without affecting his monthly retirement benefit. The employer and working retiree must remit employer and employee contributions at the same rate as if the member were an active contributing member. Working retirees are not eligible for subsequent disability retirement, will not earn additional service credit, and will have no additional interest credited to their account.

An active GARS member who has reached age 70 or has 30 years of service credit may retire and begin receiving a GARS retirement annuity while continuing to serve in office. The retired GARS member will receive a retirement annuity in lieu of a per diem salary and additional line item pay for certain positions. Generally, a retired member of GARS may return to work after retirement with no limit on the dollar amount that may be earned as compensation; however, certain conditions and restrictions may apply to employers covered by SCRS, PORS, GARS and JSRS.

A member who is age 60 and eligible to receive the maximum monthly benefit, may retire and receive a retirement benefit while continuing to serve as a judge, solicitor, or circuit public defender until the end of the calendar year in which the member reaches age 72. Employee and employer contributions must continue to be paid as if the retiree was an active contributing member, but no additional service credit accrues and no additional interest is credited to their retirement account. Additionally, a retired judge may continue to receive a retirement benefit while employed by a public institution of education, provided the judge does not contribute to or receive service credit in SCRS.

Not applicable

### 14. Post Retirement Increase

Each July 1, eligible retired members should receive an automatic COLA up to an increase of 2 percent if the Consumer Price Index for Wage Earners and Clerical Workers (CPI) as of the previous December 31 is at least 2 percent. If the CPI is less than 2 percent, the COLA should equal the actual increase in the CPI. COLAs are earned only during periods of inflation.

Each July 1, eligible retired members should receive an automatic COLA up to an increase of 2 percent if the Consumer Price Index for Wage Earners and Clerical Workers (CPI) as of the previous December 31 is at least 2 percent. If the CPI is less than 2 percent, the COLA should equal the actual increase in the CPI. COLAs are earned only during periods of inflation.

Retired member receives benefit based on current salary for member's position.

Retired member receives benefit based on current salary for member's position.

Cost-of-living increases are not provided.

### 15. Accidental Death Program

Not applicable

Provides 50% of earnable compensation at time of accidental death in the line of duty as an annuity to either the surviving spouse, children, or parents. The annuity to surviving children ends upon each child's 18th birthday.

Not applicable

Not applicable

Not applicable

# Actuarial Section

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## SCRS

## PORS

## GARS

## JSRS

## NGRS

### 16. Death Benefit Program

Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active or working retired contributing member with at least one year of service.

No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.

Lump-sum payment to retiree's beneficiary of up to \$6,000 based upon years of service at retirement. TERI participants and working retired contributing members are eligible for an increased death benefit payment equal to their annual salary in lieu of the standard retired member benefit.

Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.

No service requirements for death resulting from an injury arising out of the actual performance of duties for an active member.

Lump-sum payment to retiree's beneficiary of up to \$6,000 based upon year of service at retirement. Retired contributing members are eligible for an increased death benefit payment equal to their annual salary in lieu of the standard retired member benefit.

Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.

No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.

Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.

Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.

No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.

Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.

Not applicable

### 17. Withdrawal of Employee Contributions

Accumulated contributions, plus interest, payable upon request 90 days after termination of all covered employment.

Accumulated contributions, plus interest, payable upon request 90 days after termination of all covered employment.

Accumulated contributions, plus interest, paid as promptly as feasible upon request after termination of all covered employment.

Accumulated contributions, plus interest, paid as promptly as feasible upon request after termination of all covered employment.

Not applicable as this is a non-contributory plan



STATISTICAL SECTION

**T**ugboats are known for their incredible strength and reliable nature. Most barges depend on tug boats to guide their path and lead them to their destination safely. When faced with challenges such as a heavy load to pull or formidable obstacles, tugboats rely on their strong build to help them maneuver to safety.

The South Carolina Retirement Systems seeks to provide reliable and safe retirement plans for its members. SCRS is the oldest of the five plans and has been in existence for 64 years. The Retirement Systems is not only providing for today's retirees, but for future generations of retirees as well.



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## Statistical Section

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### Statistical Section Summary

The objective of the Statistical Section is to provide financial statement users with additional historical perspective, context, and detail to assist in using information presented in the Financial Statements, Notes to Financial Statements, and Required Supplementary Information to understand and assess the Systems' economic condition. Information reported in the Systems' statistical section is presented in four main categories: Financial Trends Information, Operating Information, Revenue Capacity Information, and Demographic and Economic Information.

#### Financial Trends Information

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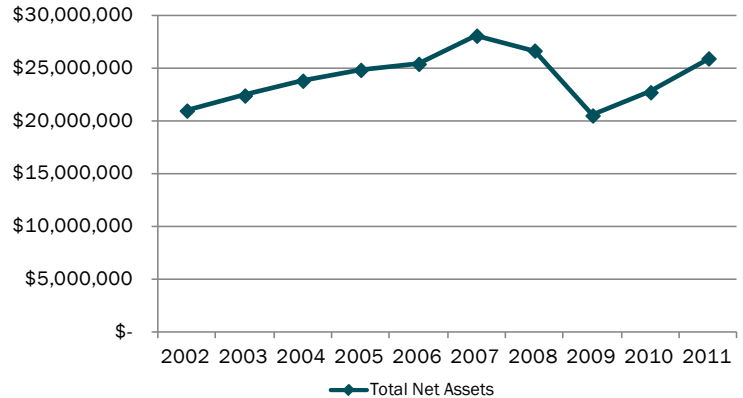
# Statistical Section

## Financial Trends Information

*Financial Trends Information* is intended to assist users in understanding and assessing how the Systems' financial position has changed over time. The ten year summary of plan net assets and ten year schedules of changes in plan net assets as well as the additions by source, deductions by type, and benefit expenses by type for the last ten fiscal years may be considered useful in determining financial trends.

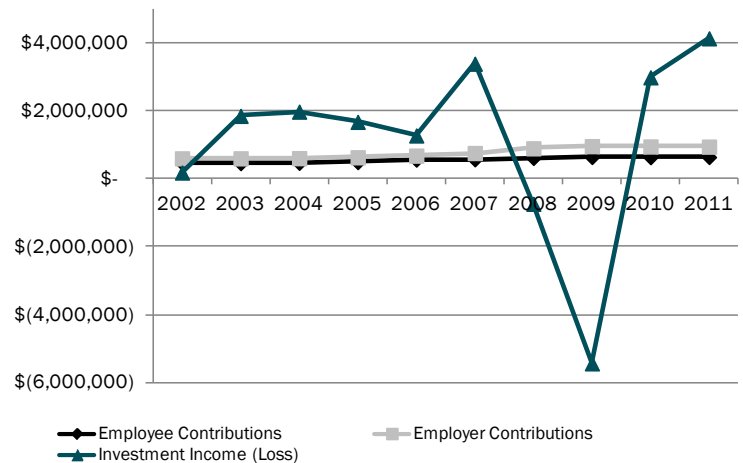
### Trend of Total Net Assets

A trend of the total value of plan net assets over the past ten years reflects an overall increase for the period; however, negative investment returns realized during fiscal year 2008 and 2009 caused a significant decline in asset values for the portfolio. Positive investment returns during fiscal year 2011 resulted in an increase in the value of plan net assets of \$3.2 billion from the prior fiscal year.



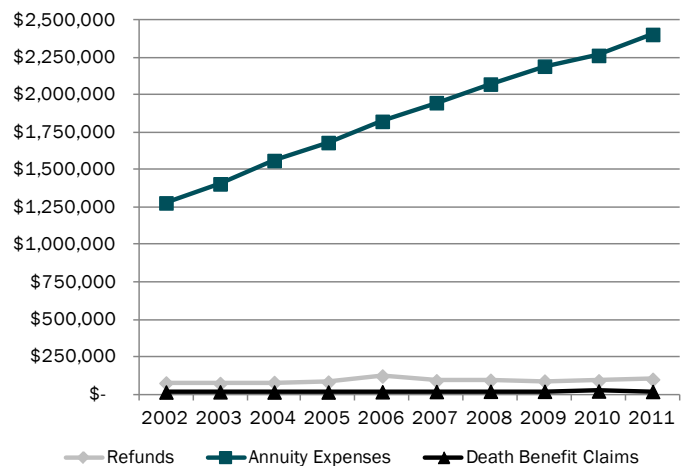
### Trend of Total Pension Trust Funds Additions by Source

The overall trend in the dollar amount of employee and employer contributions has gradually increased due to increases in contribution rates and growth in covered payroll; however, employee and employer contributions decreased at several points due to slight declines in the number of active members. During fiscal year 2011, the total dollar amount of employee contributions increased from the prior fiscal year as a result of a significant increase in the amount of employee contributions received for purchased service. Investment income is much more volatile due to its dependence on the market.



### Trend of Total Pension Trust Funds Deductions by Type

A rise in the number of annuitant payees and cost of living adjustments granted to annuitants resulted in a steady increase in benefit expenses over the years. Refund expenses spiked during fiscal year 2006 as a result of a negative ruling on litigation in which contributions were required to be refunded to retired participants in the Teacher and Employee Retention Incentive (TERI) program. In addition, a slight growth in death benefit claims occurred over the past couple of years because beneficiaries of working retirees now receive an increased level of incidental death benefits.





## Statistical Section

### South Carolina Retirement Systems 10 Year Summary of Plan Net Assets As of June 30, (Amounts expressed in thousands)

	2011	2010	2009	2008	2007
<b>Assets</b>					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 3,977,880	\$ 5,298,443	\$ 3,403,752	\$ 2,835,196	\$ 6,855,459
Total investments, at fair value	23,870,891	18,829,568	17,915,982	24,697,700	22,188,448
Securities lending cash collateral invested	229,161	324,593	1,845,862	3,796,183	5,085,506
Property, net of accumulated depreciation	3,103	3,221	3,340	3,459	3,577
<b>Total Assets</b>	<u>28,081,035</u>	<u>24,455,825</u>	<u>23,168,936</u>	<u>31,332,538</u>	<u>34,132,990</u>
<b>Liabilities</b>					
Deferred retirement benefits	364,005	323,093	431,503	552,260	641,750
Obligations under securities lending	229,161	324,593	1,845,862	3,796,183	5,085,506
Other liabilities	1,596,020	1,116,479	399,193	351,050	356,954
<b>Total Liabilities</b>	<u>2,189,186</u>	<u>1,764,165</u>	<u>2,676,558</u>	<u>4,699,493</u>	<u>6,084,210</u>
<b>Total Net Assets</b>	<u>\$25,891,849</u>	<u>\$22,691,660</u>	<u>\$20,492,378</u>	<u>\$26,633,045</u>	<u>\$28,048,780</u>

	2006	2005	2004	2003	2002
<b>Assets</b>					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 2,078,394	\$ 3,137,913	\$ 3,087,343	\$ 3,173,518	\$ 3,027,811
Total investments, at fair value	24,114,946	22,652,248	21,427,345	19,694,444	18,219,578
Securities lending cash collateral invested	4,372,175	4,110,377	3,698,749	3,912,893	3,174,643
Property, net of accumulated depreciation	3,696	3,814	3,933	4,052	4,171
<b>Total Assets</b>	<u>30,569,211</u>	<u>29,904,352</u>	<u>28,217,370</u>	<u>26,784,907</u>	<u>24,426,203</u>
<b>Liabilities</b>					
Deferred retirement benefits	670,527	884,776	649,385	424,906	229,590
Obligations under securities lending	4,372,175	4,110,377	3,698,749	3,912,893	3,174,643
Other liabilities	144,561	100,752	86,497	67,738	70,414
<b>Total Liabilities</b>	<u>5,187,263</u>	<u>5,095,905</u>	<u>4,434,631</u>	<u>4,405,537</u>	<u>3,474,647</u>
<b>Total Net Assets</b>	<u>\$25,381,948</u>	<u>\$24,808,447</u>	<u>\$23,782,739</u>	<u>\$22,379,370</u>	<u>\$ 20,951,556</u>

## Statistical Section

### South Carolina Retirement System 10 Year Schedule of Changes in Net Assets Year Ended June 30, (Amounts expressed in thousands)

	2011	2010	2009	2008	2007
<b>Additions</b>					
Employee contributions	\$ 562,170	\$ 561,261	\$ 564,872	\$ 540,872	\$ 505,122
Employer contributions	808,343	818,523	827,502	774,269	644,350
Investment income (loss)	3,598,069	2,612,663	(4,754,668)	(641,196)	2,999,209
Other income	884	957	1,233	1,321	1,532
<b>Total Additions</b>	<u>4,969,466</u>	<u>3,993,404</u>	<u>(3,361,061)</u>	<u>675,266</u>	<u>4,150,213</u>
<b>Deductions</b>					
Annuities	2,134,031	2,014,418	1,956,446	1,853,892	1,747,192
Refunds	84,591	75,814	73,882	79,027	77,212
Death Benefit Claims	16,485	19,921	17,908	17,617	15,948
Administrative & other expenses	20,467	19,593	20,371	20,752	18,254
<b>Total Deductions</b>	<u>2,255,574</u>	<u>2,129,746</u>	<u>2,068,607</u>	<u>1,971,288</u>	<u>1,858,606</u>
<b>Increase (Decrease) in Net Assets</b>	<u>2,713,892</u>	<u>1,863,658</u>	<u>(5,429,668)</u>	<u>(1,296,022)</u>	<u>2,291,607</u>
Beginning Net Assets	19,681,137	17,817,479	23,247,147	24,543,169	22,251,562
<b>Ending Net Assets</b>	<u>\$22,395,029</u>	<u>\$19,681,137</u>	<u>\$ 17,817,479</u>	<u>\$ 23,247,147</u>	<u>\$ 24,543,169</u>
	2006	2005	2004	2003	2002
<b>Additions</b>					
Employee contributions	\$ 498,458	\$ 433,254	\$ 414,967	\$ 408,359	\$ 413,905
Employer contributions	577,468	538,809	515,996	512,345	509,044
Investment income (loss)	1,134,639	1,496,887	1,759,686	1,662,781	170,284
Other income	1,741	1,982	2,328	2,688	3,141
<b>Total Additions</b>	<u>2,212,306</u>	<u>2,470,932</u>	<u>2,692,977</u>	<u>2,586,173</u>	<u>1,096,374</u>
<b>Deductions</b>					
Annuities	1,639,238	1,514,219	1,405,958	1,266,348	1,153,538
Refunds	108,569	67,434	66,505	60,133	63,936
Death Benefit Claims	14,875	13,710	13,515	14,759	13,492
Administrative & other expenses	18,545	16,485	16,425	14,447	14,910
<b>Total Deductions</b>	<u>1,781,227</u>	<u>1,611,848</u>	<u>1,502,403</u>	<u>1,355,687</u>	<u>1,245,876</u>
<b>Increase (Decrease) in Net Assets</b>	<u>431,079</u>	<u>859,084</u>	<u>1,190,574</u>	<u>1,230,486</u>	<u>(149,502)</u>
Beginning Net Assets	21,820,483	20,961,399	19,770,825	18,540,339	18,689,841
<b>Ending Net Assets</b>	<u>\$ 22,251,562</u>	<u>\$ 21,820,483</u>	<u>\$ 20,961,399</u>	<u>\$ 19,770,825</u>	<u>\$ 18,540,339</u>

## Statistical Section

### Police Officers Retirement System 10 Year Schedule of Changes in Net Assets Year Ended June 30, (Amounts expressed in thousands)

	2011	2010	2009	2008	2007
<b>Additions</b>					
Employee contributions	\$ 79,334	\$ 77,051	\$ 77,014	\$ 76,907	\$ 71,676
Employer contributions	129,314	123,163	124,148	114,862	107,332
Investment income (loss)	519,531	362,566	(638,389)	(85,415)	374,623
Other income	1,944	1,308	1,671	52	55
<b>Total Additions</b>	<u>730,123</u>	<u>564,088</u>	<u>(435,556)</u>	<u>106,406</u>	<u>553,686</u>
<b>Deductions</b>					
Annuities	244,443	224,977	211,873	195,989	181,388
Refunds	14,902	13,673	13,753	13,754	12,543
Death Benefit Claims	1,984	2,019	1,720	2,068	1,919
Administrative & other expenses	2,735	2,577	2,537	2,505	2,179
<b>Total Deductions</b>	<u>264,064</u>	<u>243,246</u>	<u>229,883</u>	<u>214,316</u>	<u>198,029</u>
<b>Increase (Decrease) in Net Assets</b>	466,059	320,842	(665,439)	(107,910)	355,657
Beginning Net Assets	2,851,474	2,530,632	3,196,071	3,303,981	2,948,324
<b>Ending Net Assets</b>	<u>\$ 3,317,533</u>	<u>\$ 2,851,474</u>	<u>\$ 2,530,632</u>	<u>\$ 3,196,071</u>	<u>\$ 3,303,981</u>
	2006	2005	2004	2003	2002
<b>Additions</b>					
Employee contributions	\$ 69,254	\$ 60,110	\$ 58,202	\$ 56,581	\$ 57,778
Employer contributions	101,447	91,291	88,867	87,084	89,366
Investment income (loss)	139,785	175,849	212,201	184,177	18,670
Other income	60	64	72	82	92
<b>Total Additions</b>	<u>310,546</u>	<u>327,314</u>	<u>359,342</u>	<u>327,924</u>	<u>165,906</u>
<b>Deductions</b>					
Annuities	167,077	152,588	141,461	125,671	112,166
Refunds	13,248	13,441	11,918	11,452	11,214
Death Benefit Claims	1,821	1,468	1,555	1,594	1,608
Administrative & other expenses	1,968	1,823	1,732	1,572	1,520
<b>Total Deductions</b>	<u>184,114</u>	<u>169,320</u>	<u>156,666</u>	<u>140,289</u>	<u>126,508</u>
<b>Increase (Decrease) in Net Assets</b>	126,432	157,994	202,676	187,635	39,398
Beginning Net Assets	2,821,892	2,663,898	2,461,222	2,273,587	2,234,189
<b>Ending Net Assets</b>	<u>\$ 2,948,324</u>	<u>\$ 2,821,892</u>	<u>\$ 2,663,898</u>	<u>\$ 2,461,222</u>	<u>\$ 2,273,587</u>

## Statistical Section

### General Assembly Retirement System 10 Year Schedule of Changes in Net Assets Year Ended June 30, (Amounts expressed in thousands)

	2011	2010	2009	2008	2007
<b>Additions</b>					
Employee contributions	\$ 624	\$ 544	\$ 706	\$ 733	\$ 603
Employer contributions	2,414	2,598	2,495	2,440	2,358
Investment income (loss)	5,682	4,642	(9,409)	(1,136)	5,950
Other income	1	36	84		
<b>Total Additions</b>	<u>8,721</u>	<u>7,820</u>	<u>(6,124)</u>	<u>2,037</u>	<u>8,911</u>
<b>Deductions</b>					
Annuities	6,528	6,512	6,416	6,181	5,935
Refunds	57	4	33	102	70
Death Benefit Claims	58	6	14	28	5
Administrative & other expenses	179	33	116	64	34
<b>Total Deductions</b>	<u>6,822</u>	<u>6,555</u>	<u>6,579</u>	<u>6,375</u>	<u>6,044</u>
<b>Increase (Decrease) in Net Assets</b>	<u>1,899</u>	<u>1,265</u>	<u>(12,703)</u>	<u>(4,338)</u>	<u>2,867</u>
Beginning Net Assets	32,770	31,505	44,208	48,546	45,679
<b>Ending Net Assets</b>	<u>\$ 34,669</u>	<u>\$ 32,770</u>	<u>\$ 31,505</u>	<u>\$ 44,208</u>	<u>\$ 48,546</u>
	2006	2005	2004	2003	2002
<b>Additions</b>					
Employee contributions	\$ 584	\$ 935	\$ 513	\$ 619	\$ 643
Employer contributions	2,171	2,890	2,731	2,577	2,627
Investment income (loss)	2,086	3,238	4,031	4,005	28
Other income					
<b>Total Additions</b>	<u>4,841</u>	<u>7,063</u>	<u>7,275</u>	<u>7,201</u>	<u>3,298</u>
<b>Deductions</b>					
Annuities	5,726	5,560	5,347	5,073	4,537
Refunds		31		72	23
Death Benefit Claims	17	16	8	5	12
Administrative & other expenses	98	33	162	84	148
<b>Total Deductions</b>	<u>5,841</u>	<u>5,640</u>	<u>5,517</u>	<u>5,234</u>	<u>4,720</u>
<b>Increase (Decrease) in Net Assets</b>	<u>(1,000)</u>	<u>1,423</u>	<u>1,758</u>	<u>1,967</u>	<u>(1,422)</u>
Beginning Net Assets	46,679	45,256	43,498	41,531	42,953
<b>Ending Net Assets</b>	<u>\$ 45,679</u>	<u>\$ 46,679</u>	<u>\$ 45,256</u>	<u>\$ 43,498</u>	<u>\$ 41,531</u>

## Statistical Section

### Judges and Solicitors Retirement System 10 Year Schedule of Changes in Net Assets Year Ended June 30, (Amounts expressed in thousands)

	2011	2010	2009	2008	2007
<b>Additions</b>					
Employee contributions	\$ 2,209	\$ 2,343	\$ 2,524	\$ 1,416	\$ 1,784
Employer contributions	8,414	8,414	8,414	7,613	6,706
Investment income (loss)	20,092	14,646	(26,741)	(3,371)	16,017
Other income	193	114	83		
<b>Total Additions</b>	<u>30,908</u>	<u>25,517</u>	<u>(15,720)</u>	<u>5,658</u>	<u>24,507</u>
<b>Deductions</b>					
Annuities	14,750	14,168	13,484	12,848	10,348
Refunds				211	
Death Benefit Claims	128	11	134	256	381
Administrative & other expenses	104	101	104	103	92
<b>Total Deductions</b>	<u>14,982</u>	<u>14,280</u>	<u>13,722</u>	<u>13,418</u>	<u>10,821</u>
<b>Increase (Decrease) in Net Assets</b>	<u>15,926</u>	<u>11,237</u>	<u>(29,442)</u>	<u>(7,760)</u>	<u>13,686</u>
Beginning Net Assets	111,226	99,989	129,431	137,191	123,505
<b>Ending Net Assets</b>	<u>\$ 127,152</u>	<u>\$ 111,226</u>	<u>\$ 99,989</u>	<u>\$ 129,431</u>	<u>\$ 137,191</u>
	2006	2005	2004	2003	2002
<b>Additions</b>					
Employee contributions	\$ 1,744	\$ 2,092	\$ 1,893	\$ 1,209	\$ 1,628
Employer contributions	6,511	6,260	6,078	6,014	5,993
Investment income (loss)	5,761	8,148	9,191	8,795	1,025
Other income					
<b>Total Additions</b>	<u>14,016</u>	<u>16,500</u>	<u>17,162</u>	<u>16,018</u>	<u>8,646</u>
<b>Deductions</b>					
Annuities	9,677	9,215	8,605	8,217	8,063
Refunds	20				130
Death Benefit Claims	124	1	124	8	7
Administrative & other expenses	83	77	72	67	65
<b>Total Deductions</b>	<u>9,904</u>	<u>9,293</u>	<u>8,801</u>	<u>8,292</u>	<u>8,265</u>
<b>Increase (Decrease) in Net Assets</b>	<u>4,112</u>	<u>7,207</u>	<u>8,361</u>	<u>7,726</u>	<u>381</u>
Beginning Net Assets	119,393	112,186	103,825	96,099	95,718
<b>Ending Net Assets</b>	<u>\$ 123,505</u>	<u>\$ 119,393</u>	<u>\$ 112,186</u>	<u>\$ 103,825</u>	<u>\$ 96,099</u>

## Statistical Section

### National Guard Retirement System 10 Year Schedule of Changes in Net Assets\* Year Ended June 30, (Amounts expressed in thousands)

	2011	2010	2009	2008	2007
<b>Additions</b>					
State-appropriated contributions	\$ 3,904	\$ 4,052	\$ 4,052	\$ 3,948	\$ 3,948
Investment income (loss)	2,533	1,865	(4,020)	(348)	2,002
Other income				50	50
<b>Total Additions</b>	<u>6,437</u>	<u>5,917</u>	<u>32</u>	<u>3,650</u>	<u>6,000</u>
<b>Deductions</b>					
Annuities	4,011	3,624	3,432	3,199	2,926
Administrative & other expenses	13	13	15	156	59
<b>Total Deductions</b>	<u>4,024</u>	<u>3,637</u>	<u>3,447</u>	<u>3,355</u>	<u>2,985</u>
<b>Increase (Decrease) in Net Assets</b>	<u>2,413</u>	<u>2,280</u>	<u>(3,415)</u>	<u>295</u>	<u>3,015</u>
<b>Transfer from State Adjutant General's Office</b>					
<b>Total Increase (Decrease) in Net Assets</b>	2,413	2,280	(3,415)	295	3,015
Beginning Net Assets	15,053	12,773	16,188	15,893	12,878
<b>Ending Net Assets</b>	<u>\$ 17,466</u>	<u>\$ 15,053</u>	<u>\$ 12,773</u>	<u>\$ 16,188</u>	<u>\$ 15,893</u>
<b>2006</b>					
<b>Additions</b>					
State-appropriated contributions	\$				
Investment income (loss)	89				
Other income	300				
<b>Total Additions</b>	<u>389</u>				
<b>Deductions</b>					
Annuities	1,371				
Administrative & other expenses	204				
<b>Total Deductions</b>	<u>1,575</u>				
<b>Increase (Decrease) in Net Assets</b>	(1,186)				
<b>Transfer from State Adjutant General's Office</b>	14,064				
<b>Total Increase (Decrease) in Net Assets</b>	12,878				
Beginning Net Assets					
<b>Ending Net Assets</b>	<u>\$ 12,878</u>				

\*The South Carolina Retirement Systems did not assume administrative responsibilities for the National Guard Retirement System until January 1, 2006; therefore, prior year data is not presented.

## Statistical Section

### Pension Trust Funds Additions by Source (Amounts expressed in thousands)

Year Ended June 30,	Employee Contributions <sup>1</sup>	Employer Contributions <sup>1</sup>	Investment Income (loss) <sup>2</sup>	Other	Total
<b>South Carolina Retirement System (SCRS)</b>					
2011	\$ 562,222	\$ 808,343	\$ 3,598,069	\$ 832	\$ 4,969,466
2010	561,261	818,523	2,612,663	957	3,993,404
2009	564,953	827,502	(4,754,668)	1,152	(3,361,061)
2008	540,872	774,269	(641,196)	1,321	675,266
2007	505,122	644,350	2,999,209	1,532	4,150,213
2006	498,458	577,468	1,134,639	1,741	2,212,306
2005	433,254	538,809	1,496,887	1,982	2,470,932
2004	414,967	515,996	1,759,686	2,328	2,692,977
2003	408,359	512,345	1,662,781	2,688	2,586,173
2002	413,905	509,044	170,284	3,141	1,096,374
<b>Police Officers Retirement System (PORS)</b>					
2011	\$ 80,582	\$ 129,973	\$ 519,531	\$ 37	\$ 730,123
2010	77,844	123,636	362,566	42	564,088
2009	78,018	124,769	(638,389)	46	(435,556)
2008	76,907	114,862	(85,415)	52	106,406
2007	71,676	107,332	374,623	55	553,686
2006	69,254	101,447	139,785	60	310,546
2005	60,110	91,291	175,849	64	327,314
2004	58,202	88,867	212,201	72	359,342
2003	56,581	87,084	184,177	82	327,924
2002	57,778	89,366	18,670	92	165,906
<b>General Assembly Retirement System (GARS)</b>					
2011	\$ 625	\$ 2,414	\$ 5,682	\$ -	\$ 8,721
2010	580	2,598	4,642		7,820
2009	790	2,495	(9,409)		(6,124)
2008	733	2,440	(1,136)		2,037
2007	603	2,358	5,950		8,911
2006	584	2,171	2,086		4,841
2005	935	2,890	3,238		7,063
2004	513	2,731	4,031		7,275
2003	619	2,577	4,005		7,201
2002	643	2,627	28		3,298
<b>Judges and Solicitors Retirement System (JSRS)</b>					
2011	\$ 2,402	\$ 8,414	\$ 20,092	\$ -	\$ 30,908
2010	2,457	8,414	14,646		25,517
2009	2,607	8,414	(26,741)		(15,720)
2008	1,416	7,613	(3,371)		5,658
2007	1,784	6,706	16,017		24,507
2006	1,744	6,511	5,761		14,016
2005	2,092	6,260	8,148		16,500
2004	1,893	6,078	9,191		17,162
2003	1,209	6,014	8,795		16,018
2002	1,628	5,993	1,025		8,646
<b>National Guard Retirement System (NGRS)</b>					
2011	\$ -	\$ 3,904	\$ 2,533	\$ -	\$ 6,437
2010		4,052	1,865		5,917
2009		4,052	(4,020)		32
2008		3,948	(348)	50	3,650
2007		3,948	2,002	50	6,000
2006 <sup>3</sup>			89	300	389

<sup>1</sup>Includes transfers between systems.

<sup>2</sup>Includes unrealized gains and losses in accordance with GASB Statement 25.

<sup>3</sup>The Systems administration of this plan began January 1, 2006. Contributions for the fiscal year were received by the previous administrator prior to this time.

## Statistical Section

### Pension Trust Funds Deductions by Type (Amounts expressed in thousands)

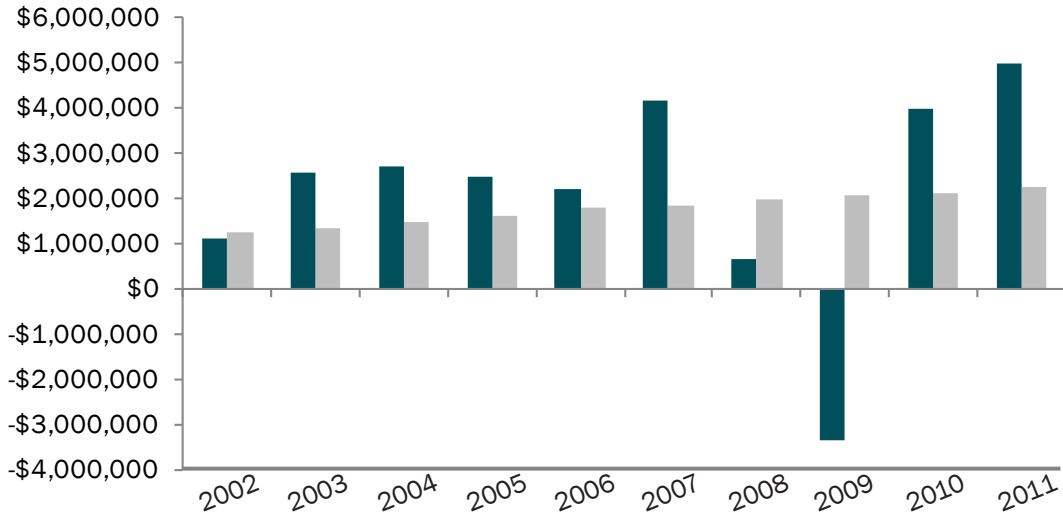
Year Ended June 30,	Refunds	Annuity Expenses	Death Benefit Claims	Administrative and Other Expenses	Total
<b>South Carolina Retirement System (SCRS)</b>					
2011	\$ 84,591	\$ 2,134,031	\$ 16,485	\$ 20,467	\$ 2,255,574
2010	75,814	2,014,418	19,921	19,593	2,129,746
2009	73,882	1,956,446	17,908	20,371	2,068,607
2008	79,027	1,853,892	17,617	20,752	1,971,288
2007	77,212	1,747,192	15,948	18,254	1,858,606
2006	108,569	1,639,238	14,875	18,545	1,781,227
2005	67,434	1,514,219	13,710	16,485	1,611,848
2004	66,505	1,405,958	13,515	16,425	1,502,403
2003	60,133	1,266,348	14,759	14,447	1,355,687
2002	63,936	1,153,538	13,492	14,910	1,245,876
<b>Police Officers Retirement System (PORS)</b>					
2011	\$ 14,902	\$ 244,443	\$ 1,984	\$ 2,735	\$ 264,064
2010	13,673	224,977	2,019	2,577	243,246
2009	13,753	211,873	1,720	2,537	229,883
2008	13,754	195,989	2,068	2,505	214,316
2007	12,543	181,388	1,919	2,179	198,029
2006	13,248	167,077	1,821	1,968	184,114
2005	13,441	152,588	1,468	1,823	169,320
2004	11,918	141,461	1,555	1,732	156,666
2003	11,452	125,671	1,594	1,572	140,289
2002	11,214	112,166	1,608	1,520	126,508
<b>General Assembly Retirement System (GARS)</b>					
2011	\$ 57	\$ 6,528	\$ 58	\$ 179	\$ 6,822
2010	4	6,512	6	33	6,555
2009	33	6,416	14	116	6,579
2008	102	6,181	28	64	6,375
2007	70	5,935	5	34	6,044
2006	-	5,726	17	98	5,841
2005	31	5,560	16	33	5,640
2004	-	5,347	8	162	5,517
2003	72	5,073	5	84	5,234
2002	23	4,537	12	148	4,720
<b>Judges and Solicitors Retirement System (JSRS)</b>					
2011	\$ -	\$ 14,750	\$ 128	\$ 104	\$ 14,982
2010	-	14,168	11	101	14,280
2009	-	13,484	134	104	13,722
2008	211	12,848	256	103	13,418
2007	-	10,348	381	92	10,821
2006	20	9,677	124	83	9,904
2005	-	9,215	1	77	9,293
2004	-	8,605	124	72	8,801
2003	-	8,217	8	67	8,292
2002	130	8,063	7	65	8,265
<b>National Guard Retirement System (NGRS)</b>					
2011	\$ -	\$ 4,011	\$ -	\$ 13	\$ 4,024
2010	-	3,624	-	13	3,637
2009	-	3,432	-	15	3,447
2008	-	3,199	-	156	3,355
2007	-	2,926	-	59	2,985
2006 <sup>1</sup>	-	1,371	-	204	1,575

<sup>1</sup>The Systems administration of this plan began January 1, 2006. Deductions for the fiscal year were paid by the previous administrator prior to this time.



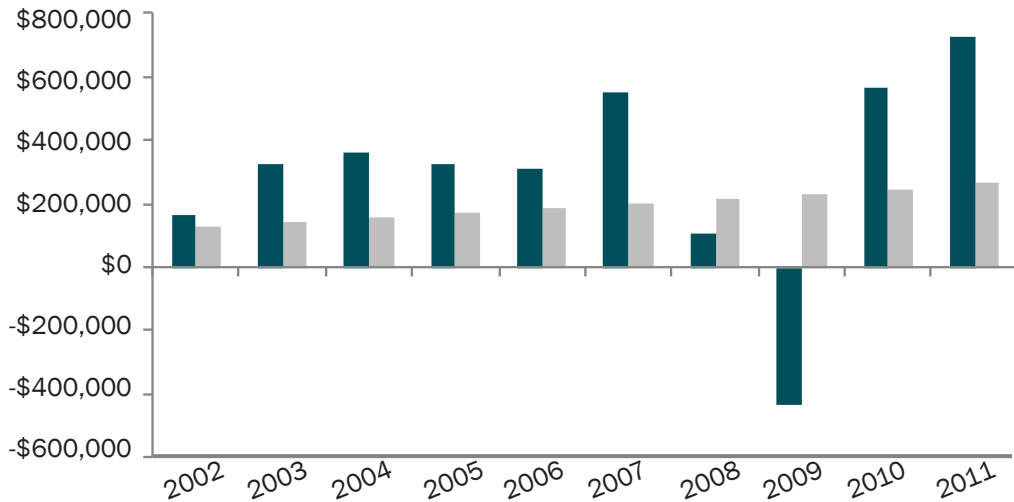
## Statistical Section

### South Carolina Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)



■ Total Additions (Employee and Employer Contributions, Investment Income/Loss)  
■ Total Deductions (Refunds, Annuities, Death Benefits & Administrative and Other)

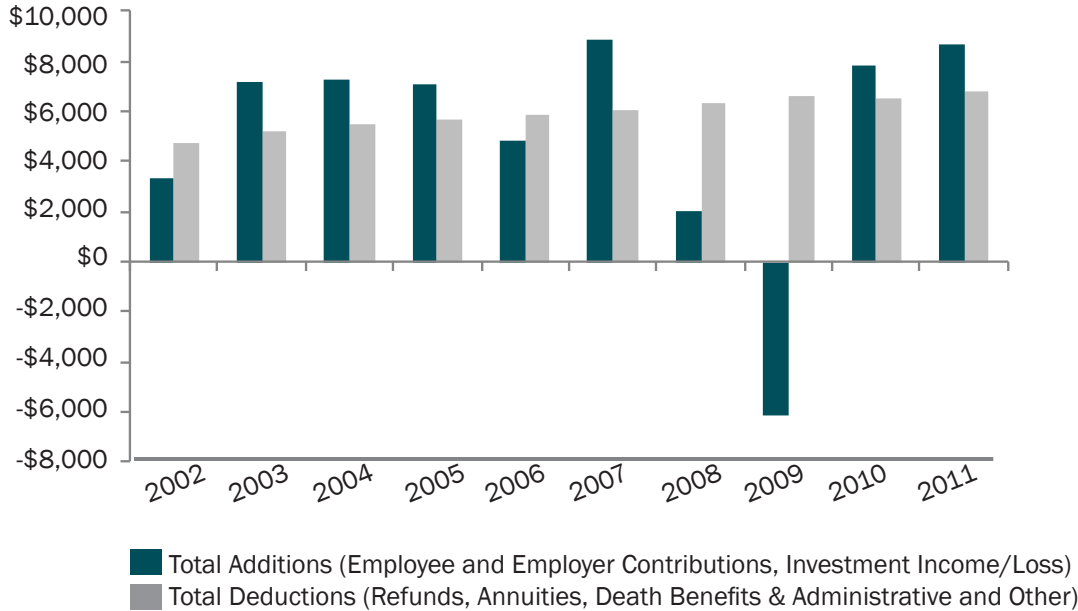
### Police Officers Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)



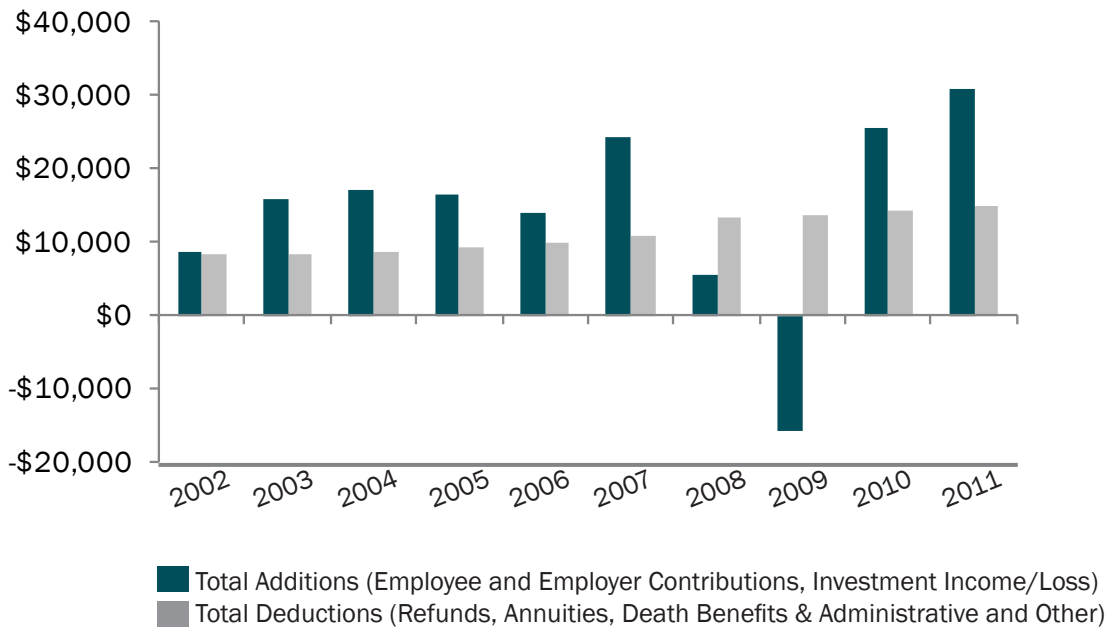
■ Total Additions (Employee and Employer Contributions, Investment Income/Loss)  
■ Total Deductions (Refunds, Annuities, Death Benefits & Administrative and Other)

## Statistical Section

### General Assembly Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)



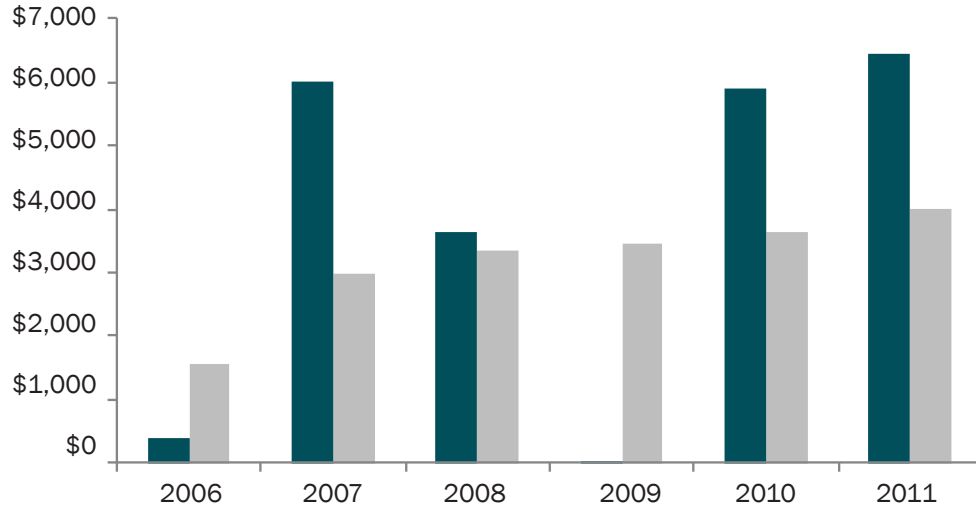
### Judges and Solicitors Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)



## Statistical Section

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### National Guard Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)



■ Total Additions (Employee and Employer Contributions, Investment Income/Loss)  
■ Total Deductions (Refunds, Annuities, Death Benefits & Administrative and Other)

## Statistical Section

### Pension Trust Funds Benefit Expenses by Type (Amounts expressed in thousands)

Year Ended June 30,	Refunds		Annuity Expenses		Death Benefit Claims		Total	
	Member	Survivor/Other	Member	Survivor/Other	Active	Retired		
<b>South Carolina Retirement System (SCRS)</b>								
2011	\$ 79,238	\$ 5,353	\$ 2,043,662	\$ 90,369	\$ 7,815	\$ 8,670	\$ 2,235,107	
2010	70,917	4,897	1,929,281	85,137	7,495	12,426	2,110,153	
2009	68,762	5,120	1,873,998	82,448	8,063	9,845	2,048,236	
2008	74,233	4,794	1,776,592	77,300	7,791	9,826	1,950,536	
2007	71,778	5,434	1,674,534	72,658	7,509	8,439	1,840,352	
2006	104,728	3,841	1,570,938	68,300	6,823	8,052	1,762,682	
2005	63,417	4,017	1,450,883	63,336	6,534	7,176	1,595,363	
2004	62,124	4,381	1,345,837	60,121	6,203	7,312	1,485,978	
2003	56,377	3,756	1,209,621	56,727	7,341	7,418	1,341,240	
2002	60,122	3,814	1,099,953	53,585	6,898	6,594	1,230,966	
<b>Police Officers Retirement System (PORS)</b>								
2011	\$ 14,518	\$ 384	\$ 228,739	\$ 15,704	\$ 912	\$ 1,072	\$ 261,329	
2010	13,300	373	210,242	14,735	1,086	933	240,669	
2009	13,243	510	197,529	14,344	936	784	227,346	
2008	13,438	316	182,229	13,760	1,174	894	211,811	
2007	12,063	480	168,785	12,603	1,178	741	195,850	
2006	12,613	639	155,241	11,832	1,015	806	182,146	
2005	13,017	424	141,493	11,095	859	609	167,497	
2004	11,525	393	131,104	10,357	976	579	154,934	
2003	11,155	297	116,180	9,491	978	616	138,717	
2002	10,829	385	103,286	8,880	1,056	552	124,988	
<b>General Assembly Retirement System (GARS)</b>								
2011	\$ 45	\$ 12	\$ 5,359	\$ 1,169	\$ 45	\$ 13	\$ 6,643	
2010		4	5,296	1,216		6	6,522	
2009	33		5,187	1,229		14	6,463	
2008	55	47	5,016	1,165	22	6	6,311	
2007	70		4,767	1,168		5	6,010	
2006			4,598	1,128		17	5,743	
2005	31		4,493	1,067		16	5,607	
2004			4,303	1,044		8	5,355	
2003	70	2	4,045	1,028		5	5,150	
2002	21	2	3,542	995		12	4,572	
<b>Judges and Solicitors Retirement System (JSRS)</b>								
2011	\$ -	\$ -	\$ 12,864	\$ 1,886	\$ 127	\$ 1	\$ 14,878	
2010			12,213	1,955		11	14,179	
2009			11,668	1,816	130	4	13,618	
2008		211	11,094	1,754	252	4	13,315	
2007			8,747	1,601	371	10	10,729	
2006		20	8,311	1,366	122	2	9,821	
2005			7,957	1,258		1	9,216	
2004			7,382	1,223	117	7	8,729	
2003			7,047	1,170		8	8,225	
2002	130		6,949	1,114		7	8,200	
<b>National Guard Retirement System (NGRS)</b>								
2011	\$ -	\$ -	\$ 4,010	\$ 1	\$ -	\$ -	\$ 4,011	
2010			3,623	1			3,624	
2009			3,431	1			3,432	
2008			3,198	1			3,199	
2007			2,925	1			2,926	
2006 <sup>1</sup>			1,370	1			1,371	

<sup>1</sup>The South Carolina Retirement Systems assumed administration of the National Guard Retirement System effective January 1, 2006; therefore, comparative totals for prior fiscal years are not presented.

## Statistical Section

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### *Operating Information*

*Operating Information* is intended to provide contextual information about the Systems' operations and resources to assist readers in using financial statement information to comprehend and evaluate the Systems' fiscal state. Schedules containing operating information include retired members by type of benefit and retired members by years of service, and principal participating employers for the current fiscal year and 10 years prior.

Although retirement types include service, disability and beneficiary payees, members retiring at normal retirement based on age and service represent the majority of the systems' annuitant payees. Various payment options are available at retirement; however, the majority of members elect to receive benefits under the maximum benefit level.

Effective January 1, 2001, normal service retirement eligibility was reduced from 30 to 28 years for the South Carolina Retirement System. This resulted in an unusually large number of members being eligible for and electing retirement, and a corresponding reduction in the years of service trend was experienced.

The number of covered employees working for certain participating governmental entities declined due to a number of factors. Eligibility in the State ORP was broadened significantly on July 1, 2002, to a wider variety of the public workforce and resulted in additional participants choosing this option instead of the defined benefit plans. In addition, the continuing economic decline has led to a reduction in hiring and an increase in terminations and retirement incentives. Also, the implementation of TERI and more liberal return-to-work policies under SCRS and PORS has led to more retired members filling positions that were previously performed by active employees.

## Statistical Section

### South Carolina Retirement System Retired Members by Type of Benefit As of June 30, 2011

Monthly Benefit <sup>1</sup>	Number of Annuitant Payees	Type of Benefit													
		Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6		
\$ 1 - \$ 250	10,087	7,916	93	1,172	537	369	6,974	101	868	276	154	1,275	439		
\$ 251 - \$ 500	14,162	9,915	104	1,156	2,349	638	10,009	106	984	372	248	1,724	719		
\$ 501 - \$ 750	11,936	7,900	289	920	2,434	393	8,377	109	700	269	331	1,402	748		
\$ 751 - \$ 1,000	9,831	6,595	405	720	1,864	247	6,725	68	553	196	431	1,140	718		
\$ 1,001 - \$ 1,250	8,628	5,993	485	580	1,422	148	5,573	74	435	172	602	1,074	698		
\$ 1,251 - \$ 1,500	8,040	5,964	508	386	1,065	117	4,978	79	370	153	721	1,052	687		
\$ 1,501 - \$ 1,750	7,422	5,747	498	296	805	76	4,351	58	268	105	943	965	732		
\$ 1,751 - \$ 2,000	7,294	5,998	442	251	552	51	3,884	54	204	127	1,218	1,062	745		
Over \$2,000	38,311	35,015	933	738	1,550	75	24,032	234	946	612	2,680	5,057	4,750		
<b>Totals</b>	<b>115,711</b>	<b>91,043</b>	<b>3,757</b>	<b>6,219</b>	<b>12,578</b>	<b>2,114</b>	<b>74,903</b>	<b>883</b>	<b>5,328</b>	<b>2,282</b>	<b>7,328</b>	<b>14,751</b>	<b>10,236</b>		

Type 1: Normal Retirement for Age and Service  
 Type 2: Early Retirement  
 Type 3: Beneficiary Payment<sup>2</sup>  
 Type 4: Disability Payment  
 Type 5: Beneficiary Payment, Disability Payment

Option 0: Maximum Benefit  
 Option 1: 10-Year Beneficiary Protection  
 Option 2: Survivor Benefit, Full Payment  
 Option 3: Survivor Benefit, Half Payment  
 Option 4: Social Security Option  
 Option 5: Survivor Benefit, Full Payment, Revert to Maximum  
 Option 6: Survivor Benefit, Half Payment, Revert to Maximum

### Police Officers Retirement System Retired Members by Type of Benefit As of June 30, 2011

Monthly Benefit <sup>1</sup>	Number of Annuitant Payees	Type of Benefit													
		Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6		
\$ 1 - \$ 250	924	590	168	145	7	14	548	68	36	65		151	56		
\$ 251 - \$ 500	1,369	898	110	207	104	50	764	99	50	80		274	102		
\$ 501 - \$ 750	1,393	883	89	190	181	50	818	115	37	86		215	122		
\$ 751 - \$ 1,000	1,311	795	86	146	230	54	752	88	40	101		215	115		
\$ 1,001 - \$ 1,250	1,142	695	76	106	243	22	646	56	32	105		173	130		
\$ 1,251 - \$ 1,500	1,106	644	78	116	249	19	593	64	36	112		174	127		
\$ 1,501 - \$ 1,750	1,087	691	75	68	242	11	619	37	24	119		152	136		
\$ 1,751 - \$ 2,000	1,068	754	55	49	201	9	582	24	15	115		189	143		
Over \$2,000	4,099	3,331	93	104	560	11	2,485	96	76	343		485	614		
<b>Totals</b>	<b>13,499</b>	<b>9,281</b>	<b>830</b>	<b>1,131</b>	<b>2,017</b>	<b>240</b>	<b>7,807</b>	<b>647</b>	<b>346</b>	<b>1,126</b>		<b>2,028</b>	<b>1,545</b>		

Type 1: Normal Retirement for Age and Service  
 Type 2: Early Retirement  
 Type 3: Beneficiary Payment<sup>2</sup>  
 Type 4: Disability Payment  
 Type 5: Beneficiary Payment, Disability Payment

Option 0: Maximum Benefit  
 Option 1: Survivor Benefit, Full Payment  
 Option 2: Survivor Benefit, Half Payment  
 Option 3: Social Security Option  
 Option 4: Accidental Death Survivor Benefit  
 Option 5: Survivor Benefit, Full Payment, Revert to Maximum  
 Option 6: Survivor Benefit, Half Payment, Revert to Maximum

<sup>1</sup>Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

<sup>2</sup>Beneficiary payments include payments to alternate payees in accordance with Qualified Domestic Relations orders.

## Statistical Section

### General Assembly Retirement System Retired Members by Type of Benefit As of June 30, 2011

Monthly Benefit <sup>1</sup>	Number of Annuitant Payees												
		Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	12	4	4	4			7	3	2				
\$ 251 - \$ 500	17	6		11			2	6	2			3	4
\$ 501 - \$ 750	30	16	2	12			10	9	3			6	2
\$ 751 - \$ 1,000	47	30	4	13			19	11	4			6	7
\$ 1,001 - \$ 1,250	30	19	2	9			8	13	1			3	5
\$ 1,251 - \$ 1,500	31	19	1	10	1		9	10	5			4	3
\$ 1,501 - \$ 1,750	58	37	12	9			13	24	4			13	4
\$ 1,751 - \$ 2,000	42	34	6	2			25	4	9			2	2
Over \$2,000	87	67	7	13			34	24	9			15	5
<b>Totals</b>	<b>354</b>	<b>232</b>	<b>38</b>	<b>83</b>	<b>1</b>		<b>127</b>	<b>104</b>	<b>39</b>			<b>52</b>	<b>32</b>

Type 1: Normal Retirement for Age and Service  
 Type 2: Early Retirement  
 Type 3: Beneficiary Payment<sup>2</sup>  
 Type 4: Disability Payment

Option 0: Maximum Benefit  
 Option 1: Survivor Benefit, Full Payment  
 Option 2: Survivor Benefit, Half Payment  
 Option 5: Survivor Benefit, Full Payment, Revert to Maximum  
 Option 6: Survivor Benefit, Half Payment, Revert to Maximum

### Judges and Solicitors Retirement System Retired Members by Type of Benefit As of June 30, 2011

Monthly Benefit <sup>1</sup>	Number of Annuitant Payees												
		Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	1	1					1						
\$ 251 - \$ 500													
\$ 501 - \$ 750	8			8			1	7					
\$ 751 - \$ 1,000	3			3				3					
\$ 1,001 - \$ 1,250													
\$ 1,251 - \$ 1,500													
\$ 1,501 - \$ 1,750													
\$ 1,751 - \$ 2,000	2			2			1	1					
Over \$2,000	187	134		52	1		180	7					
<b>Totals</b>	<b>201</b>	<b>135</b>		<b>65</b>	<b>1</b>		<b>183</b>	<b>18</b>					

Type 1: Normal Retirement for Age and Service  
 Type 3: Beneficiary Payment<sup>2</sup>  
 Type 4: Disability Payment

Option 0: Maximum Benefit with Spouse Beneficiary  
 Option 1: Reduced Benefit with Non-Spouse Beneficiary

<sup>1</sup>Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

<sup>2</sup>Beneficiary payments include payments to alternate payees in accordance with Qualified Domestic Relations orders.

## Statistical Section

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### National Guard Retirement System Retired Members by Type of Benefit As of June 30, 2011

Monthly Benefit <sup>1</sup>	Number of Annuitant Payees	Type of Benefit											
		Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	4,271	4,270		1			4,271						
\$ 251 - \$ 500													
\$ 501 - \$ 750													
\$ 751 - \$ 1,000													
\$ 1,001 - \$ 1,250													
\$ 1,251 - \$ 1,500													
\$ 1,501 - \$ 1,750													
\$ 1,751 - \$ 2,000													
Over \$2,000													
<b>Totals</b>	<b>4,271</b>	<b>4,270</b>		<b>1</b>			<b>4,271</b>						

Type 1: Normal Retirement for Age and Service  
Type 3: Beneficiary Payment<sup>2</sup>

Option 0: Maximum Benefit

<sup>1</sup>Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

<sup>2</sup>Beneficiary payments include payments to alternate payees in accordance with Qualified Domestic Relations orders.



# Statistical Section

## South Carolina Retirement System Retired Members by Years of Service

	Years of Credited Service							
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	Avs/Tot
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly benefit	\$ 147.82	\$ 324.70	\$ 550.84	\$ 794.22	\$ 1,114.11	\$ 1,825.44	\$ 2,416.10	\$ 1,469.86
Average AFC	\$ 24,910.57	\$ 25,331.49	\$ 28,737.80	\$ 31,299.32	\$ 35,115.91	\$ 44,180.74	\$ 51,913.70	\$ 39,855.13
Number of Retired members	145	579	736	577	574	3,241	1,028	6,880.00
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly benefit	\$ 161.31	\$ 330.18	\$ 565.46	\$ 848.24	\$ 1,129.82	\$ 1,930.03	\$ 2,508.30	\$ 1,545.39
Average AFC	\$ 26,136.52	\$ 25,667.61	\$ 29,315.40	\$ 34,500.01	\$ 36,283.34	\$ 46,881.25	\$ 54,344.49	\$ 42,041.88
Number of Retired members	168	598	720	647	539	3,790	916	7,378
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly benefit	\$ 151.61	\$ 314.45	\$ 569.41	\$ 844.60	\$ 1,124.73	\$ 1,970.33	\$ 2,617.60	\$ 1,515.41
Average AFC	\$ 22,206.24	\$ 25,081.48	\$ 30,568.69	\$ 34,402.35	\$ 35,998.79	\$ 48,026.14	\$ 56,694.11	\$ 42,078.41
Number of Retired members	148	641	799	734	502	3,770	636	7,230
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly benefit	\$ 185.12	\$ 333.80	\$ 564.52	\$ 866.23	\$ 1,182.22	\$ 1,952.28	\$ 2,571.18	\$ 1,453.43
Average AFC	\$ 26,347.95	\$ 27,044.07	\$ 30,589.83	\$ 35,324.62	\$ 37,517.69	\$ 47,441.94	\$ 54,788.37	\$ 41,368.37
Number of Retired members	127	750	826	780	614	3,594	507	7,198
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly benefit	\$ 201.12	\$ 340.13	\$ 554.41	\$ 868.29	\$ 1,221.10	\$ 1,856.25	\$ 2,249.85	\$ 1,194.76
Average AFC	\$ 27,567.45	\$ 26,822.05	\$ 29,713.99	\$ 34,231.91	\$ 38,508.94	\$ 45,527.24	\$ 48,203.82	\$ 37,564.81
Number of Retired members	85	705	694	642	447	1,692	199	4,464
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly benefit	\$ 197.53	\$ 337.74	\$ 613.27	\$ 887.73	\$ 1,179.67	\$ 1,980.73	\$ 2,509.14	\$ 1,330.82
Average AFC	\$ 27,519.51	\$ 28,295.12	\$ 34,048.19	\$ 36,519.18	\$ 38,235.37	\$ 48,696.25	\$ 53,683.72	\$ 41,022.78
Number of Retired members	108	841	847	702	554	2,483	294	5,829
<b>Period 07/01/2007 to 06/30/2008</b>								
Average Monthly benefit	\$ 176.70	\$ 363.43	\$ 595.11	\$ 908.36	\$ 1,245.74	\$ 2,042.84	\$ 2,678.63	\$ 1,402.23
Average AFC	\$ 31,761.84	\$ 30,196.13	\$ 32,987.78	\$ 36,684.90	\$ 40,141.68	\$ 50,075.26	\$ 58,002.27	\$ 42,560.27
Number of Retired members	120	794	878	676	567	2,478	404	5,917
<b>Period 07/01/2008 to 06/30/2009</b>								
Average Monthly benefit	\$ 184.93	\$ 367.29	\$ 618.08	\$ 944.25	\$ 1,301.39	\$ 2,163.53	\$ 2,969.13	\$ 1,460.81
Average AFC	\$ 28,733.35	\$ 30,142.13	\$ 34,600.09	\$ 38,133.54	\$ 41,952.93	\$ 53,146.85	\$ 64,169.34	\$ 44,468.54
Number of Retired members	120	786	892	690	644	2,196	451	5,779
<b>Period 07/01/2009 to 06/30/2010</b>								
Average Monthly benefit	\$ 208.16	\$ 382.98	\$ 644.48	\$ 979.04	\$ 1,343.64	\$ 2,219.98	\$ 2,906.76	\$ 1,484.91
Average AFC	\$ 31,833.73	\$ 30,546.73	\$ 35,671.41	\$ 40,021.37	\$ 43,108.67	\$ 54,605.04	\$ 61,968.63	\$ 45,374.01
Number of Retired members	123	826	1,023	750	729	2,123	597	6,171
<b>Period 07/01/2010 to 06/30/2011</b>								
Average Monthly benefit	\$ 192.58	\$ 377.99	\$ 656.18	\$ 1,007.74	\$ 1,369.68	\$ 2,280.80	\$ 2,874.81	\$ 1,442.90
Average AFC	\$ 30,545.44	\$ 31,098.10	\$ 35,717.11	\$ 40,148.65	\$ 43,898.43	\$ 56,287.03	\$ 61,771.76	\$ 45,239.23
Number of Retired members	143	896	1,098	845	751	1,893	582	6,208
<b>Ten Year Averages</b>								
Average Monthly benefit	\$ 178.28	\$ 349.71	\$ 598.10	\$ 899.43	\$ 1,231.37	\$ 2,002.14	\$ 2,630.01	\$ 1,441.36
Average AFC	\$ 27,579.35	\$ 28,296.76	\$ 32,532.59	\$ 36,327.61	\$ 39,417.54	\$ 48,923.98	\$ 56,587.11	\$ 42,231.86
Number of Retired members	1,287	7,416	8,513	7,043	5,921	27,260	5,614	63,054

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLA's). Although a member's retirement eligibility and AFC may include service from other correlated Systems, the Years of Credited Service in this schedule represents only service credit used for calculating the monthly benefit under this respective System.

# Statistical Section

## Police Officers Retirement System Retired Members by Years of Service

	Years of Credited Service							Avg/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly benefit	\$ 289.28	\$ 551.45	\$ 934.42	\$ 1,211.79	\$ 1,623.66	\$ 2,047.60	\$ 3,133.54	\$ 1,480.41
Average AFC	\$ 40,201.77	\$ 32,772.66	\$ 33,773.35	\$ 37,519.41	\$ 40,085.35	\$ 44,566.31	\$ 55,512.13	\$ 40,738.47
Number of Retired members	83	132	131	117	87	279	93	922
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly benefit	\$ 277.51	\$ 584.83	\$ 906.04	\$ 1,308.93	\$ 1,570.74	\$ 2,219.40	\$ 3,218.15	\$ 1,518.34
Average AFC	\$ 37,817.53	\$ 34,509.45	\$ 35,571.19	\$ 40,924.13	\$ 40,080.42	\$ 48,979.84	\$ 58,536.22	\$ 42,849.26
Number of Retired members	81	140	129	111	82	244	93	880
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly benefit	\$ 283.51	\$ 538.96	\$ 881.07	\$ 1,236.91	\$ 1,648.98	\$ 2,145.80	\$ 3,072.37	\$ 1,446.02
Average AFC	\$ 34,019.96	\$ 31,747.46	\$ 34,805.64	\$ 37,069.30	\$ 41,825.61	\$ 47,125.31	\$ 54,979.45	\$ 40,416.55
Number of Retired members	60	123	111	126	80	240	53	793
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly benefit	\$ 371.48	\$ 665.34	\$ 921.31	\$ 1,222.65	\$ 1,734.37	\$ 2,077.31	\$ 3,202.40	\$ 1,374.27
Average AFC	\$ 39,097.95	\$ 35,333.45	\$ 36,119.17	\$ 37,869.58	\$ 43,774.25	\$ 46,383.77	\$ 58,907.27	\$ 41,111.11
Number of Retired members	71	121	124	128	80	204	33	761
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly benefit	\$ 416.55	\$ 581.55	\$ 998.87	\$ 1,264.32	\$ 1,815.41	\$ 2,319.47	\$ 3,413.99	\$ 1,516.94
Average AFC	\$ 35,369.28	\$ 36,920.26	\$ 37,807.18	\$ 38,735.81	\$ 44,103.36	\$ 51,285.81	\$ 62,552.57	\$ 43,414.36
Number of Retired members	42	117	110	111	65	193	35	673
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly benefit	\$ 314.01	\$ 583.70	\$ 921.84	\$ 1,313.97	\$ 1,829.57	\$ 2,371.87	\$ 3,793.93	\$ 1,463.54
Average AFC	\$ 33,829.80	\$ 35,862.01	\$ 38,076.76	\$ 41,289.79	\$ 45,193.83	\$ 53,041.40	\$ 69,279.13	\$ 43,720.80
Number of Retired members	70	131	119	112	98	191	29	750
<b>Period 07/01/2007 to 06/30/2008</b>								
Average Monthly benefit	\$ 339.75	\$ 672.13	\$ 1,029.33	\$ 1,335.41	\$ 1,913.22	\$ 2,435.87	\$ 3,760.37	\$ 1,561.04
Average AFC	\$ 38,746.31	\$ 36,988.08	\$ 39,502.53	\$ 41,671.69	\$ 47,970.26	\$ 54,935.11	\$ 69,695.78	\$ 45,932.08
Number of Retired members	72	132	119	97	98	197	38	753
<b>Period 07/01/2008 to 06/30/2009</b>								
Average Monthly benefit	\$ 359.15	\$ 664.98	\$ 1,058.65	\$ 1,454.53	\$ 1,943.01	\$ 2,547.04	\$ 3,777.66	\$ 1,758.64
Average AFC	\$ 41,321.53	\$ 40,388.45	\$ 41,602.78	\$ 43,217.29	\$ 49,476.87	\$ 56,368.19	\$ 67,110.63	\$ 49,024.25
Number of Retired members	67	133	136	88	106	272	63	865
<b>Period 07/01/2009 to 06/30/2010</b>								
Average Monthly benefit	\$ 417.56	\$ 698.68	\$ 984.11	\$ 1,360.28	\$ 1,971.01	\$ 2,447.38	\$ 3,581.54	\$ 1,632.98
Average AFC	\$ 40,716.20	\$ 39,471.00	\$ 40,082.54	\$ 42,741.27	\$ 48,804.41	\$ 55,425.80	\$ 63,527.80	\$ 47,206.47
Number of Retired members	80	121	127	128	120	240	47	863
<b>Period 07/01/2010 to 06/30/2011</b>								
Average Monthly benefit	\$ 245.85	\$ 707.70	\$ 1,016.97	\$ 1,477.02	\$ 1,912.26	\$ 2,479.96	\$ 3,537.52	\$ 1,578.31
Average AFC	\$ 37,378.32	\$ 39,940.42	\$ 40,413.78	\$ 44,731.98	\$ 46,615.16	\$ 55,560.33	\$ 65,063.12	\$ 46,559.09
Number of Retired members	92	157	180	118	143	273	40	1,003
<b>Ten Year Averages</b>								
Average Monthly benefit	\$ 325.76	\$ 626.46	\$ 968.43	\$ 1,314.14	\$ 1,815.91	\$ 2,310.04	\$ 3,395.91	\$ 1,537.12
Average AFC	\$ 38,057.71	\$ 36,462.56	\$ 37,923.43	\$ 40,466.20	\$ 45,241.20	\$ 51,355.42	\$ 61,312.55	\$ 44,178.56
Number of Retired members	718	1,307	1,286	1,136	959	2,333	524	8,263

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLA's). Although a member's retirement eligibility and AFC may include service from other correlated Systems, the Years of Credited Service in this schedule represents only service credit used for calculating the monthly benefit under this respective System.

## Statistical Section

### General Assembly Retirement System Retired Members by Years of Service

	Years of Credited Service							Avg/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly benefit		\$ 654.55	\$ 1,006.93	\$ 1,709.49	\$ 1,952.14	\$ 2,253.85	\$ 2,617.34	\$ 1,812.40
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 24,066.66	\$ 22,400.00	\$ 22,400.00	\$ 23,066.66
Number of Retired members		2	1	2	6	2	2	15
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly benefit		\$ 788.91	\$ 992.27	\$ 1,379.23	\$ 1,916.75	\$ 2,097.10	\$ 2,760.89	\$ 1,842.34
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 23,727.27	\$ 22,856.25
Number of Retired members		5	4	5	5	2	11	32
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly benefit			\$ 975.67	\$ 1,579.78	\$ 2,069.32			\$ 1,714.25
Average AFC			\$ 22,400.00	\$ 22,400.00	\$ 23,828.57			\$ 23,233.33
Number of Retired members			3	2	7			12
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly benefit	\$ 719.79	\$ 1,060.18	\$ 1,504.62	\$ 1,765.31	\$ 2,343.33	\$ 2,567.82	\$ 1,801.39	
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired members		1	3	5	6	5	3	23
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly benefit			\$ 1,192.02	\$ 1,398.49	\$ 1,900.02	\$ 1,953.73	\$ 2,691.46	\$ 1,750.70
Average AFC			\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired members			3	2	2	1	2	10
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly benefit	\$ 899.73	\$ 914.61	\$ 1,348.59	\$ 1,843.28		\$ 2,619.33	\$ 1,778.87	
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00		\$ 22,400.00	\$ 22,400.00	
Number of Retired members		1	1	3	8		3	16
<b>Period 07/01/2007 to 06/30/2008</b>								
Average Monthly benefit	\$ 319.69		\$ 969.43	\$ 1,649.07	\$ 1,684.61	\$ 2,095.51	\$ 2,555.55	\$ 1,687.41
Average AFC	\$ 22,400.00		\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired members	1		2	5	5	1	3	17
<b>Period 07/01/2008 to 06/30/2009</b>								
Average Monthly benefit	\$ 683.40	\$ 971.68	\$ 1,324.67	\$ 1,738.19	\$ 2,416.04	\$ 2,590.37	\$ 1,587.90	
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired members		2	3	4	7	2	2	20
<b>Period 07/01/2009 to 06/30/2010</b>								
Average Monthly benefit			\$ 1,298.78		\$ 2,476.92		\$ 1,887.50	
Average AFC			\$ 22,400.00		\$ 22,400.00		\$ 22,400.00	
Number of Retired members				2		2		4
<b>Period 07/01/2010 to 06/30/2011</b>								
Average Monthly benefit	\$ 132.70		\$ 1,068.00	\$ 1,142.12	\$ 1,901.69	\$ 2,838.65	\$ 3,207.33	\$ 1,852.00
Average AFC	\$ 22,400.00		\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 24,200.00	\$ 27,900.00	\$ 23,727.27
Number of Retired members	1		3	1	2	2	2	11
<b>Ten Year Averages</b>								
Average Monthly benefit	\$ 226.19	\$ 749.09	\$ 1,027.48	\$ 1,455.62	\$ 1,860.70	\$ 2,348.88	\$ 2,707.53	\$ 1,765.65
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,816.66	\$ 22,611.76	\$ 23,314.28	\$ 22,707.50
Number of Retired members	2	11	23	31	48	17	28	160

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLA's). Although a member's retirement eligibility and AFC may include service from other correlated Systems, the Years of Credited Service in this schedule represents only service credit used for calculating the monthly benefit under this respective System.

# Statistical Section

## Judges and Solicitors Retirement System Retired Members by Years of Service

	Years of Credited Service							Avg/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly benefit			\$ 4,152.92		\$ 6,745.87	\$ 7,348.64	\$ 8,148.82	\$ 7,062.42
Average AFC			\$113,535.00		\$113,535.00	\$113,535.00	\$110,546.00	\$112,254.00
Number of Retired members			1		2	1	3	7
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly benefit			\$ 4,958.74	\$ 6,115.60	\$ 7,322.62			\$ 6,266.33
Average AFC			\$111,542.33	\$112,040.50	\$114,281.50			\$112,870.44
Number of Retired members			3	2	4			9
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly benefit			\$ 5,057.41	\$ 6,688.09	\$ 6,385.11	\$ 8,564.85		\$ 7,180.75
Average AFC			\$114,886.50	\$113,535.00	\$116,521.00	\$114,210.75		\$114,584.00
Number of Retired members				2	1	1	4	8
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly benefit					\$ 6,850.98		\$ 8,538.70	\$ 7,413.00
Average AFC					\$115,255.50		\$113,862.00	\$114,791.00
Number of Retired members					2		1	3
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly benefit			\$ 7,226.08		\$ 8,198.72	\$ 9,097.69		\$ 8,173.66
Average AFC			\$ 121,617.00		\$ 121,617.00	\$121,316.00		\$121,516.66
Number of Retired members			1			1	1	3
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly benefit			\$ 4,430.37	\$ 5,184.19	\$ 7,456.84	\$ 8,433.08	\$ 9,227.51	\$ 8,697.00
Average AFC			\$125,265.00	\$124,955.00	\$124,955.00	\$121,968.00	\$126,312.05	\$125,770.78
Number of Retired members			1	1	1	2	18	23
<b>Period 07/01/2007 to 06/30/2008</b>								
Average Monthly benefit			\$ 4,079.72	\$ 7,867.78		\$ 8,215.93	\$ 9,343.57	\$ 8,030.20
Average AFC			\$127,165.50	\$132,417.00		\$ 125,627.00	\$127,890.33	\$127,971.70
Number of Retired members			2	1		1	6	10
<b>Period 07/01/2008 to 06/30/2009</b>								
Average Monthly benefit			\$ 7,742.70		\$ 6,985.17	\$ 8,743.82	\$ 9,446.04	\$ 8,358.22
Average AFC			\$130,312.00		\$128,026.00	\$130,312.00	\$128,597.50	\$128,788.00
Number of Retired members			1		3	1	4	9
<b>Period 07/01/2009 to 06/30/2010</b>								
Average Monthly benefit					\$ 7,538.96	\$ 8,092.11	\$ 9,773.78	\$ 8,822.10
Average AFC					\$126,883.00	\$128,026.00	\$131,683.80	\$129,626.30
Number of Retired members					2	3	5	10
<b>Period 07/01/2010 to 06/30/211</b>								
Average Monthly benefit					\$ 7,730.82	\$ 8,138.15	\$ 9,378.37	\$ 8,508.22
Average AFC					\$129,454.75	\$130,312.00	\$127,740.25	\$128,788.00
Number of Retired members					4	1	4	9
<b>Ten Year Averages</b>								
Average Monthly benefit			\$ 4,897.08	\$ 5,658.64	\$ 7,089.79	\$ 7,830.89	\$ 9,188.38	\$ 8,026.48
Average AFC			\$124,688.60	\$117,923.62	\$122,106.76	\$121,537.60	\$124,964.95	\$123,231.85
Number of Retired members			5	8	17	15	46	91

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

# Statistical Section

## National Guard Retirement System Retired Members by Years of Service

	Years of Credited Service						Avg/Tot	
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30		30 Plus
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly benefit				\$ 50.00	\$ 62.24	\$ 85.95	\$ 100.00	72.25
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				24	78	21	37	160
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly benefit				\$ 50.34	\$ 62.86	\$ 88.48	\$ 100.00	74.59
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				29	96	33	54	212
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly benefit				\$ 50.00	\$ 62.61	\$ 90.22	\$ 100.00	75.14
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				29	88	44	47	208
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly benefit				\$ 50.31	\$ 62.56	\$ 91.11	\$ 100.00	74.38
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				32	109	45	51	237
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly benefit				\$ 50.00	\$ 62.70	\$ 90.49	\$ 100.00	75.03
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				45	137	61	75	318
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly benefit				\$ 50.00	\$ 61.95	\$ 89.47	\$ 100.00	74.81
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				63	171	95	94	423
<b>Period 07/01/2007 to 06/30/2008</b>								
Average Monthly benefit				\$ 50.00	\$ 61.80	\$ 90.06	\$ 100.00	74.16
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				58	169	75	89	391
<b>Period 07/01/2008 to 06/30/2009</b>								
Average Monthly benefit				\$ 50.00	\$ 61.08	\$ 90.77	\$ 100.00	73.73
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				56	138	71	71	336
<b>Period 07/01/2009 to 06/30/2010</b>								
Average Monthly benefit				\$ 50.00	\$ 61.45	\$ 90.29	\$ 100.00	73.60
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				58	131	51	80	320
<b>Period 07/01/2010 to 06/30/2011</b>								
Average Monthly benefit				\$ 50.00	\$ 61.15	\$ 87.96	\$ 100.00	76.08
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				38	108	64	77	287
<b>Ten Year Averages</b>								
Average Monthly benefit				\$ 50.04	\$ 61.98	\$ 89.73	\$ 100.00	74.44
Average AFC				\$	\$	\$	\$	\$
Number of Retired members				432	1,225	560	675	2,892

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

# Statistical Section

## South Carolina Retirement System Principal Participating Employers in 2011 and 2002

Participating Government	2011					2002				
	Covered Employees <sup>1</sup>	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees <sup>1</sup>	Rank	Percentage of Total System	Total Active	Total Retired
State Agency	32,112	1	14.70%	28,894	3,218	40,426	1	19.10%	37,040	3,386
School District of Greenville County	8,838	2	4.04%	7,772	1,066	7,721	2	3.64%	7,166	555
Charleston County School District	5,510	3	2.52%	4,946	564	5,785	3	2.73%	5,417	368
Spartanburg Regional Medical Center	5,373	4	2.46%	5,152	221	3,743	8	1.76%	3,682	61
University of South Carolina	5,226	5	2.39%	4,347	879	5,215	4	2.46%	4,702	513
MUSC Hospital	5,063	6	2.31%	4,885	178	3,860	7	1.82%	3,844	16
Horry County School District	4,990	7	2.28%	4,509	481	3,971	6	1.87%	3,749	222
Lexington Medical Center	4,380	8	2.00%	4,240	140					
Richland County School District 1	4,122	9	1.88%	3,492	630	4,407	5	2.08%	4,033	374
Berkeley Co Department of Education	3,659	10	1.67%	3,273	386	3,514	10	1.66%	3,364	150
Clemson University						3,519	9	1.66%	3,103	416
All Other	139,108		63.75%	125,016	14,092	129,480		61.22%	122,896	6,584
Total <sup>2</sup>	218,381		100.00%	196,526	21,855	211,641		100.00%	198,996	12,645

**In 2011, "All Other" consisted of:**

Type	Number	Employees
Quasi-State/Higher Ed	31	18,081
City/County	576	50,493
Public Schools	111	70,534
Total	718	139,108

**In 2002, "All Other" consisted of:**

Type	Number	Employees
Quasi-State/Higher Ed	31	13,968
City/County	533	47,450
Public Schools	96	68,062
Total	660	129,480

<sup>1</sup>The number of covered employees represents the total number of employees reported by the employer throughout the fiscal year which includes working retirees.

<sup>2</sup>2011 total reflects 728 governmental entities and 2002 total reflects 670 governmental entities.

## Statistical Section

### Police Officers Retirement System Principal Participating Employers in 2011 and 2002

Participating Government	2011					2002				
	Covered Employees <sup>1</sup>	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees <sup>1</sup>	Rank	Percentage of Total System	Total Active	Total Retired
State Agency	10,418	1	4.77%	9,785	633	10,694	1	41.34%	10,468	226
County Council of Richland County	969	2	0.44%	830	139	814	2	3.14%	797	17
Horry County Council	894	3	0.40%	865	29	579	6	2.23%	575	4
City of Columbia	855	4	0.39%	812	43	661	4	2.55%	655	6
County of Charleston	786	5	0.35%	689	97	605	5	2.33%	597	8
Greenville County Council	785	6	0.35%	686	99	689	3	2.66%	671	18
City of Charleston	738	7	0.33%	696	42	366	10	1.41%	353	13
City of North Charleston	573	8	0.26%	557	16	468	7	1.80%	464	4
County Council of Lexington	552	9	0.25%	493	59	449	9	1.73%	440	9
Spartanburg County Council	544	10	0.24%	459	85	466	8	1.80%	459	7
All Other	13,276		92.22%	11,925	1,351	10,072		39.01%	9,868	204
Total <sup>2</sup>	30,390		100.00%	27,797	2,593	25,863		100.00%	25,347	516

**In 2011, "All Other" consisted of:**

Type	Number	Employees
Quasi-State/Higher Ed	26	575
City/County	298	12,582
Public Schools	45	119
Total	369	13,276

**In 2002, "All Other" consisted of:**

Type	Number	Employees
Quasi-State/Higher Ed	18	437
City/County	252	9,630
Public Schools	4	5
Total	274	10,072

<sup>1</sup>The number of covered employees represents the total number of employees reported by the employer throughout the fiscal year which includes working retirees.

<sup>2</sup>2011 total reflects 379 governmental entities and 2002 total reflects 284 governmental entities.

## Statistical Section

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### ***Revenue Capacity Information***

*Revenue Capacity Information* is intended to assist users in realizing and reviewing the factors that affect the Systems' ability to generate revenues. Employee and employer contribution rates for the most recent ten fiscal years are presented to aid in this category.

Over the past several years, the South Carolina General Assembly took several actions that resulted in the funding of not only a 1 percent automatic annual COLA for SCRS retirees effective July 1, 2005, and an additional 1 percent automatic annual COLA for SCRS retirees and a 2 percent automatic annual COLA for PORS retirees effective July 1, 2008. The 2 percent automatic annual COLAs in both SCRS and PORS are limited to the annual increase in Consumer Price Index for Wage Earners and Clerical Workers (CPI-W) and were funded using increased employee and employer contributions as well as extensive diversification of the trust fund's investment portfolio, which was intended to achieve superior investment returns (at an assumed 8 percent rate of return). The PORS automatic COLA was additionally funded through increasing the unfunded liability amortization period to 29.9 years from 16.3 years.



## Statistical Section

### Employee Contribution Rates<sup>1</sup> Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS	PORS	GARS	JSRS
2011	6.50%	6.50%	10.00%	10.00%
2010	6.50%	6.50%	10.00%	10.00%
2009	6.50%	6.50%	10.00%	10.00%
2008	6.50%	6.50%	10.00%	10.00%
2007	6.50%	6.50%	10.00%	10.00%
2006	6.25%	6.50%	10.00%	9.00%
2005	6.00%	6.50%	10.00%	8.00%
2004	6.00%	6.50%	10.00%	7.00%
2003	6.00%	6.50%	10.00%	7.00%
2002	6.00%	6.50%	10.00%	7.00%

<sup>1</sup>The National Guard Retirement System is a non-contributory plan; therefore, employee contribution rates are not applicable.

### Employer Contribution Rates<sup>1</sup> Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS Class II <sup>2</sup>			PORS Class II <sup>2</sup>			JSRS	
	State Dept & Public Schools	Local Government	Death Benefit	All Employers	Death Benefit	Accidental Death	All Employers	Death Benefit
2011	9.24%	9.24%	0.15%	11.13%	0.20%	0.20%	44.64%	0.45%
2010	9.24%	9.24%	0.15%	10.65%	0.20%	0.20%	44.64%	0.45%
2009	9.24%	9.24%	0.15%	10.65%	0.20%	0.20%	44.64%	0.45%
2008	9.06%	9.06%	0.15%	10.30%	0.20%	0.20%	44.64%	0.45%
2007	8.05%	8.05%	0.15%	10.30%	0.20%	0.20%	41.65%	0.45%
2006	7.55%	7.55%	0.15%	10.30%	0.20%	0.20%	41.65%	0.45%
2005	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	41.65%	0.45%
2004	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	41.35%	0.75%
2003	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.91%	0.75%
2002	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.76%	0.75%

<sup>1</sup>Employer contributions for the General Assembly Retirement System (GARS) are paid as an annual lump-sum appropriation, in which death benefit contributions are included. Employer contributions for the National Guard Retirement System (NGRS) are paid through an annual State appropriation.

<sup>2</sup>For employers with retiree insurance coverage, an additional retiree health insurance surcharge is collected by the Retirement Systems and remitted to the Employee Insurance Program; however, these rates are not considered employer retirement contributions and therefore are not included in this schedule.

## Statistical Section

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### ***Demographic and Economic Information***

*Demographic and Economic Information* is intended to assist users in evaluating the socioeconomic environment within which the Systems operate and to provide information that facilitates comparisons of financial statement information over time and among pension plans. Active and retired member data for the past ten fiscal years can be found in the Actuarial Section on Pages 124 -126 and 132 - 134.

A list of the number of employers currently participating in the SCRS and PORS systems is presented in this section. State agencies, institutions of higher education, and public school districts are covered by Statute. The list of participating employers includes a directory of employers covered by separate agreement.

# Statistical Section

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## Participating Employers

<b>Participating Employers Covered by Statute</b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
State Agencies & Institutions of Higher Education	<b>112</b>	<b>64</b>
Public School Districts	<b>114</b>	<b>50</b>
<b><u>NAME</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
<b>Participating Employers Covered by Separate Agreement</b>	<b>577</b>	<b>316</b>
ABBEVILLE COUNTY COUNCIL	Y	Y
ABBEVILLE GREENWOOD REGIONAL LIBRARY BD	Y	
AIKEN BAMBERG BRNWELL EDGEFLD REG LIB BD	Y	
AIKEN COUNTY COMM ON ALCOHOL&DRUG ABUSE	Y	
ALLENDALE COUNTY COUNCIL	Y	Y
ALLENDALE COUNTY OFFICE ON AGING	Y	
ALLENDALE HAMPTON JASPER REG LIBRARY	Y	
ALLENDALE-BARNWELL DIS & SPEC NEEDS BD	Y	
ALLIGATOR RURAL WATER & SEWER CO	Y	
ANDERSON CO COMM ON ALCOHOL & DRUG ABUSE	Y	
ANDERSON CO COUNCIL-FINANCE OFFICE	Y	Y
ANDERSON CO DISABILITIES & SPEC NEEDS BD	Y	
ANDERSON CO FIRE PROTECTION COMMISSION	Y	Y
ANDERSON COUNTY LIBRARY BOARD	Y	
ANDERSON REGIONAL JOINT WATER SYSTEM	Y	
ASHLEY RIVER FIRE DISTRICT	Y	Y
AXIS I CENTER OF BARNWELL	Y	
BAMBERG BOARD OF PUBLIC WORKS	Y	
BAMBERG CO DISBILITIES & SPEC NEEDS BD	Y	
BAMBERG COUNTY COUNCIL	Y	Y
BAMBERG COUNTY OFFICE ON AGING	Y	
BARNWELL COUNTY COUNCIL	Y	Y
BDST SERVICES, INC.	Y	
BEAUFORT MEMORIAL HOSPITAL	Y	
BEAUFORT SOIL & WATER CONSERVATION DIST	Y	
BEAUFORT-JASPER CO WATER AUTHORITY	Y	
BEECH ISLAND RURAL COMMUNITY WATER DIST	Y	
BELMONT FIRE & SANITATION DIST COMM	Y	Y
BELTON-HONEA PATH WATER AUTHORITY	Y	
BEREA PUBLIC SERVICE DISTRICT COMMISSION	Y	
BERKELEY CHARLESTON DORCHESTER COUNCIL	Y	
BERKELEY CHARLESTON DORCHESTER RTMA	Y	
BERKELEY COUNTY GOVERNMENT	Y	Y
BERKELEY COUNTY WATER & SANITATION	Y	
BERKELEY SOIL & WATER CONSERVATION DIST	Y	
BETHUNE RURAL WATER COMPANY INC	Y	
BIG CREEK WATER AND SEWERAGE DISTRICT	Y	
BLDG COMM OF THE CITY & CO OF FLORENCE	Y	
BLUE RIDGE RURAL WATER COMPANY, INC.	Y	
BLUFFTON TOWNSHIP FIRE DISTRICT	Y	Y
BOILING SPRINGS FIRE DEPARTMENT		Y
BOILING SPRINGS FIRE DISTRICT	Y	Y
BROADWAY WATER AND SEWER DISTRICT	Y	
BUCKSPORT WATER SYSTEM,INC.	Y	

## Statistical Section

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NAME	SCRS	PORS
BURTON CNTR FOR DIS & SPC ND	Y	Y
BURTON FIRE DISTRICT	Y	Y
CALHOUN CO DISABILITIES & SPEC NEEDS BD	Y	
CALHOUN COUNTY COUNCIL	Y	Y
CALHOUN COUNTY COUNCIL ON AGING	Y	
CAROMI VILLAGE VOLUNTEER FIRE DEPARTMENT		Y
CATAWBA AREA AGENCY ON AGING	Y	
CATAWBA REGIONAL COUNCIL OF GOVERNMENTS	Y	
CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS	Y	
CENTRAL MIDLANDS REGIONAL TRANSIT AUTHOR	Y	
CHARLESTON AREA TRANSPORTATION AUTHORITY	Y	
CHARLESTON CO HOUSING & REDEV AUTHORITY	Y	
CHARLESTON CO PARK AND RECREATION COMM	Y	
CHARLESTON COMMISSIONERS OF PUBLIC WORKS	Y	
CHARLESTON COUNTY AIRPORT DISTRICT	Y	Y
CHARLESTON COUNTY HUMAN SERVICES COMM	Y	
CHARLESTON COUNTY LIBRARY	Y	
CHARLESTON NAVAL COMPLEX REDEVELOPMENT	Y	
CHEROKEE CO COMM ON ALCOHOL & DRUG ABUSE	Y	
CHEROKEE CO DISABILITIES & SPEC NEEDS BD	Y	
CHEROKEE COUNTY COUNCIL	Y	Y
CHEROKEE COUNTY DEVELOPMENT BOARD	Y	
CHEROKEE COUNTY PUBLIC LIBRARY	Y	
CHEROKEE COUNTY RECREATION DIST	Y	
CHEROKEE SPRINGS FIRE DISTRICT	Y	Y
CHESCO SERVICES	Y	Y
CHESTER CO BD OF DIRECTORS	Y	Y
CHESTER CO HOSPITAL & NURSING CTR., INC.	Y	
CHESTER METRO DISTRICT	Y	
CHESTER SEWER DISTRICT	Y	
CHESTER/LANCASTER CO DSN BOARD, INC.	Y	
CHESTERFIELD CO RURAL WATER CO INC	Y	Y
CHESTERFIELD COUNTY COUNCIL	Y	Y
CHESTERFIELD SOIL & WATER CONS DISTRICT	Y	
CITY OF ABBEVILLE	Y	Y
CITY OF AIKEN		Y
CITY OF ANDERSON	Y	Y
CITY OF BAMBERG	Y	Y
CITY OF BARNWELL	Y	Y
CITY OF BEAUFORT	Y	Y
CITY OF BELTON	Y	Y
CITY OF BENNETTSVILLE	Y	Y
CITY OF CAMDEN & MUNICIPAL UTILITIES	Y	Y
CITY OF CAYCE	Y	Y
CITY OF CHARLESTON	Y	Y
CITY OF CHESTER	Y	Y
CITY OF CLEMSON	Y	Y
CITY OF CLINTON	Y	Y
CITY OF COLUMBIA	Y	Y
CITY OF CONWAY	Y	Y
CITY OF DARLINGTON	Y	Y
CITY OF DENMARK	Y	Y
CITY OF DILLON	Y	Y
CITY OF EASLEY	Y	Y

## Statistical Section

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<b>NAME</b>	<b>SCRS</b>	<b>PORS</b>
CITY OF FLORENCE	Y	Y
CITY OF FOLLY BEACH	Y	Y
CITY OF FOREST ACRES	Y	Y
CITY OF FOUNTAIN INN	Y	Y
CITY OF GAFFNEY	Y	Y
CITY OF GEORGETOWN	Y	Y
CITY OF GOOSE CREEK	Y	Y
CITY OF GREENVILLE	Y	Y
CITY OF GREENWOOD	Y	Y
CITY OF GREER	Y	Y
CITY OF HANAHAN	Y	Y
CITY OF HARDEEVILLE	Y	Y
CITY OF HARTSVILLE	Y	Y
CITY OF INMAN	Y	Y
CITY OF ISLE OF PALMS	Y	Y
CITY OF JOHNSONVILLE	Y	Y
CITY OF LAKE CITY	Y	Y
CITY OF LANCASTER	Y	Y
CITY OF LAURENS	Y	Y
CITY OF LIBERTY	Y	Y
CITY OF LORIS	Y	Y
CITY OF MANNING	Y	Y
CITY OF MARION	Y	Y
CITY OF MAULDIN	Y	Y
CITY OF MULLINS	Y	Y
CITY OF MYRTLE BEACH	Y	Y
CITY OF NEW ELLENTON	Y	Y
CITY OF NEWBERRY	Y	Y
CITY OF NORTH AUGUSTA	Y	Y
CITY OF NORTH CHARLESTON	Y	Y
CITY OF NORTH MYRTLE BEACH		Y
CITY OF ORANGEBURG	Y	Y
CITY OF PICKENS	Y	Y
CITY OF ROCK HILL	Y	Y
CITY OF SENECA	Y	Y
CITY OF SIMPSONVILLE	Y	Y
CITY OF SPARTANBURG	Y	Y
CITY OF SUMTER	Y	Y
CITY OF TEGA CAY	Y	Y
CITY OF TRAVELERS REST	Y	Y
CITY OF UNION	Y	Y
CITY OF WALHALLA	Y	Y
CITY OF WALTERBORO	Y	Y
CITY OF WEST COLUMBIA	Y	Y
CITY OF WOODRUFF	Y	Y
CITY OF YORK	Y	Y
CLARENDON CO COMM ON ALCOHOL & DRUG ABUS	Y	
CLARENDON CO DISB & SPECIAL NEEDS BOARD	Y	
CLARENDON COUNTY	Y	Y
CLEAR SPRING FIRE-RESCUE	Y	Y
CLINTON NEWBERRY NATURAL GAS AUTHORITY	Y	
CO COUNCIL OF LEXINGTON	Y	Y
COLLETON CO DISABILITIES & SPEC NEED BD	Y	
COLUMBIA HOUSING AUTHORITY	Y	

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
COLUMBIA MUSEUM OF ART	Y	
COMBINED UTILITY SYSTEM	Y	
COMM OF PUBLIC WORKS MUNICIPAL UTILITIES	Y	
COMMISSION OF PUBLIC WORKS	Y	
COMMISSION OF PUBLIC WORKS	Y	
COMMISSION ON PUBLIC WORKS	Y	
CONVERSE FIRE DISTRICT		Y
COUNTY COUNCIL FOR DORCHESTER COUNTY	Y	Y
COUNTY COUNCIL OF BEAUFORT COUNTY	Y	Y
COUNTY COUNCIL OF NEWBERRY COUNTY	Y	Y
COUNTY COUNCIL OF PICKENS COUNTY	Y	Y
COUNTY COUNCIL OF RICHLAND COUNTY	Y	Y
COUNTY OF AIKEN	Y	Y
COUNTY OF CHARLESTON	Y	Y
COUNTY OF COLLETON	Y	Y
COUNTY OF HAMPTON	Y	Y
COUNTY OF LAURENS	Y	Y
COUNTY OF MARLBORO	Y	Y
COUNTY OF MCCORMICK	Y	Y
CROFT FIRE DISTRICT		Y
CULTURAL & HERITAGE COMM OF YORK COUNTY	Y	
DARLINGTON CO COMMUNITY ACTION AGENCY	Y	
DARLINGTON CO DISAB & SPECIAL NEEDS BD	Y	
DARLINGTON CO SOIL & WATER CONS DISTRICT	Y	
DARLINGTON CO WATER & SEWER COMMISSION	Y	
DARLINGTON COUNTY COUNCIL	Y	Y
DARLINGTON COUNTY COUNCIL ON AGING	Y	
DARLINGTON COURT LIBRARY COMM	Y	
DAUFUSKIE ISLAND FIRE DISTRICT		Y
DEFENDER COORPORATION OF RICHLAND CO	Y	Y
DILLON COUNTY COUNCIL	Y	Y
DONALDS-DUE WEST WATER & SEWER AUTHORITY	Y	
DONALDSON FIRE SERVICE AREA	Y	
DORCHESTER CO BD OF DIS & SPECIAL NEEDS	Y	
DORCHESTER CO COMM ON ALCOHOL&DRUG ABUSE	Y	
DORCHESTER COUNTY LIBRARY	Y	
DORCHESTER COUNTY WATER AUTHORITY	Y	
DORCHESTER SENIORS, INC	Y	
DUNCAN CHAPEL FIRE DISTRICT	Y	
EASLEY CENTRAL WATER DISTRICT	Y	
EAST RICHLAND CO PUBLIC SERVICE DIST	Y	
EDGEFIELD COUNTY COUNCIL	Y	Y
EDGEFIELD COUNTY WATER & SEWER AUTHORITY	Y	
ELLOREE COMMISSION OF PUBLIC WORKS	Y	Y
FAIRFIELD CO DISAB & SPECIAL NEEDS BD	Y	
FAIRFIELD CO SUBSTANCE ABUSE COMMISSION	Y	
FAIRFIELD COUNTY COUNCIL	Y	Y
FAIRFIELD COUNTY COUNCIL ON AGING	Y	
FAIRFIELD COUNTY LIBRARY	Y	
FAIRFIELD MEMORIAL HOSPITAL	Y	
FLINT HILL FIRE DISTRICT		Y
FLORENCE CO COMM ON ALCOHOL & DRUG ABUSE	Y	
FLORENCE CO DISABILITIES & SPEC NEEDS BD	Y	
FLORENCE COUNTY COUNCIL	Y	Y

## Statistical Section

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NAME	SCRS	PORS
FLORENCE REGIONAL AIRPORT	Y	Y
FRIPP ISLAND PUBLIC SERVICE DISTRICT	Y	
GAFFNEY BOARD OF PUBLIC WORKS	Y	
GANTT FIRE SEWER AND POLICE DISTRICT	Y	Y
GASTON RURAL COMMUNITY WATER DISTRICT	Y	
GATEWAY COUNSELING CENTER	Y	
GENERATIONS UNLIMITED	Y	
GEORGETOWN CO ALCOHOL & DRUG ABUSE COMM	Y	
GEORGETOWN CO DISAB & SPECIAL NEED BD	Y	
GEORGETOWN COUNTY COUNCIL	Y	Y
GEORGETOWN COUNTY WATER AND SEWER DIST	Y	
GEORGETOWN SOIL & WATER CONSERVATION DIS	Y	
GILBERT-SUMMIT RURAL WATER DISTRICT	Y	
GLASSY MOUNTAIN FIRE SERVICE AREA	Y	
GLEAMNS HUMAN RESOURCES COMMISSION	Y	
GLENDALE FIRE DISTRICT	Y	
GLENN SPRINGS-PAULINE FIRE DEPT		Y
GOUCHER WATER COMPANY, INC.	Y	
GRAND STRAND WATER & SEWER AUTHORITY	Y	
GRASSY POND WATER CO.INC.	Y	
GREATER GREENVILLE SANITATION COMM	Y	
GREENVILLE AIRPORT COMMISSION	Y	
GREENVILLE AREA DEVELOPMENT CORPORATION	Y	
GREENVILLE CO COM ON ALCOHOL-DRUG ABUSE	Y	Y
GREENVILLE CO DISAB & SPECIAL NEEDS BD	Y	
GREENVILLE CO MUSEUM COMMISSION	Y	
GREENVILLE CO RECREATION DISTRICT	Y	
GREENVILLE COMM OF PUBLIC WORKS	Y	
GREENVILLE COUNTY COUNCIL	Y	Y
GREENVILLE COUNTY LIBRARY	Y	Y
GREENVILLE REDEVELOPMENT AUTHORITY	Y	
GREENVILLE-SPARTANBURG AIRPORT DISTRICT	Y	Y
GREENWOOD CO COUNCIL-ADM & FIN OFFICE	Y	Y
GREENWOOD COMM OF PUBLIC WORKS	Y	
GREENWOOD METROPOLITAN DISTRICT COMM	Y	
GREENWOOD SOIL & WATER CONSERVATION DIST	Y	
GREER COMMISSION OF PUBLIC WORKS	Y	
GREER DEVELOPMENT CORP	Y	
HAMPTON CO DISABILITIES & SPEC NEEDS BD	Y	
HARTSVILLE COMMUNITY CENTER BLDG COMM	Y	
HARVIN CLARENDON COUNTY LIBRARY	Y	
HAZEL PITTMAN CENTER	Y	
HIGH HILLS RURAL WATER CO., INC.	Y	
HILLTOP FIRE DISTRICT	Y	Y
HILTON HEAD NO 1 PUBLIC SERVICE DISTRICT	Y	
HOLLY SPRINGS VOLUNTEER FIRE DISTRICT		Y
HOMELAND PARK WATER DISTRICT	Y	
HORRY CO COUNCIL	Y	Y
HORRY CO DISABILITIES & SPECIAL NEEDS BD	Y	
HORRY COUNTY SOLID WASTE AUTHORITY, INC	Y	
HORRY SOIL CONSERVATION DISTRICT	Y	
HOUSING AUTH OF THE CITY OF CHARLESTON	Y	Y
HOUSING AUTH OF THE CITY OF EASLEY	Y	
HOUSING AUTH OF THE CITY OF GREENWOOD	Y	

## Statistical Section

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NAME	SCRS	PORS
HOUSING AUTH OF THE CITY OF MYRTLE BEACH	Y	
HOUSING AUTH OF THE CITY OF NO CHAS	Y	
HOUSING AUTHORITY OF CITY OF NEWBERRY	Y	
HOUSING AUTHORITY OF CITY OF UNION	Y	Y
HOUSING AUTHORITY OF DARLINGTON	Y	
HOUSING AUTHORITY OF FLORENCE	Y	
HOUSING AUTHORITY OF FORT MILL	Y	
HOUSING AUTHORITY OF LANCASTER	Y	
HOUSING AUTHORITY OF THE CITY OF AIKEN	Y	
HOUSING AUTHORITY OF THE CITY OF CHESTER	Y	
HOUSING AUTHORITY OF THE CITY OF CONWAY	Y	
HOUSING AUTHORITY OF THE CITY OF GAFFNEY	Y	
HOUSING AUTHORITY OF TOWN OF WOODRUFF	Y	
HOUSING AUTY OF CITY OF SUMTER	Y	
HOWE SPRINGS FIRE DISTRICT		Y
INMAN COMMUNITY FIRE DEPARTMENT		Y
INMAN-CAMPOBELLO WATER DISTRICT	Y	Y
IRMO CHAPIN RECREATION DISTRICT	Y	Y
IRMO FIRE DISTRICT	Y	Y
ISLE OF PALMS WATER & SEWER COMMISSION	Y	
JAMES ISLAND PUBLIC SERVICE DIST COMM	Y	Y
JASPER CO BD OF DIS & SPECIAL NEEDS	Y	
JASPER COUNTY COUNCIL	Y	Y
JOHNSONVILLE RURAL FIRE DISTRICT		Y
JOINT MUNICIPAL WATER & SEWER COMMISSION	Y	
JONESVILLE FIRE DISTRICT		Y
KEOWEE FIRE TAX DISTRICT		Y
KERSHAW CO BD DOF DIS & SPECIAL NEEDS	Y	
KERSHAW CO COMM ON ALCOHOL & DRUG ABUSE	Y	
KERSHAW COUNTY COUNCIL	Y	Y
KINGSTREE HOUSING AUTHORITY	Y	
LADYS ISLAND - ST HELENA FIRE DISTRICT	Y	Y
LAKE CITY HOUSING AUTHORITY	Y	
LAKE CUNNINGHAM FIRE DISTRICT	Y	Y
LANCASTER CO COMM ON ALCOHOL&DRUG ABUSE	Y	
LANCASTER CO WATER & SEWER DISTRICT	Y	
LANCASTER COUNTY COUNCIL	Y	Y
LANCASTER COUNTY COUNCIL ON AGING	Y	
LANCASTER COUNTY LIBRARY	Y	
LANCASTER COUNTY NATURAL GAS AUTHORITY	Y	
LAURENS CO DISABILITIES & SPEC NEEDS BD	Y	
LAURENS COMMISSIONERS OF PUBLIC WORKS	Y	
LAURENS COUNTY WATER & SEWER COMMISSION	Y	
LEE CO DISABILITIES & SPECIAL NEEDS BD	Y	
LEE COUNTY COUNCIL	Y	Y
LEXINGTON MEDICAL CENTER	Y	Y
LEX-RICH ALCOHOL & DRUG ABUSE COUNCIL	Y	Y
LIBERTY-CHESNEE-FINGERVILLE WATER DIST	Y	
LITTLE RIVER WATER & SEWER CO., INC	Y	
LOWCOUNTRY COUNCIL OF GOVERNMENTS	Y	
LOWCOUNTRY REGIONAL EMS COUNCIL	Y	
LOWCOUNTRY REGIONAL TRANSPORTATION AUTH	Y	
LOWER SAVANNAH COUNCIL OF GOVERNMENTS	Y	
LUGOFF FIRE DISTRICT		Y



## Statistical Section

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NAME	SCRS	PORS
LUGOFF WATER DISTRICT OF KERSHAW COUNTY	Y	
MARCO RURAL WATER CO., INC.	Y	
MARION CO COM ON ALCOHOL & DRUG ABUSE	Y	
MARION COUNTY COUNCIL	Y	Y
MARION COUNTY LIBRARY	Y	
MARION-DILLON CO DISAB & SPEC NEEDS BD	Y	
MARLBORO CO DISABILITIES & SPEC NEEDS BD	Y	
MARLBORO WATER COMPANY	Y	
MCCORMICK COMM OF PUBLIC WORKS	Y	
MCCORMICK COUNTY WATER & SEWER AUTHORITY	Y	
METROPOLITAN SEWER SUB-DISTRICT	Y	
METROPOLITAN SUBDISTRICT B WATER & SEWER	Y	
MID COUNTY WATER COMPANY, INC	Y	
MONCKS CORNER RURAL FIRE DEPT		Y
MONCKS CORNER WATER WORKS COMMISSION	Y	
MT PLEASANT WATER & SEWER COMM	Y	
MUNICIPAL ASSOCIATION OF SOUTH CAROLINA	Y	
MURRELLS INLET-GARDEN CITY FIRE DIST	Y	Y
N SPARTANBURG AREA FIRE & RESCUE DIST	Y	
NEW LIFE CENTER	Y	
NEWBERRY CO DISABILITIES & SP ND BD	Y	
NEWBERRY CO NURSING HOME COMMISSION	Y	
NEWBERRY CO WATER AND SEWER AUTHORITY	Y	
NEWBERRY COUNTY LIBRARY	Y	
NORTH CHARLESTON SEWER DISTRICT	Y	Y
NORTH GREENVILLE FIRE DISTRICT	Y	
OCONEE COUNTY	Y	Y
OCONEE DISABILITIES & SPEC NEEDS BD	Y	
OCONEE JOINT REGIONAL SEWER AUTHORITY	Y	
OLANTA RURAL FIRE DEPARTMENT		Y
OLD FORT FIRE DISTRICT	Y	Y
OLD NINETY SIX TOURISM COMMISSION	Y	
OLD TOWN FIRE AND RESCUE DEPARTMENT	Y	
OLDE ENGLISH DISTRICT TOURISM COMMISSION	Y	
ORANGEBURG CO DISAB & SPECIAL NEEDS BD	Y	Y
ORANGEBURG COUNTY COUNCIL	Y	Y
ORANGEBURG DEPT OF PUBLIC UTILITIES	Y	Y
PALMETTO STATE TEACHERS ASSOCIATION	Y	
PARKER SEWER & FIRE SUBDISTRICT	Y	
PEACHTREE CENTER D/B/A-CHEROKEE LTC	Y	
PEE DEE REGIONAL COUNCIL OF GOVERNMENTS	Y	
PEE DEE REGIONAL EMS, INC	Y	
PEE DEE REGIONAL TRANSPORTATION AUTH	Y	Y
PELHAM BATESVILLE FIRE DEPARTMENT	Y	Y
PENDLETON DIS HISTORICAL & REC COMM	Y	
PICKENS CO COMM ON ALCOHOL & DRUG ABUSE	Y	
PICKENS CO DISABILITIES & SPEC NEEDS BD	Y	
PIEDMONT PARK FIRE DISTRICT	Y	Y
PIEDMONT PUBLIC SERVICE DISTRICT		Y
PINE RIDGE FIRE DEPARTMENT		Y
PIONEER RURAL WATER DISTRICT	Y	
POPLAR SPRINGS FIRE DEPARTMENT		Y
POWDERSVILLE WATER DISTRICT	Y	
REC DIST & REC COMM OF RICHLAND COUNTY	Y	Y

## Statistical Section

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NAME	SCRS	PORS
RECREATION DIST LEXINGTON CO	Y	Y
REIDVILLE FIRE DISTRICT		Y
RENEWABLE WATER RESOURCES(RE-WA)	Y	
RICH/LEX CO DISAB & SPECIAL NEEDS BD	Y	
RICHLAND COUNTY PUBLIC LIBRARY	Y	Y
RICHLAND LEXINGTON AIRPORT DISTRICT	Y	Y
RICHLAND MEMORIAL/PALMETTO HEALTH	Y	
RIVERBANKS PARK COMMISSION	Y	Y
ROEBUCK FIRE DEPARTMENT		Y
RUBICON	Y	
RURAL COMM WATER DIST OF GEORGETOWN CO	Y	
S C EDUCATION ASSN	Y	
S C HIGH SCHOOL LEAGUE	Y	
S C STATE EMPLOYEES' ASSOCIATION	Y	
SALUDA CO COM ON ALCOHOL & DRUG ABUSE	Y	
SALUDA COMMISSION OF PUBLIC WORKS	Y	
SALUDA COUNTY COUNCIL	Y	Y
SALUDA COUNTY WATER & SEWER AUTHORITY	Y	
SANDY SPRINGS WATER COMPANY	Y	
SANTEE COOPER COUNTIES PROMOTION COMM	Y	
SANTEE FIRE SERVICE DISTRICT	Y	Y
SANTEE-LYNCHES COUNCIL FOR GOVERNMENTS	Y	
SANTEE-WATEREE REG TRANSPORTATION AUTH	Y	Y
SC APPALACHIAN COUNCIL OF GOVERNMENTS	Y	
SC ASSOCIATION OF COUNTIES	Y	
SC ASSOCIATION OF SCHOOL ADMINISTRATORS	Y	
SC ASSOCIATION OF SCHOOL BOARDS	Y	
SC ATHLETIC COACHES ASSOCIATION	Y	
SC LAW ENFORCEMENT OFFICERS ASSOCIATION	Y	
SC MIDLANDS EMER MED SER MGM ASSOC	Y	
SC STATE CREDIT UNION	Y	
SC STATE FIREMENS ASSOCIATION	Y	
SENIOR SERVICES INC OF CHESTER COUNTY	Y	
SHELDON FIRE DISTRICT	Y	Y
SHORELINE BEHAVIORAL HEALTH SERVICES	Y	
SIX MILE RURAL WATER DISTRICT	Y	
SLATER-MARIETTA FIRE DEPT		Y
SOUTH CAROLINA SHERIFFS' ASSOCIATION	Y	Y
SOUTH CAROLINA TECHNOLOGY & AVIATION CTR	Y	
SOUTH GREENVILLE AREA FIRE DISTRICT	Y	Y
SOUTH ISLAND PUBLIC SERVICE DISTRICT	Y	
SOUTH LYNCHES FIRE DEPARTMENT		Y
SOUTHSIDE RURAL COMMUNITY WATER DIST	Y	
SPARTANBURG COMRS OF PUBLIC WORK	Y	
SPARTANBURG COUNTY COUNCIL	Y	Y
SPARTANBURG PUBLIC LIBRARY	Y	
SPARTANBURG REGIONAL MEDICAL CENTER	Y	Y
SPARTANBURG SANITARY SEWER DIST	Y	
ST ANDREWS PARISH PARKS & PLAYGROUNDS	Y	
ST ANDREWS PUBLIC SERVICE DIST COMM	Y	
ST GEORGE WATER AND SEWER DEPARTMENT	Y	
ST JOHNS FIRE DISTRICT	Y	Y
ST PAULS FIRE DISTRICT	Y	Y
STARR-IVA WATER COMPANY	Y	

## Statistical Section

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NAME	SCRS	PORS
STARTEX JACKSON WELLFD DUNCAN WATER DIST	Y	
SUMTER CO COM ON ALCOHOL & DRUG ABUSE	Y	
SUMTER CO DISABILITIES & SPEC NEEDS BD	Y	Y
SUMTER CONSERVATION DISTRICT	Y	
SUMTER COUNTY COUNCIL	Y	Y
SUMTER COUNTY LIBRARY	Y	
TAYLORS FIRE AND SEWER DISTRICT	Y	Y
THE ERNEST E KENNEDY CENTER	Y	
THE PEE DEE TOURISM COMMISSION	Y	
THE RIVER ALLIANCE	Y	
THREE RIVERS SOLID WASTE AUTHORITY	Y	
TIGERVILLE FIRE DEPARTMENT		Y
TOWN OF ALLENDALE	Y	Y
TOWN OF ANDREWS	Y	Y
TOWN OF AYNOR	Y	Y
TOWN OF BATESBURG-LEESVILLE	Y	Y
TOWN OF BETHUNE	Y	Y
TOWN OF BISHOPVILLE	Y	Y
TOWN OF BLACKSBURG	Y	Y
TOWN OF BLACKVILLE	Y	
TOWN OF BLUFFTON	Y	Y
TOWN OF BLYTHEWOOD	Y	
TOWN OF BONNEAU		Y
TOWN OF BOWMAN	Y	Y
TOWN OF BRANCHVILLE	Y	Y
TOWN OF BRIARCLIFFE ACRES	Y	Y
TOWN OF BRUNSON	Y	Y
TOWN OF BURNETTOWN	Y	Y
TOWN OF CALHOUN FALLS	Y	Y
TOWN OF CAMERON	Y	Y
TOWN OF CAMPOBELLO	Y	Y
TOWN OF CARLISLE	Y	
TOWN OF CENTRAL	Y	Y
TOWN OF CHAPIN	Y	Y
TOWN OF CHERAW	Y	Y
TOWN OF CHESNEE	Y	Y
TOWN OF CHESTERFIELD	Y	Y
TOWN OF CLIO	Y	Y
TOWN OF CLOVER	Y	Y
TOWN OF CORDOVA	Y	
TOWN OF COTTAGEVILLE	Y	Y
TOWN OF COWARD	Y	Y
TOWN OF COWPENS	Y	Y
TOWN OF DUE WEST	Y	Y
TOWN OF DUNCAN	Y	Y
TOWN OF EASTOVER	Y	Y
TOWN OF EDGEFIELD	Y	Y
TOWN OF EDISTO BEACH	Y	Y
TOWN OF EHRHARDT	Y	Y
TOWN OF ELGIN	Y	Y
TOWN OF ELKO	Y	
TOWN OF ELLOREE	Y	Y
TOWN OF ESTILL	Y	Y
TOWN OF FAIRFAX	Y	Y

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TOWN OF FORT LAWN	Y	Y
TOWN OF FORT MILL	Y	Y
TOWN OF GASTON	Y	Y
TOWN OF GILBERT	Y	
TOWN OF GRAY COURT	Y	
TOWN OF GREAT FALLS	Y	Y
TOWN OF GREELEYVILLE		Y
TOWN OF HAMPTON	Y	Y
TOWN OF HARLEYVILLE	Y	Y
TOWN OF HEATH SPRINGS	Y	
TOWN OF HEMINGWAY	Y	Y
TOWN OF HILTON HEAD ISLAND		Y
TOWN OF HOLLY HILL	Y	Y
TOWN OF HOLLYWOOD	Y	
TOWN OF HONEA PATH	Y	Y
TOWN OF IRMO	Y	Y
TOWN OF IVA	Y	Y
TOWN OF JACKSON	Y	Y
TOWN OF JAMES ISLAND	Y	
TOWN OF JAMESTOWN	Y	Y
TOWN OF JEFFERSON	Y	
TOWN OF JOHNSTON	Y	Y
TOWN OF JONESVILLE	Y	Y
TOWN OF KERSHAW	Y	
TOWN OF KIAWAH ISLAND	Y	Y
TOWN OF KINGSTREE	Y	Y
TOWN OF LAKE VIEW	Y	Y
TOWN OF LAMAR		Y
TOWN OF LANDRUM	Y	Y
TOWN OF LANE	Y	Y
TOWN OF LATTA	Y	Y
TOWN OF LEXINGTON	Y	Y
TOWN OF LINCOLNVILLE	Y	Y
TOWN OF LITTLE MOUNTAIN	Y	
TOWN OF LIVINGSTON	Y	
TOWN OF LYMAN	Y	Y
TOWN OF MAYESVILLE	Y	Y
TOWN OF MCBEE	Y	Y
TOWN OF MCCLELLANVILLE	Y	
TOWN OF MCCOLL	Y	Y
TOWN OF MCCORMICK	Y	Y
TOWN OF MEGGETT	Y	
TOWN OF MONCK'S CORNER	Y	Y
TOWN OF MONETTA	Y	
TOWN OF MT PLEASANT	Y	Y
TOWN OF MT. CROGHAN	Y	
TOWN OF NICHOLS	Y	Y
TOWN OF NINETY-SIX	Y	Y
TOWN OF NORRIS	Y	
TOWN OF NORTH	Y	Y
TOWN OF NORWAY	Y	Y
TOWN OF OLANTA	Y	Y
TOWN OF OLAR	Y	Y
TOWN OF PACOLET	Y	Y

## Statistical Section

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<b>NAME</b>	<b>SCRS</b>	<b>PORS</b>
TOWN OF PAGELAND	Y	Y
TOWN OF PAMPLICO	Y	Y
TOWN OF PARKSVILLE	Y	
TOWN OF PATRICK	Y	
TOWN OF PELION	Y	Y
TOWN OF PELZER	Y	
TOWN OF PENDLETON	Y	
TOWN OF PERRY	Y	Y
TOWN OF PINE RIDGE	Y	Y
TOWN OF PINWOOD	Y	
TOWN OF POMARIA	Y	
TOWN OF PORT ROYAL	Y	Y
TOWN OF PROSPERITY	Y	Y
TOWN OF QUINBY	Y	Y
TOWN OF RAVENEL	Y	
TOWN OF RIDGE SPRING	Y	
TOWN OF RIDGELAND	Y	Y
TOWN OF RIDGEVILLE	Y	Y
TOWN OF RIDGEWAY	Y	Y
TOWN OF RUBY	Y	
TOWN OF SALLEY	Y	Y
TOWN OF SALUDA	Y	Y
TOWN OF SANTEE	Y	Y
TOWN OF SCRANTON	Y	Y
TOWN OF SEABROOK ISLAND	Y	
TOWN OF SIX MILE	Y	
TOWN OF SNELLING	Y	
TOWN OF SOCIETY HILL	Y	Y
TOWN OF SOUTH CONGAREE	Y	Y
TOWN OF SPRINGDALE	Y	Y
TOWN OF SPRINGFIELD	Y	Y
TOWN OF ST GEORGE	Y	Y
TOWN OF ST MATTHEWS	Y	Y
TOWN OF ST STEPHEN	Y	Y
TOWN OF SULLIVANS ISLAND	Y	Y
TOWN OF SUMMERTON	Y	Y
TOWN OF SUMMERTON	Y	Y
TOWN OF SUMMERTON	Y	Y
TOWN OF SURFSIDE BEACH	Y	Y
TOWN OF SWANSEA	Y	Y
TOWN OF TIMMONSVILLE	Y	Y
TOWN OF TRENTON	Y	Y
TOWN OF TURBEVILLE	Y	Y
TOWN OF VARNVILLE	Y	Y
TOWN OF WAGENER	Y	Y
TOWN OF WARE SHOALS	Y	Y
TOWN OF WELLFORD	Y	Y
TOWN OF WEST PELZER	Y	Y
TOWN OF WEST UNION	Y	Y
TOWN OF WESTMINSTER	Y	Y
TOWN OF WHITMIRE	Y	Y
TOWN OF WILLIAMSTON	Y	Y
TOWN OF WILLISTON	Y	Y
TOWN OF WINNSBORO	Y	Y
TOWN OF YEMASSEE	Y	Y

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TYGER RIVER FIRE DISTRICT		Y
UNA FIRE DEPARTMENT		Y
UNION CO DISABILITIES & SPECIAL NEEDS BD	Y	
UNION COUNTY CARNEGIE LIBRARY	Y	
UNION COUNTY COUNCIL OF AGING	Y	
UNION COUNTY DEVELOPMENT BOARD	Y	
UNION COUNTY SUPERVISOR	Y	Y
UPPER SAVANNAH COUNCIL OF GOVERNMENTS	Y	
VALLEY PUBLIC SERVICE AUTHORITY	Y	
WACCAMAW ECONOMIC OPPORTUNITY COUNCIL	Y	
WACCAMAW REGIONAL COUNCIL OF GOVERNMENTS	Y	
WADE HAMPTON FIRE & SEWER DISTRICT	Y	Y
WEST FLORENCE RURAL VOLUNTEER FIRE DIST		Y
WESTMINSTER COMM OF PUBLIC WORKS	Y	
WESTVIEW BEHAVIORAL HEALTH SERVICES	Y	
WESTVIEW-FAIRFOREST FIRE DEPARTMENT	Y	Y
WHITESVILLE RURAL VOL FIRE DEPT		Y
WHITNEY AREA FIRE DEPT		Y
WILLIAMSBURG CO DISAB & SPECIAL NEEDS BD	Y	
WILLIAMSBURG COUNTY COUNCIL	Y	Y
WILLIAMSBURG COUNTY LIBRARY	Y	
WINDY HILL VOLUNTEER FIRE COMPANY		Y
WOODRUFF ROEBUCK WATER DISTRICT	Y	
YORK CO COVENTION & VISITORS BUREAU	Y	
YORK CO DISABILITIES & SPECIAL NEEDS BD	Y	
YORK COUNTY	Y	Y
YORK COUNTY COUNCIL ON AGING	Y	
YORK COUNTY LIBRARY	Y	
YORK SOIL & WATER CONSERVATION DIST	Y	





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