

From: Danny Varat <DannyVarat@scstatehouse.gov>
To: Travis J. TurnerTTurner@peba.sc.gov
Date: 9/2/2017 12:27:13 PM
Subject: Re: ORP

Travis, thanks a lot. Can you please send me the information on the process by which the ORP funds are chosen?

DV

From: Travis J. Turner
Sent: Thursday, August 31, 2017 12:51 PM
To: Danny Varat
Cc: Ashley M. Brindle; Peggy G. Boykin
Subject: RE: ORP

Hey Danny,

I hope all is going well. In addition to what Peggy has below, information about the four ORP vendors and the various investment options is available at our website. The below link has the latest info regarding fund lineup and fees.

http://www.peba.sc.gov/assets/1q2017_scorp-participant-summary.pdf

Let us know what else you need.

Take care,
Travis

Travis J. Turner, CPA, CISA
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From: Peggy G. Boykin
Sent: Thursday, August 31, 2017 11:49 AM
To: 'Danny Varat'
Cc: Ashley M. Brindle ; Travis J. Turner
Subject: RE: ORP

Danny,

As of July 1, 2017, an ORP participant contributes 9% of pay into his account and the state contributes an additional 5% so a total of 14% in going into the participant's ORP account. In accordance with statute, the remainder of the employer contribution is used to pay down the UAAL. You may recall that the total employer contribution rate, currently 13.56%, is scheduled to increase by 1% each year until it ultimately reaches 18.56% in order to meet the funding objectives outlined in the pension reform legislation adopted earlier this year. The employer has the obligation to pay the UAAL regardless of which plan the employee chooses. State statute also requires that we select 4 OPR vendors which is accomplished through a competitive bid process. I'll have Ashley and Travis send you the details on the record keeping fee for each of the vendors.

Thanks!

Peggy

Peggy G. Boykin, CPA
Executive Director
803.734.8117

From: Danny Varat [<mailto:DannyVarat@scstatehouse.gov>]
Sent: Thursday, August 31, 2017 11:14 AM
To: Peggy G. Boykin <PBoykin@peba.sc.gov>
Subject: ORP

*This is an external email. Think before you click on any links.

Hi Peggy, I received this constituent question from a senator, and I think I know that answer to how the funds are chosen, but I can't figure the first part of the question. Can you please help me?

Thanks

DV

However, in reading the retirement handbook and other related information I find that currently the State matches a little over 13% of his salary into the fund but 5% of that match the State pays directly to the fund family that he chose which leaves him a little more than 8% of the State match going into his chosen funds. In other words the State is giving over 38% of his match to the fund family. My question is why?? Why is the State using the current four fund families and has not sought out the Vanguard's, the T Rowe Prices, the others, that I am sure would not have the 5% load !! In looking at the statement in addition to the 5% auto payment to the fund family, they are also charging .02% for record keeping which is taken from his balance.