

South Carolina Public Employee Benefit Authority

South Carolina Retirement Systems

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013
Pension Trust Funds of the State of South Carolina



Going the Distance

This page contains no other content.

**South Carolina Public Employee Benefit Authority
Retirement Division**

South Carolina Retirement Systems

**Comprehensive
Annual Financial
Report**

Fiscal Year Ended June 30, 2013

Pension Trust Funds of the State of South Carolina

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

**David K. Avant
Interim Director**

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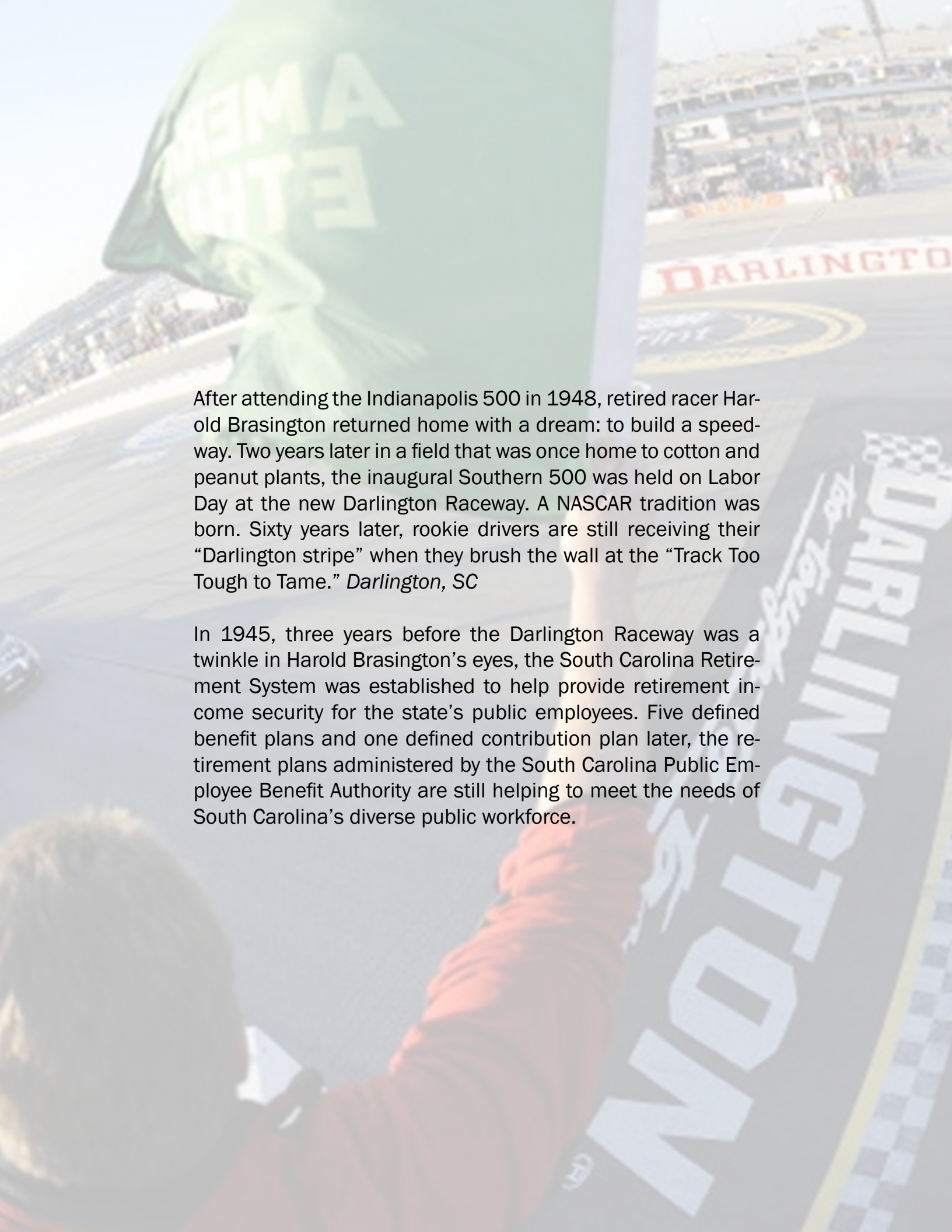
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Introductory Section



Stay driven



After attending the Indianapolis 500 in 1948, retired racer Harold Brasington returned home with a dream: to build a speedway. Two years later in a field that was once home to cotton and peanut plants, the inaugural Southern 500 was held on Labor Day at the new Darlington Raceway. A NASCAR tradition was born. Sixty years later, rookie drivers are still receiving their “Darlington stripe” when they brush the wall at the “Track Too Tough to Tame.” *Darlington, SC*

In 1945, three years before the Darlington Raceway was a twinkle in Harold Brasington’s eyes, the South Carolina Retirement System was established to help provide retirement income security for the state’s public employees. Five defined benefit plans and one defined contribution plan later, the retirement plans administered by the South Carolina Public Employee Benefit Authority are still helping to meet the needs of South Carolina’s diverse public workforce.

Introductory Section

South Carolina
PUBLIC EMPLOYEE BENEFIT AUTHORITY

PEBA

David K. Avant
Interim Executive Director

LETTER OF TRANSMITTAL

December 9, 2013

The Honorable Nikki Haley, Governor
State of South Carolina
Members of the S.C. Budget and Control Board
S.C. Public Employee Benefit Authority Board

Ladies and Gentlemen:

We are pleased to present the *Comprehensive Annual Financial Report* (CAFR) of the South Carolina Retirement Systems (Systems) as administered by the South Carolina Public Employee Benefit Authority (PEBA), for the fiscal year ended June 30, 2013. Section 9-1-300 of the South Carolina Code of Laws requires that a report be published annually showing the fiscal transactions of the Systems, and the CAFR fulfills that statutory requirement. PEBA is considered a division or component unit of the primary government of the state of South Carolina; and therefore, financial information for the Retirement Systems' trust funds is also included in the CAFR of the state of South Carolina. Responsibility for both the accuracy of the data, and the completeness and reliability of the presentation, including all disclosures, rests with the management of PEBA. 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 and establishes and approves governmental standards. GASB is recognized as the official source of generally accepted accounting principles (GAAP) for state and local governments.

Financial 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, with consideration that the cost of internal control should not exceed anticipated benefits. The financial statements presented in this CAFR have been independently audited by CliftonLarsonAllen, LLP, under the direction of the State Auditor's Office. CliftonLarsonAllen issued an unmodified opinion, which means that based upon the financial audit; they concluded that the financial statements were fairly presented in all material respects and are free from material misstatement, in accordance 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, CliftonLarsonAllen also considered internal

Introductory Section

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 rendered. 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 25, 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

PEBA administers the South Carolina Retirement Systems' 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. Monthly benefits are specified as a function of a formula that is based on years of creditable service, average final compensation, and age. PEBA's 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. Retirement reform legislation closed the plan to individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.
- 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, solicitors. JSRS also covers circuit public defenders.
- The South Carolina National Guard Supplemental Retirement Plan (SCNG) was established July 1, 1975, to provide supplemental retirement benefits to members who served in the South Carolina National Guard.

Fiscal Year 2013 Highlights

Effective July 1, 2012, PEBA was created by the General Assembly through legislative Act 278. The former Retirement and Employee Insurance Program divisions of the S.C. Budget and Control Board were transferred to and incorporated into the new administrative agency known as PEBA. The governing board of the authority is a board of directors consisting of 11 members. Appointments to the board were completed in October 2012. PEBA operates the Retirement Division to administer the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program. Additionally, the PEBA board will assume administrative responsibility for the S.C. Deferred Compensation Program beginning January 1, 2014.

Introductory Section

Administrative Activities

With the creation of PEBA, the Retirement Division continued efforts to improve efficiencies and implement process improvements across all operational areas while limiting both expenditures and personnel resources. PEBA's management restructured the agency organizationally and began the physical relocation of all employees from two locations to one in October 2012. While PEBA operated in two locations for most of the fiscal year, 202 Arbor Lake Drive and 1201 Main Street, both in Columbia, South Carolina, all employees were physically relocated to one geographic location, with office space on Arbor Lake Drive, by the end of fiscal year 2013.

A strategic reorganization was also completed to consolidate similar functions – Administration, Customer Service Call Center, Visitors Center/Subscriber Services, Field Services, Legal, and Communications; and staff were reassigned to serve as Board liaisons. Agency operations, service delivery and high customer satisfaction levels were successfully maintained, despite heavier than ever workloads resulting from agency-wide implementation of Act 278. The organization also underwent the creation and appointments of the new Board of Directors for PEBA and the subsequent transfer of the agency's executive director in December 2012. PEBA was successful in carrying out all its objectives during these significant periods of transition despite the potential for dysfunctionality and undue delays.

Board members and senior leaders began development of the new agency's first strategic plan, which was approved by the Board in fall 2013. Initial implementation of the plan began immediately thereafter. The Board and agency staff will next establish performance measures that are aligned with the agency's mission and approved strategic plan.

Public Policy Activities

The intensive efforts of both the South Carolina House of Representatives and the South Carolina Senate resulted in significant reforms designed to improve the funding status of and sustain the retirement plans. Most of the reforms took effect July 1, 2012; however, some of the changes, such as the actuarially neutral cost of service purchases, were effective January 2, 2013. The final changes will take place January 1, 2014, the date upon which the PEBA board will assume administrative responsibility for the S.C. Deferred Compensation Program and upon which SCRS members who apply for disability retirement must be approved for and receiving benefits from the Social Security Administration in order to be entitled to receive a disability retirement benefit through SCRS. Act 278 was the culmination of several years' worth of information gathering, in-depth analysis, public hearings and meetings with public policy makers and other stakeholders. The Act established a contribution schedule for SCRS and PORS, and provides that any increases required in the future must be shared equally between employees and employers, thus reducing costs to taxpayers.

In fiscal year 2013, the General Assembly passed Act 69, the provisions of which removed the PORS disability retirement benefit changes made initially by Act 278 of 2012 that were not yet scheduled for implementation.

Fiscal year 2013 also brought the identity branding of the new agency, which included awareness campaigns, revisions to the public websites for the Retirement and Insurance Divisions, and the development and deployment of a PEBA agency website and a secure extranet for Board members.

Within the first 10 months of the Board's existence, the Board held orientation sessions, put into place appropriate by-laws and other governance documents, chartered standing committees and approved the annual actuarial valuations for the Retirement Systems.

Improvements were cultivated in the working relationship with the South Carolina Retirement System Investment Commission and staff through the PEBA executive director's membership on the Commission and other

Introductory Section

cooperative arrangements. During fiscal year 2013, the Retirement Systems received favorable determination letters from the Internal Revenue Service for the tax-qualified retirement systems. Total disbursements of all retirement-related benefits for the defined benefit programs were nearly \$2.9 billion for the year.

Operational System Improvements

During fiscal year 2013, provisions of Act 278 of 2012 (retirement systems reform) were implemented, which required development of and/or modifications to myriad information systems, policies and procedures, operational and other business processes, and communications materials. Information systems security was also strengthened, Internet access was limited for employees, and other internal and external controls were added to safeguard data. Service delivery was enhanced to allow greater information access through online services, integration of the Customer Service Call Center functions and cross-training of its staff, and the inclusion of insurance information in retirement communications materials and vice versa as appropriate.

Summary of Financial Condition

Actuarial Results

The main 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, 2012, concluded that all systems are operating on an actuarially sound basis. All five systems are considered to be adequately funded within the Governmental Accounting Board's (GASB's) standards that require actuarial liabilities be funded over a period not to exceed 30 years.

The July 1, 2012, actuarial valuations, adopted by PEBA and approved by the S.C. Budget and Control Board, determined the actuarial status of each plan and identified the employee and employer contribution requirements to become effective for the fiscal year beginning July 1, 2014.

The funded ratios of the five plans as of July 1, 2012, range from a low of 34.2 percent for SCNG to a high of 71.1 percent for PORS. After reflecting the impact of legislative reform, the funded ratio for SCRS, which represents the largest membership of the five plans, decreased from 67.4 percent to 64.7 percent while PORS went down from 72.8 percent to 71.1 percent. The funded ratio of SCNG continues to be very low because at one time, the plan was not funded on an actuarially sound basis. However, since 2006 when the General Assembly transferred administrative responsibility from the Adjutant General's Office to the Retirement Division, their commitment to ensure the SCNG plan would be sufficiently funded prospectively has been maintained and the funded ratio has steadily improved. Each year recurring funds are set aside in the state's annual budget to fund SCNG over an amortization period that does not exceed 30 years, so continued future improvement in the funded ratio is expected.

The unfunded actuarial accrued liability for SCRS increased from \$12.4 billion to \$13.9 billion and PORS increased from \$1.39 billion to \$1.55 billion. The single largest source of increase was the result of continual recognition of deferred investment losses in the actuarial value of assets. Absent favorable investment experience, those deferred losses will continue to be reflected, or smoothed, in the actuarial value of assets over the next five years. 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. Although legislative reform increased both employer and employee contributions, with the Systems being in a position of deferred investment losses, as those deferred losses become recognized in the future,

Introductory Section

the actuary anticipates that the scheduled contribution rates will continue to increase during the next several years, unless the Systems experience investment returns significantly in excess of the assumed rate of return.

Actuarial smoothing techniques which defer investment gains and losses help to dampen the short-term volatility inherent in investment markets by allowing only a portion of investment gains and losses to be recognized each year. Using these smoothing techniques, all of the Systems recognized a net actuarial loss on investment returns for the valuation year and the continual recognition of extraordinary investment losses that occurred in 2008 continue to be a primary contributor to the loss. For SCRS, the smoothing methodology resulted in a net amount of \$4 billion in excess investment losses being deferred as of the July 1, 2012, valuation.

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.

Investment Performance

As of June 30, 2013, invested assets were valued at \$26.8 billion as reported by the custodian. The plans are in a negative cash flow position as benefit payments in the amount of \$2.9 billion significantly exceeded the receipt of only \$1.9 billion in contributions. This resulting negative net cash outflow of \$1 billion in net benefit obligations during the year represents approximately 4 percent of the portfolio's assets.

The trailing one-year period as of June 30, 2013, afforded the Retirement System Investment Commission (RSIC) the opportunity to take advantage of rising financial markets while maintaining the prudent level of risk that it maintains as a hallmark of its investment strategy. The RSIC earned a return of 9.99 percent net of fees on a time-weighted calculation basis for the fiscal year ending June 30, 2013, compared to the Policy benchmark's return of 8.13 percent. This is the fourth consecutive year that the fund has experienced a positive annual return. The three-year annualized net of fees return was 9.30 percent as of the fiscal year end compared to the Policy benchmark return of 8.40 percent. The Plan's actuarial assumed rate of return is 7.50 percent.

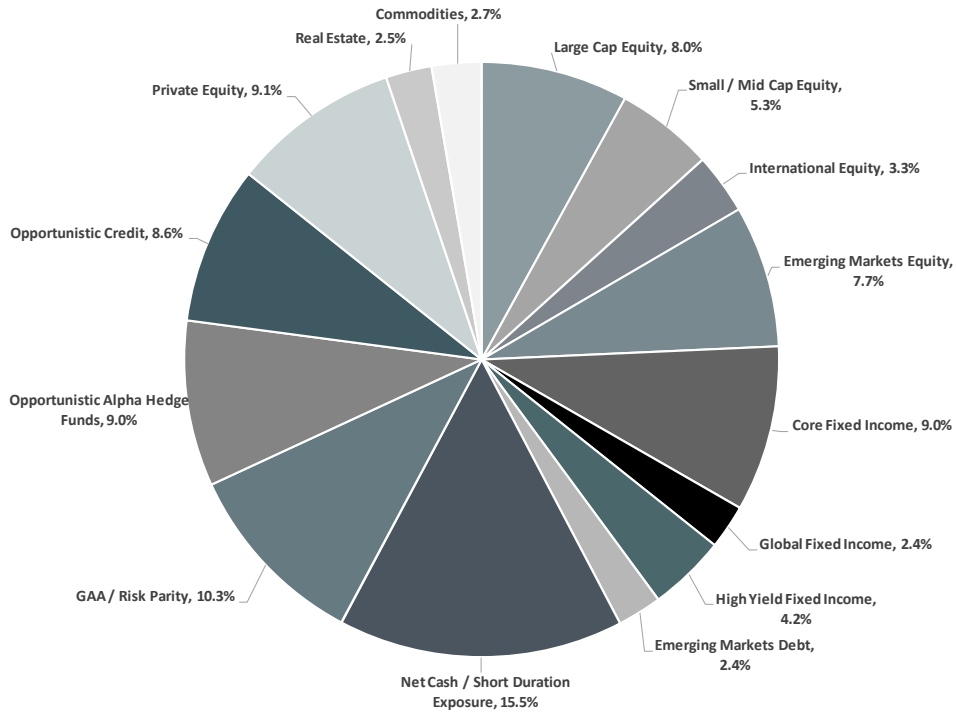
The plan assets are invested by the Commission in a manner consistent with a long-term investment time horizon. While the financial markets continue to experience significant volatility, the assets of the Retirement Systems are invested in a broadly diversified manner in an effort to mitigate risk. Although 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 constrained by state constitution and state statute, the Commission has implemented a modern-day asset allocation policy. With the help of the retained investment consultant, Hewitt EnnisKnupp, the RSIC manages investments across an asset allocation designed to generate attractive long-term risk-adjusted returns.

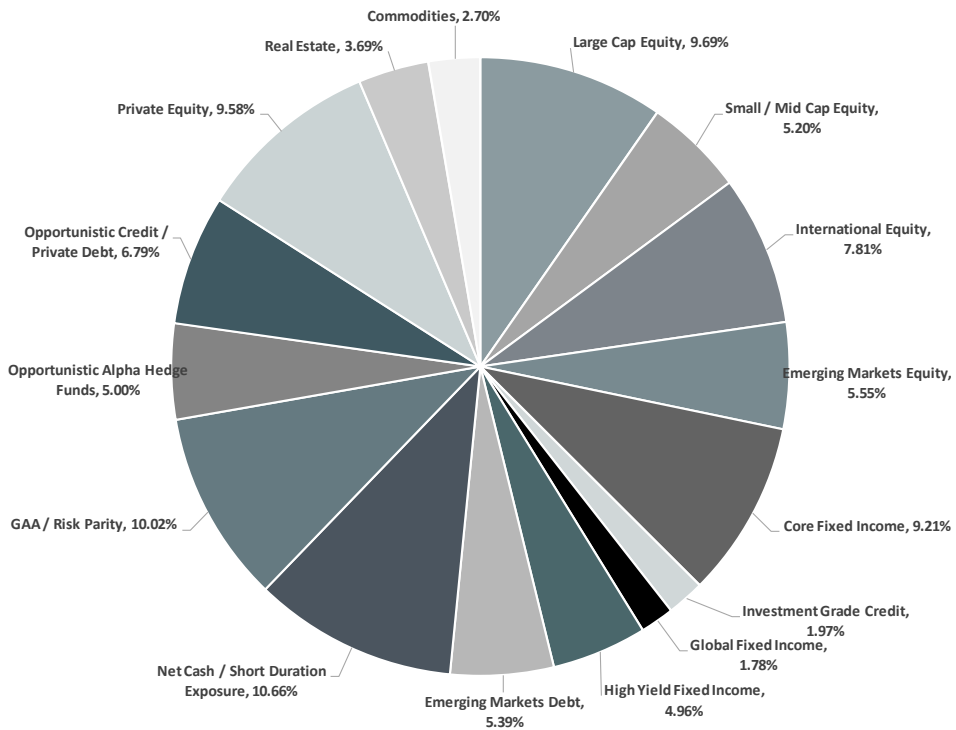
The RSIC provided the charts on Pages 14-15, which summarize the diversification progress of managing the asset allocation of the Retirement Systems' trust funds for the prior and most recent fiscal year and the RSIC's target allocation in effect as of fiscal year ended June 30, 2013.

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Portfolio Exposure as of June 30, 2012¹



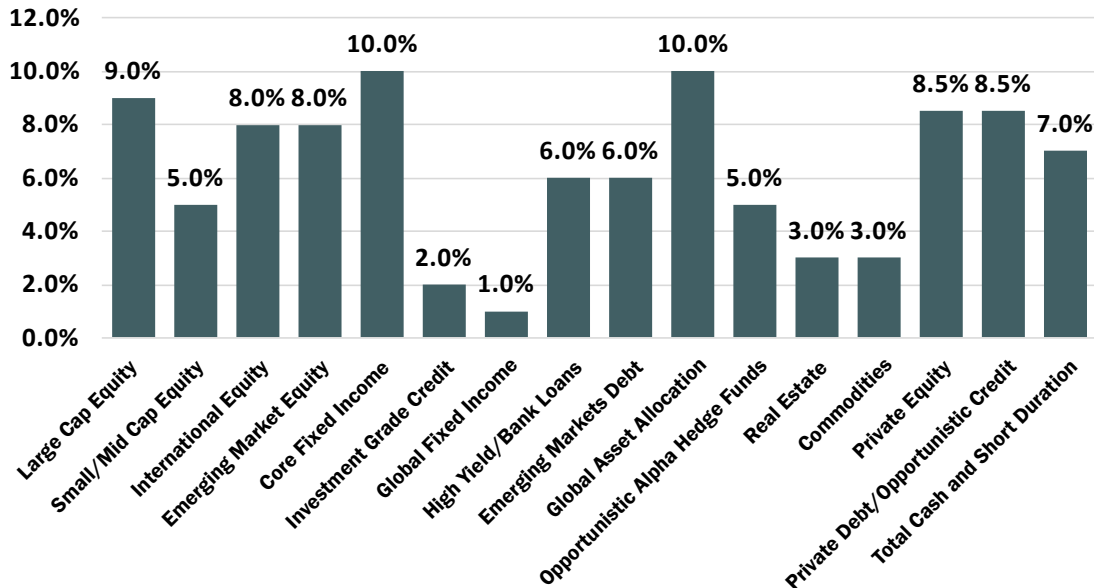
Portfolio Exposure as of June 30, 2013¹



¹Portfolio exposure includes adjustments made by managers that invest across asset classes as well as the exposure from the RSIC's derivative overlay program. Investment Grade credit is a new asset class as of FY 2012-2013. Values were rounded for presentation purposes.

Introductory Section

Target Asset Allocation



Note: Target Asset Allocation in effect at fiscal year end 2013 and was adopted by the Commission on April 18, 2012.

Investment performance, in comparison to the actuarial assumed rate of investment return, is one of the most significant factors in the actuarial valuations. As mentioned above, 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 2013 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, 2012. This was the 26th 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 GFOA to determine its eligibility for another certificate.

Introductory Section

Public Pension Standards Award

The South Carolina Retirement Systems received the Public Pension Coordinating Council's Public Pension Standards Award in 2013 for the 10th 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 PEBA 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 S.C. Budget and Control Board, PEBA's Board of Directors, 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,



David K. Avant
Interim Executive Director



Tammy B. Nichols, CPA
Director of Retirement Systems Finance



Government Finance Officers Association

**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, 2012

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2013***

Presented to

South Carolina Public Employee Benefit Authority

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

Governing Board and Administration as of June 30, 2013

Governing Board – S.C. Public Employee Benefit Authority

Arthur M. Bjontegard, Chairman

Peggy G. Boykin, CPA

Frank W. Fusco

Stephen M. Heisler

Stacy Kubu

Sheriff Leon Lott

Steve A. Matthews

Joe W. “Rocky” Pearce, Jr.

Audie Penn

John A. Sowards

David J. Tigges

Retirement System Investment Commission¹

Reynolds Williams, J.D., CFP, Chairman

Edward N. Giobbe, Vice Chairman

Allen R. Gillespie, CFA

David Avant

Curtis M. Loftis, Jr., State Treasurer

James R. Powers

Travis Pritchett, DBA

Hershel Harper, Jr., CFA, Chief Investment Officer

Darry Oliver, Chief Operating Officer

Investment Consultant

Hewitt EnnisKnupp

Custodial Bank

BNY Mellon Asset Servicing

Consulting Actuaries

Gabriel Roeder Smith & Company

S.C. Public Employee Benefit Authority Executive Management

David K. Avant

Travis Turner, CPA

Kimberly Brown

David Burgis

Gwen Bynoe

Lil Hayes

John E. Page, CIA, CISA

Stephen Van Camp, J.D.

Phyllis Buie, CPA

Sharon Graham, CPA

Tammy B. Nichols, CPA

Interim Executive Director

Chief of Staff

Director of Human Resources

Director of Administration

Governmental Affairs

Board Liaison

Internal Audit Manager

General Counsel

Director of Employee Insurance Program Finance

Director of Customer Services

Director of Retirement Systems Finance

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Faith Wright

Megan B. Lightle

Angie Warren

Director of Retirement Systems Finance

Retirement Systems Finance

Retirement Systems Finance

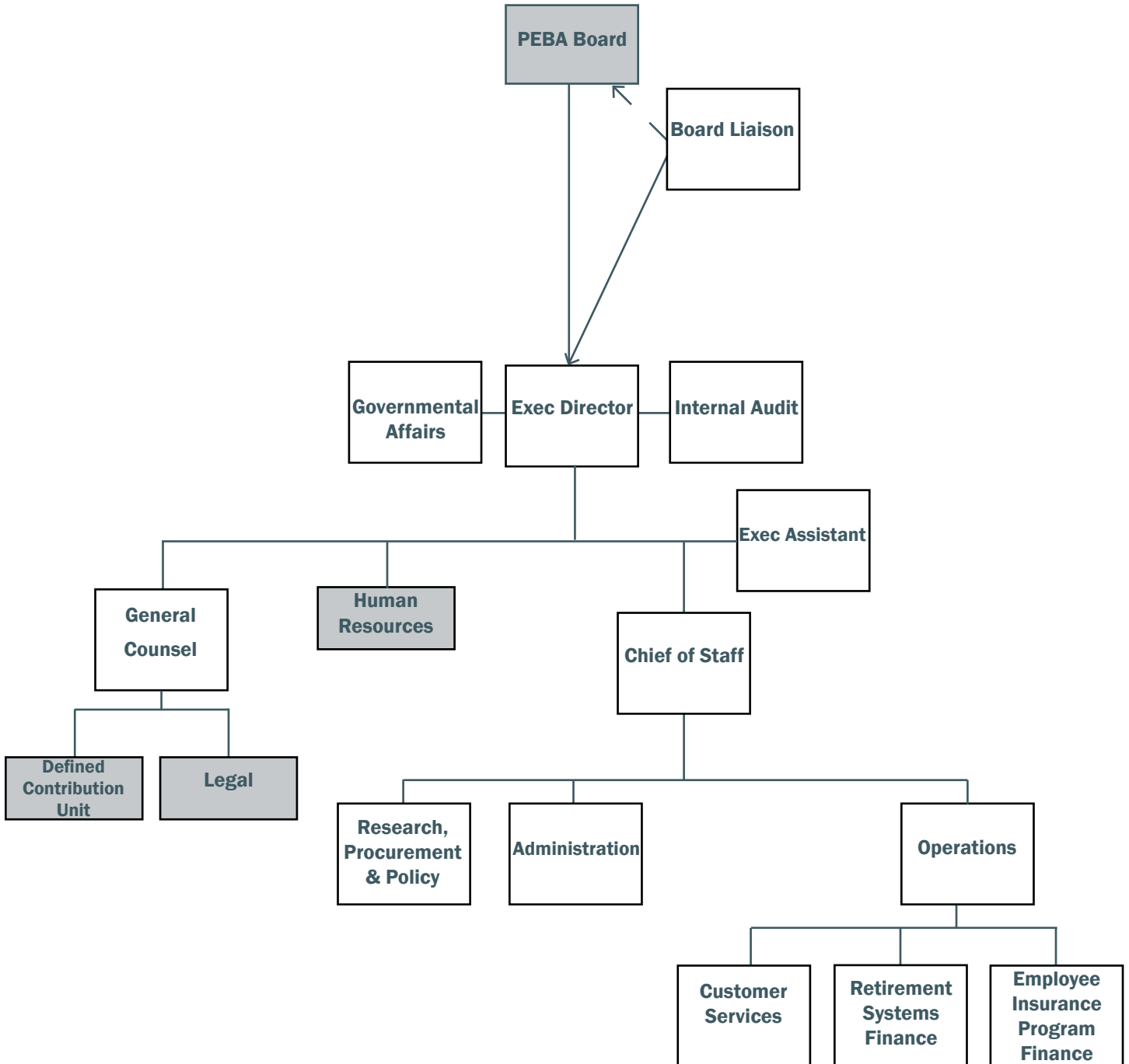
Communications Director

Public Information Director

¹Refer to Pages 86-89 for a list of investment managers.

Introductory Section

Organizational Chart As of June 30, 2013 South Carolina Public Employee Benefit Authority



Introductory Section

Organizational Description

The structural organization of the South Carolina Public Employee Benefit Authority (PEBA) 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 operations; human resources; Board liaison activities; physical plant issues, operations and maintenance; procurement; accounts payable and accounts receivable; fixed assets; and information technology for both the Retirement Systems and the Employee Insurance divisions.

Customer Services

This unit combines SC PEBA Employee Insurance and Retirement outreach products and services. Responsibilities encompass member consultations (in person, by telephone, or on-line via the Internet); communications and public information; education; and Retirement Systems customer claims, which includes processing customer claims related to annuities, refunds, or deaths; the computation of the cost for purchases of prior service and the auditing of service credit for retirement.

Defined Contribution Unit

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

Employee Insurance Program Finance

Functioning as chief financial office for the Employee Insurance division, responsibilities encompass accounting; subscriber services; and financial audits.

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 PEBA.

Legal

Responsible for representing PEBA in matters before circuit and appellate courts and administrative bodies, providing support to the management of PEBA, and providing support to other departments through review and compliance of informational, educational, and other communications materials.

Research, Procurement and Policy

Responsible for strategic planning; research; program statistical review; actuarial reporting; contracts/procurement; insurance program policy; compliance with the Health Insurance Affordability and Accountability act (HIPAA) and the federal Affordable Care Act; and Prevention Partners health promotion programs and services.


Retirement Systems Finance

Functioning as chief financial office for the Retirement Systems, responsibilities encompass maintaining comprehensive financial accounting systems, including actuary, investments, collecting and allocating member and employer contributions; disbursements of benefit payments; determining the average final compensation used in a member's annuity at retirement and maintaining membership enrollment and beneficiary information for the five statutorily defined benefit retirement plans. The department is responsible for the preparation of the South Carolina Retirement Systems' Comprehensive Annual Financial Report and Popular Annual Financial Report, as well as staffing accounting roles for disbursing funds and reporting financial data; tax reporting; managing daily financial operations; establishing financial policies and procedures; and communication related to Retirement Systems' 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.

This page contains no other content.



Keep your eyes on the prize

A jockey wearing a red cap and a red and green jockey silks is riding a brown horse during a race. The background shows a crowd of spectators in a stadium setting.

The Carolina Cup, one of South Carolina's premier horse racing events, is held annually on either the final Saturday in March or the first Saturday of April. The first race was held March 22, 1930, and has been held every year since with the exception of 1943 and 1945 during World War II. The races have become a South Carolina tradition and normally draw a crowd of more than 70,000 spectators. *Camden, S.C.*

The South Carolina Public Employee Benefit Authority (PEBA) continues the tradition of administering a comprehensive program of retirement benefits responsive to the needs of South Carolina's public workforce. These retirement plans are among the most valuable benefits available to our members.



Independent Auditors' Report

The Honorable Nikki Haley, Governor,
Board of Directors of the South Carolina
Public Employee Benefit Authority, and
Richard H. Gilbert, Jr., Deputy State Auditor
South Carolina Retirement Systems
Columbia, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the South Carolina Retirement Systems (the Systems) as administered by the South Carolina Public Employee Benefit Authority, which comprise the statement of plan net position as of June 30, 2013 and 2012, and the related statement of changes in plan net position for the years then ended, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Systems as of June 30, 2013 and 2012, and the respective changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.



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Financial Section

Emphasis of Matter

The financial statements include alternative investments valued at \$11.8 billion (45% percent of net assets), as explained in Note 1, their fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Funding Progress and Employer Contributions, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the Systems financial statements. The Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Other Supplementary Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory, investment, actuarial and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Systems' internal control over financial reporting and compliance.



Baltimore, Maryland
October 15, 2013

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, 2013, 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, which are 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 multiple-employer plan covering teachers, as well as state and municipal employees;
- *Police Officers Retirement System (PORS)* - A member contributory multiple-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
- *South Carolina National Guard Supplemental Retirement Plan (SCNG)* - 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 for the plans and are protected by the state's constitution. Effective July 1, 2012, the South Carolina Public Employee Benefit Authority (PEBA) was created as a separate agency and governing body. As a result, the Retirement Systems, which was formerly a division of the SC Budget and Control Board, was transferred from the Budget and Control Board to the new administrative agency. PEBA administers the various retirement systems and retirement programs managed by the Retirement Division. PEBA also has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as trustee of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Retirement Systems and serves as a co-trustee of the Retirement Systems in conducting that review. PEBA is considered a division or component unit of the primary government of the state of South Carolina and therefore, retirement 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 Position
- Statement of Changes in Plan Net Position
- Notes to the Financial Statements
- Required Supplementary Information
- Other Supplementary Information

The Statement of Plan Net Position presents the Plan's assets and liabilities and the resulting net position of assets 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.

Financial Section

The Statement of Changes in Plan Net Position presents information showing how the Plan's net position of 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.

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 Position by system, as well as schedules of administrative expenses, professional and consultant fees and investment expenses.

Financial Highlights

- On June 26, 2012, Governor Nikki Haley signed the Retirement Free Conference Report on House Bill 4967 and Act 278 became law. This retirement reform legislation not only addressed significant benefit changes to help preserve the long-term sustainability of the systems, but it also changed the organizational reporting structure by creating a new governing body, PEBA. Administration of both the state's Retirement Systems and the Employee Insurance Program were combined and transferred to the new entity. The members of both the Board of Directors of PEBA and the SC Budget and Control Board are trustees of the Retirement Systems. During the fiscal year, members were appointed to the 11-member PEBA Board of Directors and appointments were completed by the end of October 2012. Agency operations, service delivery and customer satisfaction levels were successfully maintained despite heavier than ever workloads resulting from agency-wide implementation of Act 278.
- The Net of Fee Performance rate of return provided by the custodial bank, BNY Mellon, for the fiscal year ended June 30, 2013, was 9.99 percent. This return level reflects performance of the S.C. Retirement Systems, at the aggregate for the pooled investments of the consolidated pension trust funds as a whole, less manager fees and expenses. This fiscal year's performance was significantly above the prior year's net return of 0.37 percent and is well above the 7.5 percent actuarial investment rate of return assumed for the plans. Gains and losses from investment performance are recognized using actuarial smoothing methods which help mitigate sharply fluctuating market returns over a long-term period. The smoothing methodology offsets both deferred investment gains and losses against each other and is intended to produce an actuarial asset value that is fairly consistent with market value during periods of ordinary investment returns. Smoothing avoids over-response to inherently volatile conditions that would otherwise overweight the effects of a single year of performance that would most likely be reversed in subsequent years. Actuarial smoothing is intended to result in more stable contribution rates and a more level funded status, and is also a valuable methodology for governmental entities because it permits budgetary planning over more than one fiscal year.
- 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 retirement trust funds' assets. The RSIC operates pursuant to statutory provisions and under governance policies that allow for a diverse asset

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allocation and which afford the RSIC and its 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. During the fiscal year, the Commission conducted a competitive bid process to hire an investment consultant. A new investment consultant, Hewitt EnnisKnupp (HEK) was named. HEK reported that as of the fiscal year ended June 30, 2013, the plan's investment portfolio outperformed the policy benchmark, on a net-of-fee basis, for the trailing one- two- three- and five-year time periods.

- The RSIC 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. Variances among asset classes are the result of changes to the RSIC's asset allocation strategies as well as volatility experienced in the financial markets. During the fiscal year, several new real estate and private equity funds were added in addition to funding global equity, emerging market equity and debt ETF accounts. Also during fiscal year 2013, RSIC's consultant, HEK, conducted an asset liability modeling study (ALM) which reviewed the liabilities of the plans and compared them against projected capital market expectations in order to produce a recommended asset allocation. As a result of the ALM, in April 2013, HEK recommended a new asset allocation which the Commission adopted for fiscal year 2014. The adopted asset allocation policy for fiscal year 2014 reflects an increase in return-seeking assets.
- Certain investments held in strategic partnerships have been restated for the prior fiscal year to conform with the change in presentation for fiscal year 2013. Cash, short duration and high yield investments held in the strategic partnerships were previously classified as Alternatives on the Statement of Plan Net Position. These amounts are now presented in the respective categories of Cash and cash equivalents, Short term securities and Domestic fixed income lines respectively to accurately depict the nature of the assets. In addition, one investment previously classified as a Fixed income investment is now reflected in the Alternatives line, again, in order to more closely align with its categorization as opportunistic credit.
- A significant number of investment managers provide account valuations on a net of fee basis. In compliance with Generally Accepted Accounting Principles, these investment expenses are netted against investment income. Because some amounts were not readily separable from specific investment income as of the financial statement reporting date for fiscal year 2012, netted amounts were included within the Net appreciation (depreciation) in fair value of investments rather than in the Investment expense line item on the Statement of Changes in Plan Net Position. For the current fiscal year, both invoiced and net of fee investment expenses are classified as Investment expense. Investment expenses that were reported on a net of fee basis for fiscal year 2012 have been restated to conform with the change in presentation for fiscal year 2013. Information regarding investment fee expenses is collected, compiled and reviewed for reasonableness by the RSIC and subsequently provided to PEBA. The investment expense numbers provided at fiscal year-end represent a good faith attempt to disaggregate amounts that were not necessarily readily separable throughout the fiscal year. The collection process is not standard practice for many investment managers. The investment expense numbers reported include investment management fees, performance fees (carried interest) and other expenses such as organizational expenses in limited partnership structures. This change in presentation has no impact on the amount of total net position or the net change in net position.
- The portfolio continued to participate in a securities lending program, managed by the custodial bank, BNY Mellon. Conservative investment guidelines continue to be maintained. Securities lending revenue for the fiscal year was \$2.5 million, an increase from \$1.4 million in the prior year. Two notable events oc-

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curred during the fiscal year. First, BNY Mellon sold all of the remaining Lehman holdings in the collateral pool. Including one prior sale in May 2012, the total realized losses from these sales were approximately \$90 million. The realized losses from the Lehman sales are currently being held in the collateral pool as an undistributed loss. Second, in May 2013, a settlement was reached between the South Carolina State Treasurer's Office as custodian and BNY Mellon which addressed, among other things, the losses in the collateral pool. As part of the settlement, approximately \$20 million was credited to the portfolio's collateral reinvestment account. As a result of the settlement, the total undistributed loss in the collateral pool was reduced from approximately \$90 million to approximately \$70 million.

- Total net position for all five defined benefit plans of the South Carolina Retirement Systems combined, increased by \$1.5 billion or 6 percent during fiscal year 2013. The net position of the plans held in trust to meet future benefit obligations and the value is impacted by contributions to the plans, investment returns and payments out of the system. Although the plans are in a net cash outflow position with benefit payments exceeding contribution receipts, it is important to note that the difference in the net position is not attributed to investment performance alone. The increase in net position from \$24.98 billion to \$26.5 billion was attributable to both positive investment performance and increased contribution levels.
- Increases in the amounts of both employee and employer contributions collected from the prior fiscal year were the result of higher contribution rates imposed by retirement reform legislation and an increase in covered payroll. The legislation also implemented actuarially neutral service purchase provisions that resulted in a tremendous influx of members who rushed to purchase service under the old cost provisions. This spike in service purchases caused further increases in the amount of employee contributions from those in the prior year.
- The Teacher and Employee Retention Incentive (TERI) program is a deferred retirement option program under SCRS that initially allowed retired members to accumulate annuity benefits on a deferred basis for up to 60 months while continuing employment. Retirement reform legislation will close the TERI program to all participants effective June 30, 2018, so SCRS members who enter the TERI program after July 1, 2013, will not be eligible to participate in TERI for the full 60 months. Current 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 benefit adjustments granted. At the end of the member's TERI participation and upon termination from employment, funds are distributed from the accumulated TERI account. As a result of retirement reform legislation, there was a surge in the number of members electing to enter the program before its closure so they could take advantage of the full 60 months of participation. This caused the total amount of assets held in trust for future payment of accrued TERI benefits to increase from \$386 million to \$469 million during fiscal year 2013 and the number of members actively participating in TERI increased from 6,986 at fiscal year-end 2012 to 9,792 at fiscal year-end 2013.
- 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, the balance of the member's deferred retirement benefit is distributed to the member who is not required to terminate his position and may continue working. As of June 30, 2013, benefits held in trust totaled \$707,300.

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- The total number of retired members and beneficiaries receiving monthly annuity benefits from the Retirement Systems' plans increased from 141,000 to more than 149,000 annuitants during the year. Additionally, effective July 1, 2012, eligible annuitant payees received an annual benefit adjustment equal to the lesser of 1 percent or \$500. The increase in the number of new annuitants added to the payroll during the year coupled with the retiree benefit adjustment resulted in an overall increase of 8.57 percent in the dollar amount of annuity benefits paid to annuitants compared to the prior year.
- In addition to the deferred retirement options available in SCRS and JSRS, all of the plans (excluding SCNG) include certain provisions that allow retired members to continue covered employment while also receiving a monthly retirement benefit. South Carolina's public employee defined benefit plans have historically provided extremely lenient return-to-work provisions for retired members of SCRS and PORS who return to work for a covered employer after retirement, or after ending their TERI participation (SCRS only). Under all plans, for members who return to work for a covered employer after retirement, the employer must pay the corresponding employer contribution for that particular plan and under SCRS, PORS and JSRS, retired members are also required to pay the same employee contribution as an active member in the same position. Prior to retirement reform legislation working retirees received the full monthly retirement benefit, with no limit on the amount of wages they earned from employment. Collectively among the plans, the most recent actuarial valuation study reported that nearly 27,000 retirees continue covered employment while receiving monthly retirement benefits, thereby making up approximately 10 percent of the total public workforce covered by the Retirement Systems. Because these return-to-work provisions coupled with demographic changes of the membership caused concern over the long-term stability of the plans, retirement reform legislation also addressed retiree return-to-work provisions. For SCRS and PORS, the receipt of benefits by a member who retires after January 1, 2013, is subject to an annual earnings limit of \$10,000 on wages earned from covered employment. Notably, members' apprehension regarding the legislative change caused a boost in the number of members electing to retire before the effective date of the new earnings limit provisions.
- 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 by 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 pre-funded; 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 firm of Gabriel Roeder Smith & Company (GRS) is on retainer as the Systems' consulting actuary. South Carolina state statute requires that the actuary make a valuation of the Systems annually and conduct an experience investigation at least once in each five-year period. GRS completed an actuarial experience study on the Systems as of July 1, 2010, and the most recent annual valuation reports were issued as of June 30, 2012. While Act 278 amended the law to provide for a schedule of employer and employee contributions going forward, the 2012 valuation results required additional increases to employee and employer contribution rates for PORS effective July 1, 2014, in order to maintain a 30-year funding period. Statutory provisions require any necessary increase in the scheduled contributions rates to be shared equally

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between employers and employees. The PEBA Board adopted the recommended changes, which were also approved by the Budget and Control Board. Retirement reform legislation also requires that the General Assembly establish the assumed annual rate of return on the investments of the Retirement Systems. The state's legislative body set the rate at 7.5 percent effective July 1, 2012.

- Act 278 closed GARS to persons first elected to the South Carolina General Assembly at or after the general election in November 2012. Members so elected to the Senate or House of Representatives have the option to join SCRS, the State Optional Retirement Program (State ORP), which is a defined contribution plan, or opt out all together.

Condensed Financial Information

The Retirement Systems' financial stability and long-term ability to sufficiently 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 SCNG 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 that 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 the State ORP, which is a defined contribution plan that is available to newly hired employees of state agencies, higher education and public school districts. Retirement reform legislation also opened SCRS and State ORP to individuals first elected to the General Assembly at or after the general election in November 2012.

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

Plan Net Position June 30 (Amounts expressed in thousands)

Assets	2013	2012 ¹	Increase/ (Decrease)	% Increase/ (Decrease)
Cash and cash equivalents, receivables and prepaid expenses	\$ 4,023,450	\$ 3,416,972	\$ 606,478	17.75%
Investments, at fair value	24,587,774	23,157,144	1,430,630	6.18%
Securities lending cash collateral invested	106,633	184,025	(77,392)	(42.06%)
Capital Assets, net of accumulated depreciation	3,083	2,984	99	3.32%
Total Assets	<u>28,720,940</u>	<u>26,761,125</u>	<u>1,959,815</u>	<u>7.32%</u>
Liabilities				
Deferred retirement benefits	468,781	386,302	82,479	21.35%
Obligations under securities lending	106,633	184,025	(77,392)	(42.06%)
Other accounts payable	1,645,150	1,211,693	433,457	35.77%
Total Liabilities	<u>2,220,564</u>	<u>1,782,020</u>	<u>438,544</u>	<u>24.61%</u>
Total Net Position	<u>\$ 26,500,376</u>	<u>\$ 24,979,105</u>	<u>\$ 1,521,271</u>	<u>6.09%</u>

¹Certain assets held in strategic partnerships have been restated for fiscal year 2012 to conform with the change in presentation for fiscal year 2013. In an effort to comply with investment reporting by the RSIC; cash, short duration and high yield investments held in the strategic partnerships that were previously classified as alternatives are now presented in the respective categories of cash and cash equivalents, short term securities and domestic fixed income.

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

Additions	2013	2012	Increase/ (Decrease)	% Increase/ (Decrease)
Employee contributions	\$ 775,634	\$ 674,311	\$ 101,323	15.03%
Employer contributions	1,103,044	969,897	133,147	13.73%
State-appropriated contributions	4,539	3,937	602	15.29%
Net Investment income	2,549,543	127,554	2,421,989	1,898.80%
Other income	4,083	2,951	1,132	38.36%
Total Additions	<u>4,436,843</u>	<u>1,778,650</u>	<u>2,658,193</u>	<u>149.45%</u>
Deductions				
Annuity benefits	2,766,267	2,547,907	218,360	8.57%
Refunds	102,255	98,461	3,794	3.85%
Death benefits	21,268	20,315	953	4.69%
Administrative & other expenses	25,782	24,711	1,071	4.33%
Total Deductions	<u>2,915,572</u>	<u>2,691,394</u>	<u>224,178</u>	<u>8.33%</u>
Increase in Net Position	<u>1,521,271</u>	<u>(912,744)</u>	<u>2,434,015</u>	<u>266.67%</u>
Beginning Net Position	24,979,105	25,891,849	(912,744)	(3.53%)
Ending Net Position	<u>\$ 26,500,376</u>	<u>\$ 24,979,105</u>	<u>\$ 1,521,271</u>	<u>6.09%</u>

Financial Section

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

On a combined basis, the net position of the defined benefit Plan was valued at \$26.5 billion at June 30, 2013, representing a 6 percent increase in net position from the previous fiscal year-end. Positive investment earnings and increased contributions were the primary drivers of the change in Plan net position for the fiscal year.

During fiscal year 2013, total contributions added to the plans increased over 14 percent from the prior year as a result of contribution rate increases, an increase in covered payroll, and a spike in service purchases. Monthly retirement benefits paid to annuitants increased 8.57 percent compared with the previous fiscal year. As previously referenced, the increase was attributable to a benefit adjustment granted to eligible SCRS and PORS annuity recipients effective July 1, 2012, along with a significant increase in the number of new annuitants added to the payroll during the year.

Investment income had a positive impact on the trust fund. The plan's net-of-fee return for the fiscal year 2013 was 9.99 percent, exceeding the actuarial assumed rate of return of 7.50 percent by 249 basis points. The fund experienced positive returns for the fourth consecutive year led by several strategies that substantially exceeded their benchmarks. Opportunistic Credit returned 16.05 percent for the fiscal year significantly outpacing the benchmark of 5.15 percent. Real Estate also outperformed its benchmark with a 17.61 percent return versus a Real Estate Index return of 10.52 percent. Other strategies that significantly outperformed their benchmarks included: Hedge Funds with a 12.21 percent return versus a 5.50 percent benchmark return, Large Cap Equity with a 26.62 percent return versus a 20.60 percent benchmark return, and Global Fixed Income with a 2.32 percent return versus a negative 2.18 percent benchmark return.

While the aforementioned strategies provided positive returns for the fiscal year, there were several strategies that contributed negatively to the total fund return, both on an absolute and relative basis. The asset class with the largest decline on an absolute basis was Commodities with a negative 9.33 percent return versus its benchmark return of negative 8.01 percent. The greatest underperforming asset class relative to its benchmark was Investment Grade Credit, returning a negative 0.59 percent while its benchmark generated a return of 0.84 percent.

Funding Status

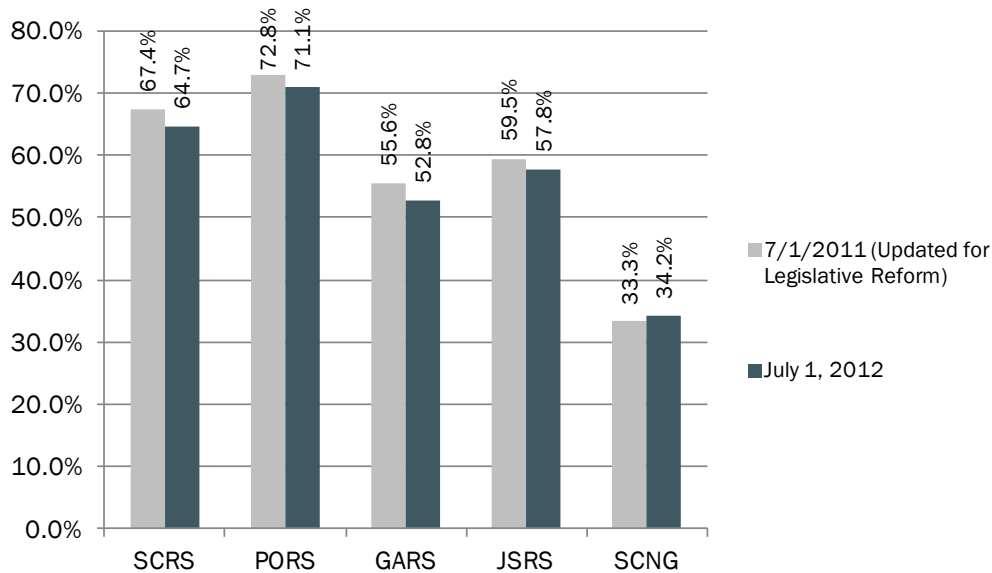
An overall objective in the funding of a defined benefit retirement plan is to accumulate sufficient funds to meet long-term benefit obligations. The primary sources of revenue to fund benefits include investment income, member contributions and employer contributions. Beginning with the July 1, 2011, actuarial valuation investment performance is recognized using a five-year smoothing period. Under this method, each year the plan recognizes 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return. This asset valuation method mitigates the short-term impact of market volatility and allows changes in market conditions to be recognized (smoothed) over a longer period of time.

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, 2012, included the impact of retirement reform legislation. As of July 1, 2012, funding levels of all the plans are such that annual

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expected contributions are sufficient for the valuations 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:

Retirement Systems Finance
South Carolina Public Employee Benefit Authority
P.O. Box 11960
Columbia, SC 29211-1960
803-737-6800
www.retirement.sc.gov

Financial Section

South Carolina Retirement Systems Statement of Plan Net Position

June 30, 2013

With comparative totals for June 30, 2012

(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	SCNG	TOTAL	TOTAL 2012
ASSETS							
Cash and cash equivalents	\$2,579,242	\$408,862	\$5,405	\$16,807	\$3,415	\$3,013,731	\$2,461,267
Receivables							
Due from other Systems		444		48		492	566
Employee and employer contributions	203,822	20,710	202	745	15	225,494	207,732
Accrued investment income	58,323	8,402	88	327	44	67,184	59,668
Unsettled investment sales	614,982	92,810	787	3,426	480	712,485	681,720
Other investment receivables	2,441	338	4	13	2	2,798	5,328
Total receivables	879,568	122,704	1,081	4,559	541	1,008,453	955,014
Investments, at fair value							
Short-term securities	411,422	62,090	527	2,292	321	476,652	527,910
Debt							
Domestic Fixed Income	5,877,851	887,054	7,524	32,743	4,582	6,809,754	4,027,671
Global Fixed Income	1,685,096	254,306	2,157	9,387	1,313	1,952,259	1,518,902
Public Equity							
Domestic Equity	1,532,325	231,250	1,961	8,536	1,195	1,775,267	1,864,566
Global Equity	1,491,925	225,153	1,910	8,311	1,163	1,728,462	1,738,518
Alternatives	10,224,360	1,543,005	13,088	56,957	7,970	11,845,380	13,479,577
Total investments	21,222,979	3,202,858	27,167	118,226	16,544	24,587,774	23,157,144
Securities lending cash collateral invested	92,040	13,890	118	513	72	106,633	184,025
Prepaid expenses	1,092	165	2	6	1	1,266	691
Capital assets, net of accumulated depreciation	2,770	292	8	13		3,083	2,984
Total assets	24,777,691	3,748,771	33,781	140,124	20,573	28,720,940	26,761,125
LIABILITIES							
Due to other Systems		492				492	566
Accounts payable - unsettled investment purchases	1,174,897	177,309	1,504	6,545	916	1,361,171	907,738
Investment fees payable	8,056	1,216	10	45	6	9,333	9,498
Obligations under securities lending	92,040	13,890	118	513	72	106,633	184,025
Deferred retirement benefits	468,074			707		468,781	386,302
Due to Employee Insurance Program	52,489	1,646				54,135	43,321
Benefits payable	3,404	264			11	3,679	3,193
Other liabilities	186,917	27,998	245	1,036	144	216,340	247,377
Total liabilities	1,986,369	222,323	1,877	8,846	1,149	2,220,564	1,782,020
Net position held in trust for Pension Benefits	\$22,791,322	\$3,526,448	\$31,904	\$131,278	\$19,424	\$26,500,376	\$24,979,105

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South Carolina Retirement Systems Statement of Changes in Plan Net Position Year Ended June 30, 2013

With comparative totals for the year ended June 30, 2012
(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	SCNG	TOTAL	TOTAL 2012
Additions							
Contributions							
Employee	\$674,783	\$97,164	\$1,091	\$2,596	\$ -	\$775,634	\$674,311
Employer	948,157	143,389	2,831	8,667		1,103,044	969,897
State appropriated					4,539	4,539	3,937
Total contributions	<u>1,622,940</u>	<u>240,553</u>	<u>3,922</u>	<u>11,263</u>	<u>4,539</u>	<u>1,883,217</u>	<u>1,648,145</u>
Investment Income							
Net appreciation in fair value of investments	2,303,180	345,698	3,224	13,142	1,756	2,667,000	180,292
Interest and dividend income	258,632	39,015	359	1,508	198	299,712	243,583
Investment expense	(362,262)	(54,652)	(466)	(2,023)	(279)	(419,682)	(297,708)
Net income from investing activities	<u>2,199,550</u>	<u>330,061</u>	<u>3,117</u>	<u>12,627</u>	<u>1,675</u>	<u>2,547,030</u>	<u>126,167</u>
From securities lending activities:							
Securities lending income	234	35	1	2		272	89
Securities lending borrower rebates	1,935	292	2	11	1	2,241	1,298
Net income from securities lending activities	<u>2,169</u>	<u>327</u>	<u>3</u>	<u>13</u>	<u>1</u>	<u>2,513</u>	<u>1,387</u>
Total net investment income	<u>2,201,719</u>	<u>330,388</u>	<u>3,120</u>	<u>12,640</u>	<u>1,676</u>	<u>2,549,543</u>	<u>127,554</u>
Supplemental retirement benefits funded by the State	657	30				687	767
State Appropriations for administrative expenses							
Transfers of contributions from other Systems		3,013	199	184		3,396	2,184
Total additions	<u>3,825,316</u>	<u>573,984</u>	<u>7,241</u>	<u>24,087</u>	<u>6,215</u>	<u>4,436,843</u>	<u>1,778,650</u>
Deductions							
Refunds of contributions to members	87,212	14,983	3	57		102,255	98,461
Transfers of contributions to other Systems	3,396					3,396	2,184
Regular retirement benefits	2,195,625	296,044	6,720	15,745	4,193	2,518,327	2,374,301
Deferred retirement benefits	245,596			121		245,717	171,288
Supplemental retirement benefits	636	30				666	767
Death benefits	19,133	1,985	16	134		21,268	20,315
Accidental death benefits		1,557				1,557	1,551
Depreciation	186	23	1	1		211	118
Administrative expenses	19,118	2,904	28	110	15	22,175	22,409
Total deductions	<u>2,570,902</u>	<u>317,526</u>	<u>6,768</u>	<u>16,168</u>	<u>4,208</u>	<u>2,915,572</u>	<u>2,691,394</u>
Net increase (decrease)	1,254,414	256,458	473	7,919	2,007	1,521,271	(912,744)
Net position held in trust for Pension Benefits							
Beginning of year	<u>21,536,908</u>	<u>3,269,990</u>	<u>31,431</u>	<u>123,359</u>	<u>17,417</u>	<u>24,979,105</u>	<u>25,891,849</u>
End of year	<u>\$22,791,322</u>	<u>\$3,526,448</u>	<u>\$31,904</u>	<u>\$131,278</u>	<u>\$19,424</u>	<u>\$26,500,376</u>	<u>\$24,979,105</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)
- South Carolina National Guard Supplemental Retirement Plan (SCNG)

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 (SCRS), 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 (PORS), 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 (GARS), 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. Retirement reform legislation closed the plan to individuals newly elected to the Senate or House of Representatives after the general election of 2012.

The Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), 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 South Carolina National Guard Supplemental Retirement Plan (SCNG), 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.

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A summary of information related to participating employers and members for the fiscal year ended June 30, 2013, follows (dollars amounts expressed in thousands):

	State ¹	School	Other	Total
SCRS				
Number of Employers	119	113	576	808
Annual Covered Payroll for Active Members	\$ 2,209,913	\$ 3,199,468	\$ 1,998,395	\$ 7,407,776
Average Number of:				
Active Contributing Members	49,230	82,353	53,188	184,771
Retirees and beneficiaries currently receiving benefits	46,373	59,737	21,667	127,777
Terminated members entitled to but not yet receiving benefits ³				153,614
Total SCRS Membership				466,162
PORS				
Number of Employers	67	58	323	448
Annual Covered Payroll	\$ 363,954	\$ 367	\$ 678,889	\$ 1,043,210
Average Number of:				
Active Contributing Members	9,624		16,577	26,201
Retirees and beneficiaries currently receiving benefits	7,555	21	8,148	15,724
Terminated members entitled to but not yet receiving benefits ³				11,375
Total PORS Membership				53,300
GARS				
Number of Employers	2			2
Annual Covered Payroll	\$ 2,688			\$ 2,688
Average Number of:				
Elected Positions	170			170
Retirees and beneficiaries currently receiving benefits	363			363
Terminated members entitled to but not yet receiving benefits	60			60
Total GARS Membership	593			593
JSRS				
Number of Employers	3			3
Annual Covered Payroll	\$ 16,763			\$ 16,763
Average Number of:				
Active Positions	144			144
Retirees and beneficiaries currently receiving benefits	201			201
Terminated members entitled to but not yet receiving benefits	2			2
Total JSRS Membership	347			347
SCNG				
Number of Employers	1			1
Annual Covered Payroll ²	N/A			N/A
Average Number of:				
Active Members	12,000			12,000
Retirees and beneficiaries currently receiving benefits	4,542			4,542
Terminated members entitled to but not yet receiving benefits	2,317			2,317
Total SCNG Membership	18,859			18,859

¹The State's primary government is considered a single employer; however, for reporting purposes, each state agency is reported as a separate employer. Quasi-State Agencies and Institutions of Higher Education are reported in this category.

²Annual covered payroll is not applicable for SCNG because it is a non-contributory plan.

³Employee Class not determinable from data.

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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 and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

State ORP

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election 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 Retirement Systems 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 (7 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 (5.45 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, 2013 (Dollar amounts expressed in thousands)

Average Number of Contributing Participants	21,145
Annual Covered Payroll	\$ 1,089,183
Employer Contributions Retained by SCRS	59,360
Death Benefit Contributions Retained by SCRS	1,634
Employee Contributions to Investment Providers	76,243
Employer Contributions to Investment Providers	54,459

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. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

GARS

Members of the Senate and the House of Representatives who were first elected to office prior to November 2012 are required to participate in and contribute to the system upon taking office as a member of the S.C. General Assembly; however, the GARS plan is closed to individuals newly elected to the Senate or the House of Representatives after the general election of 2012.

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.

SCNG

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

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Pension Benefits

SCRS

A Class II member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class III member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension subject to the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class II and Class III members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. Incidental death benefits are also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

Beginning July 1, 2012, and annually thereafter, the annual retirement allowance received by retirees or their surviving annuitants must be increased by the lesser of one percent or five hundred dollars. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS

A Class II member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class III member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class II and Class III members are eligible to receive a deferred annuity at age 55 with five or eight years earned service, respectively. Incidental death benefits are also available to beneficiaries of active and retired members of employers who participate in the death benefit program. An additional accidental death benefit

is also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

Beginning July 1, 2012, and annually thereafter, the retirement allowance received by retirees or their surviving annuitants must be increased by the lesser of one percent or five hundred dollars. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

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. An incidental death benefit is also provided to members. Retirees receive increases in benefits based upon increases in the current salary of their respective active positions. The Retirement Reform legislation closed GARS to new members. Persons first elected to the General Assembly in November 2012 or after must elect membership in SCRS or State ORP or may elect non-membership.

JSRS

A pension benefit is payable at age 70 with 15 years service, age 65 with 20 years service, 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. An incidental death benefit is also provided to members.

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

SCNG

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 SCNG 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 PEBA.

Adoption of New Accounting Standards

The Governmental Accounting Standards Board (GASB) issued Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows or Resources and Net Position*. The requirements of the Statement are effective for 2013 and have been implemented in the financial statements prepared by PEBA's Retirement Division for the fiscal year ending June 30, 2013. This statement provides accounting and financial reporting requirements to address the presentation issues associated with the new financial position elements created in GASB's Concepts Statement No. 4 *Elements of Financial Statements*. This Statement amends the net asset reporting requirements in Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Reclassifications

These financial statements include several reclassifications that have no impact on the Net position held in trust for pension benefits but were made to conform presentation only.

Certain investments held in strategic partnerships have been restated for the prior fiscal year to conform with the change in presentation for fiscal year 2013. Cash, short duration and high yield investments held in the strategic partnerships were previously classified as Alternatives on the Statement of Plan Net Position. These amounts are now presented in the respective categories of Cash and cash equivalents, Short term securities and Domestic fixed income lines respectively to more accurately depict the nature of the assets. In addition, one investment previously classified as a Fixed income investment is now reflected in the Alternatives line, again, in order to more closely align with its categorization as opportunistic credit.

In addition, all investment manager fees, whether directly invoiced or deducted from the fund on a net of fee basis, are classified and reported as Investment expense. Investment expenses that were reported on a net of fee basis for fiscal year 2012 have been restated to conform with the change in presentation for fiscal year 2013. In the prior fiscal year 2012, a significant portion of the investment expenses were not considered readily separable at the date financial statements were issued and therefore, these amounts were netted against investment income which was in compliance with Generally Accepted Accounting Principles. The netted fee amounts were included within the Net appreciation (depreciation) in fair value of investments rather than separately reported in the Investment expense line item on the Statement of Changes in Plan Net Position. This change in presentation has no impact on the net position and is made strictly in an effort to improve transparency.

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.

Administrative Expenses

Through June 30, 2012, the State Budget and Control Board's Office of Internal Operations maintained an

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internal service fund to account for the administrative costs of operating the Systems. All accounting and corresponding disclosures related to administrative expenses were the responsibility of the internal service fund administered by the Board. Effective July 1, 2012, administrative expenses are the responsibility of the newly created Public Employee Benefit Authority and all accounting and corresponding disclosures relating to administrative expenses of the pension trust are included in the financial statements of the Retirement Systems.

Administrative expenses are funded by investment earnings and are allocated 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 PEBA 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 Commission include personal services for all of their Commissioners, investment and administrative staff as well as other contractual services and operating expenses.

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, foreign currencies, and cash held in the strategic partnership accounts 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.

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 Chapter 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 Investment Commission is structured as a separate state agency reporting to a body of appointed Commissioners. The RSIC is a seven-member commission that includes the State Treasurer, the Executive Director of PEBA, and a retired member of the Systems. Effective July 1, 2012, the Executive Director of PEBA was added to the Commission, ex officio without voting privileges and the nonvoting retired member was given voting privileges. The Commission employs a chief investment officer who, under the direction and supervision of the Commission, oversees the investment program for the 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, 2013, legal agreements were in place with 107 investment managers.

The Office of the State Treasurer has a contract with BNY Mellon Asset Servicing to serve as custodian of the Retirement System's assets with the exception of investments not custodied in the bank such as funds held in partnerships, commingled accounts or other unique asset classes.

As an accommodation under the global custody agreement between the South Carolina State Treasurer and

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BNY Mellon, the custodial bank provides consolidated recordkeeping services which are reflected on account statements for securities not held in the custodian's vault or for which the custodian or its nominee is not the registered owner (non-custody securities).

For financial statement purposes, investments of the pension trust funds are reported at fair value in the Statement of Plan Net Position. Short term securities categorized as cash or cash equivalents are reported at fair value. The Systems holds domestic and global equity securities which are traded on organized exchanges. Equity securities which are held by the custodian are valued by the custodian using the last reported price on a trade-date basis. The systems holds domestic and global fixed income securities. The custodian values those fixed income assets which are held in custody based upon prices received from external pricing sources and in accordance with the custodian's pricing policy. Commingled funds, which may contain equity and/or fixed income securities are priced based upon the manager's pricing policy and an NAV value is provided to the custodian. Private market investments typically utilize a limited partnership structure and private equity funds normally invest in companies that are not publicly traded on a stock exchange. The fair values of limited partnership investments are based on periodic valuations of the underlying companies of the limited partnerships. The fair values of alternative investments including private equity, opportunistic credit, real estate and certain other investments, for which daily 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, 2013. The issue of valuation of investments is a joint responsibility between PEBA and the Investment Commission. Staff from both offices serve on a joint valuation committee which oversees and reviews the valuations provided by the custodian and/or the external investment managers. The estimated fair value of these investments may differ from values that would have been used had a liquid public 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. A significant number of investment managers provide account valuations on a net of fee basis. Those management fees are often netted against investment income and are not readily separable based on the valuations. The management fees reported on a net basis have historically been included within the "Net appreciation (depreciation) in fair value of investments" and were not reported as a separate investment expense in the financial statements. The Retirement System Investment Commission (RSIC) implemented an improved collection process to compile, aggregate and check for reasonableness netted investment expenses to report amounts that were previously not readily separable. The RSIC provided fee information to the Retirement Systems Division of PEBA in order for the amounts to be reclassified and reported in the financial statements on the Investment expense line of the Statement of Changes in Plan Net Position. These investment expenses represent a good faith attempt to disaggregate amounts that are not readily separable, and include management fees, performance fees (carried interest) and other expenses such as organizational expenses in limited partnership structures.

Capital Assets

Capital Assets are valued at historical cost or at estimated historical cost if actual historical cost data is not available. The costs of normal maintenance and repairs that do not significantly add to the value of an asset or materially extend the asset's useful life are not capitalized. An individual asset is capitalized and reported if it has an estimated useful life of at least two years and a historical cost as follows: more than \$5 thousand for machinery and equipment; more than \$100 thousand for buildings. All land and non-depreciable land improvements are capitalized and reported, regardless of

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cost. Depreciation is recorded using the straight line method over the useful life of 40 years for the building and a useful life of 2 to 25 years for equipment. Land is not depreciated.

II. Contributions and Reserves

Contributions to each of the Plans are prescribed in Title 9 of the South Carolina Code of Laws. The board may increase the percentage rate in SCRS and PORS employer and employee contributions on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; this increase is not limited to one-half of one percent per year. After June 30, 2015, if the most recent annual actuarial valuation of the system shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

Plan members are required to contribute at statutorily established rates. Following are the employee contribution rates applicable for fiscal year 2013:

- SCRS** 7% of earnable compensation
- PORS** 7% of earnable compensation
- GARS** 10% of earnable compensation (Jul 1-Dec 31)
11% of earnable compensation (Jan 1-Jun 30)
- JSRS** 10% of earnable compensation
- SCNG** Non-contributory

Employer contributions for the SCNG 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 2012-2013 State Appropriations Act, an additional employer contribution surcharge of 4.55 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) \$324,914 and \$17,676 respectively in retiree insurance surcharges (\$49,378 of which was applicable to the State ORP) and remitted these funds to the South Carolina Public Employee Benefit Authority-Insurance Division.

The Net Position of each plan is 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 SCNG are also credited to the Employer Fund to provide funding for the payment of annuities and administrative expenses.

Financial Section

The **Employee Fund** is credited with all contributions made by active members of the Systems. Interest is credited to each active 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**, an incidental death program within SCRS and PORS, 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 assets in the Death Benefits Fund are not held separately in a dedicated trust for the sole purpose of paying death benefits to beneficiaries of deceased members. These benefits are considered al-

lowable within the defined benefit plans and are held within the pension trust funds.

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 funds necessary to pay benefits out of the QEBA fund due to IRC Section 415(b) limitations.

Balances in the respective reserves at June 30, 2013, were as follows (amounts expressed in thousands):

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>SCNG</u>	<u>Total</u>
Employee Fund	\$ 6,491,895	\$ 793,414	\$ 7,164	\$ 21,369	\$ -	\$ 7,313,842
Employer Fund	16,183,418	2,658,958	24,740	109,909	19,424	18,996,449
Death Benefit Fund	116,009	32,153				148,162
Accidental Death Fund		41,923				41,923
QEBA Fund						
	<u>\$22,791,322</u>	<u>\$ 3,526,448</u>	<u>\$ 31,904</u>	<u>\$ 131,278</u>	<u>\$ 19,424</u>	<u>\$26,500,376</u>

Financial Section

III. Deposits and Investments

Deposit and Investment Risk Disclosures

The tables presented on Pages 48-51 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 Position.

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 South Carolina State Treasurer's name as custodian.

The total amount of the Systems' deposits at June 30, 2013, was as follows (amounts expressed in thousands):

	Carrying Amount
SCRS	\$ 39,555
PORS	5,577
GARS	57
JSRS	70
SCNG	55
Total	<u>\$ 45,314</u>

Actual bank balances at June 30, 2013, totaled \$49,357 (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.

The following table presents the fair value of investments as of June 30, 2013:

Financial Section

Statement of Invested Assets

June 30, 2013

(Amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
Short Term Investments	
Short Term Investment Funds (U.S. Regulated)	\$ 836,913
Repurchase Agreements	482,949
Commercial Paper	761,289
Certificates of Deposit	8,300
Corporate Bond	2,540
U.S. Treasury Bills	2,947
Strategic Partnership Short Duration	421,918
Total Short Term Investments	2,516,856
Equity Allocation	
Domestic Equity	
Common Stocks	1,721,163
Real Estate Investment Trusts	48,753
Preferred	3,311
Convertible Preferred	2,040
Global Equity	1,728,462
Total Equity	3,503,729
Fixed Income Allocation	
Domestic Fixed Income	
U.S. Government:	
U.S. Government Treasuries ¹	1,415,623
U.S. Government Agencies	1,037,342
Mortgage Backed:	
Government National Mortgage Association	132,676
Federal National Mortgage Association	139,089
Federal Home Loan Mortgage Association	48,851
Federal Home Loan Mortgage Association (Multiclass)	5,777
Collateralized Mortgage Obligations	12,501
Municipals	71,409
Corporate:	
Corporate Bonds	2,240,483
High Yield	835,876
Convertible Bonds	37,529
Asset Backed Securities	69,671
Private Placements	764,811
Global Fixed Income:	
International Asset Backed	3,096
International Commingled Funds	1,013,076
International Corporate Bonds	61,565
International Emerging Debt	830,760
International Government Bonds	41,878
Total Fixed Income	8,762,013
Alternatives	
Credit Default Swaps	2,766
Interest Rate Swaps	11,274
Total Return Swaps	(80,411)
Commingled Funds Balanced	1,759,777
Futures Contracts	(48,621)
Options	(1,800)
Hedge Funds	1,416,761
Opportunistic Credit	896,431
Private Equity Limited Partnerships	1,658,815
Real Estate	598,271
Strategic Partnerships ²	5,632,117
Total Alternative Investments	11,845,380
Total Invested Assets	\$ 26,627,978
Invested Securities Lending Collateral	\$ 106,633

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

²Strategic Partnership investments in Short Duration, High Yield and Emerging Debt have been moved to the Short Term, High Yield and International Emerging Debt categories respectively.

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

Total Invested Assets	\$ 26,627,978
Short Term Investments classified as Cash & Cash Equivalents on Statement of Plan Net Position:	
Short Term Investment Funds (U.S. Regulated)	(836,913)
Repurchase Agreements	(482,949)
Commercial Paper	(720,342)
Total Investments on Statement of Plan Net Position	\$ 24,587,774

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 RSIC has no formal interest rate risk policy, interest rate risk is observed 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 100 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. Investment guidelines may specify the degree of interest rate risk taken versus the benchmark within each fixed income portfolio.

Disclosures for interest rate risk at June 30, 2013, are noted below (amounts expressed in thousands):

<u>Investment Type</u>	<u>Fair Value¹</u>	<u>Effective Duration</u> (option adjusted duration)
Short Term Investments		
Short Term Investment Funds (U.S. Regulated)	\$ 836,913	0.08
Repurchase Agreements	589,582	
Commercial Paper	761,289	0.07
Certificates of Deposit	8,300	0.21
U.S. Treasury Bills	2,947	0.90
Total Short Term Investments	<u>2,199,031</u>	
Equity Allocation		
Preferred	3,311	5.86
Convertible Preferred	1,813	7.14
Total Equity Investments	<u>5,124</u>	
Fixed Income Allocation		
U.S. Government:		
U.S. Government Treasuries	1,415,623	6.09
U.S. Government Agencies	1,037,229	1.98
Mortgage Backed:		
Government National Mortgage Association	132,676	3.78
Federal National Mortgage Association	139,089	4.47
Federal Home Loan Mortgage Association	48,851	5.06
Federal Home Loan Mortgage Association (Multiclass)	5,509	0.50
Collateralized Mortgage Obligations	12,501	4.07
Municipals	71,409	9.13
Corporate:		
Corporate Bonds	2,107,241	3.92
Convertible Bonds	37,529	1.64
Asset Backed Securities	245,311	0.21
Private Placements	790,398	3.22
Global Fixed Income:		
International Asset Backed Securities	3,096	9.71
International Corporate Bonds	56,990	2.43
International Government Bonds	41,878	6.69
Total Fixed Income	<u>6,145,330</u>	
Alternatives		
Credit Default Swaps	3,417	(4.83)
Interest Rate Swaps	9,971	31.15
Eurodollar Futures	(279)	2.12
Interest Rate Futures	11	1.62
International Bond Futures	(1,663)	177.74
Foreign Currency Options	(13)	
Treasury Note Futures	(1,970)	64.36
Treasury Bond Futures	(748)	45.27
Total Alternatives	<u>8,726</u>	
Total Invested Assets	<u>\$ 8,358,211</u>	
Total Portfolio Effective Duration (option adjusted duration)		2.88

¹This schedule does not include duration or the fair value of securities not reported by the custodian.

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 investment guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers, and average credit quality. Within high yield portfolios, 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 Commission's consultant and staff. The Systems' fixed income investments were rated by Moody's and are presented below:

South Carolina Retirement Systems Credit Risk - Moody's Quality Ratings¹ June 30, 2013 (Amounts expressed in thousands)

Investment Type and Fair Value	AAA	AA	A	BAA	BA	B	CAA	NR ³
Short Term Investments								
Short Term Investment Funds (U.S. Regulated)	\$ 836,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Repurchase Agreements								589,582
Certificates of Deposit		8,300						
Commercial Paper				731,298				29,991
U.S. Treasury Bills	2,947							
Equity Investments								
Preferred						1,907		1,404
Convertible Preferred				1,813		227		
Fixed Income Allocation²								
Mortgage Backed:								
Federal National Mortgage Association	139,089							
Federal Home Loan Mortgage Association (Multiclass)	5,777							
Federal Home Loan Mortgage Association	48,851							
Collateralized Mortgage Association	12,501							
Municipals	5,456	42,329	17,185					6,439
Corporate:								
Corporate Bonds	21,289	73,087	363,499	615,826	246,874	257,952	62,744	817,212
Convertible Bonds					13,653	3,626	2,705	17,545
Asset Backed Securities	50,921	49,454	98,693	8,721	5,051	4,498		33,407
Private Placements	159,564	46,704	96,008	96,670	62,067	156,587	71,563	137,101
Global Fixed Income:								
International Asset Backed	690							2,406
International Commingled Funds								1,013,076
International Corporate Bonds	10,320	2,344	101	4,175	12,753	24,580		7,292
International Emerging Debt					131,436			464,178
International Government Bonds	10,718	10,805		18,067				2,288
Alternatives								
Credit Default Swaps								2,766
Interest Rate Swaps								9,971
Total Return Swaps								(70,152)
Futures Contracts								(49,109)
	<u>\$1,305,036</u>	<u>\$233,023</u>	<u>\$ 575,486</u>	<u>\$1,476,570</u>	<u>\$471,834</u>	<u>\$449,377</u>	<u>\$137,012</u>	<u>\$ 3,015,397</u>

¹This schedule includes only assets held by the custodian.

²U.S. government guaranteed securities with a fair value of \$2.58 billion are not included in the above table because they are not subject to credit risk.

³NR represents securities that were either not rated or had a withdrawn rating.

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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 and Policies 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, 2013, 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, 2013, (amounts expressed in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Futures Contracts	Private Equity	Alternative Investments	Fixed Income	Equity
Australian Dollar	\$ (2,634)	\$ 123,712	\$ 615	\$ -	\$ -	\$ 6,791	\$ -
Brazil Real		7,230					
British Pound Sterling	(11,096)	351,552	(7,253)			9,160	16,246
Canadian Dollar	(3,716)	154,350	801			6,380	1,608
Euro Currency	(18,686)	711,793	(17,983)	178,458	5,428	45,407	27,385
Hong Kong Dollar	(5,535)	61,156	2,504				8,320
Japanese Yen	(10,112)	482,068	10,442			(62)	19,570
New Mexico Peso	562	(12,652)				14,646	
Swedish Krona	(1,116)	50,139	(1,607)				
Swedish Franc							26,697
Totals	<u>\$ (52,333)</u>	<u>\$ 1,929,348</u>	<u>\$ (12,481)</u>	<u>\$ 178,458</u>	<u>\$ 5,428</u>	<u>\$ 82,322</u>	<u>\$ 99,826</u>

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, options, forward contracts and swaps directly

managed by the Commission, are presented in the tables on Pages 28-31.

The Commission uses derivatives contracts primarily 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:

- **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 Market Theory dictates that in some asset classes, synthetics are the best way to achieve exposure.

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- **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

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 Position. To comply with the requirements of multiple exchanges, cash and securities (GNMAs) in the amount of \$157.450 and \$57.580 million respectively were held in trust by the clearing brokers on June 30, 2013, 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, 2013 (amounts in thousands):

	Changes in Fair Value		Fair Value at 6/30/2013	
	Classification	Gain/(Loss)	Classification	Amount
Investment derivatives:				
Futures Contracts	Net appreciation/(depreciation)	\$ (70,383)	Alternative Investments	\$ (50,648)
Forward Contracts	Net appreciation/(depreciation)	(60,132)	Cash & Cash Equivalents	(59,226)
Swaps	Net appreciation/(depreciation)	(92,561)	Alternative Investments	(80,411)
Options	Net appreciation/(depreciation)	(62,398)	Options	-

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As of June 30, 2013, the Systems had the following exposure via futures contracts (dollar amounts in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value ¹
MTF CAC40 10EU	July	Long	3,254	\$ 157,958
EURX DAX INDEX	September	Long	560	144,974
EURX ER STX 50	September	Long	4,912	165,879
NEW FTSE 100	September	Long	3,508	327,828
HKFE - HSI	July	Long	455	60,800
IBEX 35 PLUS	July	Long	458	45,655
FTSE MIB INDEX	September	Long	355	35,213
TSE TOPIX	September	Long	3,109	353,982
SFE SPI 200	September	Long	1,172	127,903
AMSTERDAM INDEX	July	Long	510	45,715
S&P TSE 60 INDEX	September	Long	1,190	156,298
OMXS30 INDEX	July	Long	2,800	47,718
Total International Equity				1,669,923
EMINI S&P 500	September	Long	24,946	1,994,807
Total Large Cap Equity				1,994,807
EMINI RUSSELL 2000	September	Long	2,139	208,488
Total Small Cap Equity				208,488
US2YR NTS	September	Long	92	20,240
UST5 NTS	September	Long	254	30,746
UST10 NTS	September	Long	321	40,627
UST30 BD	September	Long	434	58,956
Total Domestic Fixed Income				150,569
EURO-SCHATZ	September	Long	245	35,144
EURO-BOBL	September	Long	268	43,615
EURO-BUND	September	Long	362	66,591
JPBND 10 YR	September	Long	90	129,290
LGILT UK	September	Long	146	24,779
Total International Fixed Income				299,419
GOLD 100 OZ FUT	August	Long	309	37,812
Total Commodities				37,812
Total				\$4,361,018

¹Notional 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.

Forwards

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 Position.

Financial Section

As of June 30, 2013, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value	Base Gain/(Loss)	Base Exposure
Bank of America	\$ 59,185	\$ (671)	2.11%
Commonwealth Bank of Australia	454,865	(13,829)	16.21%
HSBC Securities	59,416	(673)	2.12%
JP Morgan Chase	514,697	(14,919)	18.35%
BNY Mellon	636,084	3	22.68%
Royal Bank of Canada	482,740	(14,231)	17.21%
Royal Bank of Scotland	55,934	(1)	1.99%
Standard Chartered Bank	482,740	(14,232)	17.21%
State Street Corporation	59,415	(673)	2.12%
Totals	\$ 2,805,076	\$ (59,226)	100.00%

Swaps

The Systems has entered into various swap agreements to manage plan 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.

The table below reflects the counterparty credit ratings at June 30, 2013, for currency forwards, and swap agreements (amounts in thousands):

Quality Rating	Forwards	Swaps	Total
Aa1	\$(42,980)	\$ (50,037)	\$ (93,017)
Aa3	(670)		(670)
A1	(14,905)		(14,905)
A2	(671)	(30,375)	(31,046)
Total subject to credit risk	\$(59,226)	\$ (80,412)	\$ (139,638)

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At June 30, 2013, 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
Bank of America Merrill Lynch	DJ-UBS Commodities TR	3 month T-Bill + 10 bps	DJ-UBS Commodities TR	8/30/2013	\$ 221,516	\$ (21,484)
Bank of America Merrill Lynch	DJ-UBS Commodities TR	3 month T-Bill + 10 bps	DJ-UBS Commodities TR	2/28/2014	221,516	(21,484)
Credit Suisse	MSCI EM Proxy TR	3 Month US LIBOR + 25 bps	MSCI EM Proxy	10/29/2013	116,794	(4,206)
Credit Suisse	MSCI EM Proxy TR	3 Month US LIBOR + 30 bps	MSCI EM Proxy	6/28/2013		(5,502)
Deutsche Bank	EAFE Proxy TR	3 Month US LIBOR - 23 bps	EAFE Proxy	8/30/2013	228,455	28,453
JP Morgan	EM Debt Proxy	3 Month US LIBOR + 55 bps	EM Debt Proxy	10/31/2013	92,124	(7,876)
JP Morgan	EM Debt Proxy	3 Month US LIBOR + 55 bps	EM Debt Proxy	10/31/2013	91,554	(8,446)
JP Morgan	EM Debt Proxy	3 Month US LIBOR + 55 bps	EM Debt Proxy	10/31/2013	91,522	(8,478)
JP Morgan	EM Debt Proxy	3 Month US LIBOR + 60 bps	EM Debt Proxy	7/31/2013	90,582	(9,418)
Total Return Swap Exposures					<u>\$1,154,063</u>	<u>\$ (58,441)</u>

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 such limited partnerships legally obligates the Systems to invest the committed amount until the investment is fully funded or contractual investment period has expired. 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. 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 Investment Commission's intent is to access superior risk-adjusted returns through a variety of different credit strategies.

Commitments

The Investment Commission on behalf of 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, 2013, the Systems had committed to fund various limited partnerships in the total amount of \$3.964 billion (U.S. dollars) and €277 million (Euros). The total unfunded commitment as of June 30, 2013, was \$1.173 billion (U. S. dollars) and €67 million (Euros). The total remaining commitment adjusted for cash flows as of September 19, 2013, is \$1.133 billion (U.S. dollars) and €58 million (Euros). Additional commitments exist to underlying investments within strategic partnerships. These underlying investments include hedge funds, private equity, real estate, opportunistic credit, short duration fixed income, commodities and high yield fixed income.

Securities Lending

The Systems participate in a securities lending program managed by the custodial bank whereby securities are loaned for the purpose of generating additional income. Securities are lent from the investment portfolio 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, 2013 included U.S. Government securities, U.S. Government agencies, corporate bonds and equities. The State Treasurer, as custodian, controls the custody relationship. The contractual agreement with the 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. Collateral securities cannot be pledged or sold without a borrower default. Cash collateral received is invested; 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, 2013, the fair value of securities on loan was \$172.43 million. The fair value of the invested cash collateral was \$106.63 million. Securities lending

obligations at June 30, 2013, were \$176.72 million with an unrealized loss in invested cash collateral of \$70.09 million. This unrealized loss is due to specific Lehman bonds held by the securities lending program. This amount is reflected under "Other Liabilities" on the Statement of Plan Net Position and recorded in the Statement of Changes in Plan Net Position under "Net appreciation (depreciation) in fair value of investments." During the fiscal year, the custodial bank's Securities Lending group sold the remaining Lehman Brothers holdings resulting in an approximate realized loss of \$90 million, including the initial sale during May 2012. This loss is being held in the securities lending collateral pool as an undistributed loss. In May 2013, a settlement was reached between the South Carolina State Treasurer's Office and BNY Mellon relating to losses in the securities lending program. As part of the settlement, approximately \$20 million was credited to the portfolio's collateral reinvestment account. As a result of the settlement, the total undistributed loss in the collateral pool was reduced from approximately \$90 million to approximately \$70 million.

With regard to counterparty 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, 2013, 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, 2013.

	June 30, 2013					June 30, 2012	
	SCRS	PORS	GARS	JSRS	SCNG	TOTALS	TOTALS
Securities lent for cash collateral:							
U.S. Government securities	\$ 38,088	\$ 5,748	\$ 49	\$ 212	\$ 30	\$ 44,127	\$ 142,720
Corporate bonds	44,189	6,669	57	246	34	51,195	49,599
Common stock	66,555	10,044	85	371	52	77,107	78,517
Total securities lent for cash collateral:	<u>\$ 148,832</u>	<u>\$ 22,461</u>	<u>\$ 191</u>	<u>\$ 829</u>	<u>\$ 116</u>	<u>\$ 172,429</u>	<u>\$ 270,836</u>
Securities lent for non-cash collateral:							
Corporate bonds	\$ 41	\$ 6	\$	\$	\$	\$ 47	\$
Common stock	2,446	369	3	14	2	2,834	11,834
	<u>\$ 2,487</u>	<u>\$ 375</u>	<u>\$ 3</u>	<u>\$ 14</u>	<u>\$ 2</u>	<u>\$ 2,881</u>	<u>\$ 11,834</u>
Cash collateral invested as follows:							
Repurchase agreements	\$ 92,040	\$ 13,890	\$ 118	\$ 513	\$ 72	\$ 106,633	\$ 164,757
Floating rate notes							19,268
Total for cash collateral invested	<u>\$ 92,040</u>	<u>\$ 13,890</u>	<u>\$ 118</u>	<u>\$ 513</u>	<u>\$ 72</u>	<u>\$ 106,633</u>	<u>\$ 184,025</u>
Securities received as collateral:							
U.S. Government securities	\$ 2,711	\$ 409	\$ 4	\$ 15	\$ 2	\$ 3,141	\$ 12,027
	<u>\$ 2,711</u>	<u>\$ 409</u>	<u>\$ 4</u>	<u>\$ 15</u>	<u>\$ 2</u>	<u>\$ 3,141</u>	<u>\$ 12,027</u>

Financial Section

IV. Capital Assets

Capital assets at June 30, 2013, consist of the following amounts (expressed in thousands).

Asset Class (at Cost)	Beginning Balances	Additions	Deletions	Ending Balances
	7/1/2012			6/30/2013
Land	\$ 582			\$ 582
Building	4,749			4,749
Equipment		2,011	(307)	1,704
Total Capital Assets	<u>5,331</u>	<u>2,011</u>	<u>(307)</u>	<u>7,035</u>
Accumulated Depreciation				
Building	2,347	119		2,466
Equipment		1,793	(307)	1,486
Total Accumulated Depreciation	<u>2,347</u>	<u>1,912</u>	<u>(307)</u>	<u>3,952</u>
Capital Assets, Net	<u>\$ 2,984</u>	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ 3,083</u>

V. Transfers Between Systems

Transfers between systems are statutorily authorized internal 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 within the plans administered by PEBA during the fiscal year ended June 30, 2013, were as follows (amounts expressed in thousands):

Transfers from	Transfers to					Totals
	SCRS	PORS	GARS	JSRS	SCNG	
SCRS	\$ -	\$ 3,013	\$ 199	\$ 184	\$ -	\$ 3,396
PORS						
GARS						
JSRS						
SCNG						
Totals	<u>\$ -</u>	<u>\$ 3,013</u>	<u>\$ 199</u>	<u>\$ 184</u>	<u>\$ -</u>	<u>\$ 3,396</u>

The following schedule reflects amounts due to or due from other systems as of June 30, 2013, (amounts expressed in thousands):

Due from	Due to					Totals
	SCRS	PORS	GARS	JSRS	SCNG	
SCRS	\$ -	\$ 444	\$ -	\$ 48	\$ -	\$ 492
PORS						
GARS						
JSRS						
SCNG						
Totals	<u>\$ -</u>	<u>\$ 444</u>	<u>\$ -</u>	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ 492</u>

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 Office of South Carolina State Treasurer.

Financial Section

At June 30, 2013, liabilities of approximately \$54.1 million were due to other state departments and agencies, and contributions receivable of approximately \$43 million were due from other state departments and agencies.

The South Carolina National Guard Supplemental Retirement Plan received state-appropriated contributions in the amount of \$4.5 million during the fiscal year.

The Retirement System Investment Commission is a separate state agency; however, the expenses of the Commission are funded by transfers from the Systems' trust funds. Transfers in the amount of approximately \$7 million were made to the Commission 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 continue to contribute at the same rate as active members. 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 at the end of the TERI period the retiree may elect to roll over his funds into a qualified 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.

Retirement reform legislation closes the TERI program to all members effective June 30, 2018.

A total of 9,792 members were actively participating in the TERI program at June 30, 2013. The activity for this program is reflected in the following schedule:

Schedule of TERI Activity Year Ended June 30, 2013 (Amounts expressed in thousands)

Beginning Liability Balance	\$ 385,716
Additions	245,596
TERI Distributions	(163,238)
Ending Liability Balance	<u>\$ 468,074</u>

A deferred retirement option program also exists 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 retire and 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, 2013, benefits held in trust totaled \$707,300.

Financial Section

VIII. Funded Status and Funding Progress - Pension Trust Funds

The actuarial condition of each defined benefit pension plan summarized below was determined based on the most recent actuarial valuation which was conducted using membership and financial data as of July 1, 2012. Information included in the following schedule is based on the certification provided by our consulting actuary, Gabriel, Roeder, Smith and Company. Additionally, a schedule of funding progress is presented as required supplementary information (RSI) following the notes to the financial statements. The RSI schedule presents multiyear information regarding changes to the actuarial values of plan assets relative to the actuarial accrued liabilities for benefits.

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)
SCRS	\$ 25,540,749	\$ 39,457,708	\$ 13,916,959	64.7%	\$ 7,356,231	189.2%
PORS	3,808,934	5,357,492	1,548,558	71.1%	1,019,241	151.9%
GARS	39,233	74,331	35,098	52.8%	3,854	910.7%
JSRS	145,604	251,729	106,125	57.8%	19,221	552.1%
SCNG	20,814	60,942	40,128	34.2%	N/A	N/A

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2012, valuations for each of the individual plans administered by the South Carolina Retirement Systems. The methods and assumptions for SCRS and PORS have been updated to reflect pension reform legislative changes that were enacted June 2012.

Summary of Actuarial Methods and Significant Assumptions

	SCRS	PORS	GARS	JSRS	SCNG
Valuation date	07/01/12	07/01/12	07/01/12	07/01/12	07/01/12
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	29 years	30 years	15 years	30 years	20 years
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Actuarial assumptions:					
Investment rate of return	7.5%	7.5%	7.5%	7.5%	7.5%
Projected salary increases	levels off at 3.5%	levels off at 4%	None	3%	None
Includes inflation at	2.75%	2.75%	2.75%	2.75%	2.75%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500	None	3%	None

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, incidental death benefits are provided for both active and retired members. These benefits are funded through separate death benefit programs within SCRS and PORS on a cost-sharing, multiple-employer basis. The assets in the Death Benefits Fund are not held separately in a dedicated trust for the sole purpose of paying death benefits to beneficiaries of deceased members. These benefits are considered allowable within the defined benefit plans and are held within the pension trust funds. 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 governing 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, an incidental 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 of \$2,000, \$4,000 or \$6,000 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 actuarial valuation, including the Incidental Death Benefit program for SCRS and PORS. The July 1, 2012, actuarial valuations reflect the inclusion of the assets and liabilities of the Incidental Death Benefit program and Accidental Death Benefits for PORS.

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.

Gail M. Hutto et al. v. The South Carolina Retirement System et al., C/A No. 4:10-cv-02018-JMC, is a putative class action suit that was filed in federal district court in August 2010. In this matter, Plaintiffs asserted that the provisions of Act No. 153 of 2005 of the South Carolina General Assembly requiring working retirees in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers’ Retirement System (PORS) to make contributions to the systems are unconstitutional and illegal. As of June 30, 2012, the Retirement Systems had collected approximately \$121 million in the form of retirement contributions from members of those retirement systems who retired and returned to work on or after July 1, 2005. Defendants filed a motion to dismiss this matter on a number of grounds, including Eleventh Amendment immunity, abstention, and failure to state a claim upon which relief may be granted. By an Order and Decision dated September 27, 2012, the federal district court granted Defendants’ motion and dismissed Plaintiffs’ suit, finding that Defendants are immune from suit under the Eleventh

Amendment. Plaintiffs filed a motion for reconsideration. The district court denied Plaintiffs’ motion, and Plaintiffs have appealed to the Fourth Circuit Court of Appeals. The appeal is currently pending in the Fourth Circuit.

Anderson County v. Joey Preston and the South Carolina Retirement System, Case No. 2009-CP-04-4482, is a civil action that was filed in the Tenth Judicial Circuit Court of Common Pleas. Defendant Joey Preston (“Preston”) is a retired member of the South Carolina Retirement System who was employed by Plaintiff. In its complaint, Plaintiff sought to rescind a severance agreement entered into between Plaintiff and Preston, in which, among other things, Plaintiff agreed to pay, and did pay, approximately \$355,000 to the System to purchase retirement service credit on behalf of Preston. Plaintiff named the South Carolina Retirement System as a defendant in this matter as a stakeholder of a portion of the disputed severance funds and sought a return of the \$355,000 paid to the System. As a result of the service purchase, Preston was able to retire and begin drawing a retirement benefit. The South Carolina Retirement System is defending this case to ensure that, regardless of the outcome of Plaintiff’s claims related to the severance agreement, the System does not suffer any monetary loss as a result of the service purchase. By an Order dated May 3, 2013, the circuit court ruled against Plaintiff Anderson County on all claims, including claims for the return of monies paid to the South Carolina Retirement System. Plaintiff has filed a motion to alter or amend the decision, and that motion is currently pending before the circuit court.

Financial Section

South Carolina Retirement Systems Required Supplementary Information

Information presented in the required supplementary schedule was determined as part of the actuarial valuations as of the dates indicated.

In analyzing data, it's important to note that the larger the funded ratio, which is a comparison of the valuation assets to the aggregate actuarial accrued liabilities, the stronger the system. Observation of these relative indices over a period of years will give an indication of whether the system is becoming stronger or weaker.

Schedule of Funding Progress (Amounts expressed in thousands)

Actuarial Valuation Date ¹	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)
SCRS						
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%
7/01/11	25,604,823	38,011,610	12,406,787	67.4%	7,687,558	161.4%
7/01/12	25,540,749	39,457,708	13,916,959	64.7%	7,356,231	189.2%
PORS						
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%
7/01/11	3,728,241	5,122,501	1,394,260	72.8%	1,087,587	128.2%
7/01/12	3,808,934	5,357,492	1,548,558	71.1%	1,019,241	151.9%
GARS						
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%
7/01/11	41,484	74,604	33,120	55.6%	3,854	859.4%
7/01/12	39,233	74,331	35,098	52.8%	3,854	910.7%
JSRS						
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%
7/01/11	144,927	243,514	98,587	59.5%	18,661	528.3%
7/01/12	145,604	251,729	106,125	57.8%	19,221	552.1%
SCNG						
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
7/01/11	20,138	60,388	40,250	33.3%	N/A	N/A
7/01/12	20,814	60,942	40,128	34.2%	N/A	N/A

¹The July 1, 2011, valuation results for SCRS and PORS were updated to recognize pension reform legislation enacted June 2012 which changed the results disclosed in the original 2011 valuation.

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		SCNG	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Pension Cost ¹	Percentage Contributed
2013	\$ 948,157	100%	\$ 143,389	100%	\$ 2,831	100%	\$ 8,667	100%	\$ 4,539	100.0%
2012	824,652	100%	134,299	100%	2,532	100%	8,414	100%	3,937	100.0%
2011	808,343	100%	129,314	100%	2,414	100%	8,414	100%	3,905	100.0%
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%

¹For years prior to June 30, 2010, the Annual Pension Cost (APC) for the South Carolina National Guard Supplemental Retirement Plan includes both the Annual Required Contribution (ARC) and the discounted present value of the balance of the Net Pension Obligation (NPO). For fiscal years ended June 30, 2010, forward, the APC was calculated as part of the actuarial valuation; therefore, the amount listed for June 30, 2010, forward 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 Position SCRS Pension Trust Fund Year Ended June 30, 2013

With comparative totals for the year ended June 30, 2012

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	QEBA FUND	TOTALS	TOTALS 2012
Additions						
Employee contributions						
State department employees	\$ 193,049	\$ 21,532	\$ -	\$ -	\$ 214,581	\$ 187,060
Public school employees	256,707	33,410			290,117	251,624
Other political subdivision employees	158,506	11,579			170,085	148,134
Employer contributions						
State department employees		305,930	4,925	416	311,271	270,327
Public school employees		402,078	5,990		408,068	353,928
Other political subdivision employees		226,044	2,774		228,818	200,397
Total contributions	608,262	1,000,573	13,689	416	1,622,940	1,411,470
Investment Income						
Net appreciation in fair value of investments		2,291,387	11,793		2,303,180	154,848
Interest and dividend income		257,312	1,320		258,632	210,710
Investment expense		(360,407)	(1,855)		(362,262)	(257,451)
Net income from investing activities		2,188,292	11,258		2,199,550	108,107
From securities lending activities:						
Securities lending income		233	1		234	77
Securities lending borrower rebates		1,925	10		1,935	1,123
Net income from securities lending activities		2,158	11		2,169	1,200
Total net investment income		2,190,450	11,269		2,201,719	109,307
Supplemental retirement benefits funded by the State		657			657	733
Transfers of contributions from other Systems						
Total additions	608,262	3,191,680	24,958	416	3,825,316	1,521,510
Deductions						
Refunds of contributions to members	87,212				87,212	83,134
Transfers of contributions to other Systems	2,321	1,075			3,396	2,184
Regular retirement benefits		2,195,209		416	2,195,625	2,084,690
Deferred retirement benefits		245,596			245,596	171,096
Supplemental retirement benefits		636			636	733
Death benefits		(2)	19,135		19,133	18,295
Depreciation		186			186	107
Administrative expenses		19,020	98		19,118	19,392
Total deductions	89,533	2,461,720	19,233	416	2,570,902	2,379,631
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(706,740)	706,740				
Interest credited to members' accounts	220,714	(220,714)				
Net interfund transfers	(486,026)	486,026				
Net increase (decrease)	32,703	1,215,986	5,725		1,254,414	(858,121)
Net position held in trust for Pension Benefits						
Beginning of year	6,459,192	14,967,432	110,284		21,536,908	22,395,029
End of year	\$ 6,491,895	\$ 16,183,418	\$ 116,009	\$	\$ 22,791,322	\$ 21,536,908

Financial Section
South Carolina Retirement Systems
Schedule of Changes in Plan Net Position
PORS Pension Trust Fund
Year Ended June 30, 2013

With comparative totals for the year ended June 30, 2012
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	ACCIDENTAL DEATH FUND	QEBA FUND	TOTALS	TOTALS 2012
Additions							
Employee contributions							
State department employees	\$ 29,635	\$ 1,535	\$ -	\$ -	\$ -	\$ 31,170	\$ 27,023
Public school employees	122	233				355	220
Other political subdivision employees	58,885	6,754				65,639	57,227
Employer contributions							
State department employees		45,949	771	771	3	47,494	43,776
Public school employees		441	7	7		455	342
Other political subdivision employees		92,507	1,509	1,424		95,440	90,181
Total contributions	88,642	147,419	2,287	2,202	3	240,553	218,769
Investment Income							
Net appreciation in fair value of investments		338,671	3,060	3,967		345,698	24,102
Interest and dividend income		38,227	343	445		39,015	31,182
Investment expense		(53,542)	(483)	(627)		(54,652)	(38,263)
Net income from investing activities		323,356	2,920	3,785		330,061	17,021
From securities lending activities:							
Securities lending income		35				35	11
Securities lending borrower rebates		286	3	3		292	166
Net income from securities lending activities		321	3	3		327	177
Total net investment income		323,677	2,923	3,788		330,388	17,198
Supplemental retirement benefits funded by the State		30				30	34
Transfers of contributions from other Systems	1,942	1,071				3,013	1,923
Total additions	90,584	472,197	5,210	5,990	3	573,984	237,924
Deductions							
Refunds of contributions to members	14,983					14,983	15,162
Transfers of contributions to other Systems							
Regular retirement benefits		296,041			3	296,044	263,997
Supplemental retirement benefits		30				30	34
Death benefits			1,985			1,985	1,851
Accidental death benefits				1,557		1,557	1,551
Depreciation		23				23	10
Administrative expenses		2,845	26	33		2,904	2,862
Total deductions	14,983	298,939	2,011	1,590	3	317,526	285,467
Interfund transfers according to statutory requirements							
Contributions by members at retirement	(84,311)	84,311					
Interest credited to members' accounts	28,414	(28,414)					
Net interfund transfers	(55,897)	55,897					
Net increase (decrease)	19,704	229,155	3,199	4,400		256,458	(47,543)
Net position held in trust for Pension Benefits							
Beginning of year	773,710	2,429,803	28,954	37,523		3,269,990	3,317,533
End of year	\$ 793,414	\$ 2,658,958	\$ 32,153	\$ 41,923	\$	\$ 3,526,448	\$ 3,269,990

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Position

GARS Pension Trust Fund

Year Ended June 30, 2013

With comparative totals for the year ended June 30, 2012

(Amounts expressed in thousands)

	Employee Fund	Employer Fund	Total	TOTALS 2012
Additions				
Contributions				
Employee contributions - State departments	\$ 1,091	\$ -	\$ 1,091	\$ 724
Employer contributions - State departments		2,831	2,831	2,532
Total contributions	<u>1,091</u>	<u>2,831</u>	<u>3,922</u>	<u>3,256</u>
Investment Income				
Net appreciation in fair value of investments		3,224	3,224	218
Interest and dividend income		359	359	311
Investment expense		(466)	(466)	(359)
Net income from investing activities		<u>3,117</u>	<u>3,117</u>	<u>170</u>
From securities lending activities:				
Securities lending income		1	1	
Securities lending borrower rebates		<u>2</u>	<u>2</u>	<u>2</u>
Net income from securities lending activities		<u>3</u>	<u>3</u>	<u>2</u>
Total net investment income		<u>3,120</u>	<u>3,120</u>	<u>172</u>
Transfers of contributions from other Systems	195	4	199	
Total additions	<u>1,286</u>	<u>5,955</u>	<u>7,241</u>	<u>3,428</u>
Deductions				
Refunds of contributions to members	3		3	31
Transfers of contributions to other Systems				
Regular retirement benefits		6,720	6,720	6,570
Death benefits		16	16	35
Depreciation		1	1	
Administrative expenses		<u>28</u>	<u>28</u>	<u>30</u>
Total deductions	<u>3</u>	<u>6,765</u>	<u>6,768</u>	<u>6,666</u>
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(1,594)	1,594		
Interest credited to members' accounts	<u>208</u>	<u>(208)</u>		
Net interfund transfers	<u>(1,386)</u>	<u>1,386</u>		
Net increase (decrease)	(103)	576	473	(3,238)
Net position held in trust for Pension Benefits				
Beginning of year	7,267	24,164	31,431	34,669
End of year	<u>\$ 7,164</u>	<u>\$ 24,740</u>	<u>\$ 31,904</u>	<u>\$ 31,431</u>

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Position

JSRS Pension Trust Fund

Year Ended June 30, 2013

With comparative totals for the year ended June 30, 2012

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	QEBA FUND	TOTALS	TOTALS 2012
Additions					
Contributions					
Employee contributions - State departments	\$2,378	\$218	\$ -	\$2,596	\$2,299
Employer contributions - State departments		8,559	108	8,667	8,414
Total contributions	<u>2,378</u>	<u>8,777</u>	<u>108</u>	<u>11,263</u>	<u>10,713</u>
Investment Income					
Net appreciation in fair value of investments		13,142		13,142	995
Interest and dividend income		1,508		1,508	1,226
Investment expense		(2,023)		(2,023)	(1,445)
Net income from investing activities		<u>12,627</u>		<u>12,627</u>	<u>776</u>
From securities lending activities:					
Securities lending income		2		2	1
Securities lending borrower rebates		11		11	6
Net income from securities lending activities		<u>13</u>		<u>13</u>	<u>7</u>
Total net investment income		<u>12,640</u>		<u>12,640</u>	<u>783</u>
Transfers of contributions from other Systems	184			184	261
Total additions	<u>2,562</u>	<u>21,417</u>	<u>108</u>	<u>24,087</u>	<u>11,757</u>
Deductions					
Refunds of contributions to members	57			57	134
Regular retirement benefits		15,637	108	15,745	14,979
Deferred retirement benefits		121		121	192
Death benefits		134		134	134
Depreciation		1		1	1
Administrative expenses		110		110	110
Total deductions	<u>57</u>	<u>16,003</u>	<u>108</u>	<u>16,168</u>	<u>15,550</u>
Interfund transfers according to statutory requirements					
Contributions by members at retirement	(1,883)	1,883			
Interest credited to members' accounts	742	(742)			
Net interfund transfers	<u>(1,141)</u>	<u>1,141</u>			
Net increase (decrease)	1,364	6,555		7,919	(3,793)
Net position held in trust for Pension Benefits					
Beginning of year	20,005	103,354		123,359	127,152
End of year	<u>\$21,369</u>	<u>\$109,909</u>	<u>\$ -</u>	<u>\$131,278</u>	<u>\$123,359</u>

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Position

SCNG Pension Trust Fund

Year Ended June 30, 2013

With comparative totals for the year ended June 30, 2012

(Amounts expressed in thousands)

	TOTALS 2013	TOTALS 2012
Additions		
Contributions		
State appropriated contributions	\$4,539	\$3,937
Total contributions	<u>4,539</u>	<u>3,937</u>
Investment Income		
Net appreciation in fair value of investments	1,756	129
Interest income	198	154
Investment expense	<u>(279)</u>	<u>(190)</u>
Income from investing activities	<u>1,675</u>	<u>93</u>
From securities lending activities:		
Securities lending income		
Securities lending borrower rebates	<u>1</u>	<u>1</u>
Net income from securities lending activities	<u>1</u>	<u>1</u>
Total net investment income	<u>1,676</u>	<u>94</u>
State Appropriation for Administrative Expenses		
Total additions	<u>6,215</u>	<u>4,031</u>
Deductions		
Regular retirement benefits	4,193	4,065
Administrative expenses	<u>15</u>	<u>15</u>
Total deductions	<u>4,208</u>	<u>4,080</u>
Net increase	2,007	(49)
Net position held in trust for Pension Benefits		
Beginning of year	<u>17,417</u>	<u>17,466</u>
End of year	<u>\$19,424</u>	<u>\$17,417</u>

Financial Section

Schedule of Administrative Expenses For the Year Ended June 30, 2013 *(Amounts expressed in thousands)*

	SCRS	PORS	GARS	JSRS	SCNG	TOTALS
Personal Services						
Salaries and Wages	\$ 7,243	\$ 1,102	\$ 11	\$ 42	\$ 6	\$8,404
Employee Benefits	3,094	469	4	18	3	3,588
Contractual Services						
Data Processing Services	712	108	1	4	1	826
Medical & Health Services	254	39	1	1		295
Financial Audit	70	11				81
Actuarial Services	163	25		1		189
Other Professional Services	180	27		1		208
Legal Services	54	8				62
Operating Expenses						
Facilities Management	317	48	1	2		368
Intergovernmental Services						
Transfers to Investment Commission	6,071	921	9	35	5	7,041
Telephone	108	17		1		126
Insurance	259	39	1	1		300
Postage	275	42		2		319
Supplies	219	33		1		253
Other Miscellaneous Expenses	99	15		1		115
Total Administrative Expenses	<u>\$ 19,118</u>	<u>\$ 2,904</u>	<u>\$ 28</u>	<u>\$ 110</u>	<u>\$ 15</u>	<u>\$22,175</u>

Schedule of Professional and Consultant Fees For the Year Ended June 30, 2013 *(Amounts expressed in thousands)*

Professional/Consultant	Nature of Service	Amounts Paid
Clifton Larson Allen	Audit	\$ 46
Data Network	IT Maintenance & Support	160
Dell Marketing	IT Equipment & Support	174
Document Systems Inc.	IT Tape Storage & Imaging Records Storage	19
Gabriel Roeder Smith & Company	Actuary Services	189
Hewlett Packard	IT Maintenance & Support	39
Ice Miller	IRC Consulting Services	44
NewVenue Technologies	IT Maintenance & Support	38
Palmetto Microfilm	IT Maintenance & Support	59
SHI International	IT Maintenance & Support	68
Software AG Inc.	IT Enterprise License & Maintenance	165
Sowell Gray Stepp & Laffitte	Attorney Fees	18
Spartantec Inc.	IT Services Software & License	14
Specialty Underwriters LLC	IT Maintenance & Support	80
Summit Strategies Inc.	Optional Retirement Plan Consultants	130
SunGard Availability Service	IT Disaster Recovery	77
TeamIA Inc.	Imaging Maintenance/Auditing	232
		<u>\$ 1,552</u>

Financial Section

South Carolina Retirement Systems Schedule of Investment Fees and Expenses¹ Year Ended June 30, 2013 (Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	SCNG	TOTALS
Beta Overlay	\$ 1,108	\$ 167	\$ 1	\$ 6	\$ 1	\$ 1,283
Core Fixed Income	3,615	544	5	21	2	4,187
Emerging Market Debt	2,169	326	3	12	2	2,512
Domestic Equity	9,193	1,383	12	52	6	10,646
Emerging Market Equity	9,282	1,399	12	52	7	10,752
Global Asset Allocation	11,629	1,752	15	66	9	13,471
Global Fixed Income	2,673	402	4	15	2	3,096
Hedge Funds	32,401	4,890	41	181	25	37,538
High Yield	2,275	342	3	13	2	2,635
Limited Term High Yield	1,868	281	3	11	1	2,164
Opportunistic Credit	26,941	4,065	35	151	21	31,213
Private Equity	24,571	3,708	31	137	19	28,466
Real Estate	25,723	3,881	33	143	20	29,800
Strategic Partnerships	201,607	30,425	258	1,123	157	233,570
Various other managers not separately listed	5,995	905	8	33	4	6,945
Total Investment Manager Fees	<u>361,050</u>	<u>54,470</u>	<u>464</u>	<u>2,016</u>	<u>278</u>	<u>418,278</u>
Bank Fees and Investment Expenses	1,212	182	2	7	1	1,404
Total Investment Management Fees	<u>\$ 362,262</u>	<u>\$ 54,652</u>	<u>\$ 466</u>	<u>\$ 2,023</u>	<u>\$ 279</u>	<u>\$419,682</u>
Securities Lending Expenses:						
Borrower Rebates	\$ (1,935)	\$ (292)	\$ (2)	\$ (11)	\$ (1)	\$ (2,241)
Total Securities Lending Expenses	<u>\$ (1,935)</u>	<u>\$ (292)</u>	<u>\$ (2)</u>	<u>\$ (11)</u>	<u>\$ (1)</u>	<u>\$ (2,241)</u>

¹A portion of investment expenses are directly invoiced by the manager; however, a significant number of investment managers provide account valuations on a net of fee basis. Since these investment expenses are netted against investment income, amounts reported represent a good faith attempt by the RSIC to disaggregate amounts that were not necessarily readily separable throughout the fiscal year. The collection process is not standard practice for many investment managers. The investment expense numbers netted out of accounts include amounts for investment management fees, performance fees (carried interest) and other expenses such as organizational expenses in limited partnership structures.

²Manager hired during fiscal year 2012.

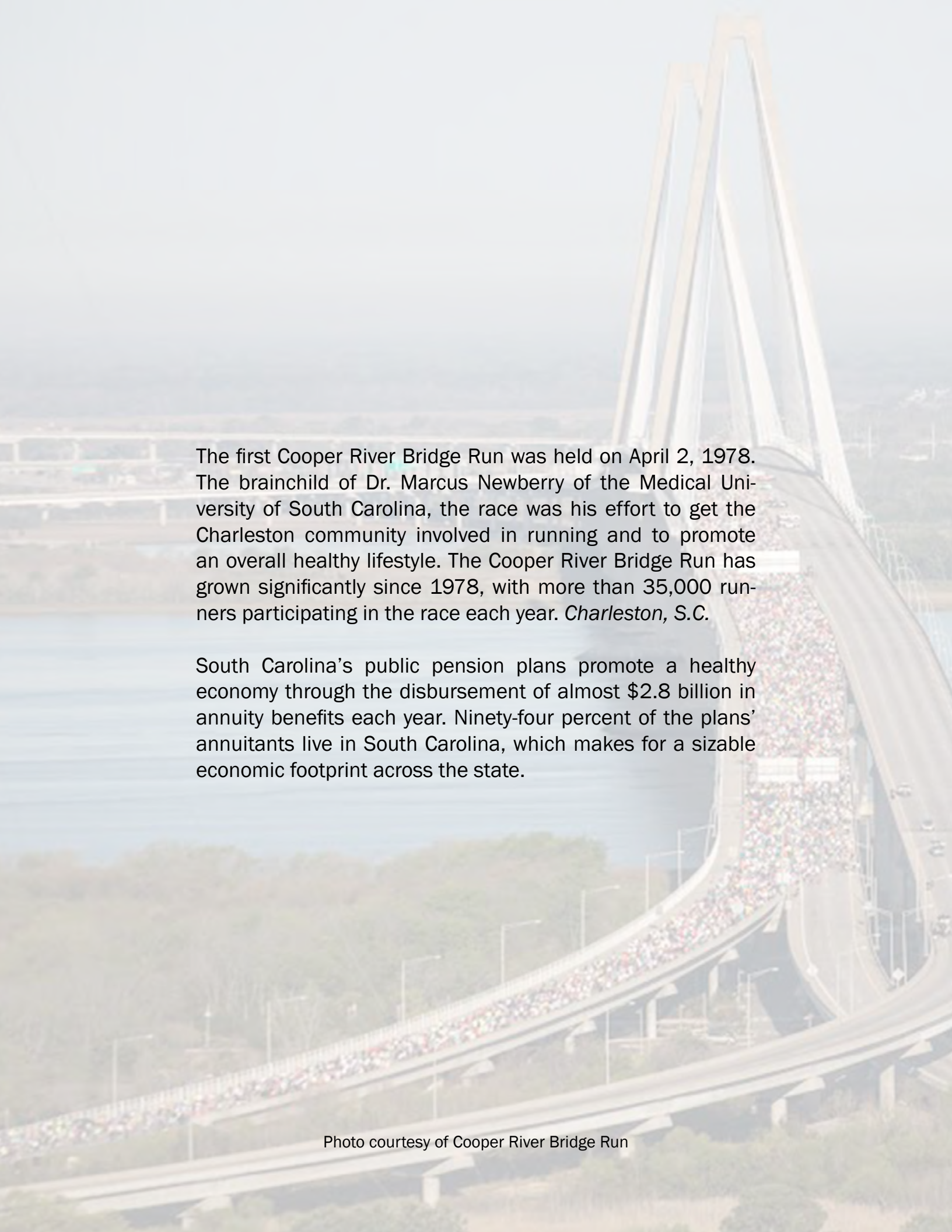
³Effective January 1, 2012, Bridgewater Associates changed from directly invoicing manager fees to a net of fee structure.

This page contains no other content.

Investment Section



Chase a dream one step at a time

A large crowd of runners is participating in the Cooper River Bridge Run on the Cooper River Bridge in Charleston, South Carolina. The bridge's distinctive A-frame towers are visible in the background. The runners are densely packed on the bridge deck, and the surrounding landscape includes trees and a body of water.

The first Cooper River Bridge Run was held on April 2, 1978. The brainchild of Dr. Marcus Newberry of the Medical University of South Carolina, the race was his effort to get the Charleston community involved in running and to promote an overall healthy lifestyle. The Cooper River Bridge Run has grown significantly since 1978, with more than 35,000 runners participating in the race each year. *Charleston, S.C.*

South Carolina's public pension plans promote a healthy economy through the disbursement of almost \$2.8 billion in annuity benefits each year. Ninety-four percent of the plans' annuitants live in South Carolina, which makes for a sizable economic footprint across the state.

Photo courtesy of Cooper River Bridge Run

Investment Section



October 21, 2013

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

RE: FYE 2013 Report

Dear Governor and Members:

As the investment consultant for the Retirement System Investment Commission (RSIC), Hewitt EnnisKnupp (HEK) is pleased to submit this summary of the investment structure and performance of the South Carolina Retirement System (SCRS) investment portfolio for fiscal year ended (FYE) June 30, 2013.

The fiscal year 2013 started off strong as monetary support supplied by central banks across the globe led to a broad rally in the capital markets. In the U.S., the Federal Reserve (Fed) launched its third round of quantitative easing, while the European Central Bank (ECB) initiated the Outright Monetary Transaction Program. Meanwhile, the Bank of Japan announced its own record stimulus plan following the Fed and ECB in order to combat the country's continuing deflation worries, bolstering investor confidence. As the fiscal year came to a close, markets were rattled by the possibility that monetary support could begin to ease if economic conditions continued to improve. In total, the U.S. stock market earned exceptional returns, the non-U.S. stock markets generated modest gains as a whole and bond markets were flat. Among alternative investments, private equity produced strong returns, and hedge fund and real estate returns fell between those of stocks and bonds.

HEK officially replaced NEPC as the investment consultant for the RSIC on October 1, 2012. Throughout the remainder of the fiscal year we worked collaboratively with the Commissioners and Investment Staff to review many of the policies and practices within the investment portfolio. Issues addressed included:

- Conducting a comprehensive asset/liability study examining how different asset allocation choices might impact the System's funded status and in future contributions. Based on this study, changes to the investment portfolio's asset allocation were made. These changes were effective June 30, 2013.
- Review and clarification of many of the Commission's written policies.
- Recommendation for changes to the structure of several of the asset classes in which the investment portfolio is invested.
- Review of the strategic partnerships, including working with Staff to focus on those that have been most successful on behalf of the SCRS.
- Enhanced reporting to the Investment Commission and PEBA
- Several manager terminations and select new manager hirings

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Investment Section

October 21, 2013
Page 2

These measures were all taken to achieve one or more of the following goals: enhance performance, reduce risk, reduce cost, or enhance communication.

During the fiscal year ending June 30, 2013, the SCRS investment portfolio returned 10.0% on a net-of-fee basis. This return exceeded that of its Policy Index by 1.9 percentage points – a material margin. Over the trailing three- and five-year periods ending June 30, 2013, the SCRS portfolio return also exceeded that of its Policy Index. All returns are reported on a time-weighted return basis.

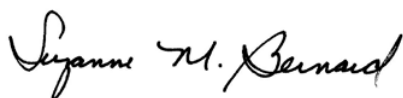
As of June 30, 2013 the SCRS investment portfolio totaled \$26.8 billion. This represented an increase of \$1.6 billion over its value on June 30, 2012. The portfolio's asset allocation at fiscal year-end was as follows:

Global Public Equity	28%
Fixed Income	23
Cash and Short Duration	11
Global Asset Allocation	10
Private Equity	9
Private Debt and Opportunistic Credit	7
Opportunistic Alpha Hedge Funds	5
Real Estate	4
Commodities	3
Total	100%

The June 30, 2013 asset allocation was consistent with the targets and ranges set forth in the Annual Investment Plan and were within statutory limits. HEK will continue to work with the RSIC to monitor the structure and portfolio in an effort to optimize the portfolio's risk/return profile.

We at HEK are honored to serve as the investment consultant to the RSIC. We look forward to working with the Commissioners and Investment Staff to further enhance the investment portfolio's ability to meet its obligations.

Sincerely,



Suzanne M. Bernard, CFA, CAIA
Partner
Hewitt EnnisKnupp

Investment Section

The investment performance information provided in the Investment Section of the *Comprehensive Annual Financial Report* is provided by the Systems' custodian, BNY Mellon, and is independently calculated using a time weighted rate of return.

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

Year Ended June 30,	Fair Value of Investments ¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2013	\$ 23,762,666	7.50%	\$ 2,199,550	1,934.60%
2012	22,105,265	(4.85%)	108,107	(96.99%)
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%

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

Year Ended June 30,	Fair Value of Investments ¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2013	\$ 3,606,143	9.29%	\$ 330,061	1,839.14%
2012	3,299,647	(2.58%)	17,021	(96.72%)
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%

¹Fair Value also includes investment categories classified as cash equivalents for financial statement purposes. Investments made with cash collateral received in the securities lending program are excluded.

Investment Section

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

Year Ended June 30,	Fair Value of Investments ¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2013	\$ 32,515	2.11%	\$ 3,117	1,733.53%
2012	31,843	(10.27%)	170	(97.01%)
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%

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

Year Ended June 30,	Fair Value of Investments ¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2013	\$ 134,963	7.75%	\$ 12,627	1,527.19%
2012	125,255	(3.91%)	776	(96.14%)
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%

¹Fair value also includes investment categories classified as cash equivalents for financial statement purposes. Investments made with cash collateral received in the securities lending program are excluded.

Investment Section

South Carolina National Guard Supplemental Retirement Plan Summary of Investment Growth (Amounts expressed in thousands)

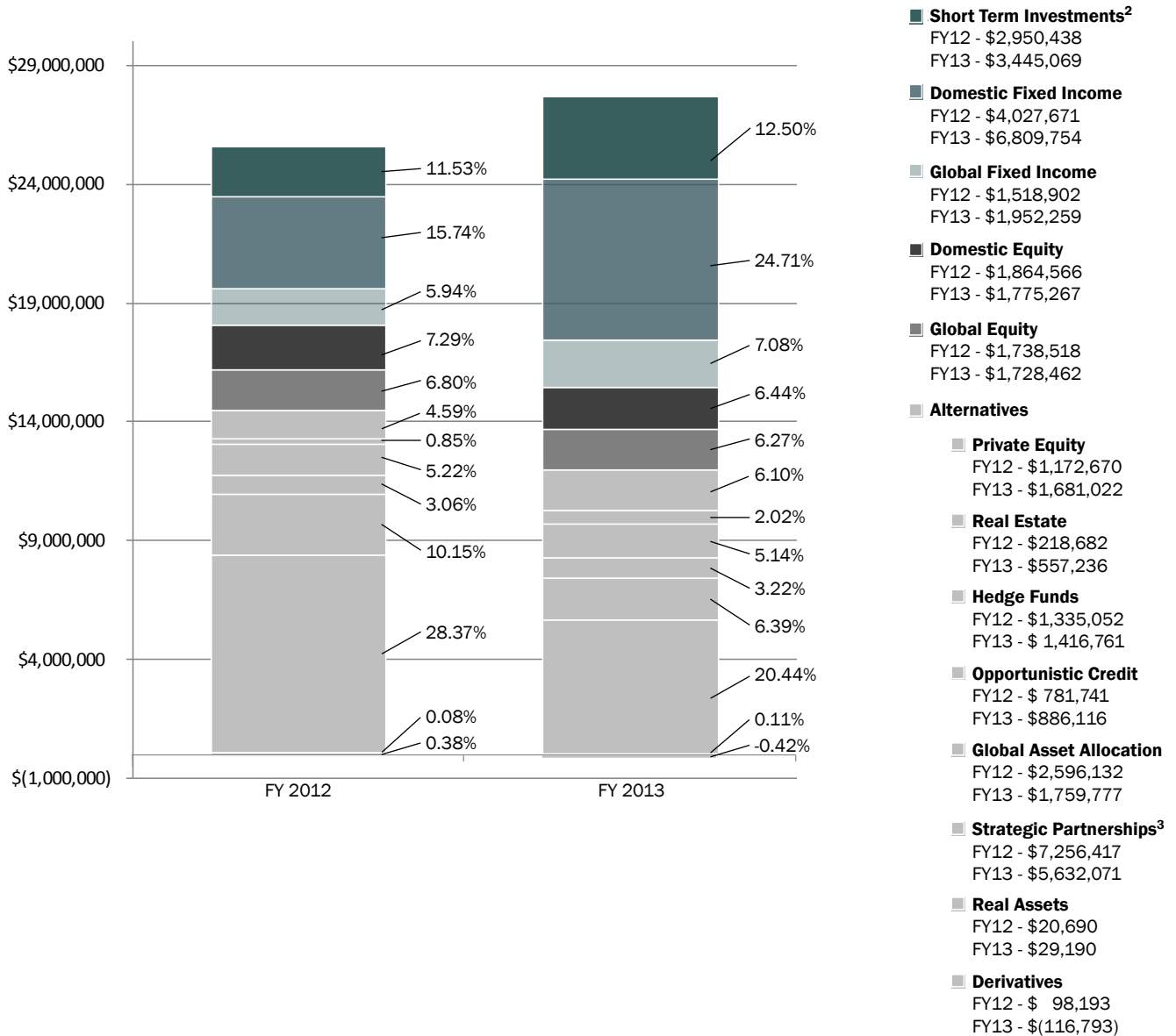
Year Ended June 30,	Fair Value of Investments ¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2013	\$ 19,904	12.69%	\$ 1,675	1,701.08%
2012	17,662	(1.13%)	93	(96.33%)
2011	17,864	19.04%	2,531	35.71%
2010	15,007	16.25%	1,865	146.39%
2009	12,909	(17.39%)	(4,020)	(1,055.17%)
2008	15,627	(0.55%)	(348)	(117.38%)
2007	15,714	23.83%	2,002	2,149.44%
2006 ²	12,690		89	

¹Fair value also includes investment categories classified as cash equivalents for financial statement purposes. Investments made with cash collateral received in the securities lending program are excluded.

²The South Carolina Retirement Systems assumed administrative responsibilities for the South Carolina National Guard Supplemental Retirement Plan January 1, 2006; therefore, prior year data is not presented.

Investment Section

South Carolina Retirement Systems Schedule of Total Asset Allocation¹ Fair Value of Investments as of June 30, 2013 (Dollar amounts expressed in thousands)



¹Data provided in this chart is derived from the Statement of Plan Net Position and for financial statement purposes, allocations are made based on the manager's style. Actual underlying holdings would result in a different allocation.

²Short-term investments with an original maturity of three months or less were classified as cash equivalents for financial statement purposes. The short-term total includes cash of \$928,213 (in thousands). Investments made with cash collateral received in the securities lending program are excluded.

³Strategic Partnerships include investments in private equity, real estate/assets, opportunistic credit, hedge funds, high yield, short duration and cash. Cash, short duration and high yield held in strategic partnerships were previously classified as Alternatives on the Statement of Plan Net Position. In order to more accurately depict the nature of these assets, these investments are now presented in the respective categories of Cash and Cash equivalents, Short term and Domestic fixed income.

Investment Section

Summary of Fair Value of Investments¹ (Amounts expressed in thousands)

	South Carolina Retirement System			Police Officers Retirement System		
	Fair Value		% of	Fair Value		% of
	06/30/2012 ²	06/30/2013	Fair Value at 06/30/13	06/30/2012 ²	06/30/2013	Fair Value at 06/30/13
Short-Term Investments	\$ 2,539,592	\$ 2,951,109	12.42%	\$ 387,352	\$ 465,375	12.91%
Debt:						
Domestic Fixed Income	3,482,402	5,877,851	24.73%	518,345	887,054	24.60%
Global Fixed Income	1,313,272	1,685,096	7.09%	195,477	254,306	7.05%
Public Equity:						
Domestic Equity	1,612,140	1,532,325	6.45%	239,962	231,250	6.41%
Global Equity	1,503,156	1,491,925	6.28%	223,741	225,153	6.24%
Alternatives	11,654,703	10,224,360	43.03%	1,734,770	1,543,005	42.79%
Total Investments	<u>\$ 22,105,265</u>	<u>\$ 23,762,666</u>	<u>100.00%</u>	<u>\$ 3,299,647</u>	<u>\$ 3,606,143</u>	<u>100.00%</u>

	General Assembly Retirement System			Judges & Solicitors Retirement System		
	Fair Value		% of	Fair Value		% of
	06/30/2012 ²	06/30/2012	Fair Value at 06/30/13	06/30/2012 ²	06/30/2013	Fair Value at 06/30/13
Short-Term Investments	\$ 4,925	\$ 5,875	18.07%	\$ 15,579	\$ 19,029	14.10%
Debt:						
Domestic Fixed Income	4,791	7,524	23.14%	19,521	32,743	24.26%
Global Fixed Income	1,806	2,157	6.63%	7,362	9,387	6.96%
Public Equity:						
Domestic Equity	2,218	1,961	6.03%	9,037	8,536	6.32%
Global Equity	2,068	1,910	5.88%	8,426	8,311	6.16%
Alternatives	16,035	13,088	40.25%	65,330	56,957	42.20%
Total Investments	<u>\$ 31,843</u>	<u>\$ 32,515</u>	<u>100.00%</u>	<u>\$ 125,255</u>	<u>\$ 134,963</u>	<u>100.00%</u>

	South Carolina National Guard Supplemental Retirement Plan		
	Fair Value		% of
	06/30/2012 ²	06/30/2013	Fair Value at 06/30/13
Short-Term Investments	\$ 2,990	\$ 3,681	18.50%
Debt:			
Domestic Fixed Income	2,612	4,582	23.02%
Global Fixed Income	985	1,313	6.60%
Public Equity:			
Domestic Equity	1,209	1,195	6.00%
Global Equity	1,127	1,163	5.84%
Alternatives	8,739	7,970	40.04%
Total Investments	<u>\$ 17,662</u>	<u>\$ 19,904</u>	<u>100.00%</u>

¹Fair value excludes investments made with cash collateral received in the securities lending program. Assets of the Systems are pooled for investment purposes; however, percentages vary slightly between systems due to cash flow differences, which primarily impact the short-term investment category.

²Cash, short duration and high yield held in strategic partnerships were previously classified as Alternatives on the Statement of Plan Net Position. In order to more accurately depict the nature of these assets, these investments are now presented in the respective categories of Cash and Cash equivalents, Short term and Domestic fixed income.

Investment Section

South Carolina Retirement Systems List of Largest Assets Held As of June 30, 2013

Top Ten Equity Holdings

Units	Description	SCRS	PORS	GARS	JSRS	SCNG	Fair Value
314,500	Exxon Mobil Corp	\$ 24,526,521	\$ 3,701,410	\$ 31,395	\$ 136,629	\$ 19,120	\$ 28,415,075
384,200	JP Morgan Chase & Co	17,506,373	2,641,967	22,409	97,522	13,647	20,281,918
456,800	Wells Fargo & Co	16,272,254	2,455,721	20,829	90,647	12,685	18,852,136
143,500	Chevron Corp	14,657,861	2,212,085	18,763	81,654	11,427	16,981,790
215,020	SBA Communications Corp	13,756,292	2,076,026	17,609	76,631	10,724	15,937,282
37,646	Apple Inc	12,884,930	1,944,524	16,493	71,777	10,044	14,927,768
460,100	Pfizer Inc	11,123,782	1,678,741	14,239	61,967	8,672	12,887,401
147,200	Renaissance Re Holdings LTD	11,027,185	1,664,163	14,115	61,429	8,596	12,775,488
134,760	Genesee & Wyoming Inc	9,868,446	1,489,293	12,632	54,974	7,693	11,433,038
315,600	Microsoft Corp	9,410,427	1,420,171	12,046	52,422	7,336	10,902,402
Total Top Ten Equity Holdings							\$ 163,394,298

Top Ten Fixed Income Holdings

Par Value	Description	SCRS	PORS	GARS	JSRS	SCNG	Fair Value
\$ 5,600,000	iShares Emerging Markets Local Currency Bond ETF	\$ 240,135,714	\$ 36,239,988	\$ 307,387	\$ 1,337,712	\$ 187,199	\$ 278,208,000
182,350,000	U S Treasury Note 1.750% due 05/15/2022	150,079,964	22,649,260	192,110	836,043	116,995	173,874,372
1,200,000	iShares JP Morgan USD Emerging Market Bond ETF	113,449,209	17,121,144	145,221	631,986	88,440	131,436,000
120,500,000	U S Treasury Note 1.625% due 08/15/2022	97,581,979	14,726,546	124,910	543,595	76,070	113,053,100
102,810,000	U S Treasury Note 0.500% due 06/15/2016	88,366,144	13,335,742	113,113	492,257	68,886	102,376,142
100,000,000	U S Treasury Note 0.375% due 02/15/2016	85,931,070	12,968,254	109,996	478,692	66,988	99,555,000
100,000,000	U S Treasury Note 0.250% due 12/15/2015	85,795,555	12,947,803	109,823	477,937	66,882	99,398,000
97,400,000	U S Treasury Note 2.000% due 02/15/2023	80,911,591	12,210,741	103,571	450,730	63,075	93,739,708
87,000,000	Commit to Purchase FNMA 3.000% due 07/01/2043	73,369,286	11,072,497	93,917	408,715	57,195	85,001,610
85,000,000	U S Treasury Note 0.375% due 01/15/2016	73,104,505	11,032,538	93,578	407,240	56,989	84,694,850
Total Top Ten Fixed Income Holdings							\$1,261,336,782

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

Investment Section

South Carolina Retirement Systems Schedule of Investment Results Combined Investment Portfolio

Schedule of Investments	FYE 2013	3 Years	5 Years
South Carolina Plan Return (Net of Fees)¹	9.99%	9.30%	3.76%
South Carolina Policy Benchmark²	8.13%	8.40%	2.84%
Large Cap	26.48%	19.69%	5.53%
S&P 500	20.60%	18.45%	7.01%
S/Mid Cap	25.59%	19.21%	9.35%
Russell 2500	25.61%	19.57%	9.21%
Developed International Equity	18.15%		
MSCI EAFE Net	18.62%		
Real Estate	17.50%	8.43%	0.43%
NCREIF - Quarterly	10.52%	13.30%	2.33%
Private Equity	16.36%	13.62%	6.73%
Blended Benchmark ^{2,5}	17.39%	13.95%	6.91%
Opportunistic Credit	15.98%	9.73%	7.61%
Blended Benchmark ^{2,3}	5.15%	6.65%	5.27%
Total Hedge Funds	12.21%	8.29%	3.75%
HFRX Global Index	5.50%	1.19%	-2.08%
High Yield/Bank Loans	9.27%	8.68%	9.49%
Blended Benchmark ^{2,7}	8.40%	10.37%	10.72%
Global Asset Allocation	4.78%	10.37%	4.12%
Blended Benchmark ⁴	6.52%	8.37%	3.33%
Emerging Markets Equity	2.77%		
MSCI EME Net	2.87%		
Global Fixed Income	1.98%	5.55%	6.80%
BarCap Global Aggregate	-2.18%	3.55%	3.68%
Emerging Markets Debt	1.96%	5.90%	
Blended Benchmark ^{2,6}	1.25%	7.37%	
Short Duration	1.41%	1.93%	
ML 0-3 Year Treasuries	0.29%	0.64%	
Core Fixed Income	0.24%	4.09%	5.69%
BarCap U.S. Aggregate	-0.69%	3.51%	5.19%
Investment Grade Credit	-0.73%		
Barclays US Credit Index	0.84%		
Commodities	-9.33%		
DJ/UBS Commodity	-8.01%		
RSIC Cash	0.50%	0.20%	0.29%
90 Day T-Bills	0.11%	0.11%	0.30%

¹Plan returns are from BNY Mellon and are time-weighted, total return calculations, net of fees and expenses. All returns are expressed in U.S. Dollars. Periods greater than one year are annualized. Returns generated from synthetic exposure through the Overlay Program are reflected in the total Plan return but are not included in the asset class segment returns.

²The South Carolina Policy Benchmarks, which are proposed annually by the Plan's consultant and adopted by the Commission, have changed over time. The presented returns are a blend of these past policies.

³Blended benchmark is comprised of 1/3 Barclays Capital High Yield, 1/3 S&P/LSTA Leveraged Loan Index and 1/3 Barclays Capital MBS Index.

⁴Blended benchmark is comprised of 50 percent MSCI World and 50 percent Citi WGBI.

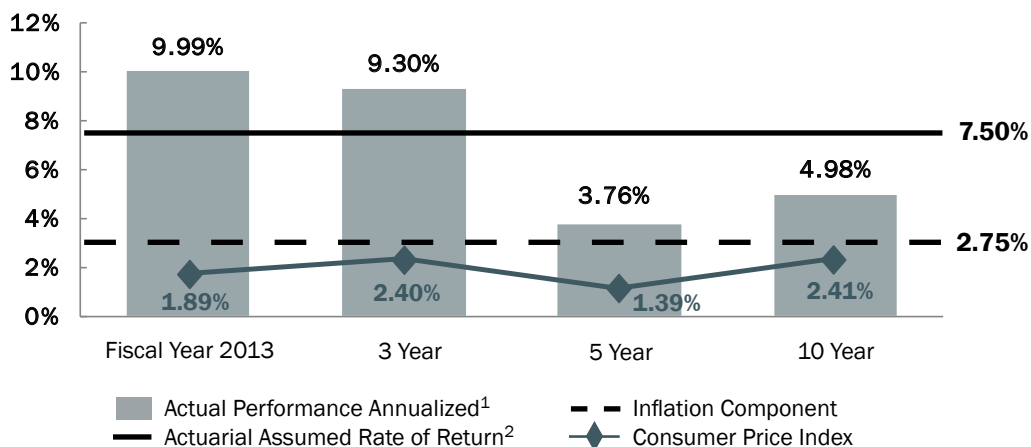
⁵Blended Benchmark is comprised of 80 percent R3000 / 20 percent + 3 percent, EAFE 3M in Arrears.

⁶Blended Benchmark is comprised of 50 percent JPM EMBI Global Diversified and 50 percent JPM-GBI-EM Global.

⁷Blended Benchmark is comprised of 50 percent BarCap High Yield and 50 percent S&P LSTA Leveraged Loan Index.

Investment Section

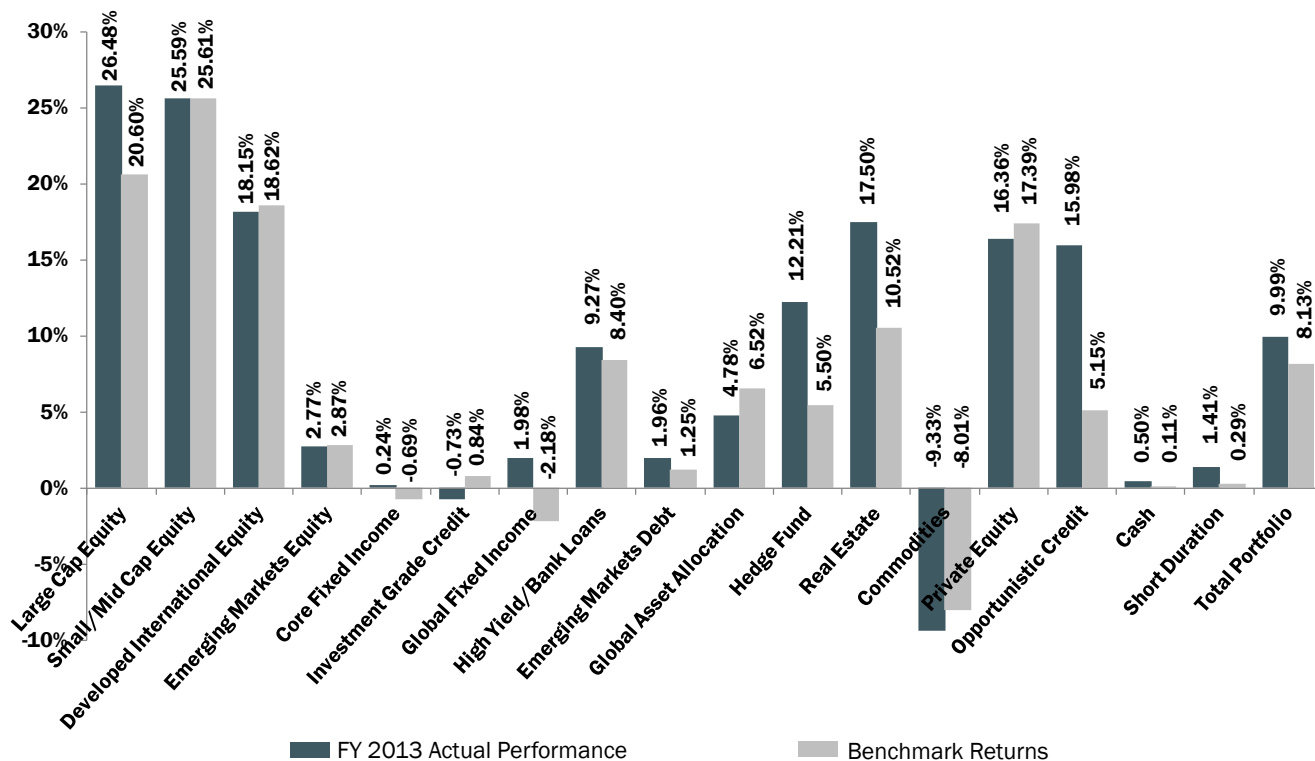
South Carolina Retirement Systems Investment Performance Summary



¹ Actual performance was recalculated by the custodial bank on a time-weighted return, net of investment expenses, for the five most recent fiscal years ending June 30, 2013. However, the 10-year annualized return is blended because returns prior to fiscal year 2008 were not recalculated on a net basis and have not been adjusted for investment fees that were directly invoiced.

² The actuarial assumed rate of return is 7.50 percent starting with returns after July 1, 2011, and is composed of an assumed 2.75 percent inflation rate and a 4.75 percent real rate of return, net of investment and administrative expenses.

Fiscal Year 2013 Investment Performance by Market Segment



Note: The Commission adopted an asset allocation model in April 2012 expected to generate a gross annual investment return of 7.90 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, 2013

	Fair Value of Assets under Management at June 30, 2013 ¹	Reported Fees ²
Investment Managers' Fees	\$ 27,434,054,792	\$ 418,279,075
Other Investment Service Fees:		
Bank Fees and Investment Expenses		1,403,496
		\$ 419,682,571

Brokerage Firm	Number of Shares Traded	Commissions ³	Average Commissions per Share
Goldman Sachs & Co.	9,660,450	\$ 1,557,803	0.1613
Investment Technology Group	19,871,964	340,271	0.0171
Merrill Lynch Pierce Fenner Smith, Inc.	16,441,018	283,098	0.0172
UBS Securities LLC	45,012,096	192,668	0.0043
Liquidnet, Inc.	8,164,663	177,080	0.0217
Credit Suisse	5,970,490	166,718	0.0279
Deutsche Bank Securities, Inc.	7,939,573	143,233	0.0180
Pershing LLC	6,175,387	119,200	0.0193
J. P. Morgan Clearing Corp.	3,995,769	104,872	0.0262
RBC Capital Markets LLC	4,016,601	91,328	0.0227
Jefferies & Co., Inc.	2,952,319	80,408	0.0272
Morgan Stanley & Co., Inc.	2,624,753	78,091	0.0298
Stifel Nicolaus	1,985,404	77,148	0.0389
Raymond James & Associates, Inc.	1,956,389	69,069	0.0353
BTIG LLC	1,798,875	62,241	0.0346
Barclays Capital	3,272,914	58,362	0.0178
Baird, Robert W. & Co., Inc.	1,610,067	58,315	0.0362
Keybanc Capital Markets, Inc.	1,411,382	55,201	0.0391
Sterne Agee & Leach, Inc.	1,377,723	51,287	0.0372
J. P. Morgan Securities, Inc.	1,330,554	50,287	0.0378
All others ⁴	41,769,116	1,237,220	0.0296
	189,337,507	\$ 5,053,898	0.0267

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

²A portion of investment expenses are directly invoiced by the manager; however, a significant number of investment managers provide account valuations on a net of fee basis. Since these investment expenses are netted against investment income, amounts reported represent a good faith attempt by the RSIC to disaggregate amounts that were not necessarily readily separable throughout the fiscal year. The collection process is not standard practice for many investment managers. The investment expense numbers netted out of accounts include amounts for investment management fees, performance fees (carried interest) and other expenses such as organizational expenses in limited partnership structures.

³Commissions paid to brokers are considered a part of the investment asset cost and are therefore not reported as expenses of the System.

⁴Other brokers include 111 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, 2013 (Amounts expressed in thousands)

Style	Investment Manager	Initial Funding Date	Fair Value of Assets under Management at June 30, 2013 ¹	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis ²	Total Investment Manager Fees
Beta Overlay						
	Russell Investment Group	May 29, 2007	\$ 887,299	\$ 1,283	\$ -	\$ 1,283
Core Fixed Income						
	Blackrock Financial Management, Inc.	June 1, 2009	1,498,164	1,353		1,353
	Pacific Investment Management Co.	May 1, 2009	1,533,154	2,834		2,834
Emerging Market Debt						
	Capital Guardian Trust Co.	June 1, 2009		860		860
	Mondrian Investment Group, Inc.	May 1, 2012	235,146	1,131	521	1,652
Domestic Equity						
Large Cap Value						
	Aronson + Johnson + Ortiz, LP	September 21, 2005		605		605
Small Cap Core						
	Pyramis Global Advisors (Fidelity)	May 23, 2000	391,270	2,046		2,046
Small Cap Growth						
	Turner Investment Partners, Inc.	March 15, 2005		1,816		1,816
Small Cap Value						
	Integrity Asset Management, LLC	March 15, 2005	301,545	1,497		1,497
Small/Mid Cap Growth						
	TimesSquare Capital Management, LLC	October 1, 2002	495,393	3,397		3,397
Small/Mid Cap Value						
	Thompson, Siegel & Walmsley, Inc.	March 15, 2005		1,285		1,285
Emerging Market Equity						
	Aberdeen	October 3, 2011	192,304	1,584		1,584
	Dimensional Fund Advisors	September 17, 2010	203,964		1,981	1,981
	LSV	July 1, 2011	254,652		2,639	2,639
	Schroders	September 17, 2010	312,215	2,598	335	2,933
	William Blair	May 31, 2012	359,279	1,615		1,615
Global Asset Allocation						
	Bridgewater Associates, Inc.	August 1, 2007	891,793		3,268	3,268
	Grantham, Mayo, Van Otterloo & Co. LLC	August 31, 2007	867,879	4,629	2,891	7,520
	Putnam Investments	January 17, 2008	105	2,682		2,682
Global Fixed Income						
	Loomis Sayles	August 1, 2007	323,216	1,015		1,015
	Mondrian Investment Group, Inc.	August 15, 2007	264,085	963	75	1,038
	Western Asset Management Co.	August 1, 2007	425,775	1,044		1,044

Investment Section

South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2013 (Amounts expressed in thousands)

Style	Investment Manager	Initial Funding Date	Fair Value of Assets under Management at June 30, 2013 ¹	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis ²	Total Investment Manager Fees
Hedge Funds						
	Bridgewater Associates, Inc.	July 2, 2007	\$ 354,969	\$	\$ 9,775	\$ 9,775
	Bridgewater Associates, Inc.	February 1, 2011	87,258		2,506	2,506
	Caspian	March 1, 2013	206,944		1,616	1,616
	D.E. Shaw LLC	July 2, 2007	302,084		22,346	22,346
	Loomis Sayles	May 13, 2010	399,247		1,294	1,294
	Reservoir Strategic Partners	June 28, 2013	53,366			
High Yield						
	Loomis Sayles	May 2, 2008	188,433	935		935
	Penn Capital Management, Inc.	May 1, 2009	92,659	497		497
	Post Advisory Group	March 9, 2010	373,646	1,700		1,700
Limited Term High Yield						
	Penn Capital Management, Inc.	January 12, 2012	238,046	938		938
	Post Advisory Group	May 11, 2010	267,372	1,226		1,226
Opportunistic Credit						
	Angelo Gordon, LP	June 17, 2008	23,109		1,958	1,958
	Avenue Partners	March 13, 2009	5,410		838	838
	Avenue Partners	November 1, 2010	112,955		1,485	1,485
	Avenue Partners	March 9, 2012	53,567		1,961	1,961
	D. E. Shaw	July 16, 2008	82,109		3,383	3,383
	Goldman Sachs & Co.	December 19, 2007	36,061		944	944
	Northstar Capital	February 25, 2008	30,531		925	925
	Sankaty Advisors	July 15, 2008	86,244		8,206	8,206
	Selene Investment Partners	July 24, 2008	30,104		3,330	3,330
	Selene Investment Partners	March 31, 2011	103,493		5,018	5,018
	SJC Direct Lending	January 16, 2013	6,270		561	561
	Strategos Capital Management, LLC	October 7, 2009	280,942	1,373		1,373
	Torchlight	May 11, 2009	73,508		3,017	3,017
	Torchlight	August 1, 2012	39,035		1,080	1,080
	W. L. Ross	June 17, 2010	46,511		1,231	1,231
Private Equity						
	Advent International	December 6, 2012	9,279		821	821
	Apax Partners, LP	December 17, 2012	5,273		739	739
	Apollo Co-Investment	January 28, 2013	326,313			
	Aquiline Capital Partners, LLC	March 28, 2007	114,694		1,219	1,219

Investment Section

South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2013 (Amounts expressed in thousands)

Style	Investment Manager	Initial Funding Date	Fair Value of Assets under Management at June 30, 2013 ¹	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis ²	Total Investment Manager Fees
	Aquiline Capital Partners, LLC	December 27, 2010	\$ 102,404	\$	\$ 2,241	\$ 2,241
	Bridgepoint Europe	November 14, 2008	57,590		968	968
	Carousel Capital Partners	September 17, 2007	8,968		1,096	1,096
	Clayton, Dubilier & Rice	January 12, 2009	80,330		681	681
	Crestview Partners LP	November 6, 2008	81,562		4,440	4,440
	Industry Ventures	March 27, 2009	30,932		1,971	1,971
	Lexington Partners	October 9, 2008	31,056		801	801
	Lexington Partners	July 14, 2010	61,636		1,887	1,887
	Neuberger Berman	May 22, 2008	33,083		1,281	1,281
	Oaktree Capital Management, L.P.	December 15, 2011	19,512		615	615
	Pantheon	July 10, 2007	98,406		725	725
	Paul Capital Partners	May 23, 2008	44,824		987	987
	Reservoir Capital Partners	June 28, 2013	76,080			
	Warburg Pincus	December 28, 2007	95,351		4,837	4,837
	Warburg Pincus	April 15, 2013	9,720		985	985
	Welsh Carson Anderson & Stowe	February 10, 2009	40,715		2,171	2,171
Real Estate						
	American Timberlands	December 23, 2011	29,066		2,384	2,384
	Blackstone	July 19, 2012	67,370		5,030	5,030
	Carlyle Realty Partners	March 11, 2011	43,813		3,561	3,561
	Greystar	March 31, 2011	136,331		3,989	3,989
	Intercontinental Real Estate Corp.	August 3, 2009	10,566			
	LoneStar	June 16, 2011	24,094		2,170	2,170
	Oaktree Capital Management, L.P.	December 15, 2011	83,775		5,289	5,289
	Och-Ziff	March 28, 2011	46,811	875	2,405	3,280
Strategic Partnerships						
	SCRS / Apollo Strategic Partnership	January 15, 2009	881,176		20,889	20,889
	SCRS / Blackstone Strategic Partnership	December 28, 2012	114,224		1,081	1,081
	SCRS / Crescent Strategic Partnership	January 1, 2012	169,106		6,197	6,197
	SCRS / EnTrust Strategic Partnership	November 1, 2011	561,461		4,387	4,387
	SCRS / GCM Strategic Partnership	July 1, 2011	850,580		6,583	6,583
	SCRS / Goldman Sachs Strategic Partnership	August 29, 2008	1,154,713		33,915	33,915
	SCRS / GSO Strategic Partnership	September 1, 2011	650,108		20,813	20,813
	SCRS / Lighthouse Strategic Partnership	June 29, 2011	1,803,580		69,357	69,357
	SCRS / Mariner Strategic Partnership	November 3, 2008	223,974		27,197	27,197

Investment Section

South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2013 (Amounts expressed in thousands)

Style	Investment Manager	Initial Funding Date	Fair Value of Assets under Management at June 30, 2013 ¹	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis ²	Total Investment Manager Fees
	SCRS / Morgan Stanley Strategic Partnership	February 27, 2008	\$ 851,397	\$	\$ 28,508	\$ 28,508
	SCRS / Reservoir Capital Strategic Partnership	September 1, 2009	3,950		5,269	5,269
	SCRS / TCW Strategic Partnership	June 20, 2008	144,604		5,210	5,210
	SCRS / WLR Strategic Partnership	September 30, 2011	324,136		4,166	4,166
	Various Other Managers Not Separately Listed³		802,615	603	5,846	6,449
	Transition Accounts					
	Russell Small Cap Transition		103			
	Russell Large Cap Transition		612,815			
	Internally Managed Assets					
	Core Fixed Income		120,803			
	Short Duration		2,715,712			
	Cash Accounts		258,373			
	SCRS Emerging Markets Debt ETF		409,644			
	Other					
	Residual Assets ⁴		316			
	Total Fair Value of Assets and Manager Fees		<u>\$ 27,434,055</u>	<u>\$ 42,384</u>	<u>\$ 375,895</u>	<u>\$ 418,279</u>
	Adjustments, Cash, Receivables and Payables		<u>(622,218)</u>			
	Net Asset Value as reported by the Custodial Bank		<u>\$ 26,811,837</u>			

¹The "Fair Value" of assets under management includes categories classified as cash equivalents for financial statement purposes and excludes cash, receivables and payables; therefore, these adjustments are necessary to reconcile to "Net Asset Values" reported by the Custodial Bank and the Retirement System Investment Commission.

²A portion of investment expenses are directly invoiced by the manager; however, a significant number of investment managers provide account valuations on a net of fee basis. Since these investment expenses are netted against investment income, amounts reported represent a good faith attempt by the RSIC to disaggregate amounts that were not necessarily readily separable throughout the fiscal year. The collection process is not standard practice for many investment managers. The investment expense numbers netted out of accounts include amounts for investment management fees, performance fees (carried interest) and other expenses such as organizational expenses in limited partnership structures.

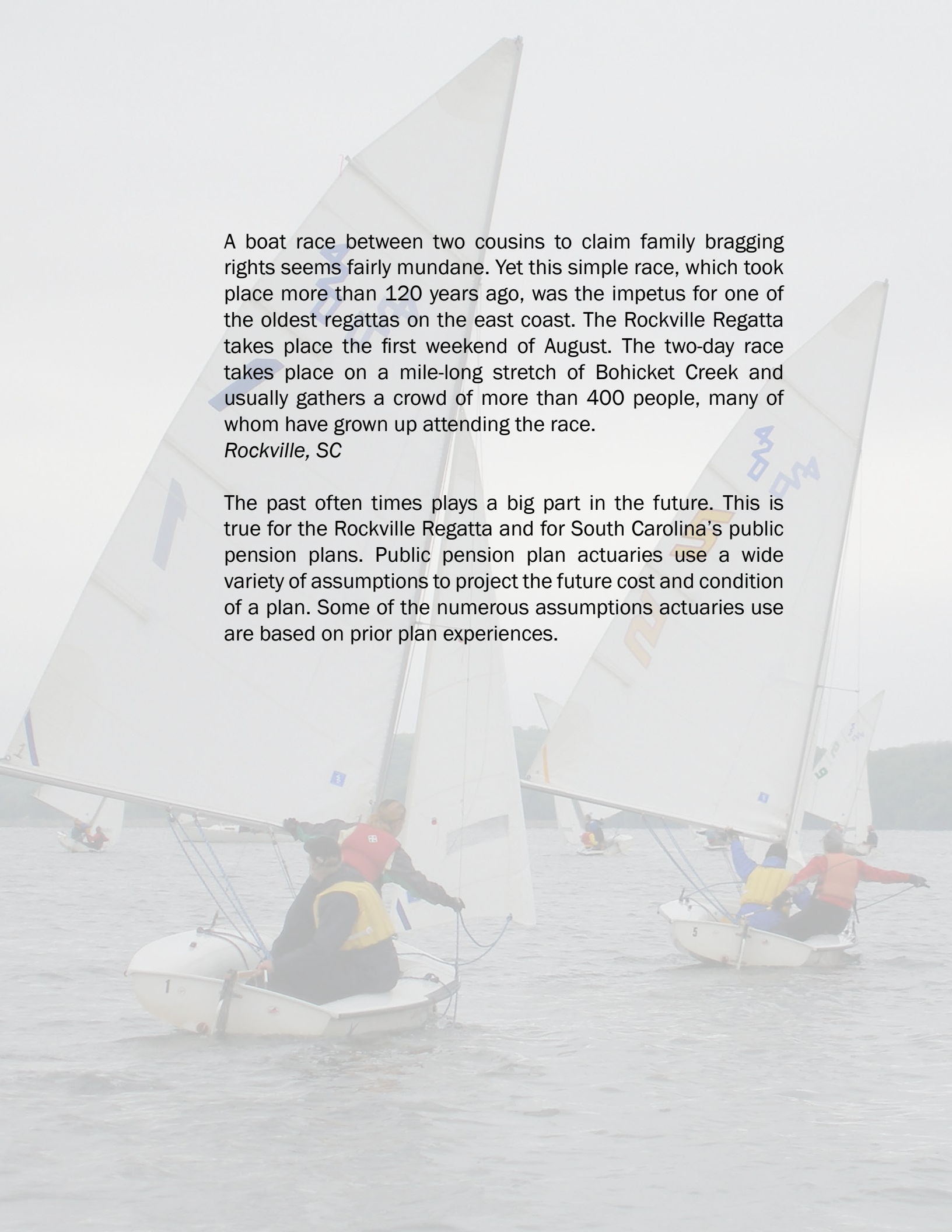
³Information provided in this schedule aggregates amounts for 20 various other managers with individual fees less than \$550,000 each.

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

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The past helps make way for the future



A boat race between two cousins to claim family bragging rights seems fairly mundane. Yet this simple race, which took place more than 120 years ago, was the impetus for one of the oldest regattas on the east coast. The Rockville Regatta takes place the first weekend of August. The two-day race takes place on a mile-long stretch of Bohicket Creek and usually gathers a crowd of more than 400 people, many of whom have grown up attending the race.

Rockville, SC

The past often times plays a big part in the future. This is true for the Rockville Regatta and for South Carolina's public pension plans. Public pension plan actuaries use a wide variety of assumptions to project the future cost and condition of a plan. Some of the numerous assumptions actuaries use are based on prior plan experiences.



August 30, 2013

South Carolina Public Employee Benefit Authority
South Carolina Retirement System
P.O. Box 11960
Columbia, SC 29211-1960

Subject: Statement of Certification for the Actuarial Valuation as of July 1, 2012

Dear Members of the Board:

Actuarial valuations are prepared annually as of July 1, the first day of the plan year, for each of the five retirement systems (i.e. the South Carolina Retirement System, the Police Officers Retirement System, the Judges and Solicitors Retirement System, the General Assembly Retirement System, and the South Carolina National Guard Supplemental Retirement Plan). These reports describe the current actuarial condition of the South Carolina Retirement Systems and document the calculated employer contribution rates as well as the changes in these contribution rates.

FINANCING OBJECTIVES AND FUNDING POLICY

The employer and member contribution rates for the South Carolina Retirement System and the Police Officers Retirement System are determined in accordance with South Carolina Code. As specified by the Code, in the event the scheduled employer and member contribution rates are insufficient to maintain a thirty-year amortization period for financing the unfunded liability of the System, the South Carolina Public Employee Benefit Authority (the Board) shall increase the employer and member contribution rates in equal amounts as necessary to maintain a funding period that does not exceed thirty years.

The Board also certifies the employer contribution rates annually for the Judges and Solicitors Retirement System, the General Assembly Retirement System, and the South Carolina National Guard Supplemental Retirement Plan. The Board's principle objectives to determine the appropriate funding requirements for these systems include:

- Establish a contribution rate that remains relatively level over time.
- To set rates so that the measures of the System's funding progress, which include the unfunded actuarial accrued liability, funded ratio, and funding period, will be maintained or improved.
- To set a contribution rate that will result in the unfunded actuarial accrued liability (UAAL) to be amortized over a period from the current valuation date that does not exceed 30 years.

To accomplish this, the employer contribution rate will be at least equal to the sum of the employer normal cost rate (which pays the current year's cost) and an amortization rate which results in the

Actuarial Section

South Carolina Public Employee Benefit Authority
August 30, 2013
Page 2

UAAL being funded over a period that does not exceed 30 years in installments. These installments increase at the assumed rate of growth in payroll for each System.

If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the calculated rates before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

PROGRESS TOWARD REALIZATION OF FINANCING OBJECTIVES

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches at least 100%.

For all systems on a combined basis, the funded ratio decreased from 67.9% in 2011 to 65.4% in 2012. Decreases in the funded ratio are consistent with our expectations for the next several years as outstanding deferred investment losses become fully recognized in the actuarial value of assets.

ASSUMPTIONS AND METHODS

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. South Carolina State Code requires the Board to have the actuary perform an experience study every five years. The last experience study was performed in 2011.

It is our opinion that the actuarial assumptions used to perform this valuation are internally consistent and reasonably reflect the anticipated future experience of the System. The actuarial assumptions and methods used in this report comply with the parameters for disclosure that appear in GASB 25.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can, and almost certainly will, differ as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rate, and funding periods. The actuarial calculations are intended to provide information for rational decision making.

The benefit structure is outlined in this section of the annual report. GRS provided the information disclosed in the *Actuarial Balance Sheet, Results of the Valuation as of July 1, 2012, Summary of Actuarial Assumptions and Methods, Development of the Actuarial Value of Assets, Solvency Test*, and the *Reconciliation of the UAAL*. GRS also provided the trend information for years on and after July 1, 2011 for the *Summary of Historical Active Membership, Schedule of Retirants Added to and Removed from Rolls*, and the *Schedule of Funding Progress*.

Gabriel Roeder Smith & Company

Actuarial Section

South Carolina Public Employee Benefit Authority
August 30, 2013
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DATA

Member data for retired, active and inactive members was supplied as of July 1, 2012, by the staff of the Systems. The staff also supplied asset information as of July 1, 2012. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. GRS is not responsible for the accuracy or completeness of the information provided to us by the Systems.


CERTIFICATION

We certify that the information presented herein is accurate and fairly portrays the actuarial position of the Retirement Systems as of July 1, 2012. All of our work conforms with generally accepted actuarial principles and practices, and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of South Carolina Code of Laws and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

The undersigned are independent actuaries and consultants. Mr. Newton and Mr. White are Enrolled Actuaries and Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries. Both are experienced in performing valuations for large public retirement systems.

Sincerely,

Gabriel, Roeder, Smith & Co.



Joseph P. Newton, FSA, MAAA, EA
Senior Consultant



Daniel J. White, FSA, MAAA, EA
Senior Consultant

Gabriel Roeder Smith & Company

Actuarial Section

South Carolina Retirement System Actuarial Balance Sheet (Dollar amounts expressed in thousands)

	Actuarial Valuation as of	
	<u>July 1, 2012¹</u>	<u>July 1, 2011¹</u>
1. Assets		
a. Current Assets (Actuarial Value)		
i) Employee Annuity Savings Fund	\$ 6,459,192	\$ 6,472,646
ii) Employer Annuity Accumulation Fund	<u>19,081,557</u>	<u>19,132,177</u>
iii) Total Current Assets	\$ 25,540,749	\$ 25,604,823
b. Present Value of Future Member Contributions	\$ 4,798,172	\$ 4,590,908
c. Present Value of Future Employer Contributions		
i) Normal Contributions	\$ 1,082,126	\$ 1,547,343
ii) Accrued Liability Contributions	<u>13,916,959</u>	<u>12,406,787</u>
iii) Total Future Employer Contributions	\$14,999,085	\$13,954,130
d. Total Assets	<u>\$ 45,338,006</u>	<u>\$ 44,149,861</u>
2. Liabilities		
a. Employee Annuity Savings Fund		
i) Past Member Contributions	\$ 6,459,192	\$ 6,472,646
ii) Present Value of Future Member Contributions	<u>4,798,172</u>	<u>4,590,908</u>
iii) Total Contributions to Employee Annuity Savings Fund	\$ 11,257,364	\$ 11,063,554
b. Employer Annuity Accumulation Fund		
i) Benefits Currently in Payment (including TERI)	\$ 24,732,406	\$ 23,160,658
ii) Benefits to be Provided to Other Members	<u>9,348,236</u>	<u>9,925,649</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	\$ 34,080,642	\$ 33,086,307
c. Total Liabilities	<u>\$ 45,338,006</u>	<u>\$ 44,149,861</u>

¹Results of July 1, 2011, and July 1, 2012, reflect the enactment of Act 278.

Actuarial Section

Police Officers Retirement System Actuarial Balance Sheet (Dollar amounts expressed in thousands)

	Actuarial Valuation as of	
	July 1, 2012 ¹	July 1, 2011 ¹
1. Assets		
a. Current Assets (Actuarial Value)		
i) Employee Annuity Savings Fund	\$ 773,710	\$ 786,724
ii) Employer Annuity Accumulation Fund	3,035,224	2,941,517
iii) Total Current Assets	\$ 3,808,934	\$ 3,728,241
b. Present Value of Future Member Contributions	\$ 664,873	\$ 655,613
c. Present Value of Future Employer Contributions		
i) Normal Contributions	\$ 421,750	\$ 499,824
ii) Accrued Liability Contributions	1,548,558	1,394,260
iii) Total Future Employer Contributions	\$ 1,970,308	\$ 1,894,084
d. Total Assets	\$ 6,444,115	\$ 6,277,938
2. Liabilities		
a. Employee Annuity Savings Fund		
i) Past Member Contributions	\$ 773,710	\$ 786,724
ii) Present Value of Future Member Contributions	664,873	655,613
iii) Total Contributions to Employee Annuity Savings Fund	\$ 1,438,583	\$ 1,442,337
b. Employer Annuity Accumulation Fund		
i) Benefits Currently in Payment	\$ 3,118,016	\$ 2,784,144
ii) Benefits to be Provided to other Members	1,887,516	2,051,457
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	\$ 5,005,532	\$ 4,835,601
c. Total Liabilities	\$ 6,444,115	\$ 6,277,938

¹Results of July 1, 2011, and July 1, 2012, reflect the enactment of Act 278.

Actuarial Section

General Assembly Retirement System Actuarial Balance Sheet (Dollar amounts expressed in thousands)

	Actuarial Valuation as of	
	<u>July 1, 2012</u>	<u>July 1, 2011</u>
1. Assets		
a. Current Assets (Actuarial Value)		
i) Employee Annuity Savings Fund	\$ 7,267	\$ 7,100
ii) Employer Annuity Accumulation Fund	<u>31,966</u>	<u>34,384</u>
iii) Total Current Assets	39,233	41,484
b. Present Value of Future Member Contributions ¹	\$ 2,367	\$ 2,340
c. Present Value of Future Employer Contributions		
i) Normal Contributions	\$ 1,852	\$ 2,189
ii) Accrued Liability Contributions	<u>35,098</u>	<u>33,120</u>
iii) Total Future Employer Contributions	\$ 36,950	\$ 35,309
d. Total Assets	<u>\$ 78,550</u>	<u>\$ 79,133</u>
2. Liabilities		
a. Employee Annuity Savings Fund		
i) Past Member Contributions	\$ 7,267	\$ 7,100
ii) Present Value of Future Member Contributions ¹	<u>2,367</u>	<u>2,340</u>
iii) Total Contributions to Employee Annuity Savings Fund	\$ 9,634	\$ 9,440
b. Employer Annuity Accumulation Fund		
i) Benefits Currently in Payment	\$ 58,213	\$ 58,291
ii) Benefits to be Provided to other Members	<u>10,703</u>	<u>11,402</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	\$ 68,916	\$ 69,693
c. Total Liabilities	<u>\$ 78,550</u>	<u>\$ 79,133</u>

¹Includes future special contributors.

Actuarial Section

Judges and Solicitors Retirement System Actuarial Balance Sheet (Dollar amounts expressed in thousands)

	Actuarial Valuation as of	
	<u>July 1, 2012</u>	<u>July 1, 2011</u>
1. Assets		
a. Current Assets (Actuarial Value)		
i) Employee Annuity Savings Fund	\$ 20,005	\$ 18,864
ii) Employer Annuity Accumulation Fund	125,599	126,063
iii) Total Current Assets	<u>\$ 145,604</u>	<u>\$ 144,927</u>
b. Present Value of Future Member Contributions	\$ 13,427	\$ 14,186
c. Present Value of Future Employer Contributions		
i) Normal Contributions	\$ 22,119	\$ 23,882
ii) Accrued Liability Contributions	106,125	98,587
iii) Total Future Employer Contributions	<u>\$ 128,244</u>	<u>\$ 122,469</u>
d. Total Assets	<u>\$ 287,275</u>	<u>\$ 281,582</u>
2. Liabilities		
a. Employee Annuity Savings Fund		
i) Past Member Contributions	\$ 20,005	\$ 18,864
ii) Present Value of Future Member Contributions	13,427	14,186
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 33,432</u>	<u>\$ 33,050</u>
b. Employer Annuity Accumulation Fund		
i) Benefits Currently in Payment	\$ 177,483	\$ 169,841
ii) Benefits to be Provided to other Members	76,360	78,691
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 253,843</u>	<u>\$ 248,532</u>
c. Total Liabilities	<u>\$ 287,275</u>	<u>\$ 281,582</u>

Actuarial Section

South Carolina National Guard Supplemental Retirement Plan Actuarial Balance Sheet (Dollar amounts expressed in thousands)

	Actuarial Valuation as of	
	<u>July 1, 2012</u>	<u>July 1, 2011</u>
1. Assets		
a. Current Assets (Actuarial Value)	\$ 20,814	\$ 20,138
b. Present Value of Future Member Contributions	0	0
c. Present Value of Future Employer Contributions		
i) Normal Contributions	\$ 6,222	\$ 6,365
ii) Accrued Liability Contributions	40,128	40,250
iii) Total Future Employer Contributions	<u>\$ 46,350</u>	<u>\$ 46,615</u>
d. Total Assets	<u>\$ 67,164</u>	<u>\$ 66,753</u>
2. Liabilities		
a. Benefits to be Paid to Retired Members and Beneficiaries	\$ 32,989	\$ 32,038
b. Benefits to be Paid to Former Members Entitled to Deferred Pensions	\$ 12,625	\$ 12,452
c. Benefits to be Paid to Current Active Members	<u>\$ 21,550</u>	<u>\$ 22,263</u>
d. Total Liabilities	<u>\$ 67,164</u>	<u>\$ 66,753</u>

Actuarial Section

South Carolina Retirement System Results of the Valuation as of July 1, 2012 (Dollar amounts expressed in thousands)

July 1, 2012

1. Actuarial Present Value of Future Benefits

a. Present Retired Members and Beneficiaries	\$	24,732,406
b. Present Active and Inactive Members		20,605,600
c. Total Actuarial Present Value	\$	45,338,006

2. Present Value of Future Normal Contributions

a. Employee	\$	4,798,172
b. Employer		1,082,126
c. Total Future Normal Contributions	\$	5,880,298

3. Actuarial Liability \$ 39,457,708

4. Current Actuarial Value of Assets \$ 25,540,749

5. Unfunded Actuarial Liability \$ 13,916,959

6. UAAL Amortization Rates Based on a Total Employer Contribution Rate of 10.90%¹

a. Active Members	8.85%
b. TERI Members (including employee contributions)	18.90%
c. ORP Members	5.90%
d. Re-employed Members (including employee contributions)	18.90%

7. Unfunded Actuarial Liability Liquidation Period 29 years

¹The employer contribution rate includes the cost for incidental death benefits.

Actuarial Section

Police Officers Retirement System Results of the Valuation as of July 1, 2012 (Dollar amounts expressed in thousands)

	<u>July 1, 2012</u>
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 3,118,016
b. Present Active and Inactive Members	3,326,099
c. Total Actuarial Present Value	\$ 6,444,115
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 664,873
b. Employer	421,750
c. Total Future Normal Contributions	\$ 1,086,623
3. <u>Actuarial Liability</u>	\$ 5,357,492
4. <u>Current Actuarial Value of Assets</u>	\$ 3,808,934
5. <u>Unfunded Actuarial Liability</u>	\$ 1,548,558
6. <u>Unfunded Actuarial Liability Rate in Effect for FY2015</u>¹	7.49%
7. <u>Unfunded Actuarial Liability Liquidation Period</u>²	30 years

¹The employer contribution rate includes the cost for incidental death benefits and accidental death benefits.

²Funding period after reflecting the required increase in the contribution rates as adopted by the Board.

Actuarial Section

General Assembly Retirement System Results of the Valuation as of July 1, 2012 (Dollar amounts expressed in thousands)

	<u>July 1, 2012</u>
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 58,213
b. Present Active and Inactive Members	20,337
c. Total Actuarial Present Value	<u>\$ 78,551</u>
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee (including special contributors)	\$ 2,367
b. Employer	1,852
c. Total Future Normal Contributions	<u>\$ 4,219</u>
3. <u>Actuarial Liability</u>	\$ 74,332
4. <u>Current Actuarial Value of Assets</u>	\$ 39,233
5. <u>Unfunded Actuarial Liability</u>	\$ 35,099
6. <u>Unfunded Actuarial Liability Liquidation Period from the Valuation Date</u>	15 years

Actuarial Section

Judges and Solicitors Retirement System Results of the Valuation as of July 1, 2012 (Dollar amounts expressed in thousands)

	<u>July 1, 2012</u>
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 177,483
b. Present Active and Inactive Members	109,792
c. Total Actuarial Present Value	\$ 287,275
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 13,427
b. Employer	22,119
c. Total Future Normal Contributions	\$ 35,546
3. <u>Actuarial Liability</u>	\$ 251,729
4. <u>Current Actuarial Value of Assets</u>	\$ 145,604
5. <u>Unfunded Actuarial Liability</u>	\$ 106,125
6. <u>UAAL Amortization Rates Based on an Employer Contribution Rate of 47.97%¹</u>	
a. Active Members	30.69%
b. DROP and Retired-in-Place Members (including employee contributions)	57.97%
7. <u>Unfunded Actuarial Liability Liquidation Period</u>	30 years

¹The employer contribution rate includes the cost for incidental death benefits.

Actuarial Section

South Carolina National Guard Supplemental Retirement Plan Results of the Valuation as of July 1, 2012 (Dollar amounts expressed in thousands)

	<u>July 1, 2012</u>
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 32,989
b. Present Active and Inactive Members	<u>34,175</u>
c. Total Actuarial Present Value	\$ 67,164
2. <u>Present Value of Future Normal Contributions</u>	
a. Employees	\$ 0
b. Employer	<u>6,222</u>
c. Total Future Normal Contributions	\$ 6,222
3. <u>Actuarial Liability</u>	\$ 60,942
4. <u>Current Actuarial Value of Assets</u>	\$ 20,814
5. <u>Unfunded Actuarial Liability</u>	\$ 40,128
6. <u>Unfunded Actuarial Liability Liquidation Period (blended)</u>	20 years

Actuarial Section

South Carolina Retirement System Summary of Actuarial Methods and Assumptions

The following presents a summary of the actuarial assumptions and methods used in the valuation of the South Carolina Retirement System.

Investment Rate of Return

Assumed annual rate of 7.5 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment, and administration expenses.

Rates of Annual Salary Increase

Rates of annual salary increase are assumed to vary for the first 19 years of service due to expected merit and promotional increases which differs by employee group. Beginning with the 20th year of service, the assumed annual rate of increase is 3.5 percent for both groups and for all future years of service.

The 3.5 percent rate of the increase is composed of a 2.75 percent inflation component and a 0.75 percent real rate of wage increase (productivity) component.

Active Male and Female Salary Increase Rate				
Years of Service	General Employees		Teachers	
	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation
0	2.50%	6.00%	4.00%	7.50%
1	2.50%	6.00%	9.00%	12.50%
2	2.00%	5.50%	3.00%	6.50%
3	1.50%	5.00%	2.75%	6.25%
4	1.25%	4.75%	2.50%	6.00%
5	1.00%	4.50%	2.25%	5.75%
6	0.75%	4.25%	2.00%	5.50%
7	0.50%	4.00%	1.75%	5.25%
8	0.50%	4.00%	1.75%	5.25%
9	0.25%	3.75%	1.50%	5.00%
10	0.25%	3.75%	1.50%	5.00%
11	0.25%	3.75%	1.50%	5.00%
12	0.25%	3.75%	1.25%	4.75%
13	0.25%	3.75%	1.00%	4.50%
14	0.25%	3.75%	1.00%	4.50%
15	0.00%	3.50%	1.00%	4.50%
16	0.00%	3.50%	0.75%	4.25%
17	0.00%	3.50%	0.50%	4.00%
18	0.00%	3.50%	0.25%	3.75%
19	0.00%	3.50%	0.25%	3.75%
20+	0.00%	3.50%	0.00%	3.50%

Actuarial Section

Active Member Decrement Rates

a. Assumed rate of Service Retirement or TERI entry are shown in the following tables. The first table is for members who attain age 65 before attaining 28 years of service. The second table is based on service and is for members who attain 28 years of service before age 65.

Annual Age Based Retirement Rates									
Members	Class Two								Class Three
Age	General Employees				Teachers				Rule of 90
	Reduced		Normal¹		Reduced		Normal¹		
	Male	Female	Male	Female	Male	Female	Male	Female	
55	4%	4%	0%	0%	2%	2%	0%	0%	20%
56	4%	4%	0%	0%	2%	2%	0%	0%	20%
57	4%	4%	0%	0%	2%	2%	0%	0%	20%
58	4%	4%	0%	0%	2%	2%	0%	0%	20%
59	4%	4%	0%	0%	2%	2%	0%	0%	20%
60	5%	7%	0%	0%	5%	6%	0%	0%	20%
61	5%	7%	0%	0%	6%	6%	0%	0%	20%
62	14%	13%	0%	0%	12%	11%	0%	0%	20%
63	10%	13%	0%	0%	12%	10%	0%	0%	20%
64	10%	13%	0%	0%	9%	10%	0%	0%	20%
65	0%	0%	20%	22%	0%	0%	20%	25%	20%
66	0%	0%	20%	22%	0%	0%	20%	25%	20%
67	0%	0%	17%	19%	0%	0%	20%	20%	20%
68	0%	0%	17%	19%	0%	0%	20%	20%	20%
69	0%	0%	17%	19%	0%	0%	20%	20%	20%
70	0%	0%	17%	19%	0%	0%	20%	20%	20%
71	0%	0%	17%	19%	0%	0%	20%	20%	20%
72	0%	0%	17%	19%	0%	0%	20%	20%	20%
73	0%	0%	17%	19%	0%	0%	20%	20%	20%
74	0%	0%	17%	19%	0%	0%	20%	20%	20%
75	0%	0%	100%	100%	0%	0%	100%	100%	100%

¹Retirement rate 50% at the later of age 62 or when they are first eligible for a normal retirement benefit, the first age the member is eligible to concurrently commence benefits and continue employment.

Actuarial Section

Annual Service Based Retirement Rates¹				
Class Two Members				
Years of Service	General Employees		Teachers	
	Male	Female	Male	Female
28	15%	18%	7%	8%
29	10%	10%	8%	9%
30	10%	10%	8%	9%
31	10%	10%	9%	10%
32	10%	10%	10%	11%
33	18%	20%	11%	12%
34	18%	20%	12%	18%
35	18%	20%	13%	18%
36	20%	20%	14%	18%
37	20%	20%	18%	18%
38	20%	20%	17%	19%
39	20%	20%	17%	20%
40	100%	100%	100%	100%
41	100%	100%	100%	100%
42	100%	100%	100%	100%
43	100%	100%	100%	100%
44	100%	100%	100%	100%
45	100%	100%	100%	100%
46	100%	100%	100%	100%
47	100%	100%	100%	100%
48	100%	100%	100%	100%

¹Retirement rate 50% at the later of age 62 or when they are first eligible for a normal retirement benefit, the first age the member is eligible to concurrently commence benefits and continue employment.

b. Assumed rates of disability are shown in the following table.

Disability Rates				
Age	General Employees		Teachers	
	Males	Females	Males	Females
25	0.0504%	0.0464%	0.0419%	0.0458%
30	0.1008%	0.0650%	0.0629%	0.0616%
35	0.1512%	0.1299%	0.0838%	0.0616%
40	0.2520%	0.1670%	0.1572%	0.1074%
45	0.3528%	0.2413%	0.2620%	0.2200%
50	0.5040%	0.4083%	0.4192%	0.3520%
55	0.8064%	0.6496%	0.6812%	0.5720%
60	1.0080%	0.9930%	1.0480%	0.8800%
64	1.2600%	1.3827%	1.3100%	1.1000%

Actuarial Section

c. Active Member Mortality

Rates of active member mortality are based upon a client specific table with applicable multipliers to match the experience.

Active Mortality Rates (Multiplier Applied)				
Age	General Employees		Teachers	
	Males	Females	Males	Females
25	0.0414%	0.0166%	0.0432%	0.0145%
30	0.0488%	0.0211%	0.0511%	0.0185%
35	0.0850%	0.0380%	0.0889%	0.0333%
40	0.1187%	0.0565%	0.1241%	0.0494%
45	0.1659%	0.0899%	0.1734%	0.0787%
50	0.2352%	0.1341%	0.2459%	0.1173%
55	0.3332%	0.2021%	0.3483%	0.1768%
60	0.5366%	0.3145%	0.5610%	0.2752%
64	0.7731%	0.4343%	0.8082%	0.3800%
Multiplier	110%	80%	115%	70%

d. Rates of Withdrawal

Rate of withdrawal for active members prior to eligibility for retirement are for each employee group and differ by gender and service. Sample rates are shown in the following tables.

Withdrawal Rates - Male General Employees															
Age	Years of Service														
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
25	0.329	0.247	0.190	0.155	0.134	0.117	0.096	0.078	0.065	0.059	0.066	0.000	0.000	0.000	0.000
30	0.294	0.221	0.173	0.142	0.124	0.109	0.095	0.082	0.070	0.060	0.053	0.047	0.044	0.042	0.039
35	0.268	0.200	0.155	0.129	0.112	0.101	0.092	0.082	0.072	0.059	0.042	0.047	0.044	0.042	0.039
40	0.246	0.180	0.138	0.114	0.100	0.092	0.086	0.079	0.069	0.055	0.033	0.042	0.042	0.042	0.039
45	0.226	0.164	0.123	0.100	0.088	0.082	0.078	0.073	0.064	0.049	0.027	0.039	0.036	0.034	0.032
50	0.208	0.150	0.111	0.089	0.077	0.072	0.068	0.063	0.055	0.042	0.022	0.029	0.029	0.029	0.029
55	0.194	0.141	0.104	0.081	0.069	0.060	0.054	0.049	0.042	0.033	0.021	0.020	0.020	0.020	0.020
60	0.183	0.135	0.100	0.077	0.063	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Age	Years of Service (Continued)														
	15	16	17	18	19	20	21	22	23	24	25	26	27	28+	
25	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
30	0.036	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
35	0.036	0.034	0.032	0.029	0.027	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
40	0.036	0.034	0.032	0.029	0.027	0.025	0.023	0.022	0.020	0.018	0.017	0.000	0.000	0.000	
45	0.029	0.029	0.029	0.029	0.027	0.025	0.023	0.022	0.020	0.018	0.017	0.016	0.014	0.000	
50	0.029	0.027	0.025	0.023	0.022	0.020	0.020	0.020	0.020	0.018	0.017	0.016	0.014	0.000	
55	0.020	0.020	0.020	0.020	0.020	0.020	0.018	0.017	0.016	0.014	0.000	0.000	0.000	0.000	
60	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

Actuarial Section

Withdrawal Rates - Female General Employees															
Age	Years of Service														
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
25	0.298	0.246	0.206	0.177	0.156	0.138	0.125	0.116	0.109	0.103	0.094	0.000	0.000	0.000	0.000
30	0.271	0.224	0.186	0.159	0.140	0.125	0.115	0.106	0.097	0.085	0.069	0.052	0.049	0.045	0.042
35	0.251	0.202	0.166	0.141	0.124	0.113	0.104	0.096	0.086	0.071	0.051	0.052	0.049	0.045	0.042
40	0.233	0.180	0.145	0.123	0.110	0.101	0.093	0.085	0.075	0.059	0.037	0.045	0.045	0.045	0.042
45	0.217	0.162	0.127	0.108	0.097	0.089	0.082	0.075	0.064	0.049	0.028	0.042	0.039	0.036	0.033
50	0.204	0.149	0.115	0.097	0.086	0.079	0.071	0.064	0.054	0.041	0.023	0.030	0.030	0.030	0.030
55	0.195	0.143	0.109	0.089	0.078	0.069	0.061	0.053	0.044	0.035	0.024	0.020	0.020	0.020	0.020
60	0.187	0.141	0.108	0.085	0.070	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Age	Years of Service (Continued)														
	15	16	17	18	19	20	21	22	23	24	25	26	27	28+	
25	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.039	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	0.039	0.036	0.033	0.030	0.028	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	0.039	0.036	0.033	0.030	0.028	0.025	0.023	0.022	0.020	0.018	0.017	0.000	0.000	0.000	0.000
45	0.030	0.030	0.030	0.030	0.028	0.025	0.023	0.022	0.020	0.018	0.017	0.016	0.015	0.000	0.000
50	0.030	0.028	0.025	0.023	0.022	0.020	0.020	0.020	0.020	0.018	0.017	0.016	0.015	0.000	0.000
55	0.020	0.020	0.020	0.020	0.020	0.020	0.018	0.017	0.016	0.015	0.000	0.000	0.000	0.000	0.000
60	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Withdrawal Rates - Male Teachers															
Age	Years of Service														
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
25	0.296	0.203	0.138	0.097	0.072	0.058	0.051	0.051	0.052	0.054	0.056	0.000	0.000	0.000	0.000
30	0.272	0.192	0.136	0.099	0.078	0.066	0.061	0.058	0.054	0.048	0.039	0.027	0.026	0.025	0.025
35	0.253	0.182	0.132	0.099	0.081	0.071	0.066	0.061	0.054	0.043	0.027	0.027	0.026	0.025	0.025
40	0.237	0.173	0.127	0.098	0.082	0.073	0.068	0.062	0.053	0.039	0.020	0.025	0.025	0.025	0.025
45	0.224	0.165	0.123	0.096	0.081	0.073	0.067	0.060	0.050	0.036	0.017	0.025	0.024	0.023	0.023
50	0.214	0.159	0.119	0.094	0.079	0.070	0.063	0.055	0.046	0.034	0.017	0.022	0.022	0.022	0.022
55	0.206	0.155	0.117	0.091	0.074	0.065	0.056	0.048	0.040	0.032	0.022	0.017	0.017	0.017	0.017
60	0.200	0.152	0.114	0.087	0.067	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Age	Years of Service (Continued)														
	15	16	17	18	19	20	21	22	23	24	25	26	27	28+	
25	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.024	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	0.024	0.023	0.023	0.022	0.021	0.020	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	0.024	0.023	0.023	0.022	0.021	0.020	0.019	0.018	0.017	0.015	0.014	0.000	0.000	0.000	0.000
45	0.022	0.022	0.022	0.022	0.021	0.020	0.019	0.018	0.017	0.015	0.014	0.012	0.009	0.000	0.000
50	0.022	0.021	0.020	0.019	0.018	0.017	0.017	0.017	0.017	0.015	0.014	0.012	0.009	0.000	0.000
55	0.017	0.017	0.017	0.017	0.017	0.017	0.015	0.014	0.012	0.009	0.000	0.000	0.000	0.000	0.000
60	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Actuarial Section

Withdrawal Rates - Female Teachers															
Age	Years of Service														
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
25	0.230	0.161	0.121	0.101	0.089	0.084	0.083	0.080	0.073	0.066	0.060	0.000	0.000	0.000	0.000
30	0.227	0.166	0.126	0.101	0.088	0.080	0.075	0.070	0.062	0.053	0.043	0.032	0.030	0.028	0.026
35	0.217	0.160	0.121	0.097	0.083	0.075	0.068	0.062	0.054	0.043	0.030	0.032	0.030	0.028	0.026
40	0.204	0.148	0.111	0.088	0.076	0.068	0.062	0.055	0.048	0.037	0.021	0.028	0.028	0.028	0.026
45	0.193	0.136	0.100	0.080	0.068	0.062	0.056	0.050	0.044	0.033	0.016	0.026	0.024	0.023	0.021
50	0.187	0.130	0.094	0.074	0.063	0.057	0.052	0.048	0.042	0.032	0.015	0.020	0.020	0.020	0.020
55	0.188	0.131	0.094	0.073	0.063	0.054	0.051	0.047	0.042	0.033	0.019	0.013	0.013	0.013	0.013
60	0.195	0.138	0.099	0.076	0.066	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Age	Years of Service (Continued)														
	15	16	17	18	19	20	21	22	23	24	25	26	27	28+	
25	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.024	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	0.024	0.023	0.021	0.020	0.018	0.017	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	0.024	0.023	0.021	0.020	0.018	0.017	0.015	0.014	0.013	0.011	0.010	0.000	0.000	0.000	0.000
45	0.020	0.020	0.020	0.020	0.018	0.017	0.015	0.014	0.013	0.011	0.010	0.009	0.008	0.000	0.000
50	0.020	0.018	0.017	0.015	0.014	0.013	0.013	0.013	0.013	0.011	0.010	0.009	0.008	0.000	0.000
55	0.013	0.013	0.013	0.013	0.013	0.013	0.011	0.010	0.009	0.008	0.000	0.000	0.000	0.000	0.000
60	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Post Retirement Mortality

- a. Healthy retirees and beneficiaries – The valuation assumes fully generational mortality. The base mortality table used is the RP-2000 Mortality Table (Public School District Employees utilize the White Collar adjustment), adjusted by multipliers documented in the table below. Future mortality improvements are assumed each year using Scale AA. The following are sample rates:

Nondisabled Annuitant Mortality Rates Before Projection (Multiplier Applied)				
Age	General Employees		Teachers	
	Male	Female	Male	Female
50	0.2138%	0.1508%	0.2176%	0.1510%
55	0.3624%	0.2445%	0.3632%	0.2457%
60	0.6747%	0.4550%	0.6141%	0.4443%
65	1.2737%	0.8735%	1.2167%	0.8218%
70	2.2206%	1.5068%	2.1203%	1.4426%
75	3.7834%	2.5295%	3.6997%	2.4431%
80	6.4368%	4.1291%	6.5353%	4.0926%
85	11.0757%	6.9701%	11.5132%	7.0483%
90	18.3408%	11.8514%	19.6100%	11.9843%
Multiplier	100%	90%	110%	95%

Actuarial Section

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years				
Employee Type	Year of Retirement			
	2015	2020	2025	2030
General Employee - Male	19.6	20.0	20.4	20.7
General Employee - Female	22.3	22.5	22.7	22.9
Teacher - Male	19.5	19.9	20.3	20.6
Teacher - Female	22.4	22.6	22.8	22.9

- b. A separate table of mortality rates is used for disabled retirees based on the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Disabled Annuitant Mortality Rates (Multiplier Applied)				
Age	General Employees		Teachers	
	Male	Female	Male	Female
50	2.4629%	1.2689%	2.1731%	1.2689%
55	3.0126%	1.8198%	2.6581%	1.8198%
60	3.5736%	2.4023%	3.1531%	2.4023%
65	4.2648%	3.0829%	3.7631%	3.0829%
70	5.3196%	4.1398%	4.6937%	4.1398%
75	6.9757%	5.7453%	6.1550%	5.7453%
80	9.2966%	7.9543%	8.2029%	7.9543%
85	12.0363%	11.0223%	10.6202%	11.0223%
90	15.5897%	15.4054%	13.7556%	15.4054%
Multiplier	85%	110%	75%	110%

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the System'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.

Actuarial Section

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 July 1, 2005, TERI participants, State ORP 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.

Unused Annual Leave

To account for the effect of unused annual leave in Annual Final Compensation (AFC) of Class Two members, the AFC for Class Two members is increased 2.14 percent at their date of retirement.

Unused Sick Leave

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

Future Post-Retirement Benefit Adjustments

Benefits are assumed to increase by the lesser of 1 percent annually or \$500 beginning on the July 1st following the receipt of 12 monthly benefit payments. The \$500 limit in the annual increase is not indexed to escalate in future years.

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 3.5 percent. This rate represents the underlying expected annual rate of wage inflation and does not anticipate increases in the number of members.

Other Assumptions

1. Valuation payroll (used for determining the amortization contribution rate): Prior fiscal year payroll projected forward one year using the overall payroll growth rate. This was determined separately for TERI and return to work employees by dividing the actual member contributions received during the prior fiscal year by the member contribution rate in effect for that year and then projecting forward at 3.5 percent.
2. Individual salaries used to project benefits: Actual salaries from the past fiscal year are used to determine the final average salary as of the valuation date. For future salaries, the salary from the last fiscal year is projected forward with one year's salary scale.
3. Pay increase timing: Beginning of (fiscal) year. This is equivalent to assuming that reported salaries represent amounts paid to members during the year ended on the valuation date.
4. Percent married: 100 percent of male and 100 percent of female employees are assumed to be married.

Actuarial Section

5. Age difference: Males are assumed to be three years older than their spouses.
6. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
7. Inactive Population: All non-vested members are assumed to take an immediate refund. Members with a vested benefit are assumed to elect a refund or a deferred benefit commencing at age 65, whichever is more valuable at the valuation date.
8. There will be no recoveries once disabled.
9. Decrement timing: Decrements of all types are assumed to occur mid-year.
10. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
11. Decrement relativity: Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
12. Incidence of Contributions: Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
13. Benefit Service: All members are assumed to accrue one year of eligibility service each year.
14. All calculations were performed without regard to the compensation limit in IRC Section 401(a)(17) and the benefit limit under IRC Section 415.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for active members included birth date, gender, service with the current city and total vesting service, salary, and employee contribution account balances. For retired members and beneficiaries the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Salary supplied for the current year was based on the annualized earnings for the year preceding the valuation date.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

Actuarial Section

South Carolina Retirement System Development of Actuarial Value of Assets (Dollar amounts expressed in thousands)

	<u>July 1, 2012</u>
1. Actuarial Value of Assets at the Prior Valuation Date	\$ 25,604,823
2. Market Value of Assets at the Prior Valuation Date	\$ 22,395,029
3. Net External Cash Flow During the Year	
a. Contributions	\$ 1,412,203
b. Disbursements	(2,360,132)
c. Subtotal	\$ (947,929)
4. Expected Net Investment Income at 7.50% Earned On	
a. Actuarial Value of Assets at the Prior Valuation Date	\$ 1,920,362
b. Contributions	52,958
c. Disbursements	(88,505)
d. Subtotal	\$ 1,884,815
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$ 26,541,709
6. Market Value of Assets as of the Current Valuation Date	\$ 21,536,908
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$ (5,004,801)
8. Excess/(Shortfall) Recognized (20% of Item 7.)	\$ (1,000,960)
9. Actuarial Value of Plan Assets, End of Year (Item 5. + Item 8.)	\$ 25,540,749
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$ (1,000,960)
11. Asset Gain (Loss) as % of the Actuarial Value of Assets	(3.92%)
12. Ratio of AVA to MVA	118.6%

Actuarial Section

Police Officers Retirement System Summary of Actuarial Methods and Assumptions

The following presents a summary of the actuarial assumptions and methods used in the valuation of the South Carolina Police Officers Retirement System.

Investment Rate of Return

Assumed annual rate of 7.5 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment and administration expenses.

Rates of Annual Salary Increase

Rates of annual salary increase are assumed to vary for the first 11 years of service to include anticipated merit and promotional increases. The assumed annual rate of increase is 4 percent for all members with 12 or more years of service.

The 4 percent rate of increase is composed of a 2.75 percent inflation component and a 1.25 percent real rate of wage increase (productivity) component.

Active Male and Female Salary Increase Rate		
Years of Service	PORS	
	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 4.0 Percent Wage Inflation
0	6.00%	10.00%
1	5.00%	9.00%
2	2.00%	6.00%
3	1.00%	5.00%
4	0.75%	4.75%
5	0.50%	4.50%
6	0.25%	4.25%
7	0.25%	4.25%
8	0.25%	4.25%
9	0.25%	4.25%
10	0.25%	4.25%
11	0.25%	4.25%
12	0.00%	4.00%
13	0.00%	4.00%
14	0.00%	4.00%
15	0.00%	4.00%
16	0.00%	4.00%
17	0.00%	4.00%
18	0.00%	4.00%
19	0.00%	4.00%
20+	0.00%	4.00%

Actuarial Section

Active Member Decrement Rates

- a. Assumed rates of Service Retirement are shown in the following tables. The first table is for members who attain age 55 before attaining 25 years of service (27 years of service for Class Three). The second table is based on service and is for members who attain 25 years of service before age 55.

Annual Age Based Retirement Rates			Annual Service Based Retirement Rates*			
Age	PORS		Years of Service		PORS	
	Male	Female	Class Two	Class Three	Male	Female
55	20%	20%	25	27	18%	18%
56	14%	14%	26	28	13%	13%
57*	50%	50%	27	29	11%	11%
58	12%	12%	28	30	11%	11%
59	12%	12%	29	31	11%	11%
60	12%	12%	30	32	11%	11%
61	12%	12%	31	33	11%	11%
62	35%	35%	32	34	11%	11%
63	25%	25%	33	35	11%	11%
64	25%	25%	34	36	11%	11%
65	30%	30%	35	37	11%	11%
66	30%	30%	36	38	11%	11%
67	30%	30%	37	39	11%	11%
68	30%	30%	38	40	11%	11%
69	30%	30%	39	41	11%	11%
70	100%	100%	40	42	100%	100%
71	100%	100%				
72	100%	100%				
73	100%	100%				
74	100%	100%				
75	100%	100%				

*Retirement rate is 50% at age 57, the first age the member is eligible to concurrently commence benefits and continue employment.

*Age first eligible to concurrently commence benefits and continue employment.

- b. Assumed rates of disability are shown in the following table. Twenty-five percent of disabilities are assumed to be duty-related.

Disability Rates		
Age	PORS	
	Males	Females
25	0.1101%	0.1101%
30	0.1468%	0.1468%
35	0.2753%	0.2753%
40	0.3670%	0.3670%
45	0.5506%	0.5506%
50	0.6882%	0.6882%
55	0.0000%	0.0000%
60	0.0000%	0.0000%
64	0.0000%	0.0000%

*Rates reduced by 75 percent for service under five years.

Actuarial Section

c. Active Member Mortality

Rates of active member mortality are based upon a client specific table with applicable multipliers to match the experience.

Active Mortality Rates (Multiplier Applied)		
Age	PORS	
	Males	Females
25	0.0338%	0.0186%
30	0.0653%	0.0264%
35	0.0978%	0.0467%
40	0.1234%	0.0790%
45	0.1614%	0.1248%
50	0.2171%	0.1767%
55	0.3776%	0.2516%
60	0.7443%	0.4454%
64	1.2430%	0.8222%
Multiplier	90%	90%

d. Rates of withdrawal

Rates of withdrawal for active members prior to eligibility for retirement are based upon actual experience from 2002 through 2010. Rates are developed for each employee group and differ by gender and service. Sample rates are shown in the tables below.

Annual Withdrawal Rate		
Years of Service	PORS	
	Male	Female
0	0.2500	0.2500
1	0.1800	0.1800
2	0.1400	0.1400
3	0.1200	0.1200
4	0.1070	0.1070
5	0.0954	0.0954
6	0.0850	0.0850
7	0.0758	0.0758
8	0.0675	0.0675
9	0.0602	0.0602
10	0.0537	0.0537
11	0.0478	0.0478
12	0.0426	0.0426
13	0.0380	0.0380
14	0.0339	0.0339
15	0.0302	0.0302
16	0.0269	0.0269
17	0.0240	0.0240
18	0.0214	0.0214
19	0.0191	0.0191
20	0.0170	0.0170
21	0.0151	0.0151
22	0.0135	0.0135
23	0.0120	0.0120

Actuarial Section

e. Post Retirement Mortality

Healthy retirees and beneficiaries-This valuation assumes full generational mortality. The base mortality table is 115 percent of the RP-2000 Mortality Table with Blue Collar Adjustment. Future mortality improvements are assumed each year using Scale AA. The following are sample rates:

Nondisabled Annuitant Mortality Rates Before Projection (Multiplier Applied)		
Age	PORS	
	Male	Female
50	0.2774%	0.2257%
55	0.4825%	0.3214%
60	0.9511%	0.5691%
65	1.7870%	1.1958%
70	3.0772%	2.1429%
75	4.9601%	3.5521%
80	8.1129%	5.6296%
85	13.2339%	9.5565%
90	20.9021%	15.7189%
Multiplier	115%	115%

Life Expectancy for an Age 65 Retiree in Years				
Member	Year of Retirement			
	2015	2020	2025	2030
Male	17.8	18.2	18.6	19.0
Female	19.7	19.9	20.1	20.4

A separate table of mortality rates is used for disabled retirees based on the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Disabled Annuitant Mortality Rates (Multiplier Applied)		
Age	PORS	
	Male	Female
50	1.7385%	0.6921%
55	2.1265%	0.9926%
60	2.5225%	1.3103%
65	3.0104%	1.6816%
70	3.7550%	2.2581%
75	4.9240%	3.1338%
80	6.5623%	4.3387%
85	8.4962%	6.0122%
90	11.0045%	8.4029%
Multiplier	60%	60%

Actuarial Section

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

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 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.

Unused Annual Leave

To account for the effect of unused annual leave in Average Final Compensation (AFC) of Class Two members, the AFC for Class Two members is increased 3.75 percent at their projected date of termination or retirement.

Unused Sick Leave

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

Future Post-Retirement Benefit Adjustments

Benefits are assumed to increase by the lesser of 1.00 percent annually or \$500 beginning on the July 1st following the receipt of 12 monthly benefit payments. The \$500 limit in the annual increase is not indexed to escalate in future years.

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 3.5 percent.

Actuarial Section

Other Assumptions

1. Valuation payroll (used for determining the amortization contribution rate): Prior fiscal year payroll projected forward one year using the overall payroll growth rate. This was determined separately for active employees and return to work employees by dividing the actual member contributions received during the prior fiscal year by the member contribution rate for that fiscal year, and then projecting forward at 3.50 percent.
2. Individual salaries used to project benefits: Actual salaries from the past fiscal year are used to determine the final average salary as of the valuation date. For future salaries, the salary from the last fiscal year is projected forward with one year's salary scale.
3. Pay increase timing: Beginning of (fiscal) year. This is equivalent to assuming that reported salaries represent amounts paid to members during the year ended on the valuation date.
4. Percent married: 100 percent of male and 100 percent of female employees are assumed to be married.
5. Age difference: Males are assumed to be four years older than their spouses.
6. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
7. Inactive Population: All non-vested members are assumed to take an immediate refund. Vested members are assumed to take a deferred retirement benefit.
8. There will be no recoveries once disabled.
9. Decrement timing: Decrements of all types are assumed to occur mid-year.
10. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
11. Decrement relativity: Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
12. Incidence of Contributions: Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
13. Benefit Service: All members are assumed to accrue one year of eligibility service each year.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

Actuarial Section

The data for active members included birth date, gender, service with the current city and total vesting service, salary, and employee contribution account balances. For retired members and beneficiaries, the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Salary supplied for the current year was based on the annualized earnings for the year preceding the valuation date.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

Actuarial Section

Police Officers Retirement System Development of Actuarial Value of Assets (Dollar amounts expressed in thousands)

	<u>July 1, 2012</u>
1. Actuarial Value of Assets at the Prior Valuation Date	\$ 3,728,241
2. Market Value of Assets at the Prior Valuation Date	\$ 3,317,533
3. Net External Cash Flow During the Year	
a. Contributions	\$ 218,803
b. Disbursements	(280,672)
c. Subtotal	\$ (61,869)
4. Expected Net Investment Income at 7.50% Earned On	
a. Actuarial Value of Assets at the Prior Valuation Date	\$ 279,618
b. Contributions	8,205
c. Disbursements	(10,525)
d. Subtotal	\$ 277,298
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$ 3,943,670
6. Market Value of Assets as of the Current Valuation Date	\$ 3,269,990
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$ (673,680)
8. Excess/(Shortfall) Recognized (20% of Item 7.)	\$ (134,736)
9. Actuarial Value of Plan Assets, End of Year (Item 5. + Item 8.)	\$ 3,808,934
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$ (134,736)
11. Asset Gain (Loss) as % of the Actuarial Value of Assets	(3.54%)
12. Ratio of AVA to MVA	116.5%

Actuarial Section

General Assembly Retirement System Summary of Actuarial Methods and Assumptions

The following presents a summary of the actuarial assumptions and methods used in the valuation of the Retirement System for Members of the General Assembly of South Carolina.

Investment Rate of Return

Assumed annual rate of 7.5 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment and administration expenses.

Rates of Annual Salary Increase

No increases in salary are assumed.

Active Member Decrement Rates

- a. Assumed rates of service retirement are shown in the following table. In addition to the rates in the table below, members with 30 years of service are assumed to immediately commence their retirement benefit. Special contributors are assumed to retire upon attaining age 60.

Age Based Retirement Rates	
Age	Assumed Rate
60 & Under	40.00%
61-64	7.00%
65-69	15.00%
70 & older	100.00%

- b. An abbreviated table with the assumed rates of disability and mortality while employed is shown below. There is no active employment withdrawal assumption.

Age	Disability Rates		Pre-Retirement Mortality	
	Male	Female	Male	Female
25	0.0575%	0.0525%	0.0414%	0.0166%
30	0.1150%	0.0735%	0.0488%	0.0211%
35	0.1725%	0.1470%	0.0850%	0.0380%
40	0.2875%	0.1890%	0.1187%	0.0565%
45	0.4025%	0.2730%	0.1659%	0.0899%
50	0.5750%	0.4620%	0.2352%	0.1341%
55	0.9200%	0.7350%	0.3332%	0.2021%
60	1.1500%	1.1235%	0.5366%	0.3145%
Multiplier			110%	80%

Note: The multiplier has been applied to the decrement in the illustrative table.

Actuarial Section

Post Retirement Mortality

a. Healthy retirees and beneficiaries-The RP-2000 Mortality Table projected using the AA projections table with multipliers based on plan experience. The following are sample rates:

Healthy Annuitant Mortality Rates Before Projection		
Age	Male	Female
50	0.2138%	0.1508%
55	0.3624%	0.2445%
60	0.6747%	0.4550%
65	1.2737%	0.8735%
70	2.2206%	1.5068%
75	3.7834%	2.5295%
80	6.4368%	4.1291%
85	11.0757%	6.9701%
90	18.3408%	11.8514%
Multiplier	100%	90%

Note: The multiplier has been applied to the decrement in the illustrative table.

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years				
Gender	Year of Retirement			
	2015	2020	2025	2030
Male	19.6	20.0	20.4	20.7
Female	22.3	22.5	22.7	22.9

Actuarial Section

- b. A separate table of mortality rates is used for disabled retirees based on the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Disabled Annuitant Mortality Rates		
Age	Males	Females
50	2.4629%	1.2689%
55	3.0126%	1.8198%
60	3.5736%	2.4023%
65	4.2648%	3.0829%
70	5.3196%	4.1398%
75	6.9757%	5.7453%
80	9.2966%	7.9543%
85	12.0363%	11.0223%
90	15.5897%	15.4054%
Multiplier	85%	110%

Note: The multiplier has been applied to the decrement in the illustrative table.

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the System'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 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

Future Cost-of-living Increases

No increases are assumed.

Payroll Growth Rate

None assumed.

Other Assumptions

1. Percent married: 100 percent of active members are assumed to be married.
2. Age difference: Males are assumed to be four years older than their spouses.
3. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
4. Inactive Population: All non-vested members are assumed to take an immediate refund. Members with a vested benefit are assumed to elect a refund or a deferred benefit commencing at age 60, whichever is more valuable at the valuation date.
5. It is assumed there will be no recoveries once disabled.
6. Decrement timing: Decrements of all types are assumed to occur mid-year.
7. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
8. Benefit Service: All active and special contributing members are assumed to accrue one year of eligibility service each year.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for active members included birth date, gender, service with the current city and total vesting service, salary, and employee contribution account balances. For retired members and beneficiaries, the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Salary supplied for the current year was based on the annualized earnings for the year preceding the valuation date. Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

Actuarial Section

General Assembly Retirement System Development of Actuarial Value of Assets (Dollar amounts expressed in thousands)

		<u>July 1, 2012</u>
1. Actuarial Value of Assets at the Prior Valuation Date	\$	41,484
2. Market Value of Assets at the Prior Valuation Date	\$	34,669
3. Net External Cash Flow During the Year		
a. Contributions	\$	3,256
b. Disbursements		(6,636)
c. Subtotal	\$	(3,380)
4. Expected Net Investment Income at 7.50% Earned on		
a. Actuarial Value of Assets at the Prior Valuation Date	\$	3,111
b. Contributions		217
c. Disbursements		(249)
d. Subtotal	\$	3,079
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$	41,183
6. Market Value of Assets as of the Current Valuation Date	\$	31,431
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$	(9,752)
8. Excess/(Shortfall) Recognized (20% of Item 7.)	\$	(1,950)
9. Actuarial Value of Plan Assets, End of Year (Item 5. + Item 8.)	\$	39,233
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$	(1,950)
11. Asset Gain (Loss) as Percent of Actual Actuarial Assets		(5.0%)
12. Ratio of AVA to MVA		124.8%

Actuarial Section

Judges and Solicitors Retirement System Summary of Actuarial Methods and Assumptions

The following presents a summary of the actuarial assumptions and methods used in the valuation of the Retirement System for Judges and Solicitors of South Carolina.

Investment Rate of Return

Assumed annual rate of 7.5 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment and administration expenses.

Rates of Annual Salary Increase

Rates of salary are assumed to increase at an annual rate of 3 percent.

Active Member Decrement Rates

- a. Assumed rates of service retirement are shown in the following table. In addition to the rates in the table below, all participants are assumed to retire upon reaching the mandatory retirement age of 72.

Assumed Rates of Retirement							
<u>Solicitors and Public Defenders</u>				<u>Judges</u>			
Age	Service	RIP/Eligible	Not RIP Eligible	Age	Service	RIP Eligible	Not RIP Eligible
70 to 72	15 to 23	12%	12%	70 to 72	15 to 24	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+	100%	N/A	Any	32+	100%	N/A

Actuarial Section

- b. An abbreviated table with the assumed rates of disability and mortality while employed is shown below. There is no active employment withdrawal assumption.

Age	Disability Rates		Pre-Retirement Mortality	
	Male	Female	Male	Female
25	0.04%	0.05%	0.0432%	0.0145%
30	0.06%	0.07%	0.0511%	0.0185%
35	0.08%	0.07%	0.0889%	0.0333%
40	0.15%	0.12%	0.1241%	0.0494%
45	0.25%	0.25%	0.1734%	0.0787%
50	0.40%	0.40%	0.2459%	0.1173%
55	0.65%	0.65%	0.3483%	0.1768%
60	1.00%	1.00%	0.5610%	0.2752%
65	1.25%	1.25%	0.8082%	0.3800%
Multiplier	N/A		115%	70%

Note: The multiplier has been applied to the decrement in the illustrative table.

Post Retirement Mortality

- a. Healthy retirees and beneficiaries – The RP-2000 Mortality Table with White Collar adjustment projected using the AA projection table with multipliers based on plan experience. The following are sample rates:

Healthy Annuitant Mortality Rates Before Projection		
Age	Male	Female
50	0.2176%	0.1510%
55	0.3632%	0.2457%
60	0.6141%	0.4443%
65	1.2167%	0.8218%
70	2.1203%	1.4426%
75	3.6997%	2.4431%
80	6.5353%	4.0926%
85	11.5132%	7.0483%
90	19.6100%	11.9843%
Multiplier	110%	95%

Note: The multiplier has been applied to the decrement in the illustrative table.

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years				
Member	Year of Retirement			
	2015	2020	2025	2030
Male	19.5	19.9	20.3	20.6
Female	22.4	22.6	22.8	22.9

Actuarial Section

- b. A separate table of mortality rates is used for disabled retirees based on the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Disabled Annuitant Mortality Rates		
Age	Male	Female
50	2.173%	1.269%
55	2.658%	1.820%
60	3.153%	2.402%
65	3.763%	3.083%
70	4.694%	4.140%
75	6.155%	5.745%
80	8.203%	7.954%
85	10.620%	11.022%
90	13.756%	15.405%
Multiplier	75%	110%

Note: The multiplier has been applied to the decrement in the illustrative table.

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the System'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 members in DROP and who are retired-in-place. 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.

Future Cost-of-living Increases

Future benefits are assumed to increase at an annual rate of 3 percent.

Actuarial Section

Payroll Growth Rate

The total annual payroll of active members (including DROP and RIP participants) is assumed to increase at an annual rate of 3 percent. This rate represents the underlying expected annual rate of wage inflation and does not anticipate increases in the number of members.

Other Assumptions

1. Percent married: 95 percent of male and female employees are assumed to be married.
2. Age difference: Males are assumed to be four years older than their spouses.
3. Percent electing annuity on death (when eligible): All of the spouses of vested married participants are assumed to elect an immediate life annuity.
4. Inactive Population: All non-vested members are assumed to take an immediate refund. Members with a vested benefit are assumed to elect a deferred benefit commencing at their earliest commencement possible age.
5. There will be no recoveries once disabled.
6. Decrement timing: Decrements of all types are assumed to occur mid-year.
7. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
8. Benefit Service: All active members are assumed to accrue one year of eligibility service each year.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for active members included birth date, gender, service with the current city and total vesting service, salary, and employee contribution account balances. For retired members and beneficiaries, the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Salary supplied for the current year was based on the annualized earnings for the year preceding the valuation date. Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

Actuarial Section

Judges and Solicitors Retirement System Development of Actuarial Value of Assets (Dollar amounts expressed in thousands)

July 1, 2012

1. Actuarial Value of Assets at the Prior Valuation Date	\$	144,927
2. Market Value of Assets at the Prior Valuation Date	\$	127,152
3. Net External Cash Flow During the Year		
a. Contributions	\$	10,713
b. Disbursements		(15,178)
c. Subtotal	\$	(4,465)
4. Expected Net Investment Income at 7.50% Earned on		
a. Actuarial Value of Assets at the Prior Valuation Date	\$	10,870
b. Contributions		402
c. Disbursements		(569)
d. Subtotal	\$	10,703
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$	151,165
6. Market Value of Assets as of the Current Valuation Date	\$	123,359
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$	(27,806)
8. Excess/(Shortfall) Recognized (20% of Item 7.)	\$	(5,561)
9. Actuarial Value of Plan Assets, End of Year (Item 5. + Item 8.)	\$	145,604
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$	(5,561)
11. Asset Gain (Loss) as Percent of Actual Actuarial Assets		(3.82%)
12. Ratio of AVA to MVA		118.0%

Actuarial Section

South Carolina National Guard Supplemental Retirement Plan Summary of Actuarial Methods and Assumptions

The following presents a summary of the actuarial assumptions and methods used in the valuation of the South Carolina National Guard Supplemental Retirement Plan.

Investment Rate of Return

Assumed annual rate of 7.50 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment and administration expenses.

Rates of Annual Salary Increase

No increases in salary are assumed. Benefit is not pay related.

Active Member Decrement Rates

- a. Assumed rates of service retirement are shown in the following table. Members who retire prior to age 60 are assumed to defer retirement benefits until age 60.

Age Based Retirement Rates		
Age	Rate with 20 or more years of service	Rate with 30 or more years of service
39 & Under	10.00%	100.00%
40-49	10.00%	100.00%
50-59	10.00%	100.00%
60 & older	100.00%	100.00%

Actuarial Section

- b. An abbreviated table with the assumed rates of disability and mortality while employed is shown below. There is no active employment withdrawal assumption.

Age	Disability Rates		Pre-Retirement Mortality	
	Male	Female	Male	Female
25	0.0854%	0.0854%	0.0338%	0.0186%
30	0.1100%	0.1100%	0.0653%	0.0264%
35	0.1474%	0.1474%	0.0978%	0.0467%
40	0.2201%	0.2201%	0.1234%	0.0790%
45	0.3595%	0.3595%	0.1614%	0.1248%
50	0.6059%	0.6059%	0.2171%	0.1767%
55	1.0089%	1.0089%	0.3776%	0.2516%
60	1.6269%	1.6269%	0.7443%	0.4454%
Multiplier			90%	90%

Note: The multiplier has been applied to the decrement in the illustrative table.

Post Retirement Mortality

Retirees and beneficiaries – The RP-2000 Mortality Table projected using the AA projection table with multiplier based on plan experience. The following are sample rates:

Annuitant Mortality Rates Before Projection		
Age	Male	Female
50	0.2774%	0.2257%
55	0.4825%	0.3214%
60	0.9511%	0.5691%
65	1.7870%	1.1958%
70	3.0772%	2.1429%
75	4.9601%	3.5521%
80	8.1129%	5.6296%
85	13.2339%	9.5565%
90	20.9021%	15.7189%
Multiplier	115%	115%

Note: The multiplier has been applied to the decrement in the illustrative table.

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years				
Member	Year of Retirement			
	2015	2020	2025	2030
Male	17.8	18.2	18.6	19.0
Female	19.7	19.9	20.1	20.4

Actuarial Section

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the System'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 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.

Future Cost-of-Living Increases

No increases are assumed.

Payroll Growth Rate

None assumed.

Other Assumptions

1. There is not a marriage assumption.
2. Decrement timing: Decrements of all types are assumed to occur mid-year.
3. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active, and (ii) members and beneficiaries receiving benefits.

The data for active members included birth date, gender, total military service and total South Carolina National Guard service. For retired members and beneficiaries, the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

Actuarial Section

South Carolina National Guard Supplemental Retirement Plan Development of Actuarial Value of Assets (Dollar amounts expressed in thousands)

		<u>July 1, 2012</u>
1. Actuarial Value of Assets at the Prior Valuation Date	\$	20,138
2. Market Value of Assets at the Prior Valuation Date	\$	17,466
3. Net External Cash Flow During the Year		
a. Contributions	\$	3,937
b. Disbursements		(4,065)
c. Subtotal	\$	(128)
4. Expected Net Investment Income at 7.50% Earned on		
a. Actuarial Value of Assets at the Prior Valuation Date	\$	1,510
b. Contributions		295
c. Disbursements		(152)
d. Subtotal	\$	1,653
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$	21,663
6. Market Value of Assets as of the Current Valuation Date	\$	17,417
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$	(4,246)
8. Excess/(Shortfall) Recognized (20% of Item 7.)	\$	(849)
9. Actuarial Value of Plan Assets, End of Year (Item 5. + Item 8.)	\$	20,814
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$	(849)
11. Asset Gain (Loss) as Percent of Actual Actuarial Assets		(4.1%)
12. Ratio of AVA to MVA		119.5%

Actuarial Section

South Carolina Retirement System Summary of Historical Active Membership As of July 1, 2012

July 1	Number of Employers ²	Active Members		Covered Payroll ¹		Average Annual Pay		Average Age	Average Service
		Number	Percent Increase/ (Decrease)	Amount in Thousands	Percent Increase/ (Decrease)	Amount	Percent Increase/ (Decrease)		
2012	806	185,748	(1.0%)	\$7,356,231	(4.3%)	\$39,603	(3.35%)	45	10.4
2011	803	187,611	(1.4%)	7,687,558	(1.1%)	40,976	0.33%	45	10.5
2010	800	190,239	(1.1%)	7,769,820	(4.7%)	40,842	1.20%	45	10.2
2009	781	192,319	(0.3%)	7,761,808	2.7%	40,359	2.95%	45	10.0
2008	776	192,820	2.6%	7,559,172	6.6%	39,203	3.89%	45	9.7
2007	777	187,968	2.0%	7,093,181	5.3%	37,736	3.28%	45	9.8
2006	763	184,282	1.8%	6,733,379	5.9%	36,538	4.06%	44	9.9
2005	768	181,022	(0.4%)	6,356,489	2.8%	35,114	3.30%	44	9.6
2004	763	181,827	(2.0%)	6,180,599	(1.0%)	33,992	1.06%	44	9.8
2003	763	185,538	(1.9%)	6,240,768	1.5%	33,636	3.50%	44	9.8

¹Covered payroll does not include payroll attributable to members in State ORP, TERI, or working retirees.

²Number of employers that cover employees eligible for SCRS benefits and that contributed to the system during the last fiscal year.

Police Officers Retirement System Summary of Historical Active Membership As of July 1, 2012

July 1	Number of Employers ²	Active Members		Covered Payroll ¹		Average Annual Pay		Average Age	Average Service
		Number	Percent Increase/ (Decrease)	Amount in Thousands	Percent Increase/ (Decrease)	Amount	Percent Increase/ (Decrease)		
2012		26,179	(1.8%)	\$1,019,241	(6.3%)	\$38,934	(4.60%)	40	9.5
2011	325	26,650	0.3%	1,087,587	1.0%	40,810	0.72%	40	9.6
2010	356	26,568	(0.1%)	1,076,467	(0.7%)	40,517	(0.60%)	40	8.7
2009	322	26,598	0.6%	1,084,154	2.2%	40,761	1.55%	39	8.4
2008	318	26,427	3.0%	1,060,747	6.8%	40,139	3.68%	39	8.2
2007	313	25,645	3.4%	992,849	6.6%	38,715	3.09%	39	8.3
2006	313	24,813	4.3%	931,815	9.5%	37,554	5.05%	40	8.3
2005	314	23,795	0.3%	850,610	3.4%	35,747	3.16%	39	8.2
2004	314	23,734	(0.6%)	822,448	2.8%	34,653	3.35%	39	8.2
2003	314	23,871	(0.4%)	800,394	5.7%	33,530	6.08%	39	8.1

¹Covered payroll does not include payroll attributable to members or working retirees.

²Number of employers that cover employees eligible for PORS benefits and that contributed to the system during the last fiscal year.

Actuarial Section

General Assembly Retirement System Summary of Historical Active Membership As of July 1, 2012

July 1	Number of Employers	Active Members ¹		Covered Payroll		Average Annual Pay		Average Age	Average Service
		Number ¹	Percent Increase/ (Decrease)	Amount in Thousands ¹	Percent Increase/ (Decrease)	Amount	Percent Increase/ (Decrease)		
2012	2	170	0.0%	\$ 3,854	0.0%	\$ 22,671	0.00%	53	10.8
2011	2	170	0.0%	3,854	0.0%	22,671	0.00%	53	9.8
2010	2	170	0.0%	3,854	0.0%	22,671	0.00%	52	10.2
2009	2	170	0.0%	3,854	0.0%	22,671	0.00%	51	9.0
2008	2	170	0.0%	3,854	0.0%	22,671	0.00%	52	10.4
2007	2	170	0.0%	3,854	0.0%	22,671	0.00%	52	10.8
2006	2	170	0.0%	3,854	0.0%	22,671	0.00%	51	10.6
2005	2	170	0.0%	3,853	0.4%	22,668	0.38%	51	10.2
2004	2	170	0.0%	3,839	(0.1%)	22,582	(0.13%)	52	11.1
2003 ²	2	170	(15.0%)	3,844	(14.9%)	22,612	(0.17%)	52	10.3

¹Based on 170 positions in the S.C. General Assembly.

²Beginning 2003 does not include special contributors.

Judges and Solicitors Retirement System Summary of Historical Active Membership As of July 1, 2012

July 1	Active Members ¹		Covered Payroll	Average Annual Pay		Average Age	Average Service
	Number of Employers	Number ¹	Amount in Thousands ¹	Amount	Percent Increase (Decrease)		
2012	3	144	\$ 19,221	\$ 133,476	3.00%	56	15.1
2011	3	144	18,661	129,590	0.00%	55	14.3
2010	3	144	18,661	129,590	0.00%	55	15.0
2009	3	144	18,661	129,590	0.00%	55	15.4
2008	3	144	18,661	129,590	1.10%	55	15.7
2007	2	128	16,407	128,176	3.00%	55	19.4
2006	2	128	15,929	124,445	3.00%	55	20.1
2005	2	128	15,465	120,820	4.00%	55	19.5
2004	2	128	14,870	116,172	3.00%	54	17.9
2003	2	128	14,437	112,789	1.59%	54	16.8

¹Includes filled and unfilled positions and members in DROP or retired-in-place.

Actuarial Section

South Carolina National Guard Supplemental Retirement Plan Summary of Historical Active Membership As of July 1, 2012

July 1	Number of Employers	Number of Members	Annual Payroll ¹	Average Pay ¹	Percentage Increase In Average Pay ¹	Average Age	Average Service
2012	1	12,041	N/A	N/A	N/A	32	9.2
2011	1	12,271	N/A	N/A	N/A	32	9.3
2010	1	12,445	N/A	N/A	N/A	32	9.0
2009	1	12,599	N/A	N/A	N/A	32	9.0
2008	1	12,559	N/A	N/A	N/A	31	8.0
2007 ²	1	11,076	N/A	N/A	N/A	45	23
2006	1	2,502	N/A	N/A	N/A	45	23
2005	1	2,864	N/A	N/A	N/A	45	23
2004	1	3,425	N/A	N/A	N/A	N/A	N/A
2002	1	4,010	N/A	N/A	N/A	N/A	N/A

¹Not applicable as this is a non-contributory plan.

²Effective January 1, 2007, guardsmen who became members of the South Carolina National Guard after June 30, 1993, became eligible for membership.

Actuarial Section

South Carolina Retirement System Summary of Active Membership Data As of July 1, 2012 (Dollar amounts expressed in thousands)

<u>GROUP</u>	<u>NUMBER¹</u>	<u>ANNUAL COMPENSATION²</u>
State Employees	50,318	\$ 2,092,882
Public School Employees	82,329	3,053,114
Other Agency Employees	53,101	1,885,753
Total	185,748	\$ 7,031,749

¹ In addition, there are 154,073 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

² Total compensation is the annualized pay for the prior year.

Police Officers Retirement System Summary of Active Membership Data As of July 1, 2012 (Dollar amounts expressed in thousands)

<u>GROUP</u>	<u>NUMBER¹</u>	<u>ANNUAL COMPENSATION²</u>
State Employees	9,486	\$ 323,072
Public School Employees	4	193
Other Agency Employees	16,689	647,642
Total	26,179	\$ 971,101

¹ In addition, there are 11,840 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

² Total compensation is the annualized pay for the prior year.

Actuarial Section

General Assembly Retirement System Summary of Active Membership Data As of July 1, 2012 *(Dollar amounts expressed in thousands)*

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

Note: There are 33 inactive members with contributions still in the system, and there are 18 special contributors. The results of the valuation were adjusted to take these members into account. Numbers shown above reflect the number of seats and include members receiving retirement benefits while continuing in office.

Judges and Solicitors Retirement System Summary of Active Membership Data As of July 1, 2012 *(Dollar amounts expressed in thousands)*

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
144	\$ 19,221

Note: The number of active members reflects the number of seats, including 17 participants who are either in the DROP or have retired in place and are receiving retirement benefits while continuing in office. There are three inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

Actuarial Section

South Carolina Retirement System Summary of Membership Data

	<u>July 1, 2012</u>	<u>July 1, 2011</u>
Service retirees		
a. Number	100,685	94,838
b. Total annual benefits	\$ 2,084,693,740	\$ 1,936,478,546
c. Average annual benefits	\$ 20,705	\$ 20,419
d. Average age at the valuation date	68.9	68.9
Disabled retirees		
a. Number	12,941	12,492
b. Total annual benefits	\$ 192,594,690	\$ 142,029,844
c. Average annual benefits	\$ 14,883	\$ 11,370
d. Average age at the valuation date	62.2	61.9
Beneficiaries		
a. Number	8,301	8,042
b. Total annual benefits	\$ 94,514,806	\$ 89,867,788
c. Average annual benefits	\$ 11,386	\$ 11,175
d. Average age at the valuation date	67.4	67.3

Police Officers Retirement System Summary of Membership Data

	<u>July 1, 2012</u>	<u>July 1, 2011</u>
Service retirees		
a. Number	11,328	10,206
b. Total annual benefits	\$ 227,747,206	\$ 201,651,947
c. Average annual benefits	\$ 20,105	\$ 19,758
d. Average age at the valuation date	63.8	64.1
Disabled retirees		
a. Number	2,151	2,006
b. Total annual benefits	\$ 42,234,375	\$ 38,839,921
c. Average annual benefits	\$ 19,635	\$ 19,362
d. Average age at the valuation date	53.6	53.4
Beneficiaries		
a. Number	1,174	1,146
b. Total annual benefits	\$ 13,947,504	\$ 13,494,593
c. Average annual benefits	\$ 11,880	\$ 11,775
d. Average age at the valuation date	67.9	67.9

Actuarial Section

General Assembly Retirement System Summary of Membership Data

	<u>July 1, 2012</u>	<u>July 1, 2011</u>
Service retirees		
a. Number	280	275
b. Total annual benefits	\$ 5,521,922	\$ 5,388,001
c. Average annual benefits	\$ 19,721	\$ 19,593
d. Average age at the valuation date	72.1	72.0
Disabled retirees		
a. Number	0	1
b. Total annual benefits	\$ 0	\$ 15,432
c. Average annual benefits	\$ 0	\$ 15,432
d. Average age at the valuation date	N/A	74.1
Beneficiaries		
a. Number	78	77
b. Total annual benefits	\$ 1,140,649	\$ 1,138,899
c. Average annual benefits	\$ 14,624	\$ 14,791
d. Average age at the valuation date	77.1	76.0

Judges and Solicitors Retirement System Summary of Membership Data

	<u>July 1, 2012</u>	<u>July 1, 2011</u>
Service retirees		
a. Number ¹	143	140
b. Total annual benefits	\$ 13,991,064	\$ 13,289,551
c. Average annual benefits	\$ 97,840	\$ 94,925
d. Average age at the valuation date	69.7	69.5
Disabled retirees		
a. Number	1	1
b. Total annual benefits	\$ 95,702	\$ 92,914
c. Average annual benefits	\$ 95,702	\$ 92,914
d. Average age at the valuation date	77.7	76.7
Beneficiaries		
a. Number	56	57
b. Total annual benefits	\$ 1,633,601	\$ 1,609,516
c. Average annual benefits	\$ 29,171	\$ 28,237
d. Average age at the valuation date	70.6	70.4

¹Includes members in DROP and retired in place. It does not include unfilled positions.

Actuarial Section

South Carolina National Guard Supplemental Retirement Plan Summary of Membership Data

	<u>July 1, 2012</u>	<u>July 1, 2011</u>
Active members		
a. Males	10,090	10,356
b. Females	<u>1,951</u>	<u>1,915</u>
c. Total Members	12,041	12,271
d. Average age	31.8	32.0
d. Average service	9.2	9.3
Vested inactive members		
a. Number	2,484	2,458
b. Total annual deferred benefits	\$ 1,951,320	\$ 1,910,760
c. Average annual deferred benefit	\$ 786	\$ 777
Service retirees		
a. Number	4,419	4,252
b. Total annual benefits	\$ 4,072,980	\$ 3,932,340
c. Average annual benefit	\$ 922	\$ 925
d. Average age	69.0	68.7

Actuarial Section

South Carolina Retirement System Schedule of Retirants Added to and Removed from Rolls¹ (Dollar amounts except average allowance expressed in thousands)

July 1	Added to Rolls ²		Removed from Rolls ³		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	9,523	\$ 205,050	2,968	\$ 44,099	121,927	\$ 2,352,188	7.3%	\$ 19,292
2011	6,336	141,242	2,358	31,382	115,372	2,191,236	5.3%	18,993
2010	6,596	151,348	3,216	44,049	111,394	2,081,376	5.4%	18,685
2009	6,190	101,813	2,698	36,834	108,014	1,974,077	3.4%	18,276
2008	6,021	132,856	2,396	30,178	104,522	1,909,098	5.7%	18,265
2007	5,944	130,286	2,252	28,455	100,897	1,806,420	6.0%	17,904
2006	4,621	118,271	2,083	24,099	97,205	1,704,589	5.8%	17,536
2005	7,203	167,748	2,143	23,537	94,667	1,610,417	9.8%	17,011
2004	7,319	151,477	2,132	22,656	89,607	1,466,206	9.6%	16,363
2003	7,866	163,867	2,510	27,662	84,420	1,337,385	11.3%	15,842

¹Includes Teacher and Employee Retention Incentive (TERI) program participants.

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

July 1	Added to Rolls ²		Removed from Rolls ³		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
2012	1,566	\$ 34,086	271	\$ 4,143	14,653	\$ 283,929	11.8%	\$ 19,377
2011	1,042	22,580	250	2,970	13,358	253,986	8.4%	19,014
2010	943	21,877	327	5,000	12,566	234,376	7.8%	18,652
2009	931	17,937	267	3,879	11,950	217,499	6.9%	18,201
2008	779	17,458	194	2,691	11,286	203,441	7.8%	18,026
2007	772	16,474	205	2,745	10,701	188,674	7.8%	17,631
2006	678	16,880	205	2,691	10,134	174,945	8.8%	17,263
2005	778	12,576	173	2,147	9,661	160,756	9.8%	16,640
2004	894	16,256	265	2,923	9,056	146,348	10.0%	16,114
2003	947	18,614	226	2,733	8,427	133,015	13.6%	15,784

²Annual benefits added to rolls include COLAs for continuing retirees.

³The removed from rolls count does not include members who are replaced by beneficiaries.

Actuarial Section

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

<u>July 1</u>	<u>Added to Rolls²</u>		<u>Removed from Rolls³</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>		
2012	16	\$ 251	11	\$ 130	358	\$ 6,663	1.8%	\$ 18,611
2011	12	238	5	108	353	6,542	2.0%	18,534
2010	7	148	14	261	346	6,412	(1.7%)	18,532
2009	26	505	15	266	353	6,525	3.8%	18,484
2008	19	337	10	134	342	6,286	3.3%	18,380
2007	18	321	2	13	333	6,083	5.3%	18,267
2006	13	321	8	179	317	5,775	1.0%	18,218
2005	22	238	7	125	312	5,716	6.8%	18,321
2004	12	486	9	119	297	5,353	1.2%	18,023
2003	40	185	12	226	294	5,287	13.1%	17,983

Judges and Solicitors Retirement System Schedule of Retirants Added to and Removed from Rolls¹ (Dollar amounts except average allowance expressed in thousands)

<u>July 1</u>	<u>Added to Rolls²</u>		<u>Removed from Rolls³</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>		
2012	6	\$ 912	4	\$ 184	200	\$ 15,720	4.9%	\$ 78,600
2011	9	827	5	196	198	14,992	4.4%	75,717
2010	18	1,210	8	593	194	14,361	4.5%	74,025
2009	10	903	4	259	184	13,744	4.9%	74,696
2008	6	545	3	156	178	13,100	3.1%	73,596
2007	32	2,690	1	30	175	12,711	26.5%	72,634
2006	4	464	1	28	144	10,051	4.5%	69,799
2005	3	581	1	27	141	9,615	6.1%	68,191
2004	11	925	2	139	139	9,061	9.5%	65,190
2003	11	716	7	493	130	8,275	2.8%	63,654

¹Beginning July 1, 2007, includes participants who have retired in place.

²Annual benefits added to rolls include COLAs for continuing retirees.

³The removed from rolls count does not include members who are replaced by beneficiaries.

Actuarial Section

South Carolina National Guard Supplemental Retirement Plan Schedule of Retirants Added to and Removed from Rolls (Dollar amounts except average allowance expressed in thousands)

<u>July 1</u>	<u>Added to Rolls</u>		<u>Removed from Rolls¹</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>		
2012	259	\$ 228	92	\$ 87	4,419	\$ 4,073	3.6%	\$ 922
2011	399	351	98	93	4,252	3,932	7.0%	925
2010	267	237	101	99	3,951	3,674	3.9%	930
2009	378	335	85	83	3,785	3,536	7.7%	934
2008	364	331	76	75	3,492	3,284	8.5%	940
2007	362	329	61	58	3,204	3,028	9.8%	945
2006	303	276	90	91	2,903	2,757	7.2%	950
2005	244	214	89	81	2,690	2,572	5.5%	956
2004					2,535	2,439	12.9%	962
2002					2,213	2,160	10.9%	976

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

Actuarial Section

Schedule of Funding Progress (Dollar amounts expressed in thousands)¹

SCRS	Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability(AAL)	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Annual Covered Payroll ²	UAAL as % of Payroll
	2012	\$25,540,749	\$39,457,708	\$ 13,916,959	64.7%	\$ 7,356,231	189.2%
	2011	25,604,823	38,011,610	12,406,787	67.4%	7,687,558	161.4%
	2010	25,400,331	38,774,029	13,373,698	65.5%	7,769,820	172.1%
	2009	25,183,062	37,150,315	11,967,253	67.8%	7,761,808	154.2%
	2008	24,699,678	35,663,419	10,963,741	69.3%	7,559,172	145.0%
	2007	23,541,438	33,766,678	10,225,240	69.7%	7,093,181	144.2%
	2006	22,293,446	32,018,519	9,725,073	69.6%	6,733,379	144.4%
	2005	21,625,510	30,217,471	8,591,961	71.6%	6,356,489	135.2%
	2004	20,862,659	25,977,852	5,115,193	80.3%	6,180,599	82.8%
	2003	20,197,936	24,398,931	4,200,995	82.8%	6,240,768	67.3%

PORS	Valuation Date	Actuarial Value of Assets(AVA)	Actuarial Accrued Liability(AAL)	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Annual Covered Payroll ²	UAAL as % of Payroll
	2012	\$ 3,808,934	\$ 5,357,492	\$ 1,548,558	71.1%	\$ 1,019,241	151.9%
	2011	3,728,241	5,122,501	1,394,260	72.8%	1,087,587	128.2%
	2010	3,612,700	4,850,457	1,237,757	74.5%	1,076,467	115.0%
	2009	3,482,220	4,564,111	1,081,891	76.3%	1,084,154	99.8%
	2008	3,363,136	4,318,955	955,819	77.9%	1,060,747	90.1%
	2007	3,160,240	3,730,544	570,304	84.7%	992,849	57.4%
	2006	2,935,841	3,466,281	530,440	84.7%	931,815	56.9%
	2005	2,774,606	3,173,930	399,324	87.4%	850,610	46.9%
	2004	2,616,835	2,984,584	367,749	87.7%	822,448	44.7%
	2003	2,511,369	2,744,849	233,480	91.5%	800,394	29.2%

¹ Funding progress for July 1, 2011, valuation adjusted to reflect pension reform legislation in Act 278.

² Covered payroll does not include payroll attributable to members in State ORP, TERI or working retirees.

Note: 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.

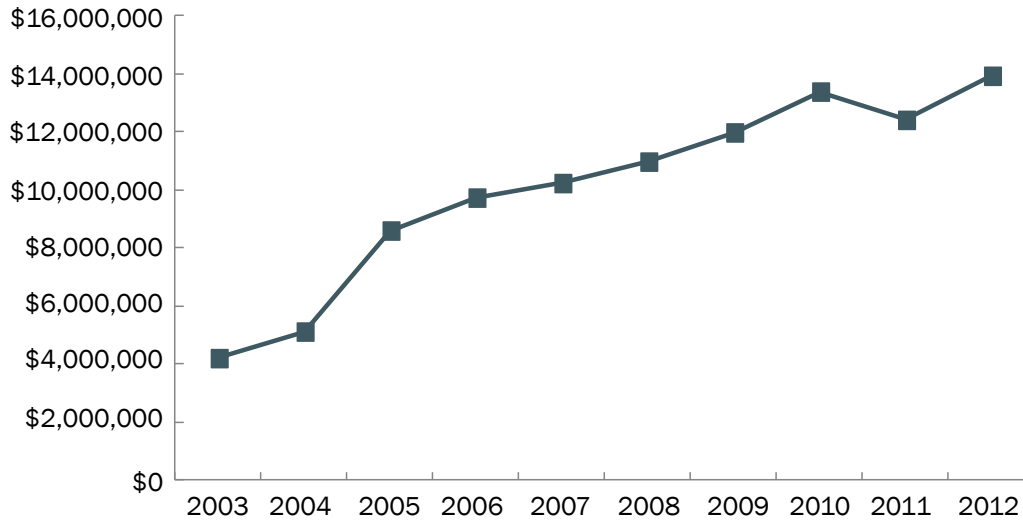
Effective 7-1-2011, actuarial assumptions were changed as a result of a 5 year experience study. The investment return assumption, inflation assumption, rate of salary increases, payroll growth assumption, post-retirement mortality assumption for all groups, retirement rates and termination rates were revised for both SCRS and PORS. The actuarial valuation of asset method was changed from one that recognized the difference between the expected and actual return on the market value of assets over a 10-year period, to a modified 5-year asset smoothing method for both SCRS and PORS. In addition, there were minor changes to the rates of disability incidence for SCRS.

Effective 7-1-2012, disability and retirement rates were updated to more appropriately reflect the anticipated plan experience as a result of the enactment of Act 278. Act 278 became law in June 2012, which resulted in substantial changes to the benefit provisions of both SCRS and PORS.

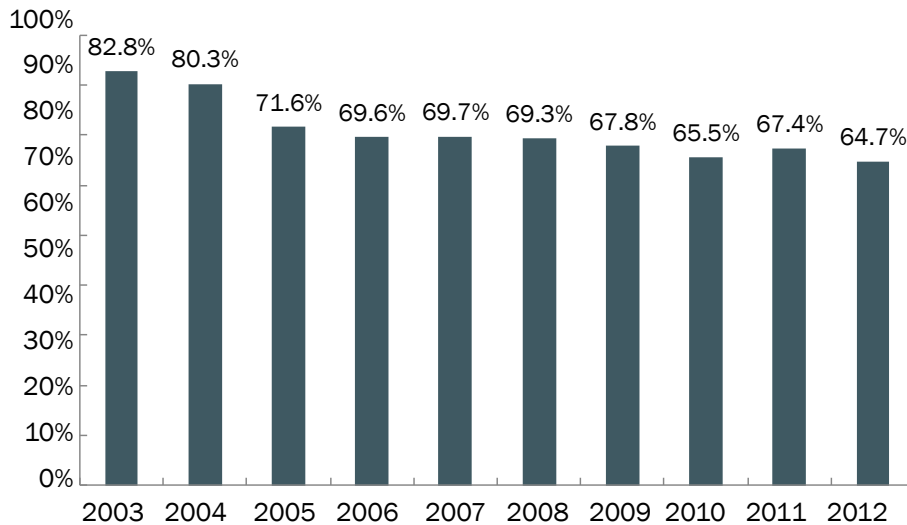
Actuarial Section

South Carolina Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



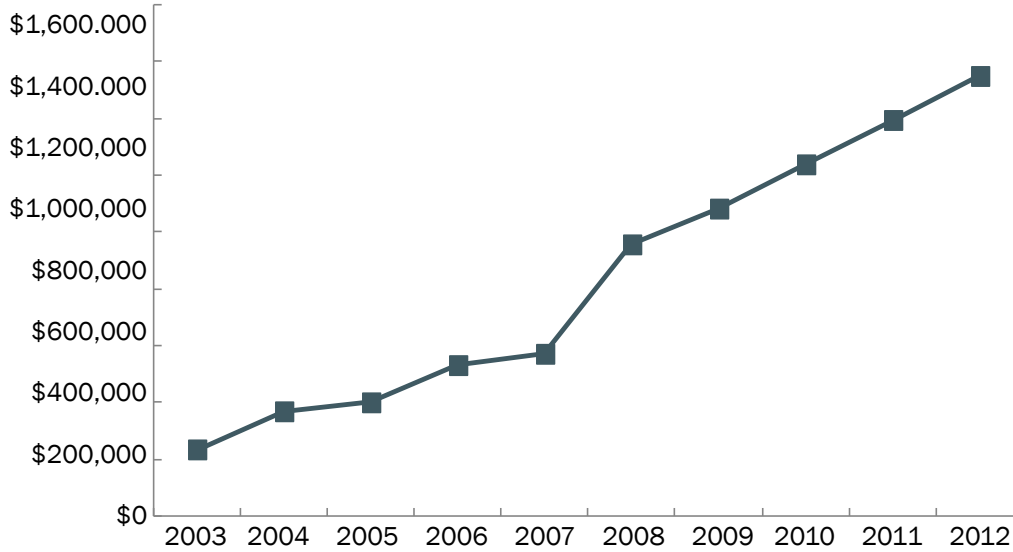
Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



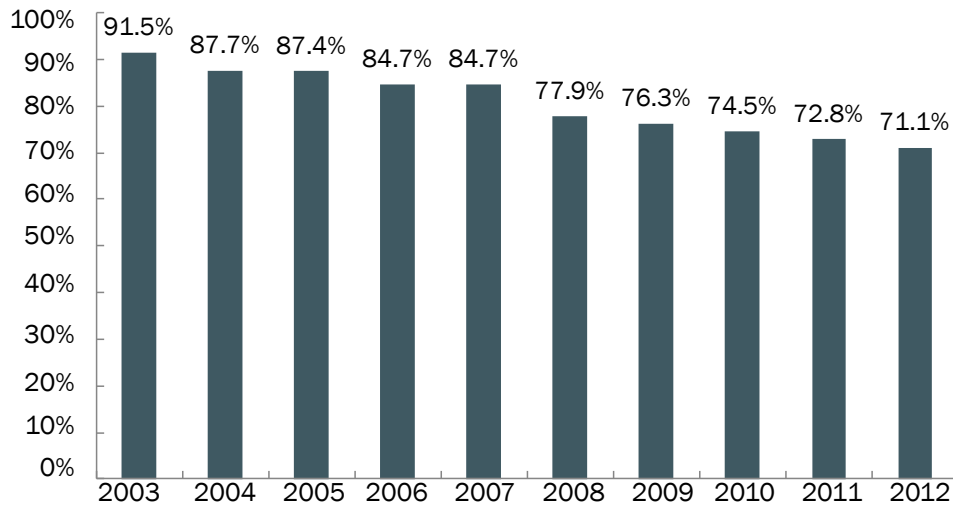
Actuarial Section

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

Schedule of Funding Progress (Dollar amounts expressed in thousands)

GARS	Valuation Date	Actuarial Value of Assets(AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	2012	\$ 39,233	\$ 74,331	\$ 35,098	52.8%	\$ 3,854	910.7%
	2011	41,484	74,604	33,120	55.6%	3,854	859.4%
	2010	43,712	68,671	24,959	63.7%	3,854	647.6%
	2009	45,891	68,491	22,600	67.0%	3,854	586.4%
	2008	47,189	69,122	21,933	68.3%	3,854	569.1%
	2007	46,925	71,014	24,089	66.1%	3,854	625.0%
	2006	46,075	69,734	23,659	66.1%	3,854	613.9%
	2005	46,316	69,161	22,845	67.0%	3,853	592.9%
	2004	45,087	68,332	23,245	66.0%	3,839	605.5%
	2003	44,682	66,619	21,937	67.1%	3,844	570.8%

JSRS	Valuation Date	Actuarial Value of Assets(AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	2012	\$ 145,604	\$ 251,729	\$ 106,125	57.8%	\$ 19,221	552.1%
	2011	144,927	243,514	98,587	59.5%	18,661	528.3%
	2010	142,871	215,823	72,952	66.2%	18,661	390.9%
	2009	141,797	214,363	72,566	66.1%	18,661	388.9%
	2008	138,323	213,406	75,083	64.8%	18,661	402.4%
	2007	132,990	229,388	96,398	58.0%	16,407	587.5%
	2006	124,837	211,384	86,547	59.1%	15,929	543.3%
	2005	118,888	204,847	85,959	58.0%	15,465	555.8%
	2004	112,016	185,052	73,036	60.5%	14,870	491.2%
	2003	106,114	166,655	60,541	63.7%	14,437	419.3%

Note: Effective 7-1-2003, actuarial assumptions for GARS and JSRS were changed as a result of a five 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.

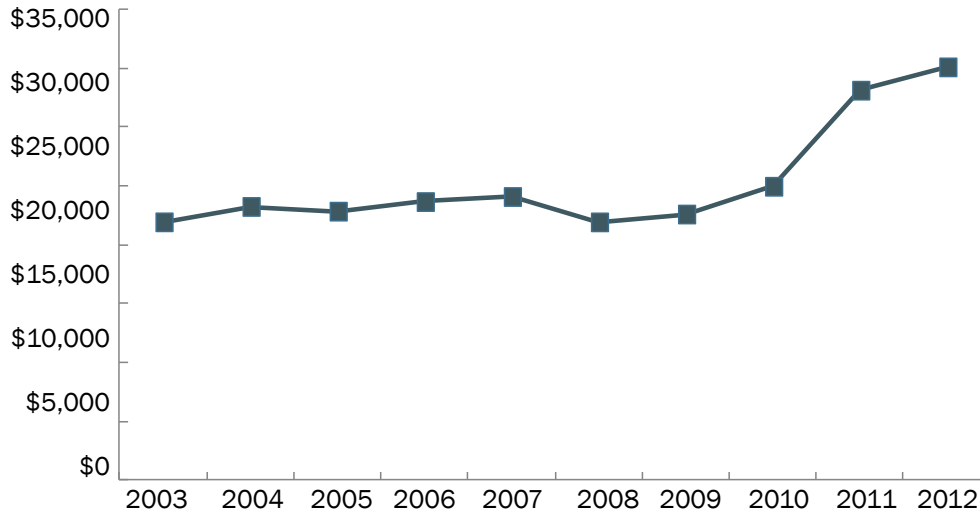
Effective 7-1-2011, actuarial assumptions were changed as a result of a 5 year experience study. The investment return assumption, inflation assumption and the mortality assumption were revised for both GARS and JSRS. The actuarial valuation of asset method was changed from one that recognized the difference between the expected and actual return on the market value of assets over a 10-year period, to a modified 5-year asset smoothing method for both GARS and JSRS.

Effective 7-1-2012, Act 278 became law in June 2012 and increased the member contribution rate from 10 percent of pay to 11 percent of pay effective 1-1-2013 for GARS members. The legislation also closed GARS to new members. Newly elected members of the General Assembly on or after the general election of 2012 shall elect to become members of SCRS, State ORP or non-membership.

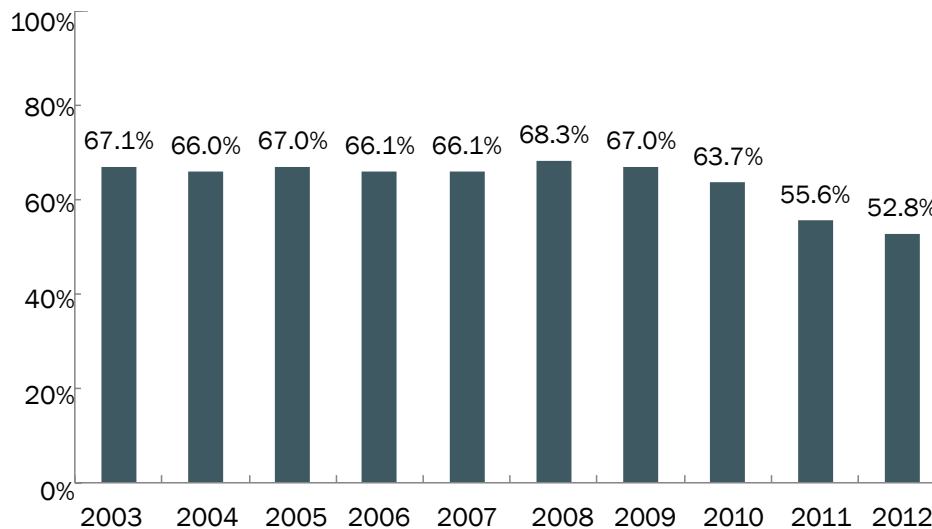
Actuarial Section

General Assembly Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



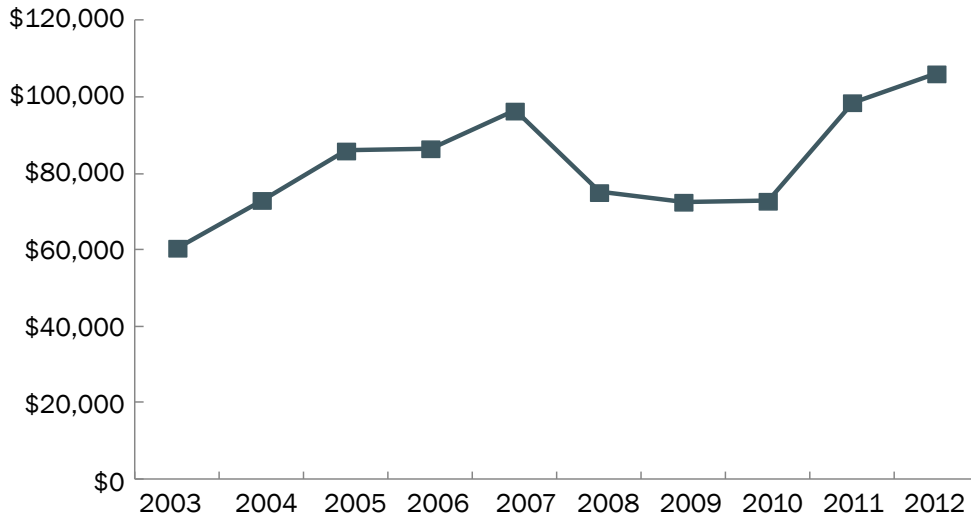
Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



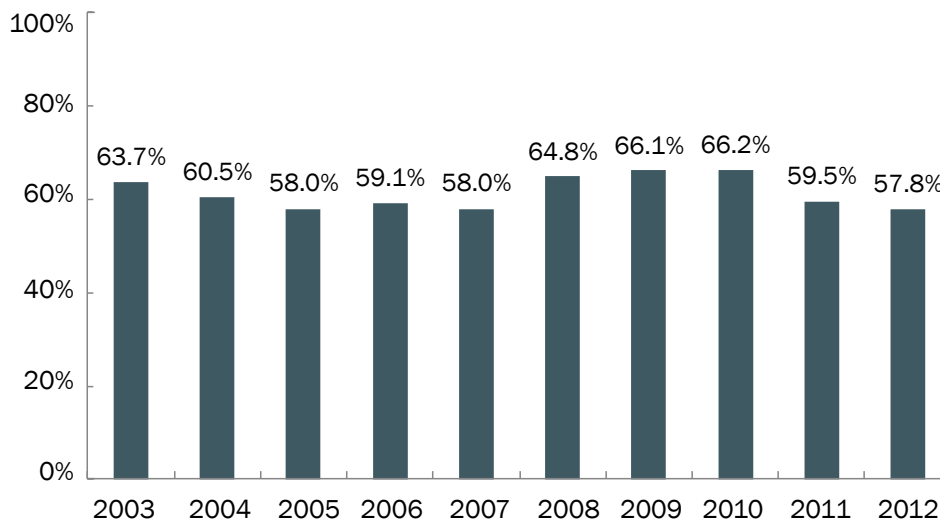
Actuarial Section

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

Schedule of Funding Progress (Dollar amounts expressed in thousands)

SCNG	Valuation Date	Actuarial Value of Assets(AVA)	Actuarial Liability(AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	2012	\$ 20,814	\$ 60,942	\$ 40,128	34.2%	N/A	N/A
	2011	20,138	60,388	40,250	33.3%	N/A	N/A
	2010	19,458	54,153	34,695	35.9%	N/A	N/A
	2009	18,600	53,421	34,821	34.8%	N/A	N/A
	2008	17,426	53,534	36,108	32.6%	N/A	N/A
	2007	15,937	55,917	39,980	28.5%	N/A	N/A
	2006	14,046	48,755	34,709	28.8%	N/A	N/A
	2005	12,151	46,985	34,835	25.9%	N/A	N/A
	2004	13,567	47,281	33,714	28.7%	N/A	N/A
	2002	12,608	44,678	32,069	28.2%	N/A	N/A

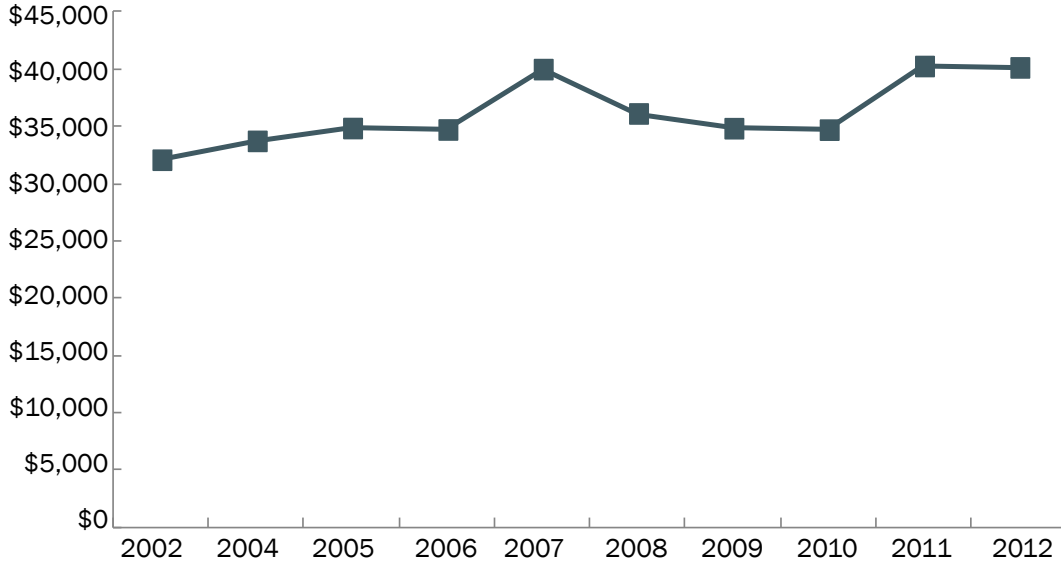
Note: Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

Effective 7-1-2011, actuarial assumptions were changed as a result of a 5 year experience study. The investment return assumption, inflation assumption and the mortality assumption were revised for SCNG. The actuarial valuation of asset method was changed from one that recognized the difference between the expected and actual return on the market value of assets over a 10-year period, to a modified 5-year asset smoothing method for SCNG.

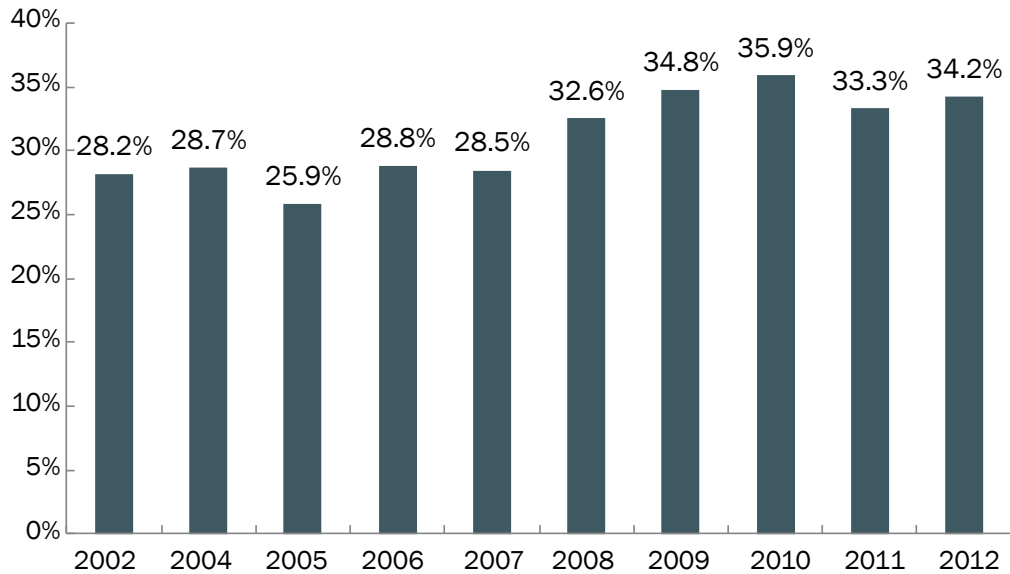
Actuarial Section

South Carolina National Guard Supplemental Retirement Plan 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

South Carolina Retirement System

Reconciliation of UAAL

As of July 1, 2012

(Amounts expressed in thousands)

Item:	<u>Amount of Increase/Decrease</u>
Beginning of Year UAAL	\$ 12,406,787
Interest on UAAL	930,509
Amortization payment with interest	(583,194)
Assumption/method changes	0
Asset Experience	1,000,960
COLA	0
Salary Experience	(130,469)
Other Liability Experience	292,366
Legislative Changes	<u>0</u>
End of Year UAAL	<u>\$ 13,916,959</u>

Police Officers Retirement System

Reconciliation of UAAL

As of July 1, 2012

(Amounts expressed in thousands)

Item:	<u>Amount of Increase/Decrease</u>
Beginning of Year UAAL	\$ 1,394,260
Interest on UAAL	104,570
Amortization payment with interest	(83,655)
Assumption/method changes	0
Asset Experience	134,736
COLA	0
Salary Experience	(35,038)
Other Liability Experience	33,686
Legislative Changes	<u>0</u>
End of Year UAAL	<u>\$ 1,548,558</u>

Actuarial Section

General Assembly Retirement System

Reconciliation of UAAL

As of July 1, 2012

(Amounts expressed in thousands)

Item:	Amount of Increase/Decrease
Beginning of Year UAAL	\$ 33,120
Interest on UAAL	2,484
Amortization payment with interest	(2,400)
Assumption change	0
Asset Experience	1,950
Liability Experience	(55)
Legislative Changes	0
Total Change	<u>1,979</u>
End of Year UAAL	<u>\$ 35,099</u>

Judges and Solicitors Retirement System

Reconciliation of UAAL

As of July 1, 2012

(Amounts expressed in thousands)

Item:	Amount of Increase/Decrease
Beginning of Year UAAL	\$ 98,587
Interest on UAAL	7,394
Amortization payment with interest	(5,699)
Assumption/method changes	0
Asset Experience	5,561
COLA	0
Salary Experience	(2,216)
Other Liability Experience	2,498
Legislative Changes	<u>0</u>
End of Year UAAL	<u>\$ 106,125</u>

Actuarial Section

South Carolina National Guard Supplemental Retirement Plan
Reconciliation of UAAL
As of July 1, 2012
(Amounts expressed in thousands)

Item:	Amount of Increase/Decrease
Beginning of Year UAAL	\$ 40,250
Interest on UAAL	3,019
Amortization payment with interest	(3,669)
Assumption change	0
Asset Experience	849
Liability Experience	(321)
Legislative Changes	0
Total Change	<u>(122)</u>
End of Year UAAL	<u>\$ 40,128</u>

Actuarial Section

Solvency Test (Dollar amounts expressed in thousands)

	July 1	Actuarial Accrued Liability			Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
		Active Member Contributions	Retirants & Beneficiaries	Active & Inactive Members (Employer Financed)		Active	Retirants	ER Financed
SCRS	2012	\$ 6,459,192	\$ 24,732,406	\$ 8,266,110	\$ 25,540,749	100%	77.2%	0.0%
	2011	6,472,646	23,160,658	8,378,306	25,604,823	100%	82.6%	0.0%
	2010	6,222,854	22,585,243	9,965,932	25,400,331	100%	84.9%	0.0%
	2009	5,980,022	21,381,561	9,788,732	25,183,062	100%	89.8%	0.0%
	2008	5,708,620	20,624,862	9,329,937	24,699,678	100%	92.1%	0.0%
	2007	5,464,756	19,084,672	9,217,250	23,541,438	100%	94.7%	0.0%
	2006	5,229,175	17,800,254	8,989,090	22,293,446	100%	95.9%	0.0%
	2005	4,915,423	16,891,954	8,410,094	21,625,510	100%	98.9%	0.0%
	2004	4,750,077	14,184,765	7,043,010	20,862,659	100%	100%	27.4%
	2003	4,627,360	13,240,368	6,531,203	20,197,936	100%	100%	35.7%
PORS	2012	\$ 773,710	\$ 3,118,016	\$ 1,465,766	\$ 3,808,934	100%	97.3%	0.0%
	2011	786,724	2,784,144	1,551,633	3,728,241	100%	100%	10.1%
	2010	758,695	2,577,772	1,513,990	3,612,700	100%	100%	18.2%
	2009	726,214	2,348,685	1,489,212	3,482,220	100%	100%	27.4%
	2008	697,423	2,183,645	1,437,887	3,363,136	100%	100%	33.5%
	2007	658,023	1,818,914	1,253,607	3,160,240	100%	100%	54.5%
	2006	622,008	1,668,449	1,175,824	2,935,841	100%	100%	54.9%
	2005	585,701	1,530,199	1,058,030	2,774,606	100%	100%	62.0%
	2004	548,699	1,415,627	1,020,258	2,616,835	100%	100%	64.0%
	2003	516,313	1,265,173	963,363	2,511,369	100%	100%	75.8%

Note: Effective 7-1-2003, actuarial assumptions were changes 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.

July 1, 2011, valuation results were adjusted to reflect pension reform legislation in Act 278.

Actuarial Section

Solvency Test (Dollar amounts expressed in thousands)

	July 1	<u>Actuarial Accrued Liability</u>				<u>Portion of Aggregate Accrued Liabilities Covered by Assets</u>		
		Active Member Contributions	Retirants & Beneficiaries	Active and Inactive Members (Employer Financed)	Valuation Assets	Active	Retirants	ER Financed
GARS	2012	\$ 7,267	\$ 58,213	\$ 8,851	\$ 39,233	100%	54.9%	0.0%
	2011	7,100	58,291	9,213	41,484	100%	59.0%	0.0%
	2010	7,265	53,486	7,920	43,712	100%	68.1%	0.0%
	2009	6,822	54,586	7,083	45,891	100%	71.6%	0.0%
	2008	7,265	53,240	8,617	47,189	100%	75.0%	0.0%
	2007	7,735	54,115	9,164	46,925	100%	72.4%	0.0%
	2006	8,094	51,870	9,770	46,075	100%	73.2%	0.0%
	2005	8,024	51,353	9,784	46,316	100%	74.6%	0.0%
	2004	8,485	48,126	11,721	45,087	100%	76.1%	0.0%
	2003	8,324	46,781	11,515	44,682	100%	77.7%	0.0%
JSRS	2012	\$ 20,005	\$ 177,483	\$ 54,241	\$ 145,604	100%	70.8%	0.0%
	2011	18,864	169,841	54,809	144,927	100%	74.2%	0.0%
	2010	17,816	150,696	47,311	142,871	100%	83.0%	0.0%
	2009	18,431	144,464	51,468	141,797	100%	85.4%	0.0%
	2008	17,367	141,510	54,529	138,323	100%	85.5%	0.0%
	2007	18,999	149,435	60,954	132,990	100%	76.3%	0.0%
	2006	21,857	112,823	76,704	124,837	100%	91.3%	0.0%
	2005	20,005	110,876	73,966	118,888	100%	89.2%	0.0%
	2004	17,640	106,159	61,253	112,016	100%	88.9%	0.0%
	2003	16,545	96,409	53,701	106,114	100%	92.9%	0.0%

Note: 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

Solvency Test (Dollar amounts expressed in thousands)

	July 1	<u>Actuarial Accrued Liability</u>				<u>Portion of Aggregate Accrued Liabilities Covered by Assets</u>		
		Active Member Contributions	Retirants and Beneficiaries	Active & Inactive Members (Employer Financed)	Valuation Assets	Active	Retirants	ER Financed
SCNG	2012	\$ 0	\$ 32,989	\$ 27,953	\$ 20,814	N/A	63.1%	0.0%
	2011	0	32,038	28,350	20,138	N/A	62.9%	0.0%
	2010	0	28,492	25,661	19,458	N/A	68.3%	0.0%
	2009	0	27,558	25,863	18,600	N/A	67.5%	0.0%
	2008	0	25,554	27,980	17,426	N/A	68.2%	0.0%
	2007	0	24,627	31,290	15,937	N/A	64.7%	0.0%
	2006	0	22,366	26,389	14,046	N/A	62.8%	0.0%
	2005	0	20,804	26,181	12,151	N/A	58.4%	0.0%
	2004	0	19,704	27,577	13,567	N/A	68.9%	0.0%
	2002	0	17,597	27,081	12,608	N/A	71.6%	0.0%

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

Actuarial Section

Summary of Basic Provisions As of June 30, 2013

SCRS	PORS	GARS	JSRS	SCNG
1. Membership				
<p>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.</p> <p>Individuals first elected to serve in the General Assembly in the general election in November 2012 or after must elect membership in either SCRS or State ORP or elect to be a nonmember.</p>	<p>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.</p>	<p>Generally, all persons are required to participate upon taking office as member of the General Assembly unless exempted by statute.</p> <p>Closed to new members. Individuals first elected to serve in the General Assembly in the general election in November 2012 or after must elect membership in either SCRS or State ORP or elect to be a nonmember.</p>	<p>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.</p>	<p>Individuals serving in the South Carolina National Guard.</p>
2. Employee Contributions				
<p>Class II 7.0% of earnable compensation</p> <p>Class III 7.0% of earnable compensation</p> <p>Effective January 1, 2013, earnable compensation does not include pay for non-mandatory overtime.</p>	<p>Class I \$21 per month</p> <p>Class II 7.0% of earnable compensation</p> <p>Class III 7.0% of earnable compensation</p>	<p>10% of earnable compensation</p> <p>Effective January 1, 2013, 11.0% of earnable compensation.</p>	<p>10% of earnable compensation</p>	<p>Not applicable as this is a non-contributory plan</p>
3. Employer Contributions				
<p>Class II & III 10.45% of earnable compensation</p> <p>Death Benefit Program 0.15% of earnable compensation</p> <p>Accidental Death Program Not applicable</p>	<p>Class I 7.8% of earnable compensation</p> <p>Class II & III 11.90% of earnable compensation</p> <p>Death Benefit Program 0.2% of earnable compensation</p> <p>Accidental Death Program 0.2% of earnable compensation</p>	<p>Annual lump-sum appropriation</p> <p>Death Benefit Program Included within annual lump-sum appropriation</p> <p>Accidental Death Program Not applicable</p>	<p>44.64% of earnable compensation</p> <p>Death Benefit Program 0.45% of earnable compensation</p> <p>Accidental Death Program Not applicable</p>	<p>Annual lump-sum appropriation</p> <p>Death Benefit Program Not applicable</p> <p>Accidental Death Program Not applicable</p>

Actuarial Section

SCRS	PORS	GARS	JSRS	SCNG
4. Requirements for Service Annuity				
<p>Class II 5 years earned service</p> <p>The member is entitled to a deferred reduced annuity at age 60.</p>	<p>Class II 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>
<p>Class III 8 years earned service</p>	<p>Class III 8 years earned service</p>			
5. Normal Retirement Age				
Not applicable	Not applicable	Not applicable	Age 60	Not applicable
6. Requirements for Full Service Retirement				
<p>Class II 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>Class II 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>
<p>Class III Age 65 or meet the rule of 90 requirement. This means that the member's age plus the years of service must add up to a total of at least 90.</p> <p>The member must have a minimum of 8 years of earned service to qualify for retirement.</p>	<p>Class III Age 55 or 27 years of credited service</p> <p>The member must have a minimum of 8 years of earned service to qualify for retirement.</p>			
7. Early Retirement				
<p>Class II 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>	Not applicable.	Age 60 with 8 years of service credit	<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>	Not applicable
<p>Class II Age 60 with 5% reduction for each year under age 65</p>				

Actuarial Section

SCRS

PORS

GARS

JSRS

SCNG

8. Formula for Normal Service Retirement

Class I

1.45% of Average Final Compensation times years of credited service

Class II

1.82% of Average Final Compensation (AFC) times years of credited service (annual benefit amount). AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave.

Class III

1.82% of Average Final Compensation times years of credited service. AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included.

Class I

\$10.97 per month for each year of service

Class II

2.14% of Average Final Compensation (AFC) times years of credited service (annual benefit amount). AFC is the average annual compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay for unused annual leave.

Class III

2.14% of Average Final Compensation times years of credited service. AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included.

4.82% of earnable compensation times years of credited service

Annual allowance of 71.3% of the current active salary of the member's position. Benefit formula increases by 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.

For 20 years of service, retirees receive a \$50 monthly benefit. For each year of service beyond the 20 years, 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

Class II

Permanent incapacity to perform regular duties of the member's job
5 years of earned service, unless injury is job related.

Class III

Permanent incapacity to perform the regular duties of the member's job
8 years of earned service, unless injury is job related

Class II

Permanent incapacity to perform regular duties of the member's job
5 years of earned service, unless injury is job related.

Class III

Permanent incapacity to perform regular duties of the member's job
8 years of earned service, unless injury is job related

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

For applications received after December 31, 2013, a member of SCRS will have to be approved for disability benefits from the Social Security Administration in order to be eligible for SCRS disability retirement benefits.

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.

For applications received after December 31, 2013,

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

For applications received after December 31, 2013, the calculation of disability

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

Continued on Next Page

Continued on Next Page

Actuarial Section

SCRS

PORS

GARS

JSRS

SCNG

Formula for Disability Retirement (continued)

the calculation of disability retirement benefits will change to eliminate the projection of service credit used in the benefit calculation.

retirement benefits will change to reduce the projection of service credit used in the benefit calculation.

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.

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.

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.

12. Deferred Retirement Option Programs

Class II

TERI is a deferred retirement option program (DROP). Upon meeting normal retirement eligibility, a member can elect to retire and continue working under the TERI program for a maximum of five years, after which employment will cease. During the TERI participation, the retirement annuity is not paid to the TERI retirees, but monthly benefits are accumulated in TERI accounts and are distributed to the members upon termination of employment.

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

Continued on Next Page

Continued on Next Page

Actuarial Section

SCRS

PORS

GARS

JSRS

SCNG

Deferred Retirement Option Programs (continued)

For members retiring after June 30, 2005, a payment for annual leave is not included in calculating benefits. Upon termination, however, benefits are 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. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits. The TERI program will end effective June 30, 2018. New enrollees in the TERI program after June 30, 2012, must end their participation within 5 years after their retirement date or June 30, 2018, whichever is earlier.

Class III

TERI program is not available

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.

13. Return to Work Provisions

For members retiring after 1/1/2013, in order to return to work for a covered employer after retirement, the member must first have a complete, bona fide severance or termination of employment. After 30 days of retirement, he may be hired by an employer covered by one of the retirement systems administered by PEBA Retirement Benefits. If the member is under age 62 at retirement and returns to covered employment, he will be subject to a \$10,000 per year earnings limitation. A member can earn up to \$10,000 per year and continue to receive his monthly annuity. If wages earned exceed \$10,000 in a calendar year, the monthly annuity will be suspended for the remainder of that year. The \$10,000 earnings limitation does not apply to a retired member who receives compensation

Continued on Next Page

For members retiring after 1/1/2013, in order to return to work for a covered employer after retirement, the member must first have a complete, bona fide severance or termination of employment. After 30 days of retirement, he may be hired by an employer covered by one of the retirement systems administered by PEBA Retirement Benefits. If the member is under age 57 at retirement and returns to covered employment, he will be subject to a \$10,000 per year earnings limitation. A member can earn up to \$10,000 per year and continue to receive his monthly annuity. If wages earned exceed \$10,000 in a calendar year, the monthly annuity will be suspended for the remainder of that year. The \$10,000 earnings limitation does not apply to a retired member who

Continued on Next Page

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

Actuarial Section

SCRS

PORS

GARS

JSRS

SCNG

Return to Work Provisions (continued)

for service as an elected official, service as an appointee of the Governor with confirmation by the Senate, or service by appointment or election by the General Assembly. A retired member may return to covered employment without affecting his monthly annuity if he is a certified teacher and is employed by a school district to teach in the classroom in his area of certification. The \$10,000 earnings limitation does not apply if the State Department of Education determines that no qualified, non-retired member is available for employment in the position, and 1) that a certified teacher is teaching in a critical academic need area or a geographic need area as defined by the State Board of Education, or 2) that a retired certified school teacher or certified employee is employed in a school or school district that has received a "below average" or "unsatisfactory" academic performance rating pursuant to the Education Accountability Act. After approval is received from the Department of Education, school districts must notify PEBA Retirement Benefits of the member's exemption from the earnings limitation.

receives compensation for service as an elected official, service as an appointee of the Governor with confirmation by the Senate, or service by appointment or election by the General Assembly.

14. Post Retirement Increase

Eligible annuitant payees receive an annual benefit adjustment equal to the lesser of 1% or \$500.

Eligible annuitant payees receive an annual benefit adjustment equal to the lesser of 1% or \$500.

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

SCRS

PORS

GARS

JSRS

SCNG

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.

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

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.

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.

Not applicable

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

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

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

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

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

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

Effective July 1, 2012, no interest is accrued on inactive accounts

Effective July 1, 2012, no interest is accrued on inactive accounts

Effective July 1, 2012, no interest is accrued on inactive accounts

Effective July 1, 2012, no interest is accrued on inactive accounts

This page contains no other content.

Statistical Section



Grab life by the handle bars



The Assault on Mt. Mitchell is an annual bicycle contest in South Carolina and North Carolina that began in 1974. The ride combines 102 miles in total distance with more than 10,000 feet of climbing. The race is limited to 1000 participants and sells out every year. *Spartanburg, SC*

The race results of the annual Assault on Mt. Mitchell are just one set of many numbers and variables of which race planners and coordinators must keep track. Likewise, the South Carolina Public Employee Benefit Authority is responsible for the accurate collection, maintenance and publication of myriad data, such as that reflected in the Statistical Section of this Comprehensive Annual Financial Report.

Statistical Section

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.

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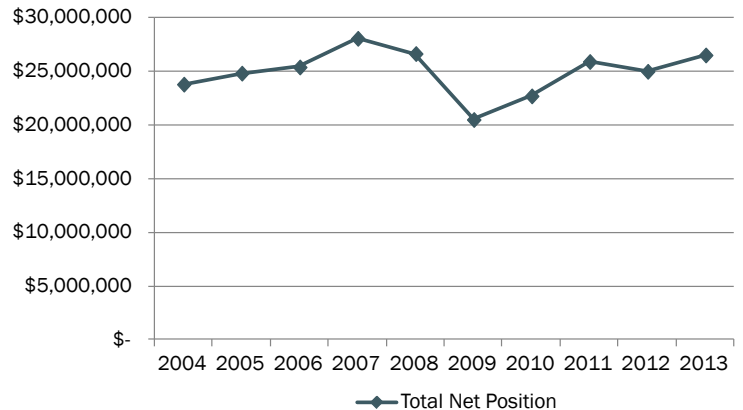
Statistical Section

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 10 year summary of plan net position and 10 year schedules of changes in plan net position as well as the additions by source, deductions by type, and benefit expenses by type for the last 10 fiscal years may be considered useful in determining financial trends.

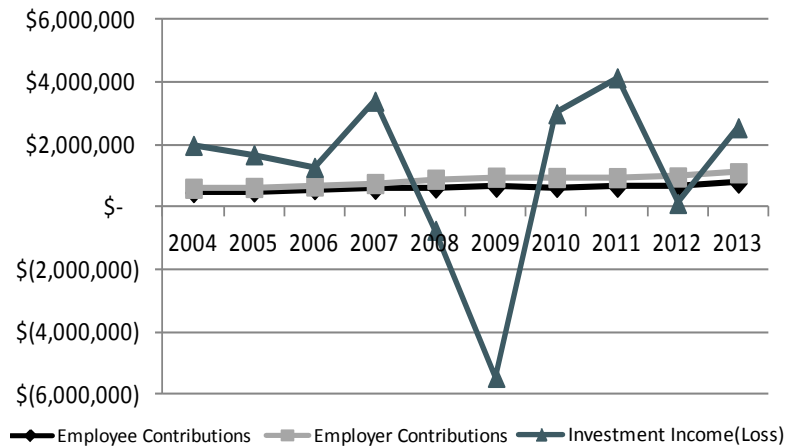
Trend of Total Net Position Values

A trend of the total net position over the past 10 years reflects an overall increase; however, negative investment returns realized during fiscal year 2008 and 2009 caused a significant decline in the net position of the portfolio. The decrease in the value of the plan net position during fiscal year 2012 resulted from negative cash flows in that while investment performance was relatively flat and contributions remained steady, the plan experienced an increase in benefit payments. The increase in plan net position of \$1.5 billion during fiscal year 2013 was attributable to both positive investment performance and increased contribution levels.



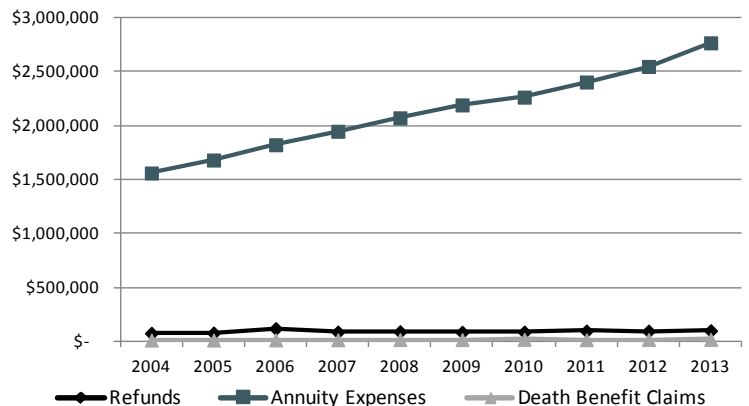
Trend of Total Pension Trust Funds Additions by Source

The overall trend in the dollar amount of employee and employer contributions has gradually increased primarily due to increases in contribution rates although changes in the amount of covered payroll have also had an impact. During fiscal year 2013, the amount of employee and employer contributions increased as a result of retirement reform legislation. A significant number of members remitted contributions to purchase additional service credit to meet retirement eligibility before the effective date of certain legislative changes which included increases to the future cost of service purchase. 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 benefit adjustments that were granted to retirees has 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, slight growth in death benefit claims has occurred over the past couple of years because beneficiaries of working retirees are now eligible for an increased level of benefits.



Statistical Section

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

	2013	2012 ¹	2011	2010	2009
Assets					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 4,023,450	\$ 3,416,972	\$ 3,977,880	\$ 5,298,443	\$ 3,403,752
Total investments, at fair value	24,587,774	23,157,144	23,870,891	18,829,568	17,915,982
Securities lending cash collateral invested	106,633	184,025	229,161	324,593	1,845,862
Property, net of accumulated depreciation	3,083	2,984	3,103	3,221	3,340
Total Assets	<u>28,720,940</u>	<u>26,761,125</u>	<u>28,081,035</u>	<u>24,455,825</u>	<u>23,168,936</u>
Liabilities					
Deferred retirement benefits	468,781	386,302	364,005	323,093	431,503
Obligations under securities lending	106,633	184,025	229,161	324,593	1,845,862
Other liabilities	1,645,150	1,211,693	1,596,020	1,116,479	399,193
Total Liabilities	<u>2,220,564</u>	<u>1,782,020</u>	<u>2,189,186</u>	<u>1,764,165</u>	<u>2,676,558</u>
Total Net Position	<u>\$ 26,500,376</u>	<u>\$ 24,979,105</u>	<u>\$ 25,891,849</u>	<u>\$ 22,691,660</u>	<u>\$ 20,492,378</u>
<hr/>					
	2008	2007	2006	2005	2004
Assets					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 2,835,196	\$ 6,855,459	\$ 2,078,394	\$ 3,137,913	\$ 3,087,343
Total investments, at fair value	24,697,700	22,188,448	24,114,946	22,652,248	21,427,345
Securities lending cash collateral invested	3,796,183	5,085,506	4,372,175	4,110,377	3,698,749
Property, net of accumulated depreciation	3,459	3,577	3,696	3,814	3,933
Total Assets	<u>31,332,538</u>	<u>34,132,990</u>	<u>30,569,211</u>	<u>29,904,352</u>	<u>28,217,370</u>
Liabilities					
Deferred retirement benefits	552,260	641,750	670,527	884,776	649,385
Obligations under securities lending	3,796,183	5,085,506	4,372,175	4,110,377	3,698,749
Other liabilities	351,050	356,954	144,561	100,752	86,497
Total Liabilities	<u>4,699,493</u>	<u>6,084,210</u>	<u>5,187,263</u>	<u>5,095,905</u>	<u>4,434,631</u>
Total Net Position	<u>\$ 26,633,045</u>	<u>\$ 28,048,780</u>	<u>\$ 25,381,948</u>	<u>\$ 24,808,447</u>	<u>\$ 23,782,739</u>

¹Certain assets held in strategic partnerships have been restated for fiscal year 2012 to conform with the change in presentation for fiscal year 2013. In an effort to conform with investment reporting by the RSIC; cash, short duration and high yield investments held in the strategic partnerships that were previously classified as alternatives are now presented in the respective categories of cash and cash equivalents, short term securities and domestic fixed income.

Statistical Section

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

	2013	2012	2011	2010	2009
Additions					
Employee contributions	\$ 674,783	\$ 586,818	\$ 562,170	\$ 561,261	\$ 564,872
Employer contributions	948,157	824,652	808,343	818,523	827,502
Investment income (loss)	2,201,719	109,307	3,598,069	2,612,663	(4,754,668)
Other income	657	733	884	957	1,233
Total Additions	<u>3,825,316</u>	<u>1,521,510</u>	<u>4,969,466</u>	<u>3,993,404</u>	<u>(3,361,061)</u>
Deductions					
Annuities	2,441,857	2,256,519	2,134,031	2,014,418	1,956,446
Refunds	87,212	83,134	84,591	75,814	73,882
Death Benefit Claims	19,133	18,295	16,485	19,921	17,908
Administrative & other expenses	22,700	21,683	20,467	19,593	20,371
Total Deductions	<u>2,570,902</u>	<u>2,379,631</u>	<u>2,255,574</u>	<u>2,129,746</u>	<u>2,068,607</u>
Increase (Decrease) in Net Position	<u>1,254,414</u>	<u>(858,121)</u>	<u>2,713,892</u>	<u>1,863,658</u>	<u>(5,429,668)</u>
Beginning Net Position	21,536,908	22,395,029	19,681,137	17,817,479	23,247,147
Ending Net Position	<u>\$ 22,791,322</u>	<u>\$ 21,536,908</u>	<u>\$ 22,395,029</u>	<u>\$ 19,681,137</u>	<u>\$ 17,817,479</u>
	2008	2007	2006	2005	2004
Additions					
Employee contributions	\$ 540,872	\$ 505,122	\$ 498,458	\$ 433,254	\$ 414,967
Employer contributions	774,269	644,350	577,468	538,809	515,996
Investment income (loss)	(641,196)	2,999,209	1,134,639	1,496,887	1,759,686
Other income	1,321	1,532	1,741	1,982	2,328
Total Additions	<u>675,266</u>	<u>4,150,213</u>	<u>2,212,306</u>	<u>2,470,932</u>	<u>2,692,977</u>
Deductions					
Annuities	1,853,892	1,747,192	1,639,238	1,514,219	1,405,958
Refunds	79,027	77,212	108,569	67,434	66,505
Death Benefit Claims	17,617	15,948	14,875	13,710	13,515
Administrative & other expenses	20,752	18,254	18,545	16,485	16,425
Total Deductions	<u>1,971,288</u>	<u>1,858,606</u>	<u>1,781,227</u>	<u>1,611,848</u>	<u>1,502,403</u>
Increase (Decrease) in Net Position	<u>(1,296,022)</u>	<u>2,291,607</u>	<u>431,079</u>	<u>859,084</u>	<u>1,190,574</u>
Beginning Net Position	24,543,169	22,251,562	21,820,483	20,961,399	19,770,825
Ending Net Position	<u>\$ 23,247,147</u>	<u>\$ 24,543,169</u>	<u>\$ 22,251,562</u>	<u>\$ 21,820,483</u>	<u>\$ 20,961,399</u>

Statistical Section

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

	2013	2012	2011	2010	2009
Additions					
Employee contributions	\$ 97,164	\$ 84,470	\$ 79,334	\$ 77,051	\$ 77,014
Employer contributions	143,389	134,299	129,314	123,163	124,148
Investment income (loss)	330,388	17,198	519,531	362,566	(638,389)
Other income	3,043	1,957	1,944	1,308	1,671
Total Additions	<u>573,984</u>	<u>237,924</u>	<u>730,123</u>	<u>564,088</u>	<u>(435,556)</u>
Deductions					
Annuities	297,631	265,582	244,443	224,977	211,873
Refunds	14,983	15,162	14,902	13,673	13,753
Death Benefit Claims	1,985	1,851	1,984	2,019	1,720
Administrative & other expenses	2,927	2,872	2,735	2,577	2,537
Total Deductions	<u>317,526</u>	<u>285,467</u>	<u>264,064</u>	<u>243,246</u>	<u>229,883</u>
Increase (Decrease) in Net Position	256,458	(47,543)	466,059	320,842	(665,439)
Beginning Net Position	3,269,990	3,317,533	2,851,474	2,530,632	3,196,071
Ending Net Position	<u>\$ 3,526,448</u>	<u>\$ 3,269,990</u>	<u>\$ 3,317,533</u>	<u>\$ 2,851,474</u>	<u>\$ 2,530,632</u>
	2008	2007	2006	2005	2004
Additions					
Employee contributions	\$ 76,907	\$ 71,676	\$ 69,254	\$ 60,110	\$ 58,202
Employer contributions	114,862	107,332	101,447	91,291	88,867
Investment income (loss)	(85,415)	374,623	139,785	175,849	212,201
Other income	52	55	60	64	72
Total Additions	<u>106,406</u>	<u>553,686</u>	<u>310,546</u>	<u>327,314</u>	<u>359,342</u>
Deductions					
Annuities	195,989	181,388	167,077	152,588	141,461
Refunds	13,754	12,543	13,248	13,441	11,918
Death Benefit Claims	2,068	1,919	1,821	1,468	1,555
Administrative & other expenses	2,505	2,179	1,968	1,823	1,732
Total Deductions	<u>214,316</u>	<u>198,029</u>	<u>184,114</u>	<u>169,320</u>	<u>156,666</u>
Increase (Decrease) in Net Position	(107,910)	355,657	126,432	157,994	202,676
Beginning Net Position	3,303,981	2,948,324	2,821,892	2,663,898	2,461,222
Ending Net Position	<u>\$ 3,196,071</u>	<u>\$ 3,303,981</u>	<u>\$ 2,948,324</u>	<u>\$ 2,821,892</u>	<u>\$ 2,663,898</u>

Statistical Section

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

	2013	2012	2011	2010	2009
Additions					
Employee contributions	\$ 1,091	\$ 724	624	\$ 544	\$ 706
Employer contributions	2,831	2,532	2,414	2,598	2,495
Investment income (loss)	3,120	172	5,682	4,642	(9,409)
Other income	199		1	36	84
Total Additions	<u>7,241</u>	<u>3,428</u>	<u>8,721</u>	<u>7,820</u>	<u>(6,124)</u>
Deductions					
Annuities	6,720	6,570	6,528	6,512	6,416
Refunds	3	31	57	4	33
Death Benefit Claims	16	35	58	6	14
Administrative & other expenses	29	30	179	33	116
Total Deductions	<u>6,768</u>	<u>6,666</u>	<u>6,822</u>	<u>6,555</u>	<u>6,579</u>
Increase (Decrease) in Net Position	473	(3,238)	1,899	1,265	(12,703)
Beginning Net Position	31,431	34,669	32,770	31,505	44,208
Ending Net Position	<u>\$ 31,904</u>	<u>\$ 31,431</u>	<u>\$ 34,669</u>	<u>\$ 32,770</u>	<u>\$ 31,505</u>
	2008	2007	2006	2005	2004
Additions					
Employee contributions	\$ 733	\$ 603	\$ 584	\$ 935	\$ 513
Employer contributions	2,440	2,358	2,171	2,890	2,731
Investment income (loss)	(1,136)	5,950	2,086	3,238	4,031
Other income					
Total Additions	<u>2,037</u>	<u>8,911</u>	<u>4,841</u>	<u>7,063</u>	<u>7,275</u>
Deductions					
Annuities	6,181	5,935	5,726	5,560	5,347
Refunds	102	70		31	
Death Benefit Claims	28	5	17	16	8
Administrative & other expenses	64	34	98	33	162
Total Deductions	<u>6,375</u>	<u>6,044</u>	<u>5,841</u>	<u>5,640</u>	<u>5,517</u>
Increase (Decrease) in Net Position	(4,338)	2,867	(1,000)	1,423	1,758
Beginning Net Position	48,546	45,679	46,679	45,256	43,498
Ending Net Position	<u>\$ 44,208</u>	<u>\$ 48,546</u>	<u>\$ 45,679</u>	<u>\$ 46,679</u>	<u>\$ 45,256</u>

Statistical Section

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

	2013	2012	2011	2010	2009
Additions					
Employee contributions	\$ 2,596	\$ 2,299	\$ 2,209	\$ 2,343	\$ 2,524
Employer contributions	8,667	8,414	8,414	8,414	8,414
Investment income (loss)	12,640	783	20,092	14,646	(26,741)
Other income	184	261	193	114	83
Total Additions	<u>24,087</u>	<u>11,757</u>	<u>30,908</u>	<u>25,517</u>	<u>(15,720)</u>
Deductions					
Annuities	15,866	15,171	14,750	14,168	13,484
Refunds	57	134			
Death Benefit Claims	134	134	128	11	134
Administrative & other expenses	111	111	104	101	104
Total Deductions	<u>16,168</u>	<u>15,550</u>	<u>14,982</u>	<u>14,280</u>	<u>13,722</u>
Increase (Decrease) in Net Position	7,919	(3,793)	15,926	11,237	(29,442)
Beginning Net Position	123,359	127,152	111,226	99,989	129,431
Ending Net Position	<u>\$ 131,278</u>	<u>\$ 123,359</u>	<u>\$ 127,152</u>	<u>\$ 111,226</u>	<u>\$ 99,989</u>
	2008	2007	2006	2005	2004
Additions					
Employee contributions	\$ 1,416	\$ 1,784	\$ 1,744	\$ 2,092	\$ 1,893
Employer contributions	7,613	6,706	6,511	6,260	6,078
Investment income (loss)	(3,371)	16,017	5,761	8,148	9,191
Other income					
Total Additions	<u>5,658</u>	<u>24,507</u>	<u>14,016</u>	<u>16,500</u>	<u>17,162</u>
Deductions					
Annuities	12,848	10,348	9,677	9,215	8,605
Refunds	211		20		
Death Benefit Claims	256	381	124	1	124
Administrative & other expenses	103	92	83	77	72
Total Deductions	<u>13,418</u>	<u>10,821</u>	<u>9,904</u>	<u>9,293</u>	<u>8,801</u>
Increase (Decrease) in Net Position	(7,760)	13,686	4,112	7,207	8,361
Beginning Net Position	137,191	123,505	119,393	112,186	103,825
Ending Net Position	<u>\$ 129,431</u>	<u>\$ 137,191</u>	<u>\$ 123,505</u>	<u>\$ 119,393</u>	<u>\$ 112,186</u>

Statistical Section

South Carolina National Guard Supplemental Retirement Plan 10 Year Schedule of Changes in Net Position¹ Year Ended June 30, (Amounts expressed in thousands)

	2013	2012	2011	2010	2009
Additions					
State-appropriated contributions	\$ 4,539	\$ 3,937	\$ 3,904	\$ 4,052	\$ 4,052
Investment income (loss)	1,676	94	2,533	1,865	(4,020)
Other income					
Total Additions	<u>6,215</u>	<u>4,031</u>	<u>6,437</u>	<u>5,917</u>	<u>32</u>
Deductions					
Annuities	4,193	4,065	4,011	3,624	3,432
Administrative & other expenses	15	15	13	13	15
Total Deductions	<u>4,208</u>	<u>4,080</u>	<u>4,024</u>	<u>3,637</u>	<u>3,447</u>
Increase (Decrease) in Net Position	<u>2,007</u>	<u>(49)</u>	<u>2,413</u>	<u>2,280</u>	<u>(3,415)</u>
Total Increase (Decrease) in Net Position	2,007	(49)	2,413	2,280	(3,415)
Beginning Net Position	17,417	17,466	15,053	12,773	16,188
Ending Net Position	<u>\$ 19,424</u>	<u>\$ 17,417</u>	<u>\$ 17,466</u>	<u>\$ 15,053</u>	<u>\$ 12,773</u>
	2008	2007	2006		
Additions					
State-appropriated contributions	\$ 3,948	\$ 3,948	\$ -		
Investment income (loss)	(348)	2,002	89		
Other income	50	50	300		
Total Additions	<u>3,650</u>	<u>6,000</u>	<u>389</u>		
Deductions					
Annuities	3,199	2,926	1,371		
Administrative & other expenses	156	59	204		
Total Deductions	<u>3,355</u>	<u>2,985</u>	<u>1,575</u>		
Increase (Decrease) in Net Position	295	3,015	(1,186)		
Transfer from State Adjutant General's Office			14,064		
Total Increase (Decrease) in Net Position	295	3,015	12,878		
Beginning Net Position	15,893	12,878			
Ending Net Position	<u>\$ 16,188</u>	<u>\$ 15,893</u>	<u>\$ 12,878</u>		

¹The South Carolina Retirement Systems did not assume administrative responsibilities for the South Carolina National Guard Supplemental Retirement Plan 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 ¹	Employer Contributions ¹	Investment Income (loss) ²	Other	Total
South Carolina Retirement System (SCRS)					
2013	\$ 674,783	\$ 948,157	\$ 2,201,719	\$ 657	\$ 3,825,316
2012	586,818	824,652	109,307	733	1,521,510
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
Police Officers Retirement System (PORS)					
2013	\$ 99,106	\$ 144,460	\$ 330,388	\$ 30	\$ 573,984
2012	85,701	134,991	17,198	34	237,924
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
General Assembly Retirement System (GARS)					
2013	\$ 1,286	\$ 2,835	\$ 3,120	\$ -	\$ 7,241
2012	724	2,532	172		3,428
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
Judges and Solicitors Retirement System (JSRS)					
2013	\$ 2,780	\$ 8,667	\$ 12,640	\$ -	\$ 24,087
2012	2,560	8,414	783		11,757
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
South Carolina National Guard Supplemental Retirement Plan (SCNG)					
2013	\$ -	\$ 4,539	\$ 1,676	\$ -	\$ 6,215
2012		3,937	94		4,031
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 ³			89	300	389

¹Includes transfers between systems.

²Includes unrealized gains and losses in accordance with GASB Statement 25.

³The 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

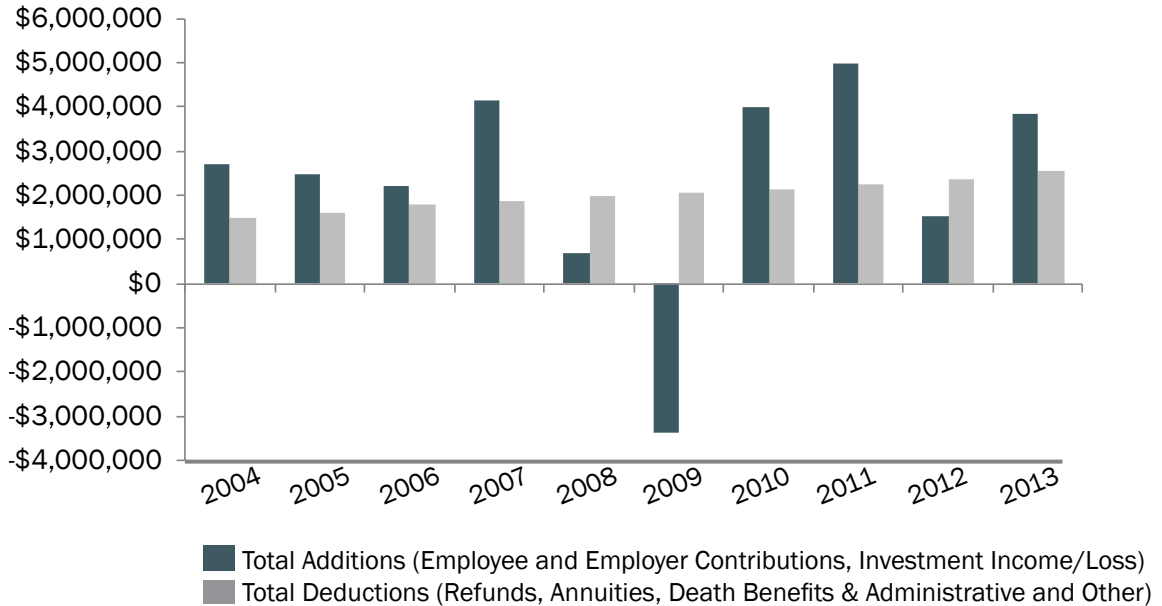
Pension Trust Funds Deductions by Type (Amounts expressed in thousands)

Year Ended June 30,	Refunds	Annuity Expenses	Death Benefit Claims	Administrative and Other Expenses	Total
South Carolina Retirement System (SCRS)					
2013	\$ 87,212	\$ 2,441,857	\$ 19,133	\$ 22,700	\$ 2,570,902
2012	83,134	2,256,519	18,295	21,683	2,379,631
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
Police Officers Retirement System (PORS)					
2013	\$ 14,983	\$ 297,631	\$ 1,985	\$ 2,927	\$ 317,526
2012	15,162	265,582	1,851	2,872	285,467
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
General Assembly Retirement System (GARS)					
2013	\$ 3	\$ 6,720	\$ 16	\$ 29	\$ 6,768
2012	31	6,570	35	30	6,666
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
Judges and Solicitors Retirement System (JSRS)					
2013	\$ 57	\$ 15,866	\$ 134	\$ 111	\$ 16,168
2012	134	15,171	134	111	15,550
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
South Carolina National Guard Supplemental Retirement Plan (SCNG)					
2013	\$ -	\$ 4,193	\$ -	\$ 15	\$ 4,208
2012	-	4,065	-	15	4,080
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 ¹	-	1,371	-	204	1,575

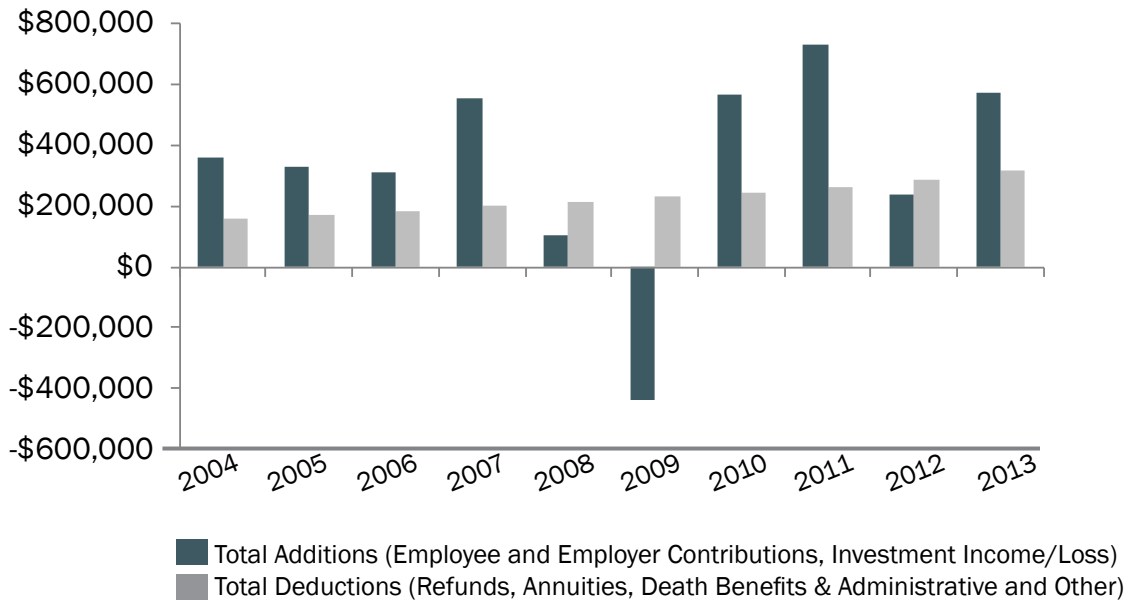
¹The Systems administration of this plan began January 1, 2006. Deductions for the fiscal year were paid by the previous administrator prior to this time.

Statistical Section

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

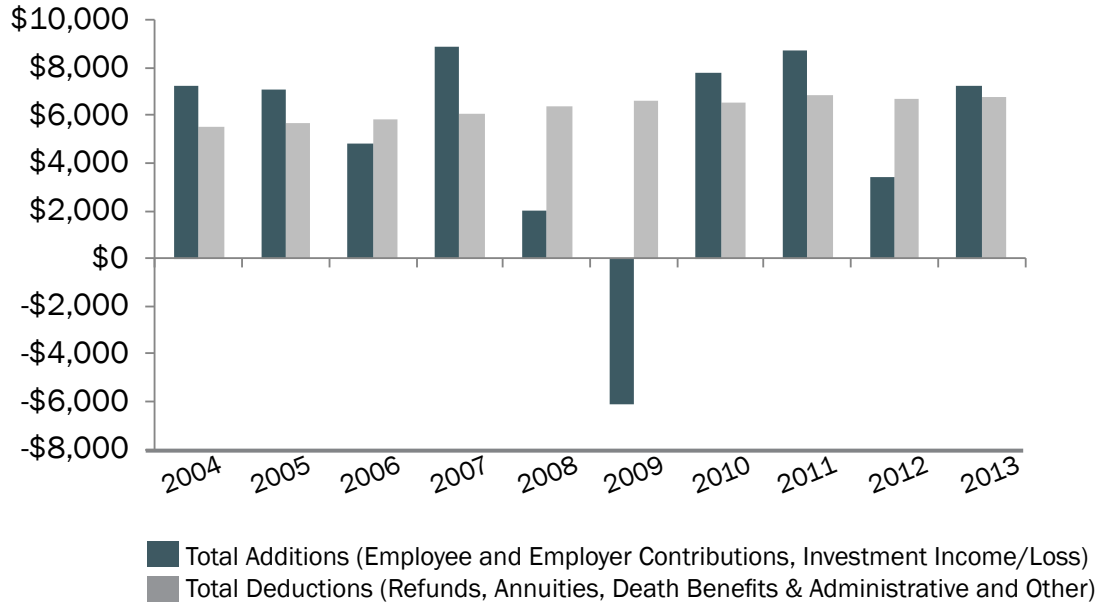


Police Officers Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)

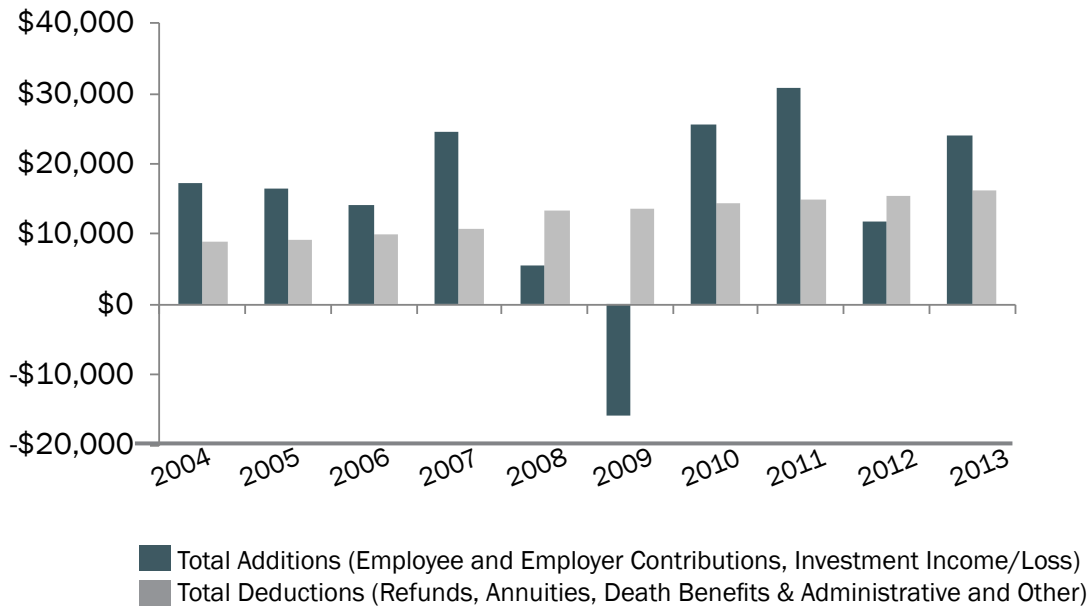


Statistical Section

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

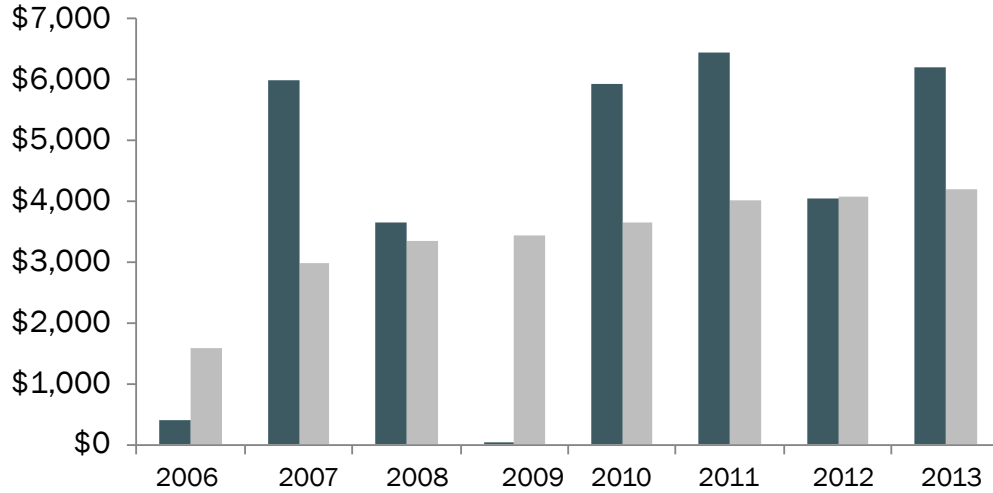


Judges and Solicitors Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)



Statistical Section

South Carolina National Guard Supplemental Retirement Plan 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	
South Carolina Retirement System (SCRS)							
2013	\$ 81,754	\$ 5,458	\$ 2,341,004	\$ 100,853	\$ 8,245	\$ 10,888	\$ 2,548,202
2012	77,707	5,427	2,160,393	96,126	8,469	9,826	2,357,948
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
Police Officers Retirement System (PORS)							
2013	\$ 14,246	\$ 737	\$ 280,699	\$ 16,932	\$ 1,020	\$ 965	\$ 314,599
2012	14,618	544	249,123	16,459	872	979	282,595
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
General Assembly Retirement System (GARS)							
2013	\$ -	\$ 3	\$ 5,554	\$ 1,166	\$ -	\$ 16	\$ 6,739
2012	7	24	5,389	1,181	22	13	6,636
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
Judges and Solicitors Retirement System (JSRS)							
2013	\$ 57	\$ -	\$ 14,118	\$ 1,748	\$ 131	\$ 3	\$ 16,057
2012	83	51	13,322	1,849	130	4	15,439
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
South Carolina National Guard Supplemental Retirement Plan (SCNG)							
2013	\$ -	\$ -	\$ 4,192	\$ 1	\$ -	\$ -	\$ 4,193
2012			4,064	1			4,065
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 ¹			1,370	1			1,371

¹The 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

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.

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 have 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, 2013

Monthly Benefit ¹	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 - \$ 500	25,314	18,816	215	2,401	2,862	1,020	17,680	156	1,705	585	331	3,508	1,349
\$ 501 - \$ 1,000	23,588	15,872	722	1,723	4,595	676	16,404	156	1,163	423	652	3,095	1,695
\$ 1,001 - \$ 1,500	18,195	13,072	1,112	1,032	2,703	276	11,679	110	734	273	1,170	2,578	1,651
\$ 1,501 - \$ 2,000	15,868	12,550	1,043	645	1,492	138	9,011	90	466	214	1,859	2,504	1,724
\$ 2,001 - \$ 2,500	17,743	15,662	756	352	930	43	10,532	94	267	156	1,574	2,913	2,207
\$ 2,501 - \$ 3,000	13,165	12,139	294	207	501	24	8,958	42	218	104	608	1,798	1,437
\$ 3,001 - \$ 3,500	6,071	5,622	98	135	205	11	3,775	31	140	92	300	947	786
\$ 3,501 - \$ 4,000	3,400	3,182	54	76	85	3	2,059	13	109	61	164	495	499
\$ 4,001 - \$ 4,500	1,876	1,784	23	33	33	3	1,115	10	56	48	73	309	265
\$ 4,501 - \$ 5,000	1,067	1,014	17	20	15	1	568	10	39	29	26	193	202
Over \$5,000	1,863	1,780	13	53	16	1	843	10	88	83	25	410	404
Totals	128,150	101,493	4,347	6,677	13,437	2,196	82,624	722	4,985	2,068	6,782	18,750	12,219

Type 1: Normal Retirement for Age and Service
 Type 2: Early Retirement
 Type 3: Beneficiary Payment²
 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, 2013

Monthly Benefit ¹	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 - \$ 500	2,514	1,625	324	373	120	72	1,471	152	78	127		505	181
\$ 501 - \$ 1,000	2,938	1,826	214	358	438	102	1,754	188	65	166		497	268
\$ 1,001 - \$ 1,500	2,505	1,521	201	234	508	41	1,386	109	67	193		456	294
\$ 1,501 - \$ 2,000	2,597	1,734	208	130	502	23	1,454	64	35	249		470	325
\$ 2,001 - \$ 2,500	2,162	1,607	101	65	382	7	1,256	45	21	154		361	325
\$ 2,501 - \$ 3,000	1,425	1,166	49	23	184	3	868	22	21	98		226	190
\$ 3,001 - \$ 3,500	738	619	15	17	85	2	486	9	15	35		99	94
\$ 3,501 - \$ 4,000	409	361	6	5	37		278	5	6	12		43	65
\$ 4,001 - \$ 4,500	212	192	1	5	14		135	5	4	4		26	38
\$ 4,501 - \$ 5,000	111	106	1	1	3		70	1	5	6		5	24
Over \$5,000	158	153		3	2		107	4	5	3		8	31
Totals	15,769	10,910	1,120	1,214	2,275	250	9,265	604	322	1,047		2,696	1,835

Type 1: Normal Retirement for Age and Service
 Type 2: Early Retirement
 Type 3: Beneficiary Payment²
 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

¹Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

²Beneficiary 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, 2013

Monthly Benefit ¹	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 - \$ 500	28	8	4	16			8	9	3			3	5
\$ 501 - \$ 1,000	75	45	6	24			30	18	6			14	7
\$ 1,001 - \$ 1,500	67	42	5	20			18	24	9			7	9
\$ 1,501 - \$ 2,000	107	73	23	11			43	30	12			16	6
\$ 2,001 - \$ 2,500	47	35	5	7			18	12	5			9	3
\$ 2,501 - \$ 3,000	24	22	1	1			11	4	2			6	1
\$ 3,001 - \$ 3,500	11	7	1	3			5	4	1			1	
\$ 3,501 - \$ 4,000	3	3						3					
\$ 4,001 - \$ 4,500	2	2					2						
\$ 4,501 - \$ 5,000													
Over \$5,000	1			1				1					
Totals	365	237	45	83			135	105	38			56	31

Type 1: Normal Retirement for Age and Service
 Type 2: Early Retirement
 Type 3: Beneficiary Payment²

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, 2013

Monthly Benefit ¹	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 - \$ 500	1	1					1						
\$ 501 - \$ 1,000	10			10				10					
\$ 1,001 - \$ 1,500													
\$ 1,501 - \$ 2,000	3			3			2	1					
\$ 2,001 - \$ 2,500	1			1			1						
\$ 2,501 - \$ 3,000	31			31			30	1					
\$ 3,001 - \$ 3,500	13	1		12			12	1					
\$ 3,501 - \$ 4,000	3	2		1			2	1					
\$ 4,001 - \$ 4,500	3	3					3						
\$ 4,501 - \$ 5,000	3	3					3						
Over \$5,000	134	132		1	1		127	7					
Totals	202	142		59	1		181	21					

Type 1: Normal Retirement for Age and Service
 Type 3: Beneficiary Payment²
 Type 4: Disability Payment

Option 0: Maximum Benefit with Spouse Beneficiary
 Option 1: Reduced Benefit with Non-Spouse Beneficiary

¹Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

²Beneficiary payments include payments to alternate payees in accordance with Qualified Domestic Relations orders.

Statistical Section

South Carolina National Guard Supplemental Retirement Plan Retired Members by Type of Benefit As of June 30, 2013

Monthly Benefit ¹	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 - \$ 500	4,564	4,563		1			4,564						
\$ 501 - \$ 1,000													
\$ 1,001 - \$ 1,500													
\$ 1,501 - \$ 2,000													
\$ 2,001 - \$ 2,500													
\$ 2,501 - \$ 3,000													
\$ 3,001 - \$ 3,500													
\$ 3,501 - \$ 4,000													
\$ 4,001 - \$ 4,500													
\$ 4,501 - \$ 5,000													
Over \$5,000													
Totals	4,564	4,563		1			4,564						

Type 1: Normal Retirement for Age and Service Option 0: Maximum Benefit
 Type 3: Beneficiary Payment²

¹Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

²Beneficiary 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
Period 07/01/2003 to 06/30/2004								
Average Monthly benefit	\$ 151.91	\$ 315.00	\$ 569.68	\$ 844.97	\$ 1,126.64	\$ 1,971.76	\$ 2,619.30	\$ 1,516.57
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
Period 07/01/2004 to 06/30/2005								
Average Monthly benefit	\$ 185.12	\$ 333.87	\$ 564.74	\$ 867.40	\$ 1,182.50	\$ 1,953.10	\$ 2,571.18	\$ 1,454.02
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
Period 07/01/2005 to 06/30/2006								
Average Monthly benefit	\$ 201.12	\$ 340.24	\$ 554.41	\$ 868.55	\$ 1,223.86	\$ 1,857.05	\$ 2,252.11	\$ 1,195.50
Average AFC	\$ 27,567.45	\$ 26,822.05	\$ 29,713.99	\$ 34,233.90	\$ 38,519.83	\$ 45,527.67	\$ 48,203.82	\$ 37,566.35
Number of Retired members	85	705	694	642	447	1,692	199	4,464
Period 07/01/2006 to 06/30/2007								
Average Monthly benefit	\$ 197.53	\$ 337.97	\$ 613.64	\$ 888.98	\$ 1,179.79	\$ 1,981.40	\$ 2,512.52	\$ 1,331.53
Average AFC	\$ 27,519.51	\$ 28,298.57	\$ 34,062.55	\$ 36,554.81	\$ 38,276.60	\$ 48,965.20	\$ 54,061.35	\$ 41,167.19
Number of Retired members	108	841	847	702	554	2,483	294	5,829
Period 07/01/2007 to 06/30/2008								
Average Monthly benefit	\$ 176.70	\$ 363.52	\$ 595.69	\$ 909.11	\$ 1,245.15	\$ 2,043.23	\$ 2,678.64	\$ 1,402.58
Average AFC	\$ 31,761.84	\$ 30,201.39	\$ 33,050.24	\$ 36,763.05	\$ 40,219.11	\$ 50,516.07	\$ 58,786.62	\$ 42,825.35
Number of Retired members	120	794	878	675	568	2,478	404	5,917
Period 07/01/2008 to 06/30/2009								
Average Monthly benefit	\$ 184.93	\$ 367.39	\$ 618.21	\$ 945.25	\$ 1,302.84	\$ 2,164.61	\$ 2,971.07	\$ 1,461.87
Average AFC	\$ 28,733.35	\$ 30,147.21	\$ 34,611.35	\$ 38,190.79	\$ 42,005.66	\$ 53,338.03	\$ 64,598.81	\$ 44,592.02
Number of Retired members	120	786	892	689	645	2,197	451	5,780
Period 07/01/2009 to 06/30/2010								
Average Monthly benefit	\$ 208.16	\$ 383.03	\$ 644.88	\$ 980.66	\$ 1,343.64	\$ 2,220.42	\$ 2,908.40	\$ 1,485.49
Average AFC	\$ 31,836.52	\$ 30,550.74	\$ 35,693.05	\$ 40,067.65	\$ 43,161.59	\$ 54,747.10	\$ 62,119.03	\$ 45,453.49
Number of Retired members	123	826	1,023	750	729	2,123	597	6,171
Period 07/01/2010 to 06/30/2011								
Average Monthly benefit	\$ 193.16	\$ 377.16	\$ 656.93	\$ 1,009.01	\$ 1,367.51	\$ 2,281.82	\$ 2,880.73	\$ 1,443.35
Average AFC	\$ 30,666.17	\$ 31,037.97	\$ 35,776.73	\$ 40,225.98	\$ 43,900.59	\$ 56,460.10	\$ 62,084.49	\$ 45,331.04
Number of Retired members	146	905	1,102	845	757	1,902	587	6,244
Period 07/01/2011 to 06/30/2012								
Average Monthly benefit	\$ 157.11	\$ 383.28	\$ 676.12	\$ 1,059.40	\$ 1,356.40	\$ 2,311.82	\$ 2,876.63	\$ 1,635.18
Average AFC	\$ 33,826.07	\$ 33,002.54	\$ 37,581.17	\$ 43,321.84	\$ 44,037.27	\$ 57,221.28	\$ 61,227.11	\$ 48,584.95
Number of Retired members	170	1,026	1,369	1,006	1,048	3,287	1,205	9,111
Period 07/01/2012 to 06/30/2013								
Average Monthly benefit	\$ 171.52	\$ 369.83	\$ 666.05	\$ 1,013.72	\$ 1,396.97	\$ 2,299.74	\$ 2,940.41	\$ 1,660.92
Average AFC	\$ 33,502.99	\$ 32,526.69	\$ 36,660.78	\$ 41,529.92	\$ 44,711.06	\$ 56,519.40	\$ 62,031.26	\$ 48,426.35
Number of Retired members	129	1,062	1,198	931	828	3,365	1,115	8,628
Ten Year Averages								
Average Monthly benefit	\$ 180.61	\$ 359.59	\$ 623.99	\$ 946.74	\$ 1,290.02	\$ 2,109.45	\$ 2,794.10	\$ 1,482.39
Average AFC	\$ 29,524.74	\$ 29,807.69	\$ 34,313.30	\$ 38,414.28	\$ 41,443.75	\$ 51,855.39	\$ 59,829.98	\$ 44,235.55
Number of Retired members	1,276	8,336	9,628	7,754	6,692	26,891	5,995	66,572

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include benefit adjustments. 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	
Period 07/01/2003 to 06/30/2004								
Average Monthly benefit	\$ 283.51	\$ 540.26	\$ 881.07	\$ 1,242.70	\$ 1,648.98	\$ 2,145.80	\$ 3,072.37	\$ 1,447.14
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
Period 07/01/2004 to 06/30/2005								
Average Monthly benefit	\$ 371.48	\$ 665.34	\$ 921.31	\$ 1,222.65	\$ 1,734.37	\$ 2,079.81	\$ 3,202.40	\$ 1,374.94
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
Period 07/01/2005 to 06/30/2006								
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
Period 07/01/2006 to 06/30/2007								
Average Monthly benefit	\$ 314.01	\$ 585.23	\$ 921.84	\$ 1,313.97	\$ 1,834.59	\$ 2,371.87	\$ 3,793.93	\$ 1,464.46
Average AFC	\$ 33,829.80	\$ 35,953.69	\$ 38,076.76	\$ 41,289.79	\$ 45,193.83	\$ 53,041.40	\$ 69,279.13	\$ 43,736.81
Number of Retired members	70	131	119	112	98	191	29	750
Period 07/01/2007 to 06/30/2008								
Average Monthly benefit	\$ 339.75	\$ 672.20	\$ 1,029.33	\$ 1,335.41	\$ 1,913.22	\$ 2,437.57	\$ 3,760.37	\$ 1,561.50
Average AFC	\$ 38,746.31	\$ 36,996.15	\$ 39,502.53	\$ 41,671.69	\$ 47,970.26	\$ 54,935.11	\$ 69,695.78	\$ 45,933.50
Number of Retired members	72	132	119	97	98	197	38	753
Period 07/01/2008 to 06/30/2009								
Average Monthly benefit	\$ 359.15	\$ 664.98	\$ 1,060.74	\$ 1,460.31	\$ 1,943.01	\$ 2,547.04	\$ 3,777.66	\$ 1,759.56
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
Period 07/01/2009 to 06/30/2010								
Average Monthly benefit	\$ 417.56	\$ 699.54	\$ 984.11	\$ 1,357.43	\$ 1,971.93	\$ 2,447.52	\$ 3,581.54	\$ 1,632.53
Average AFC	\$ 40,716.20	\$ 39,473.83	\$ 40,082.54	\$ 42,712.24	\$ 48,826.52	\$ 55,428.90	\$ 63,527.80	\$ 47,201.29
Number of Retired members	80	121	127	129	120	240	47	864
Period 07/01/2010 to 06/30/2011								
Average Monthly benefit	\$ 247.37	\$ 708.00	\$ 1,020.85	\$ 1,474.24	\$ 1,929.16	\$ 2,483.06	\$ 3,539.90	\$ 1,583.35
Average AFC	\$ 37,600.27	\$ 39,952.37	\$ 40,400.70	\$ 44,624.97	\$ 47,089.42	\$ 55,623.45	\$ 65,086.45	\$ 46,657.70
Number of Retired members	92	157	181	117	145	274	40	1,006
Period 07/01/2011 to 06/30/2012								
Average Monthly benefit	\$ 299.82	\$ 714.12	\$ 1,052.48	\$ 1,427.66	\$ 2,045.48	\$ 2,498.86	\$ 3,623.72	\$ 1,774.93
Average AFC	\$ 44,625.91	\$ 39,972.34	\$ 42,778.23	\$ 43,692.98	\$ 51,121.03	\$ 56,323.82	\$ 66,397.34	\$ 49,898.68
Number of Retired members	124	200	184	156	217	552	67	1,500
Period 07/01/2012 to 06/30/2013								
Average Monthly benefit	\$ 247.73	\$ 631.50	\$ 1,052.92	\$ 1,537.68	\$ 1,965.54	\$ 2,408.62	\$ 3,602.29	\$ 1,661.83
Average AFC	\$ 44,734.02	\$ 38,041.54	\$ 41,007.72	\$ 47,399.70	\$ 49,317.42	\$ 54,212.26	\$ 67,388.44	\$ 48,022.32
Number of Retired members	80	169	162	159	212	392	25	1,199
Ten Year Averages								
Average Monthly benefit	\$ 322.62	\$ 651.13	\$ 999.53	\$ 1,368.30	\$ 1,915.51	\$ 2,397.19	\$ 3,538.81	\$ 1,600.75
Average AFC	\$ 39,654.67	\$ 37,705.18	\$ 39,555.04	\$ 42,004.66	\$ 47,768.74	\$ 53,663.47	\$ 64,315.11	\$ 46,104.44
Number of Retired members	758	1,404	1,373	1,223	1,221	2,755	430	9,164

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include benefit adjustments. 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	
Period 07/01/2003 to 06/30/2004								
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
Period 07/01/2004 to 06/30/2005								
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
Period 07/01/2005 to 06/30/2006								
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	\$ 22,400.00
Number of Retired members		3	2	2	1	2		10
Period 07/01/2006 to 06/30/2007								
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	\$ 22,400.00
Number of Retired members	1	1	3	8		3		16
Period 07/01/2007 to 06/30/2008								
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
Period 07/01/2008 to 06/30/2009								
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
Period 07/01/2009 to 06/30/2010								
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
Period 07/01/2010 to 06/30/2011								
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
Period 07/01/2011 to 06/30/2012								
Average Monthly benefit	\$ 719.79	\$ 1,097.69	\$ 1,541.77	\$ 1,945.10		\$ 2,092.90		\$ 1,468.33
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	5	1	4		1		12
Period 07/01/2012 to 06/30/2013								
Average Monthly benefit	\$ 831.73	\$ 1,039.12	\$ 1,448.99	\$ 1,898.75	\$ 1,886.18	\$ 2,182.84		\$ 1,595.77
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	5	2	4	3	3		18
Ten Year Averages								
Average Monthly benefit	\$ 226.19	\$ 756.30	\$ 1,047.86	\$ 1,453.66	\$ 1,853.17	\$ 2,305.48	\$ 2,570.94	\$ 1,697.25
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,622.22	\$ 22,625.00	\$ 22,978.94	\$ 22,572.02
Number of Retired members	2	6	28	27	45	16	19	143

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include benefit adjustments. 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	
Period 07/01/2003 to 06/30/2004								
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	
Period 07/01/2004 to 06/30/2005								
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	
Period 07/01/2005 to 06/30/2006								
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	
Period 07/01/2006 to 06/30/2007								
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	
Period 07/01/2007 to 06/30/2008								
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	
Period 07/01/2008 to 06/30/2009								
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	
Period 07/01/2009 to 06/30/2010								
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	
Period 07/01/2010 to 06/30/2011								
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	
Period 07/01/2011 to 06/30/2012								
Average Monthly benefit			\$ 5,654.22		\$ 7,647.17	\$ 9,687.67	\$ 8,335.16	
Average AFC			\$ 126,883.00		\$ 126,883.00	\$ 129,169.00	\$ 128,026.00	
Number of Retired members			1		2	3	6	
Period 07/01/2012 to 06/30/2013								
Average Monthly benefit		\$ 4,309.38	\$ 7,974.96	\$ 7,784.80		\$ 10,490.48	\$ 7,205.14	
Average AFC		\$ 130,689.00	\$ 134,221.00	\$ 133,043.66		\$ 139,873.00	\$ 133,514.71	
Number of Retired members		2	1	3		1	7	
Ten Year Averages								
Average Monthly benefit		\$ 4,825.21	\$ 6,288.86	\$ 7,384.87	\$ 8,009.88	\$ 9,314.30	\$ 8,238.89	
Average AFC		\$ 128,547.66	\$ 124,266.57	\$ 126,487.18	\$ 125,514.08	\$ 126,470.85	\$ 126,309.61	
Number of Retired members		6	7	16	12	47	88	

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include benefit adjustments.

Statistical Section

South Carolina National Guard Supplemental Retirement Plan 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				
Period 07/01/2003 to 06/30/2004												
Average Monthly benefit			\$	50.00	\$	62.61	\$	90.22	\$	100.00	\$	75.14
Average AFC												
Number of Retired members				29	88	44	47					208
Period 07/01/2004 to 06/30/2005												
Average Monthly benefit			\$	50.31	\$	62.56	\$	91.11	\$	100.00	\$	74.38
Average AFC												
Number of Retired members				32	109	45	51					237
Period 07/01/2005 to 06/30/2006												
Average Monthly benefit			\$	50.00	\$	62.64	\$	90.48	\$	100.00	\$	75.01
Average AFC												
Number of Retired members				45	138	62	75					320
Period 07/01/2006 to 06/30/2007												
Average Monthly benefit			\$	50.00	\$	61.86	\$	89.47	\$	100.00	\$	74.62
Average AFC												
Number of Retired members				64	174	95	94					427
Period 07/01/2007 to 06/30/2008												
Average Monthly benefit			\$	50.00	\$	61.76	\$	90.06	\$	100.00	\$	74.19
Average AFC												
Number of Retired members				60	170	75	92					397
Period 07/01/2008 to 06/30/2009												
Average Monthly benefit			\$	50.00	\$	60.95	\$	90.77	\$	100.00	\$	73.40
Average AFC												
Number of Retired members				59	142	71	72					344
Period 07/01/2009 to 06/30/2010												
Average Monthly benefit			\$	50.00	\$	61.55	\$	90.29	\$	100.00	\$	73.43
Average AFC												
Number of Retired members				59	135	51	80					325
Period 07/01/2010 to 06/30/2011												
Average Monthly benefit			\$	50.00	\$	61.34	\$	88.15	\$	100.00	\$	76.19
Average AFC												
Number of Retired members				39	115	65	82					301
Period 07/01/2011 to 06/30/2012												
Average Monthly benefit			\$	50.00	\$	62.54	\$	90.78	\$	100.00	\$	73.62
Average AFC												
Number of Retired members				49	102	38	62					251
Period 07/01/2012 to 06/30/2013												
Average Monthly benefit			\$	50.00	\$	61.46	\$	88.13	\$	100.00	\$	72.34
Average AFC												
Number of Retired members				45	92	43	48					228
Ten Year Averages												
Average Monthly benefit			\$	50.02	\$	61.89	\$	89.90	\$	100.00	\$	74.26
Average AFC												
Number of Retired members				481	1,265	589	703					3,038

Note: Benefit amounts represent original monthly benefit at retirement for all retirees.

Statistical Section

South Carolina Retirement System Principal Participating Employers in Fiscal Year 2013 and Ten Years Prior Fiscal Year 2004

Participating Government	Fiscal Year 2013					Fiscal Year 2004				
	Covered Employees ¹	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees ¹	Rank	Percentage of Total System	Total Active	Total Retired
State Agency ²	31,761	1	14.19%	26,912	4,849	38,543	1	17.97%	32,829	5,714
School District of Greenville County	8,898	2	3.97%	7,587	1,311	7,911	2	3.68%	6,902	1,009
Charleston County School District	5,608	3	2.50%	4,862	746	5,790	3	2.70%	5,161	629
Lexington Medical Center	5,493	4	2.45%	5,263	230					
University of South Carolina	5,346	5	2.38%	4,284	1,062	5,194	4	2.42%	4,259	935
Spartanburg Regional Medical Center	5,340	6	2.38%	5,014	326	4,193	6	1.95%	4,035	158
Horry County School District	5,282	7	2.36%	4,570	712	4,071	7	1.89%	3,696	375
MUSC Hospital	5,179	8	2.31%	4,871	308	4,011	8	1.87%	3,888	123
Richland County School District 1	4,209	9	1.88%	3,441	768	4,308	5	2.00%	3,724	584
Berkeley Co Department of Education	3,859	10	1.72%	3,417	442	3,559	10	1.65%	3,195	364
Clemson University	-		-	-	-	3,564	9	1.66%	2,977	587
All Other	142,757		63.86%	123,437	19,320	133,281		62.21%	120,006	13,275
Total ³	223,732		100.00%	193,658	30,074	214,425		100.00%	190,672	23,753

In FY 2013, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	31	18,430
City/County	574	52,090
Public Schools	108	72,237
Total	713	142,757

In FY 2004, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	30	14,319
City/County	556	50,192
Public Schools	96	68,770
Total	682	133,281

¹Employers are considered to be participating employers if they submit contributions for an active member or working retiree during the fiscal year. Participating employers are ranked as participating employers based upon the number of covered employees for which they submitted contributions during the fiscal year. The number of covered employees represents the total number of active members and working retirees reported by the employer throughout the fiscal year.

² FY 2013 state agency includes 86 state agencies.

³ 2013 total reflects 723 governmental entities and 2004 total reflects 692 governmental entities.

Statistical Section

Police Officers Retirement System Principal Participating Employers in Fiscal Year 2013 and Ten Years Prior Fiscal Year 2004

Participating Government	Fiscal Year 2013					Fiscal Year 2004				
	Covered Employees ¹	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees ¹	Rank	Percentage of Total System	Total Active	Total Retired
State Agency ²	10,689	1	4.77%	9,777	912	10,343	1	38.95%	9,765	578
County Council of Richland County	997	2	0.44%	814	183	840	2	3.16%	809	31
Horry Co Council	938	3	0.41%	833	105	660	5	2.48%	634	26
City of Columbia	865	4	0.38%	782	83	721	3	2.71%	694	27
Greenville County Council	856	5	0.38%	696	160	712	4	2.68%	648	64
County of Charleston	812	6	0.36%	662	150	655	6	2.46%	603	52
City of Charleston	781	7	0.34%	750	31	375	10	1.41%	330	45
Co Council of Lexington	633	8	0.28%	545	88	471	9	1.77%	434	37
City of North Charleston	596	9	0.26%	563	33	480	8	1.80%	467	13
Spartanburg County Council	569	10	0.25%	442	127	491	7	1.84%	446	45
All Other	13,810		92.13%	11,704	2,106	10,800		40.74%	10,178	622
Total ³	31,546		100.00%	27,568	3,978	26,548		100.00%	25,008	1,540

In FY 2013, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	30	611
City/County	314	13,046
Public Schools	58	153
Total	402	13,810

In FY 2004, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	19	447
City/County	248	10,350
Public Schools	2	3
Total	269	10,800

¹Employers are considered to be participating employers if they submit contributions for an active member or working retiree during the fiscal year. Participating employers are ranked as participating employers based upon the number of covered employees for which they submitted contributions during the fiscal year. The number of covered employees represents the total number of active members and working retirees reported by the employer throughout the fiscal year.

² FY 2013 state agency includes 37 state agencies.

³ 2013 total reflects 412 governmental entities and 2004 total reflects 279 governmental entities.

Statistical Section

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.

Retirement reform legislation enacted in 2012 set a contribution schedule for SCRS and PORS employee and employer contribution rates. This legislation increased employee contributions for SCRS and PORS from 6.5 percent to 8.0 percent in .5 percent increments annually from July 1, 2012, to July 1, 2014. The SCRS employer contribution rate was increased to 10.6 percent beginning July 1, 2012, and will increase to 10.9 percent beginning July 1, 2014. The PORS employer contribution rate was increased to 12.3 percent beginning July 1, 2012, and will increase to 12.5 percent July 1, 2013, and 13.0 percent July 1, 2014.

The legislation also provided that if the scheduled contribution rates were not sufficient to maintain a 30-year amortization period for the unfunded liability of SCRS and/or PORS, as determined by the annual actuarial valuations of the plans, scheduled employer and employee contribution rates must be increased in equal amounts as necessary to maintain a 30-year amortization period for SCRS and/or PORS.

Based upon the 2011 actuarial valuation of PORS, PEBA Retirement Benefits' actuaries found that the 7.5 percent employee and 12.5 percent employer contribution rates scheduled for July 1, 2013, were not sufficient to maintain a 30-year amortization period for PORS. Therefore, the contribution rates had to be increased by an additional equal amount of 0.34 percent to 7.84 percent and 12.84 percent, respectively, for the fiscal year beginning July 1, 2013, to maintain a 30-year amortization schedule for PORS. Based upon the 2012 actuarial valuation of PORS, the contribution rates beginning July 1, 2014, will be 8.41 percent for employees and 13.41 percent for employers. Like the increases for fiscal year 2014, these increases will be required for the fiscal year beginning July 1, 2014, to maintain a 30-year amortization schedule for PORS.

If additional contribution increases are required, both employee and employer contribution rates must be increased to maintain a 2.9 differential between the rates for SCRS and a 5.0 differential between the rates for PORS. No decrease in contribution rates may be made until the plans are at least 90 percent funded.

Statistical Section

Employee Contribution Rates¹ Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS	PORS	GARS ²	JSRS
2013	7.00%	7.00%	11.00%	10.00%
2012	6.50%	6.50%	10.00%	10.00%
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%

¹The South Carolina National Guard Supplemental Retirement Plan (SCNG) is a non-contributory plan; therefore, employee contribution rates are not applicable.

²The General Assembly Retirement System (GARS) employee contribution rate increased from 10 percent of earnable compensation to 11 percent of earnable compensation effective January 1, 2013.

Employer Contribution Rates¹ Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS Class II & III ²			PORS Class II & III ²			JSRS	
	State Dept & Public Schools	Local Government	Death Benefit	All Employers	Death Benefit	Accidental Death	All Employers	Death Benefit
2013	10.450%	10.450%	0.15%	11.900%	0.20%	0.20%	44.64%	0.45%
2012	9.385%	9.385%	0.15%	11.363%	0.20%	0.20%	44.64%	0.45%
2011	9.240%	9.240%	0.15%	11.130%	0.20%	0.20%	44.64%	0.45%
2010	9.240%	9.240%	0.15%	10.650%	0.20%	0.20%	44.64%	0.45%
2009	9.240%	9.240%	0.15%	10.650%	0.20%	0.20%	44.64%	0.45%
2008	9.060%	9.060%	0.15%	10.300%	0.20%	0.20%	44.64%	0.45%
2007	8.050%	8.050%	0.15%	10.300%	0.20%	0.20%	41.65%	0.45%
2006	7.550%	7.550%	0.15%	10.300%	0.20%	0.20%	41.65%	0.45%
2005	7.550%	6.700%	0.15%	10.300%	0.20%	0.20%	41.65%	0.45%
2004	7.550%	6.700%	0.15%	10.300%	0.20%	0.20%	41.35%	0.75%

¹This schedule does not include employer contributions for the GARS because amounts are paid as an annual lump-sum appropriation, for which incidental death benefit contributions are included. The schedule also does not include employer contributions for the SCNG which are paid through an annual State appropriation.

²For employers with retiree insurance coverage, an additional retiree health insurance surcharge is collected by the Retirement Systems as a pass-through agency and amounts are remitted to the Employee Insurance Program; therefore, these insurance rates are not included in this schedule.

Statistical Section

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 138-140 and 146-148.

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. This list includes employers who submitted contributions during the quarter ending June 30, 2013, for active members and working retirees.

Statistical Section

Participating Employers

Participating Employers Covered by Statute	<u>SCRS</u>	<u>PORS</u>
State Agencies & Institutions of Higher Education	119	67
Public School Districts	113	58
<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Participating Employers Covered by Separate Agreement	576	323
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	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	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	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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	
BURTON CNTER 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
CHESCO SERVICES	Y	Y
CHESTER CO BD OF DIRECTORS	Y	Y
CHESTER CO HOSPITAL & NURSING CTR., INC.	Y	
CHESTER COUNTY LIBRARY	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-ATTN:CITY CLERK	Y	Y
CITY OF AIKEN		Y
CITY OF ANDERSON		Y
CITY OF BAMBERG	Y	Y

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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
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

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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	Y
CLARENDON COUNTY	Y	Y
CLEAR SPRING FIRE-RESCUE	Y	Y
CLINTON NEWBERRY NATURAL GAS AUTHORITY	Y	Y
CO COUNCIL OF LEXINGTON	Y	Y
COLLETON CO DISABILITIES & SPEC NEED BD	Y	Y
COLUMBIA HOUSING AUTHORITY	Y	
COLUMBIA MUSEUM OF ART	Y	
COMBINED UTILITY SYSTEM	Y	
COMM OF PUBLIC WORKS MUNICIPAL UTILITIES	Y	
COMMISSION OF 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	

Statistical Section

NAME	SCRS	PORS
DARLINGTON CO DISAB & SPECIAL NEEDS BD	Y	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
DILLON COUNTY COUNCIL	Y	Y
DILLON SOIL & WATER CONSERVATION DIST	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	
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	Y
FLORENCE COUNTY COUNCIL	Y	Y
FLORENCE REGIONAL AIRPORT	Y	Y
FRIPP ISLAND PUBLIC SERVICE DISTRICT	Y	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	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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	
GREENVILLE CO DISAB & SPECIAL NEEDS BD	Y	Y
GREENVILLE CO MUSEUM COMMISSION	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 CONSERVATON 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	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	
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	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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	
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 LIBRARY	Y	
LANCASTER COUNTY NATURAL GAS AUTHORITY	Y	
LANCASTER SOIL & WATER CONSERVATION DIST	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	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
LOWCOUNTRY REGIONAL TRANSPORTATION AUTH	Y	
LOWCOUNTRY REGIONAL WATER SYSTEM	Y	
LOWER SAVANNAH COUNCIL OF GOVERNMENTS	Y	
LUGOFF FIRE DISTRICT		Y
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 COUNCIL ON AGING	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 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	Y
NEW ELLENTON COMMISSION OF PUBLIC WORKS	Y	
NEW LIFE CENTER	Y	
NEWBERRY CO DISABILITIES & SP ND BD	Y	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	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
PEE DEE REGIONAL EMS, INC	Y	
PEE DEE REGIONAL TRANSPORTATION AUTH	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
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	
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	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	

Statistical Section

NAME	SCRS	PORS
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	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	
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

Statistical Section

NAME	SCRS	PORS
TOWN OF BRANCHVILLE	Y	Y
TOWN OF BRIARCLIFFE ACRES	Y	Y
TOWN OF BRUNSON	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 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 EUTAWVILLE	Y	Y
TOWN OF FAIRFAX	Y	Y
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

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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 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 OLANTA	Y	Y
TOWN OF OLAR	Y	Y
TOWN OF PACOLET	Y	Y
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

Statistical Section

NAME	SCRS	PORS
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 REEVESVILLE	Y	
TOWN OF RIDGE SPRING	Y	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 SUMMERVILLE	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

Statistical Section

NAME	SCRS	PORS
TOWN OF WINNSBORO	Y	Y
TOWN OF YEMASSEE	Y	Y
TRI-COUNTY COMM ON ALCOHOL & DRUG ABUSE	Y	
TYGER RIVER FIRE DISTRICT		Y
TYGER RIVER FIRE SERVICE AREA	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	
WACCAMAW REGIONAL TRANSPORTATION AUTH	Y	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
WHITMIRE COMMISSION ON PUBLIC WORKS	Y	
WHITNEY AREA FIRE DEPT		Y
WILLIAMSBURG CO DISAB & SPECIAL NEEDS BD	Y	
WILLIAMSBURG COUNTY COUNCIL	Y	Y
WILLIAMSBURG COUNTY LIBRARY	Y	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	Y
YORK COUNTY LIBRARY	Y	
YORK SOIL & WATER CONSERVATION DIST	Y	

Note: This list includes employers who submitted contributions during the quarter ending June 30, 2013, for active members and working retirees.
This list includes employers who submitted contributions during the quarter ending June 30, 2013, for active members and working retirees.



South Carolina Public Employee Benefit Authority
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