

*Retiring South Carolina's Public Workforce  
For Life*



# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007  
Pension Trust Funds of the State of South Carolina

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

# **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2007**

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

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

**Peggy G. Boykin, CPA  
Director**

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

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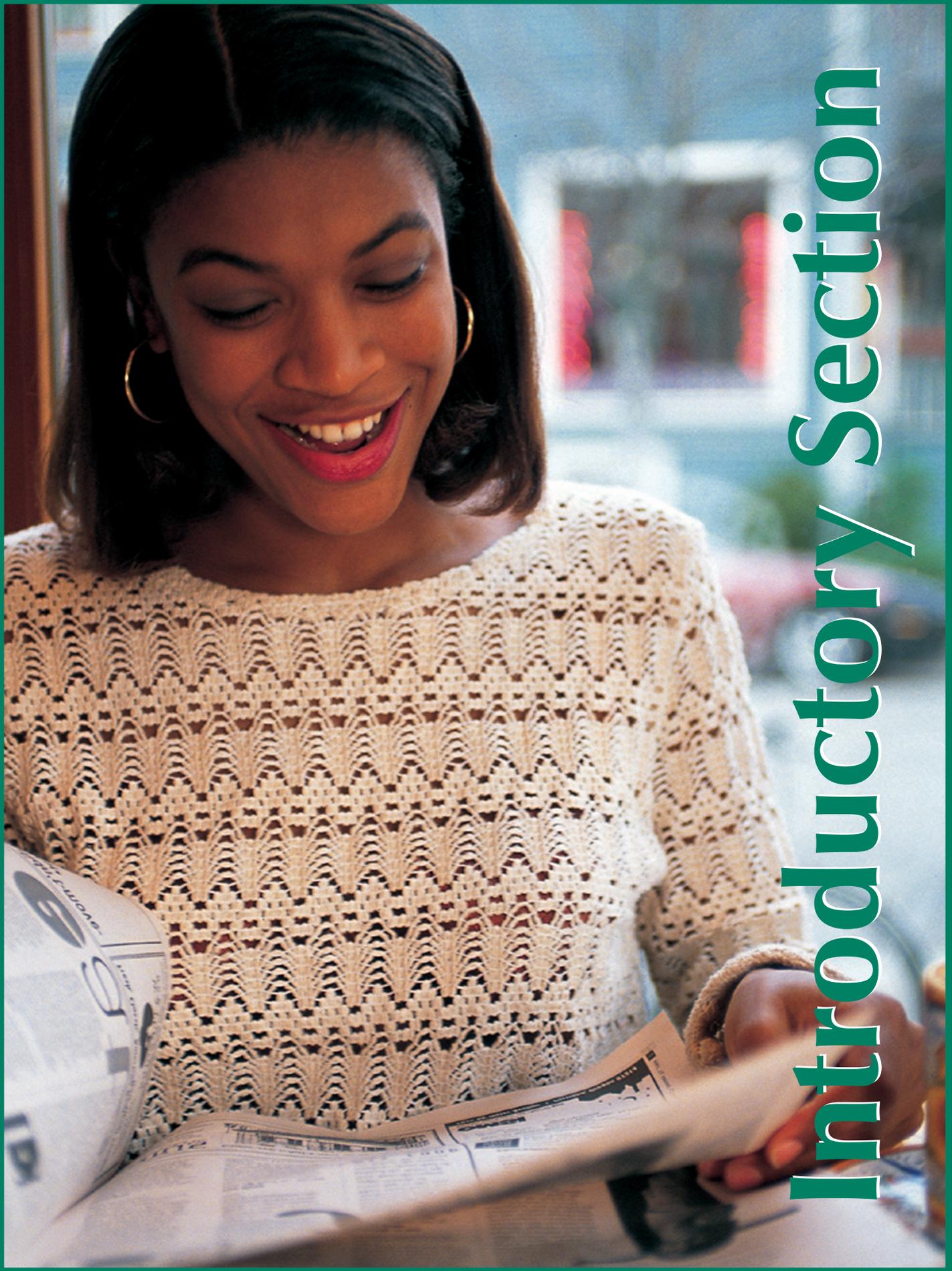
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# Introductory Section

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# Introductory Section

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Mark Sanford, Chairman  
Governor  
Converse A. Chellis, III, CPA  
State Treasurer  
Richard Eckstrom  
Comptroller General

## State Budget and Control Board South Carolina Retirement Systems



Peggy G. Boykin, CPA  
Director

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Hugh K. Leatherman, Sr.  
Chairman,  
Senate Finance Committee  
Daniel T. Cooper  
Chairman,  
Ways and Means Committee  
Frank W. Fusco  
Executive Director

### LETTER OF TRANSMITTAL

November 27, 2007

The Honorable Mark Sanford, Governor  
and  
State Budget and Control Board  
State of South Carolina

Gentlemen:

We are pleased to present the *Comprehensive Annual Financial Report* (CAFR) of the South Carolina Retirement Systems for the fiscal year ended June 30, 2007. The South Carolina Retirement Systems is required by Section 9-1-300 of the South Carolina Code of Laws to publish annually a report of the fiscal transactions of the system and this CAFR fulfills that statutory requirement. Since the Retirement Systems is a part of the primary government of the state of South Carolina, the Systems' financial information is also included in the comprehensive annual financial report of the state. Responsibility for both the accuracy of the data, and the completeness and reliability of the presentation, including all disclosures, rests with the management of the Systems. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are 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). 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. The financial statements presented in this CAFR have been independently audited by Rogers Laban, PA, Certified Public Accountants, under the direction of the State Auditor's Office. Rogers Laban issued an unqualified opinion, which means that based upon the audit, they concluded that the financial statements were fairly presented in all material aspects and free from material misstatement. In accordance with *Governmental Auditing Standards*, as part of obtaining reasonable assurance about whether the Systems' financial statements are free of material misstatement, Rogers Laban also considered internal controls over financial reporting and compliance with certain provision of laws, regulations, contracts, and other matters. Although independent auditors cannot guarantee the accuracy of the statements, they do have a reasonable basis for the opinion they render. The independent auditor's report is presented as the first component of the financial section of this report.

### Profile of the Systems

The South Carolina Retirement Systems administers five defined benefit pension plans that provide lifetime retirement annuities, disability benefits and death benefits to eligible members. The plans' terms specify the amount of pension benefits to be provided at a future date or after a certain period of time. The amount specified is a function of a formula based on years of service, compensation, and age. Our administrative and reporting structure is outlined in the introductory section of this report.

## Introductory Section

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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.
- The Police Officers Retirement System (**PORS**) was established July 1, 1962, to provide retirement and other benefits to police officers and firefighters.
- The Retirement System for Members of the General Assembly of the State of South Carolina (**GARS**) was established January 1, 1966, to provide retirement and other benefits to members of the General Assembly.
- The Retirement System for Judges and Solicitors of the State of South Carolina (**JSRS**) was established July 1, 1979, to provide retirement and other benefits to state Judges and Solicitors.
- The National Guard Retirement System (**NGRS**) was established July 1, 1975, to provide supplemental retirement benefits to members who served in the South Carolina National Guard. Legislation transferred administrative responsibility of the plan from the Adjutant General's Office to the South Carolina Retirement Systems effective January 1, 2006.

### Fiscal Year 2007 Highlights

During Fiscal Year 2007, the South Carolina Retirement Systems continued to maintain high stakeholder satisfaction amid a pressing workload, which included the development and/or the implementation of multiple member-centric projects. The Systems made major procedural and information systems modifications to accommodate provisions of the Pension Protection Act of 2006.

In November 2006, South Carolina voters passed a referendum to amend the state constitution to allow full diversification of the South Carolina Retirement Systems' investment portfolio. The amendment was ratified by the South Carolina General Assembly in February 2007, permitting the South Carolina Retirement System Investment Commission (RSIC) to invest the trust funds in a more diverse group of investments and among more asset classes, which will allow the Retirement Systems' trust funds to be on a level playing field with other public retirement funds across the nation and provide opportunities for strengthening the long-term health of the Systems.

### South Carolina Retirement System Investment Commission

The South Carolina Retirement System Investment Commission (RSIC) was established effective October 1, 2005. In November 2006, Amendment 3a, a referendum to allow full diversification of the South Carolina Retirement Systems' portfolio, was on the statewide ballot. South Carolina voters approved the referendum at the polls last fall and the South Carolina General Assembly ratified the referendum in February 2007. Since its inception, the RSIC has made significant progress in implementing a complete restructuring of the state's investment program for the Retirement Systems' \$28 billion pension trust fund. The RSIC has contracted with New England Pension Consultants (NEPC) for general investment consulting services, and has conducted an asset/liability modeling study through Mercer Investment Consulting, Inc., and a cost benchmarking study by Cost Effectiveness Measurement, Inc. In addition to implementing the transition of the Retirement Systems' fixed income assets from the State Treasurer's Office to the RSIC, the RSIC is restructuring the Retirement Systems' portfolio through the development of private equity, portable alpha, global fixed income, and domestic and international equity portfolios. The asset allocation transition, and in particular the development of private equity, portable alpha, fixed income, and domestic equity portfolios, is an ongoing process. The Commission is an independent agency with additional professional and administrative staff that assists in the monitoring of investment managers and in implementing the Commission's decisions.

### South Carolina Retirement Systems' First-Ever Identity Statement

This year, the South Carolina Retirement Systems introduced its first-ever, fundamental identity statement: "*Retiring South Carolina's Public Workforce For Life.*" This simple, single statement relays the significance of a public Retirement Systems' benefit and the important value that the plan provides for its stakeholders. It reflects our commitment to our customers and our organization, and gives us a solid foundation for boundless information and educational programs.

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## Introductory Section

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### ***Retiree Return-to-Work Provisions***

South Carolina's retirees benefit from very lenient and generous return-to-work provisions. This was confirmed by an informal survey of retiree return-to-work provisions on the Web sites for similar public employee pension plans in 11 southern states. The states included in the survey are Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, Virginia, and West Virginia. Service retirees of SCRS and PORS are allowed to return to work after having been retired for at least 15 days. During retirement, members continue to receive an annuity benefit and have no limit on the amount of wages they may earn from employment. In contrast, many other public retirement plans across the nation require members to forfeit their right to retirement benefits, limit members' earnings, and/or require members to again become active contributing members when they return to covered employment. In South Carolina, retirees who return to work for a covered employer continue to pay employee contributions, which partially fund guaranteed cost-of-living adjustments (COLAs) under SCRS and also help provide funding for ad hoc COLAs under SCRS and PORS.

### ***Transfer of Administration of the South Carolina National Guard Retirement System***

During the prior fiscal year, the South Carolina Retirement Systems assumed administrative responsibilities for the National Guard Retirement System (NGRS) which is a defined benefit pension plan providing supplemental benefits to National Guard members who served in South Carolina. This plan was previously administered by the Adjutant General's Office. The plan's net assets are valued at \$15.9 million and are now invested in the same manner as the funds of the other four pension trust funds administered by the Retirement Systems. Contributions for the NGRS are provided by annual state appropriations based on the annual required contribution determined annually by the actuary. The legislature has made the commitment to appropriate the required contributions during the fiscal year for which they are due, and over time, this commitment will improve the actuarial soundness of the plan. In addition, the NGRS was previously closed to new entrants since July 1, 1993; however, recent legislation reopened the system effective January 1, 2007, to any new entrants since June 30, 1993.

### ***Rankings Among Peer Pension Plans***

The South Carolina Retirement Systems participates in an annual public pension plan benchmarking analysis conducted by Cost Effectiveness Management, Inc., (CEM). Fifty-six public pension plans participated in the 2006 CEM survey, which marked the sixth year of participation for the Retirement Systems.

Although the Retirement Systems is a customer centric organization, we are also a division of South Carolina state government and as such, must adhere to stringent budgetary guidelines. According to the CEM report, the South Carolina Retirement Systems' total adjusted administrative cost per member was \$46 in comparison to a peer median cost of \$83. Our low administrative cost is achieved through the efficient and proactive deployment of automated systems and appropriately allocated human resources.

To continue to provide best practices service levels to our stakeholders, the Retirement Systems must expend the resources necessary to both maintain our infrastructure and expand our technological and human resources. Our infrastructure has been stagnated by mandatory changes required by legislation and court rulings. We have also utilized our human resources far beyond capacity.

### ***Legislative Changes to Retirement System for Judges and Solicitors (JSRS)***

The General Assembly enacted several changes related to JSRS this fiscal year. Previously only judges and solicitors were covered by the system; however, legislation established a statewide unified indigent defense system which will provide JSRS coverage for circuit public defenders throughout the state. Circuit public defenders will have the same vesting and eligibility requirements as solicitors. As of the end of the 2007 fiscal year, the newly created office had not yet been funded or staffed.

Effective June 27, 2007, state statute was also modified to allow members of JSRS to elect to immediately begin receiving an annuity benefit while continuing employment after reaching maximum retirement eligibility (32 years of service for judge and 31 years of service for solicitor or public defender). Employee and employer contributions must continue to be paid as if the judge, solicitor, or circuit public defender was an active contributing member, but no additional service credit accrues. A retired JSRS member may continue to serve as a judge, solicitor, or public defender until the end of the calendar year in which the member attains the age of 72.

## Introductory Section

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Normal retirement age for JSRS is defined as age 60. If a JSRS member reaches maximum eligibility (32 years of service for judge and 31 years of service for solicitor or public defender) but is under normal retirement age of 60, an annuity benefit cannot be paid to him while he continues employment due to Internal Revenue Service (IRS) in-service distribution restrictions. However, this bill allows the member to apply for retirement upon reaching maximum eligibility and retirement benefits will begin accruing under a deferred retirement option program until the member reaches age 60. At age 60, the accumulated deferred benefits will be distributed; however, no termination of employment is required for the payout to be made. No interest will be paid on the deferred benefits placed in trust.

### **Implementation of PPA**

The United States Congress passed the Pension Protection Act of 2006 (PPA), which was signed into law by President George Bush August 17, 2006. Although at the crux of this federal law are provisions that apply to private sector pension plans governed by ERISA, there are a few provisions that affected some members of governmental plans such as those administered by the South Carolina Retirement Systems.

The most significant provision for the Systems provides for the pre-tax treatment of qualified health insurance premiums, defined as premiums for coverage for retired public safety officers, their spouses, and dependents, by an accident or health insurance plan, or qualified long-term care insurance contract.

South Carolina was among the first to implement PPA provisions allowing for the pre-tax distributions of up to \$3,000 from public pension plans for use in purchasing retiree health or long-term care insurance by public safety retirees. The legislation also provides that health and long-term care insurance premiums must be deducted from the distributions of a retiree's annuity by the pension plan and paid directly to the insurance provider in order for the premiums to be excluded from taxable income.

This legislation is a tremendous step forward in ending a long-standing inequity of active employees being allowed to use pre-tax dollars to pay health insurance premiums and health care costs and retirees not being able to do so. The impact of the PPA on South Carolina's economy is expected to be positive. There are currently more than 1,600 participants enrolled in the PPA deduction program administered by the South Carolina Retirement Systems. Based on an average deduction of \$174 per month, it is estimated that these members will benefit from an increase in disposable income of almost \$734,000 per year as a result of the federal and state income tax savings.

### **Summary of Financial Condition**

The funding objective of the pension trust funds is to meet future benefit obligations of retirees and beneficiaries through contributions and investment earnings. Our 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. In our most recent valuations dated July 1, 2006, our actuarial consultants 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 standards and the Budget and Control Board's policy that requires actuarial liabilities be funded within 30 years. The funded ratio for SCRS, which represents the largest membership of the five plans, decreased from 71.6 percent to 69.6 percent. Approximately half of the decrease in the funded ratio is due to the 3.5 percent ad hoc COLA that was granted effective July 1, 2006. This ad hoc COLA was granted prior to legislation that guaranteed a pre-funded 1 percent COLA to SCRS retirees beginning July 2007. In addition, investment and non-investment related experience losses contributed to the decline in the funded ratio. As a result of these and other factors, the period for amortizing SCRS' unfunded actuarial accrued liability remained constant at 30 years. The current funded ratios of the five plans range from a low of 28.5 percent for NGRS to a high of 84.7 percent for PORS. More detailed information regarding the financial condition of the pension trust funds can be found in the financial and actuarial sections of this report.

An optimally diversified investment portfolio is designed to generate long-term returns sufficient to ensure that the program is financially sound. While the Systems' past investment performance was limited by our state constitution and state statute, during the fiscal year, the RSIC worked diligently to implement a modern-day asset allocation policy. With the help of the RSIC's investment consultants, NEPC, the RSIC began deploying investments across a progressive asset allocation designed to reduce the amount of risk while aiming to increase overall

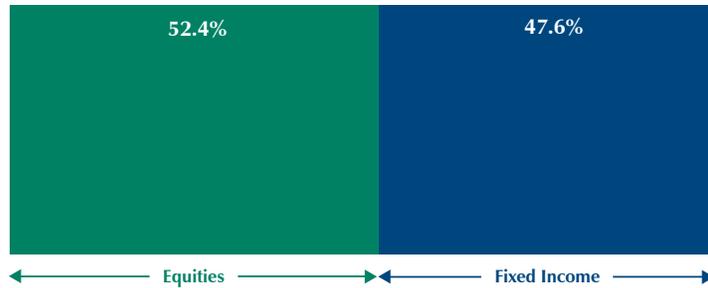
# Introductory Section

returns. In addition to the RSIC's efforts to gain immediate exposure to almost all of the new asset classes, planned strategies that will take several years to implement include more private equity agreements, real estate, and other entrepreneurial opportunities in the hedge fund arena.

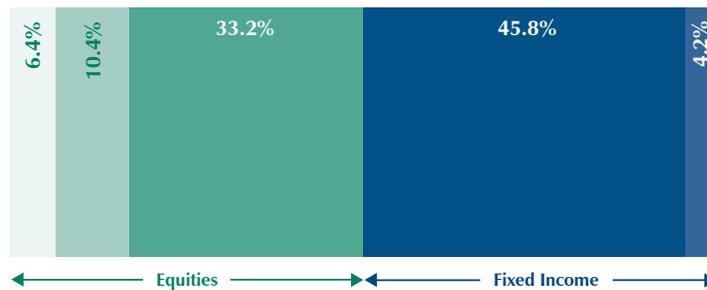
The charts below summarize the Retirement Systems' diversification progress from the prior fiscal year and the long-term target allocation.

## South Carolina Retirement Systems

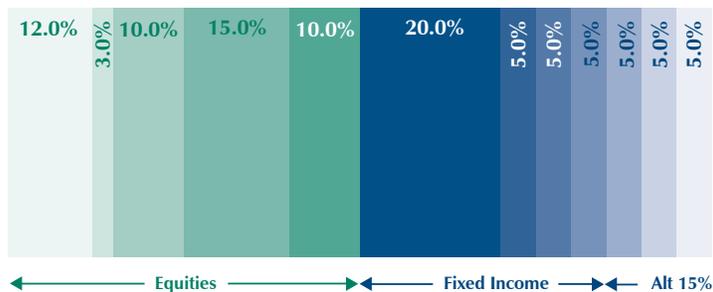
### Actual Asset Allocation as of June 30, 2006



### Actual Asset Allocation as of June 30, 2007



### Target Asset Allocation

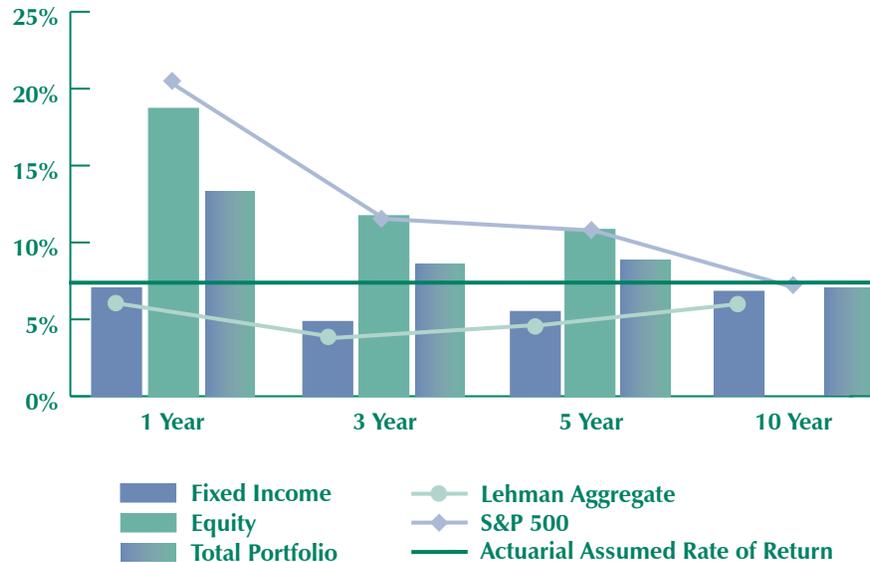


International Equity	Large Cap Equity w/PA	International Fixed Income	GAA/AR
Emerging Markets Equity	Large Cap Equity	High Yield Bonds	Private Equity
Small/Mid Cap Equity	Domestic Fixed Income	Emerging Markets Debt	Real Estate

## Introductory Section

For the year ended June 30, 2007, the combined Systems investment portfolio produced a total aggregate investment return of 13.35 percent. Current year performance significantly exceeded our actuarial assumed rate of 7.25 percent; however, the actuarial smoothing methodology offsets any investment gains and shortfalls over a five-year period to mitigate market volatility. The following chart summarizes overall investment performance in comparison to the relevant benchmarks.

**South Carolina Retirement Systems  
Summary of Investment Performance as of June 30, 2007**



Investment performance in comparison to the assumed rate of return is a significant factor in our actuarial valuations. As referred to earlier, our actuarial consultants use an actuarial asset valuation method that recognizes a portion of the difference between the actual market value of assets and the expected actuarial value of assets, based on the assumed investment rate of return of 7.25 percent. This method recognizes 20 percent of the difference between market and expected actuarial value each year and guarantees that any gain or loss is recognized over a five-year period. The actuarial value of assets is limited to a range between 80 percent and 120 percent of market value. This actuarial asset valuation method dampens year-to-year fluctuations, smoothes the effect of volatility in the market and helps provide a consistent estimate of the value of assets. Detailed investment results for fiscal year 2007 can be found within both the financial and investment sections of this report.

It is paramount to note that SCRS is considered actuarially sound. Both annuity benefits and a guaranteed 1 percent COLA under SCRS are sufficiently funded based on current contribution levels; however, any additional ad hoc COLAs beyond the guaranteed 1 percent in SCRS are not pre-funded.

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

### Certificate of Achievement

The Government Finance Officers Association (GFOA) of the United States and Canada 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, 2006. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports.

## Introductory Section

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In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which meet or exceed program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid only for a period of one year. The Systems has received a Certificate of Achievement for each of the last 20 consecutive years (fiscal years ended 1987-2006). We believe this 21st issue of our annual report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for consideration again this year.

### Public Pension Standards Award

The South Carolina Retirement Systems also received the Public Pension Coordinating Council's Public Pension Standards 2007 Award. This is the fourth consecutive year during which the Retirement Systems applied for and received the Council's award in recognition of meeting professional plan design and administration standards. The Public Pension Coordinating Council is a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement.

### Acknowledgments

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

We express our gratitude to the members of the Board, the staff, the consultants, and the many people who have worked so diligently to assure the continued successful operation of the Systems.

Respectfully submitted,

  
Peggy G. Boykin, CPA  
Director

  
Tammy B. Davis, CPA  
Assistant Director, Payroll, Actuarial and Financial Reporting

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, 2006

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



President

Executive Director



# Introductory Section

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## Governing Board and Administration

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

Mark Sanford, Chairman	Governor
Converse A. Chellis, III, CPA	State Treasurer
Richard Eckstrom	Comptroller General
Hugh K. Leatherman, Sr.	Chairman, Senate Finance Committee
Daniel T. Cooper	Chairman, House Ways and Means Committee
Frank W. Fusco	Executive Director

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

Reynolds Williams	Chairman
Converse A. Chellis, III, CPA	State Treasurer
Blaine Ewing, III	
James R. Powers	
Allen R. Gillespie, CFA	
Robert L. Borden	Chief Investment Officer
Nancy E. Shealy	Administrative Director and General Counsel

### Investment Consultant

New England Pension Consultants

### Consulting Actuaries

Milliman Consultants and Actuaries  
Cavanaugh Macdonald Consulting, LLC

### Retirement Systems Executive Management<sup>2</sup>

Peggy G. Boykin, CPA	Director
Jocelyn Caldwell	Project Management Officer & Interim Assistant Director – Customer Services
Sarah N. Corbett, CPA	Assistant Director – Administration
Tammy B. Davis, CPA	Assistant Director – Payroll, Financial and Actuarial Reporting
Amanda J. Green	Assistant Director – Customer Claims
Lisa Phipps	Assistant Director – Information Technology
Travis Turner, CPA	Assistant Director – Financial Employer Services
David Avant	General Counsel – Retirement Systems
John Page	Internal Auditor

### Retirement Systems Staff Responsible for Compilation of CAFR

Tammy B. Davis, CPA	Payroll, Financial and Actuarial Reporting
Ashley Nichols, CPA	Payroll, Financial and Actuarial Reporting
Faith Wright	Payroll, Financial and Actuarial Reporting
Megan Reynolds	Public Information Officer
Angie Warren	Public Information Coordinator

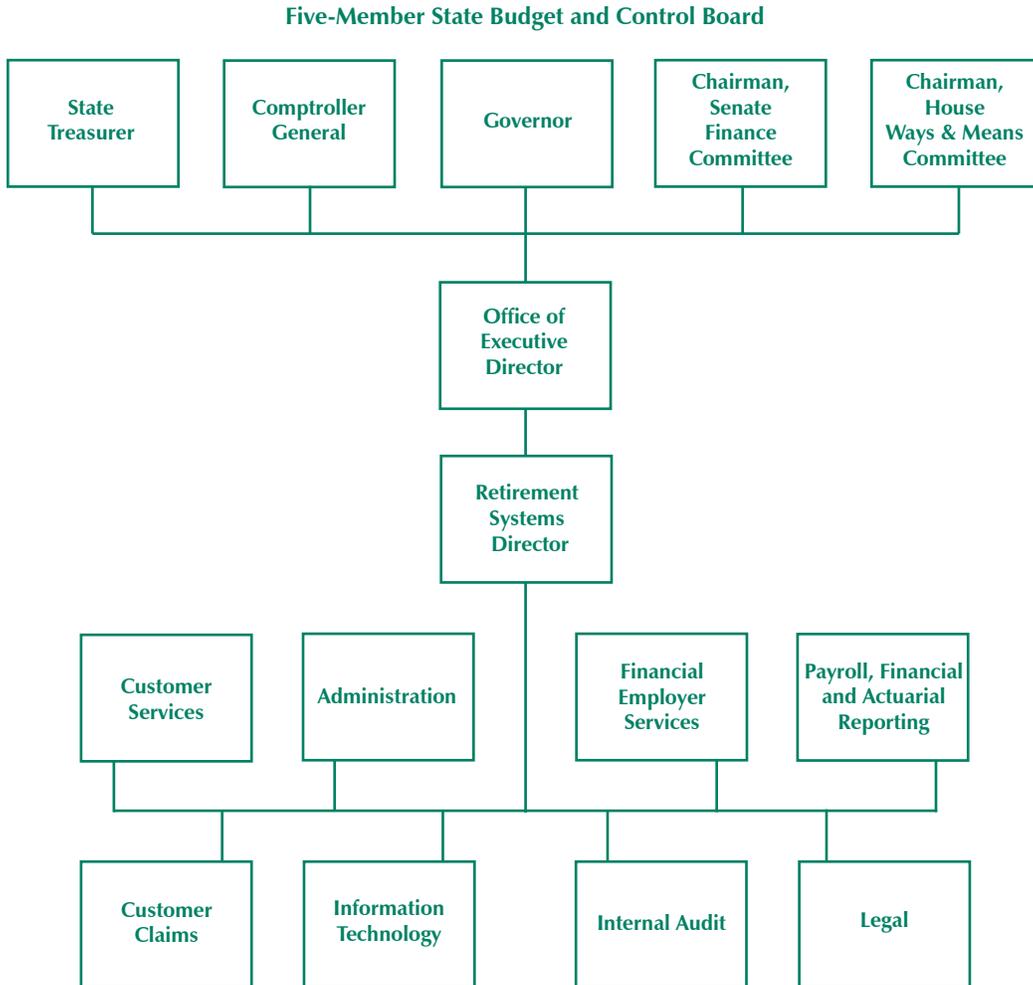
<sup>1</sup>Refer to page 79 for a complete list of investment managers.

<sup>2</sup>As of August 31, 2007, due to the finalization of organizational changes initiated prior to June 30, 2007.

# Introductory Section

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## Organizational Chart



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## Introductory Section

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### Organizational Description

The structural organization of the Systems is depicted in the organizational chart on page 17. A brief description of the primary functions performed by each department follows:

#### Customer Services

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

#### Administration

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

#### Payroll, Financial and Actuarial Reporting

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

#### Customer Claims

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

#### Information Technology

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

#### Financial Employer Services

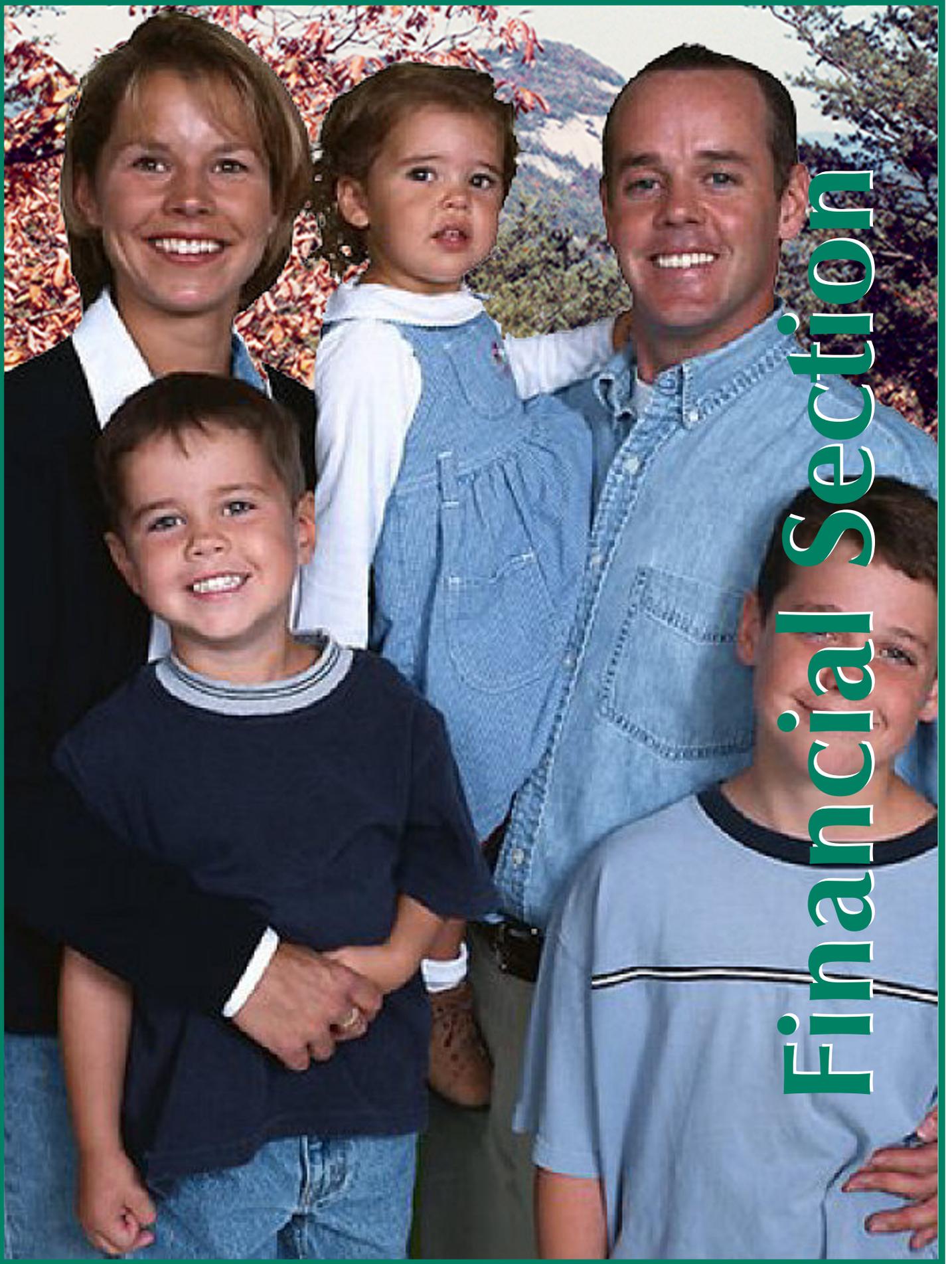
Determining the average final compensation to be used in calculating a member's annuity benefit at retirement; collecting and allocating member and employer contributions; maintaining membership enrollment and beneficiary information; and the State Optional Retirement Program.

#### Legal

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

#### Internal Audit

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



# Financial Section

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### INDEPENDENT AUDITOR'S REPORT

The Honorable Mark Sanford, Governor,  
Members of the State Budget and Control Board, and  
Mr. Richard H. Gilbert, Jr., CPA, Deputy State Auditor  
State of South Carolina  
Columbia, South Carolina

We have audited the financial statements of the South Carolina Retirement Systems (the "Systems") as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the South Carolina Retirement Systems' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note I to the financial statements, the Systems' financial statements are intended to present the financial position and results of operations and cash flows of only that portion of the financial reporting entity of the State of South Carolina that is attributable to the transactions of the System. They do not purport to and do not present the financial position of the State of South Carolina as of June 30, 2007, and changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America, and do not include other agencies, divisions, or component units of the State of South Carolina.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the South Carolina Retirement Systems, as of June 30, 2007, and the changes in plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note VIII to the financial statements, the Systems is a party to legal actions claiming amounts due for legal fees and additional retirement benefits and for certain retirement contributions that have been collected inappropriately. The ultimate outcomes of the litigation cannot be presently determined. Accordingly, no provision for any liability has been made in the accompanying financial statements.

*Going Beyond The Numbers.*

Rogers Laban, PA • 1919 Bull Street • Columbia, SC 29201 • 803.779.5870 • Fax 803.765.0072 • [www.RogersLaban.com](http://www.RogersLaban.com)

## Financial Section

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Management's Discussion and Analysis on pages 23 - 28 and the required supplementary information on pages 50 and 51 are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 2007 on our consideration of the Systems' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The other supplementary information on pages 52 - 58 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The information presented in the Introductory, Investment, Actuarial, and Statistical Sections are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Rogers Lalan, PA*

September 28, 2007

### Management's Discussion and Analysis

Management offers the following discussion and analysis to provide a narrative introduction to the basic financial statements and an analytical overview of the South Carolina Retirement Systems' financial activities for the fiscal year ended June 30, 2007. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

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

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

### Overview of the Financial Statements

The Retirement Systems is a part of the primary government of the state of South Carolina and is included in the comprehensive annual financial report of the state. The Plan's financial statements include the following components:

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

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

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

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

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

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

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## Financial Section

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### Financial Highlights

- The consolidated pension trust funds administered by the South Carolina Retirement Systems generated an aggregate return of 13.35 percent for the combined investment portfolios for fiscal year 2007. This return can be compared to a combined return of 5.13 percent for the prior fiscal year. The actuarial assumed rate of return for the plans for investment purposes is 7.25 percent.
- In November 2006, South Carolina voters passed a referendum to amend the state constitution to allow full diversification of the Systems' investment portfolio and the General Assembly ratified the referendum in February 2007. The South Carolina Retirement Systems was previously prohibited from investing in international equity and private equity investments. Since its inception in October 2005, the Retirement System Investment Commission has made significant progress in implementing a complete restructuring of the state's investment program for the pension trust funds. The Commission is transitioning the fixed income assets from the State Treasurer's Office to the Commission and is continuing the process of restructuring the Systems' portfolio through the development of private equity in the form of limited partnerships, portable alpha, global fixed income, real estate, and domestic and international equity portfolios. The Commission also contracted with New England Pension Consultants (NEPC) for general investment consulting services. The complete restructuring progress and the elimination of previous restrictions should allow the trust funds to be on a level playing field with other public retirement funds and permit our performance to rank among the best state retirement plans in the nation.
- Net assets of the plans are held in trust to meet future benefit payments. Total plan net assets for all five pension trust funds administered by the South Carolina Retirement Systems increased from \$25.4 billion to \$28 billion during fiscal year 2007, primarily as a result of positive investment returns and increased contributions from employers, active members and working retirees. A significant portion of the investment portfolio was classified as cash and cash equivalents at year-end as a result of the Commission's transition and reallocation process. In addition, unsettled investments that were in the process of being transitioned to the beta overlay manager at year-end were reflected as an increase in accounts receivable and accounts payable because they represent a transfer between investment managers.
- During the prior fiscal year, the South Carolina Retirement Systems assumed administrative responsibilities for the National Guard Retirement System (NGRS) which was previously administered by the Office of the Adjutant General. This defined benefit pension plan provides supplemental benefits to National Guard members who served in South Carolina. The plan had been closed to new entrants since July 1, 1993; however, legislation reopened the plan effective January 1, 2007. Historically the NGRS funds were invested strictly in the fixed income market, but in fiscal year 2007, under the administration of the Retirement Systems, the Commission began the process of reallocating, pooling together and investing the NGRS pension trust fund in the same manner as the funds of the other four pension trust funds administered by the Retirement Systems.
- As passed by the South Carolina General Assembly in 2005, Act 153 increased the employee contribution rate of the South Carolina Retirement System (SCRS) from 6.25 percent to 6.50 percent effective July 1, 2006. This act also increased the SCRS employer contribution rate from 7.55 percent to 8.05 percent effective July 1, 2006.
- Despite challenges and program changes, the TERI program continues to be a popular option for members; however, participation declined somewhat during the year. TERI is a deferred retirement option program that was implemented in January 2001, allowing retired members to accumulate deferred annuity benefits for up to five years while continuing employment. The amount of assets held in trust for future payment of accrued benefits decreased slightly to \$642 million during fiscal year 2007, with the number of active TERI participants decreasing from 10,025 to 9,049 members at fiscal year end.
- Although participation in TERI slightly declined during the year, growth has been experienced in the number of retirees returning to covered employment after retirement. Retired members of SCRS and PORS are allowed to return to work after retirement and draw an annuity benefit with no limit on their earnings. Retirees who return to work for a covered employer pay employee contributions, which partially fund guaranteed cost-of-living adjustments (COLAs) under SCRS and also help provide funding for ad hoc COLAs under SCRS and PORS. In addition, group life insurance benefits for working retirees were increased and as a result, the plan experienced an increase in group life expense.

## Financial Section

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- The number of retired members and beneficiaries receiving monthly benefits under the Retirement Systems' plans increased to more than 115,000 annuitants during the year. The increase in volume, coupled with adjustments for COLAs, caused the amount of benefit payments to increase almost 7 percent from the prior year from \$1.8 billion to \$1.9 billion.

### Condensed Financial Information

In order to ensure the Retirement Systems' ability to properly fund the payments of retirement benefits to members in future years, it is necessary to accumulate funds on a regular and systematic basis. The five defined benefit plans provide benefits to eligible employees of state, public school, local and municipal government, state legislative, judicial and National Guard employers in South Carolina.

The principal sources from which the Systems derives revenues are employee contributions, employer contributions and earnings on investments. Required annual contributions for the NGRS are funded through an annual state appropriation. Expenses of the Systems consist primarily of payments of monthly annuities to retired members and their beneficiaries and refunds of member contributions and interest paid upon termination. Other programs administered by the Systems include a group life insurance plan for both active and retired members and an accidental death plan for members of PORS.

Summary comparative financial statements of the pension trust funds are presented as follows:

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

	2007	2006	% Increase/ (Decrease)
<b>Assets</b>			
Cash and cash equivalents, receivables and prepaid expenses	\$ 6,855,459	\$ 2,078,394	229.84%
Investments, at fair value	22,188,448	24,114,946	(7.99%)
Securities lending cash collateral invested	5,085,506	4,372,175	16.32%
Property, net of accumulated depreciation	3,577	3,696	(3.22%)
<b>Total Assets</b>	34,132,990	30,569,211	11.66%
<b>Liabilities</b>			
Deferred retirement benefits	641,750	670,527	(4.29%)
Obligations under securities lending	5,085,506	4,372,175	16.32%
Other liabilities	356,954	144,561	146.92%
<b>Total Liabilities</b>	6,084,210	5,187,263	17.29%
<b>Total Net Assets</b>	\$ 28,048,780	\$ 25,381,948	10.51%

## Financial Section

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

	2007	2006	% Increase/ (Decrease)
<b>Additions</b>			
Employee contributions	\$ 578,019	\$ 567,908	1.78%
Employer contributions	760,167	686,431	10.74%
State-appropriated contributions	3,948	-	100.00%
Investment income	3,397,801	1,282,360	164.96%
Other income	3,382	5,399	(37.36%)
<b>Total Additions</b>	<b>4,743,317</b>	<b>2,542,098</b>	<b>86.59%</b>
<b>Deductions</b>			
Annuities	1,947,789	1,823,085	6.84%
Refunds	89,825	121,841	(26.28%)
Group Life	18,253	16,837	8.41%
Administrative & other expenses	20,618	20,898	(1.34%)
<b>Total Deductions</b>	<b>2,076,485</b>	<b>1,982,661</b>	<b>4.73%</b>
<b>Increase in Net Assets before Transfer</b>	<b>2,666,832</b>	<b>559,437</b>	<b>376.70%</b>
<b>Transfer from State Adjutant General's Office</b>	-	14,064	<b>(100.00%)</b>
<b>Total Increase in Net Assets</b>	<b>2,666,832</b>	<b>573,501</b>	<b>365.01%</b>
Beginning Net Assets	25,381,948	24,808,447	2.31%
<b>Ending Net Assets</b>	<b>\$ 28,048,780</b>	<b>\$ 25,381,948</b>	<b>10.51%</b>

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

On a combined basis, plan net assets were \$28 billion at June 30, 2007, representing a 10.5 percent increase in net assets from the previous fiscal year-end. Investment income is a major revenue source which corresponded to approximately 71.6 percent of total plan income. Accordingly, the increase in plan net assets is due primarily to our positive investment performance during fiscal year 2007. Our total combined investment return for fiscal year 2007 was 13.35 percent, which was substantially greater than our assumed actuarial investment return of 7.25 percent. For fiscal year 2007, a total return of 18.69 percent was produced on the equity segment of the portfolio, and a return of 7.02 percent on the fixed income segment of our investment portfolio. In comparison, the prior fiscal year 2006 produced a combined total investment return of 5.13 percent, with 10.34 percent and 0.69 percent returns for the equity and fixed income segments respectively.

While the fluctuations in returns between market segments exemplify the need for an optimally diversified investment portfolio, the Retirement Systems' investment performance has been limited in the past by our state constitution and state statute. However, South Carolina's recently modernized retirement investment policies and practices will allow for a more diversified target allocation under the oversight of the Investment Commission and its Chief Investment Officer. The target mix is comparable to our peer public pension funds and is expected to increase long-term rates of return. In May 2007, the Commission engaged a beta overlay manager as an efficient, low-cost solution for opportunistic value and immediate market exposure. The overall structural changes and investment mechanisms were not implemented until mid-year, thus the current year's investment performance is not necessarily attributable to the diversification as the Commission continues the process of transitioning the investment portfolio.

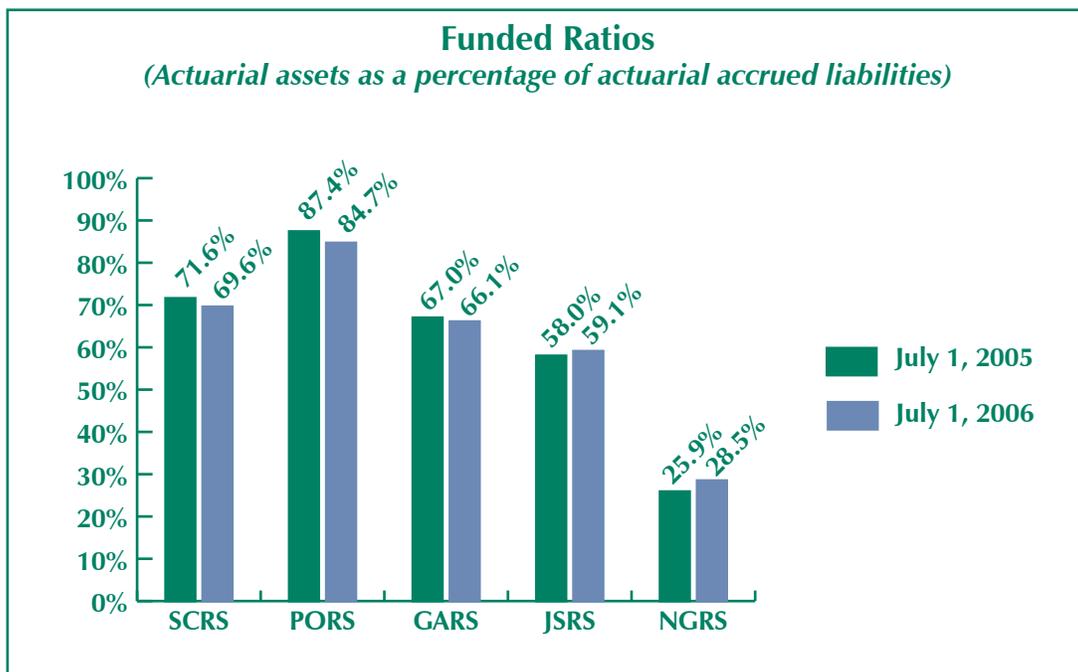
## Financial Section

During fiscal year 2007, the total dollar amount of retirement annuities paid increased nearly 7 percent when compared with the previous fiscal year. This was due primarily to the continued effects of 28-year retirement in SCRS and our liberal return to work provisions. A 3.5 percent COLA granted to SCRS and PORS annuitants effective July 1, 2006, also contributed to the increase in the total annuity expense. The General Assembly enacted legislation to guarantee a 1 percent COLA and further allow for additional COLAs that are conditional under SCRS as COLAs are a very important benefit to our retirees. Ad hoc COLAs have historically been granted and funded with either unanticipated actuarial gains or an extension of the system's unfunded actuarial accrued liability (UAAL) amortization period. As of the most recent actuarial valuation dated July 1, 2006, the UAAL amortization period for SCRS was 30 years, and any additional ad hoc COLAs in the future would necessitate either additional contributions or increased investment returns.

### Funding Status

An overall objective in the funding of a defined benefit retirement system is to accumulate sufficient funds to meet long-term obligations to pay benefits to participants when due. The primary sources of assets to fund benefits include investment income, member contributions, employer contributions, and state-appropriated contributions. A five-year smoothing method is used in actuarially valuing assets to mitigate the impact of market volatility and allow changes in market conditions to be recognized (smoothed) over several years.

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, 2006, and adopted by the Budget and Control Board, indicate that the funded ratios of three of the five individual plans declined slightly from the previous valuations, which were completed as of July 1, 2005. All of the plans continued to recognize actuarial losses in the market value of investments that occurred in fiscal years 2000 through 2002 and 2005 through 2006. As of July 1, 2006, funding levels of all the plans are such that annual contributions are sufficient for the valuation to find the plans in good actuarial condition. Changes in the levels of funding do not affect the availability of fund resources for future use, and actuarial projections indicate that unfunded liabilities will be amortized and funded within acceptable funding guidelines. The funded ratios of the five plans are presented in the following graph.



## Financial Section

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### Requests for Information

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

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

## Financial Section

# South Carolina Retirement Systems Statement of Plan Net Assets June 30, 2007

With comparative totals for June 30, 2006  
(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2006
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,314,145	\$ 708,521	\$ 10,481	\$ 29,160	\$ 2,614	\$ 6,064,921	\$ 1,729,183
Receivables							
Due from other Systems	185	346	4	136		671	878
Employee and employer contributions	150,695	15,528	61	569		166,853	152,365
Employer contributions long-term	845	22				867	1,461
Accrued investment income	114,178	16,592	222	669	80	131,741	142,437
Unsettled investment sales	418,554	50,017	787	2,160	340	471,858	51,857
Other investment receivables	15,987	1,948	33	83	3	18,054	
Total receivables	700,444	84,453	1,107	3,617	423	790,044	348,998
Investments, at fair value							
Short-term securities	201,695	26,668	407	1,116	86	229,972	54,633
United States Government securities	290,161	42,970	557	1,718	219	335,625	713,525
United States Government agencies and government-insured	3,122,153	462,357	5,993	18,482	2,362	3,611,347	3,805,598
Corporate bonds	3,063,224	453,630	5,880	18,134	2,317	3,543,185	4,289,977
Convertible bonds							162
Financial and other	1,112,800	164,793	2,136	6,588	842	1,287,159	1,721,962
Common trust funds	7,348,540	877,028	13,464	37,894	7,271	8,284,197	7,317,383
Common stocks	4,319,996	521,160	9,050	22,325		4,872,531	6,211,706
Limited Partnerships	21,452	2,804	43	119	14	24,432	
Total investments	19,480,021	2,551,410	37,530	106,376	13,111	22,188,448	24,114,946
Prepaid administrative expenses	349	46	1	2	96	494	213
Securities lending cash collateral invested	4,396,622	651,091	8,440	26,027	3,326	5,085,506	4,372,175
Capital assets, net of accumulated depreciation	3,223	329	10	15		3,577	3,696
Total assets	29,894,804	3,995,850	57,569	165,197	19,570	34,132,990	30,569,211
<b>LIABILITIES</b>							
Due to other Systems	416	174	81			671	878
Accounts payable - unsettled investment purchases	250,188	30,448	477	1,305	184	282,602	44,162
Investment fees payable	6,745	811	14	35		7,605	7,274
Obligations under securities lending	4,396,622	651,091	8,440	26,027	3,326	5,085,506	4,372,175
Deferred retirement benefits	641,750					641,750	670,527
Due to Employee Insurance Program	33,611	647				34,258	29,911
Benefits payable	1,701	225		263	3	2,192	9,359
Negative cash balances							32,734
Other liabilities	20,602	8,473	11	376	164	29,626	20,243
Total liabilities	5,351,635	691,869	9,023	28,006	3,677	6,084,210	5,187,263
Net assets held in trust for Pension Benefits (a schedule of funding progress for each plan is presented on Page 50)	\$ 24,543,169	\$ 3,303,981	\$ 48,546	\$ 137,191	\$ 15,893	\$ 28,048,780	\$ 25,381,948

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

## Financial Section

# South Carolina Retirement Systems Statement of Changes in Plan Net Assets Year Ended June 30, 2007

With comparative totals for the year ended June 30, 2006  
(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2006
<b>Additions</b>							
Contributions							
Employee	\$ 505,122	\$ 70,641	\$ 551	\$ 1,705	\$ -	\$ 578,019	\$ 567,908
Employer	644,350	106,753	2,358	6,706		760,167	686,431
State appropriated					3,948	3,948	
Total contributions	<u>1,149,472</u>	<u>177,394</u>	<u>2,909</u>	<u>8,411</u>	<u>3,948</u>	<u>1,342,134</u>	<u>1,254,339</u>
Investment Income							
Net appreciation (depreciation) in fair value of investments	2,306,678	276,937	4,559	11,915	1,270	2,601,359	583,888
Interest and dividend income	714,352	100,175	1,436	4,209	727	820,899	717,311
Investment expense	(31,988)	(3,921)	(66)	(167)	(5)	(36,147)	(29,837)
Net income from investing activities	<u>2,989,042</u>	<u>373,191</u>	<u>5,929</u>	<u>15,957</u>	<u>1,992</u>	<u>3,386,111</u>	<u>1,271,362</u>
From securities lending activities:							
Securities lending income	254,471	36,380	527	1,523	224	293,125	194,823
Securities lending expense	(244,304)	(34,948)	(506)	(1,463)	(214)	(281,435)	(183,825)
Net income from securities lending activities	<u>10,167</u>	<u>1,432</u>	<u>21</u>	<u>60</u>	<u>10</u>	<u>11,690</u>	<u>10,998</u>
Total net investment income	<u>2,999,209</u>	<u>374,623</u>	<u>5,950</u>	<u>16,017</u>	<u>2,002</u>	<u>3,397,801</u>	<u>1,282,360</u>
Supplemental retirement benefits funded by the State	1,532	55				1,587	1,801
State appropriations for administrative expenses					50	50	300
Transfers of contributions from other Systems		1,614	52	79		1,745	3,298
Total additions	<u>4,150,213</u>	<u>553,686</u>	<u>8,911</u>	<u>24,507</u>	<u>6,000</u>	<u>4,743,317</u>	<u>2,542,098</u>
<b>Deductions</b>							
Refunds of contributions to members	77,212	12,543	70			89,825	121,841
Transfers of contributions to other Systems	1,745					1,745	3,298
Regular retirement benefits	1,505,080	180,135	5,935	10,348	2,926	1,704,424	1,498,727
Deferred retirement benefits	240,580					240,580	321,374
Supplemental retirement benefits	1,532	55				1,587	1,801
Group life insurance claims	15,948	1,919	5	381		18,253	16,837
Accidental death benefits		1,198				1,198	1,183
Depreciation	107	11		1		119	118
Administrative expenses	16,402	2,168	34	91	59	18,754	17,482
Total deductions	<u>1,858,606</u>	<u>198,029</u>	<u>6,044</u>	<u>10,821</u>	<u>2,985</u>	<u>2,076,485</u>	<u>1,982,661</u>
Net increase before transfer	2,291,607	355,657	2,867	13,686	3,015	2,666,832	559,437
Transfer from the State Adjutant General's Office							14,064
Net increase	2,291,607	355,657	2,867	13,686	3,015	2,666,832	573,501
Net assets held in trust for Pension Benefits							
Beginning of year	22,251,562	2,948,324	45,679	123,505	12,878	25,381,948	24,808,447
End of year	<u>\$ 24,543,169</u>	<u>\$ 3,303,981</u>	<u>\$ 48,546</u>	<u>\$ 137,191</u>	<u>\$ 15,893</u>	<u>\$ 28,048,780</u>	<u>\$ 25,381,948</u>

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

# South Carolina Retirement Systems

## Notes to Financial Statements

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

#### Description of the Entity

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

#### Pension Trust Funds

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

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

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

#### Plan Descriptions

The South Carolina Retirement System, a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for teachers and employees of the state and political subdivisions thereof.

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

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

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

The National Guard Retirement System, a single-employer defined benefit pension plan, was created effective July 1, 1975, pursuant to the provisions of Section 25-1-3210 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. Effective January 1, 2006, Section 25-1-3210 was repealed and replaced by Section 9-10-30. This legislation transferred administrative responsibility of the plan from the Adjutant General's Office to the South Carolina Retirement Systems.

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A summary of information related to participating employers and active members as of June 30, 2007, follows (dollar amounts expressed in thousands):

	<u>State<sup>1</sup></u>	<u>School</u>	<u>Other</u>	<u>Total</u>
<b>SCRS</b>				
Number of Employers	110	104	579	793
Annual Covered Payroll	\$ 2,116,417	\$ 2,939,297	\$ 1,666,090	\$ 6,721,804
Average Number of Contributing Members	56,007	87,276	52,823	196,106
<b>PORS</b>				
Number of Employers	50	4	270	324
Annual Covered Payroll	\$ 350,681	\$ 164	\$ 580,962	\$ 931,807
Average Number of Contributing Members	10,495	5	15,861	26,361
<b>GARS</b>				
Number of Employers	2			2
Annual Covered Payroll	\$ 3,191			\$ 3,191
Number of Elected Positions	170			170
<b>JSRS</b>				
Number of Employers	2			2
Annual Covered Payroll	\$ 15,894			\$ 15,894
Average Number of Contributing Members	128			128
<b>NGRS</b>				
Number of Employers	1			1
Annual Covered Payroll <sup>2</sup>	N/A			N/A
Average Number of Active Members	11,088			11,088

<sup>1</sup>Each state agency is considered a separate employer for reporting purposes. Institutions of Higher Education are reported in this category.

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

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

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>
Retirees and beneficiaries currently receiving benefits	97,205	10,134	317	144	2,903
Terminated members entitled to but not yet receiving benefits	151,510	10,464	63	5	3,142
Total active, elected positions, and other special contributing members	184,282	24,813	197	128	2,502
Total membership	432,997	45,411	577	277	8,547

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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.

#### State ORP

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

Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the investment providers for the employee contribution (6.50 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for a portion of the employer contribution (3.05 percent) and a group life 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, 2007**  
*(Dollar amounts expressed in thousands)*

Average Number of Contributing Participants	16,081
Annual Covered Payroll	\$ 715,979
Employer Contributions Retained by SCRS	21,837
Group Life Contributions Retained by SCRS	1,074
Employee Contributions to Investment Providers	46,539
Employer Contributions to Investment Providers	35,799

#### PORS

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental

Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.

#### GARS

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

#### JSRS

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

#### NGRS

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

### Pension Benefits

#### SCRS

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

Eligible retirees receive an automatic cost-of-living adjustment of up to 1 percent and may also receive an additional ad hoc cost-of-living adjustment of up to 3 percent annually based on increases in the Consumer Price Index. The State Budget and Control Board grants ad hoc increases in accordance with its funding policies and state statute.

#### PORS

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

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Eligible retirees may receive ad hoc cost-of-living adjustments of up to 4 percent annually based on increases in the Consumer Price Index. The State Budget and Control Board grants ad hoc increases in accordance with its funding policies and state statute.

### **GARS**

A member is eligible for a monthly pension at age 60 or with 30 years credited service. A member who has attained age 70 or has 30 years of service is eligible to retire and draw an annuity while continuing to serve in the General Assembly. A member is eligible to receive a deferred annuity with eight years of service. A group life insurance benefit is also provided to members with at least one year of service.

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

### **JSRS**

A pension benefit is payable at age 70 with 15 years service, age 65 with 20 years service, age 65 with four years in a JSRS position and 25 years other service with the state, 25 years service regardless of age for a judge or 24 years of service for a solicitor 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 is vested in the system after attaining eight years of earned service as a solicitor. A group life insurance benefit is also provided to members with at least one year of service.

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

### **NGRS**

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

## **Summary of Significant Accounting Policies**

### **Fund Structure**

The Systems' accounts are maintained in accordance with the principles of fund accounting. This is the

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

### **Basis of Accounting**

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

### **Administrative Expenses**

The State Budget and Control Board's Office of Internal Operations maintains an internal service fund to account for the administrative costs of operating the Systems. All accounting and corresponding disclosures related to administrative expense, which include employee salaries and associated employee benefits, are the responsibility of the internal service fund administered by the Board. Administrative expenses are funded by both employer contributions and investment earnings and are assessed to each of the pension trust funds based on its respective portion of total assets in order to pay for actual expenses incurred during the year. Administrative expenses of the Retirement Systems include transfers to the Investment Commission to fund investment operations and investment related obligations for the trust funds.

### **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.

### **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 invests and reinvests the funds of the retirement system subject to all the terms, conditions, limitations, and restrictions imposed by Section 16, Article X of the South Carolina

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Constitution and Section 9-1-1310 (B) and Title 9 Section 16 of the South Carolina Code of Laws. Investments of the pension trust funds are reported at fair value in the Statement of Plan Net Assets.

Short term securities categorized as cash or cash equivalents are reported at fair value. The Systems holds domestic equity securities traded on national exchanges and these are valued by the investment custodian using the last reported sales price on a trade-date basis. Fair values of limited partnership investments are based on valuations of the underlying companies of the limited partnerships as reported by the general partner. Fixed income 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.

### Capital Assets

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

## II. Contributions and Reserves

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

Plan members are required to contribute at statutorily established rates. The rates applicable for fiscal year 2007 follow:

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

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

Contributions for the NGRS are to be 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 2006-2007 State

Appropriations Act, an additional employer contribution surcharge of 3.35 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) \$214,622 and \$12,440 respectively in retiree insurance surcharges (\$23,907 of which was applicable to the State ORP) and remitted these funds to the Employee Insurance Program.

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

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

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

The **Group Life Insurance Fund** (SCRS and PORS only) is the fund to which participating employers contribute for the purpose of providing a life insurance benefit to active and retired members of the Systems. Employer group life contributions and investment earnings are credited to this fund. Group life insurance benefit payments and administrative expenses are paid from this fund.

The **Accidental Death Fund** (PORS only) is the fund to which participating employers contribute for the

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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 benefi-

ciary. Employer contributions and investment earnings are credited to this fund. Monthly survivor annuities and administrative expenses are paid from this fund.

Balances in the respective reserves at June 30, 2007, were as follows (amounts expressed in thousands):

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>
Employee Fund	\$ 5,464,756	\$ 658,023	\$ 7,735	\$ 18,999	
Employer Fund	18,947,441	2,587,457	40,811	118,192	\$ 15,893
Group Life Insurance Fund	130,972	26,115			
Accidental Death Fund		32,386			
	<u>\$ 24,543,169</u>	<u>\$ 3,303,981</u>	<u>\$ 48,546</u>	<u>\$ 137,191</u>	<u>\$ 15,893</u>

### III. Deposits and Investments

#### Deposit and Investment Risk Disclosures

The tables presented on Pages 37-42 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 may vary from the Statement of Plan Net Assets primarily because the amounts reported include accrued interest receivable.

#### 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 statute, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks or savings and loan associations. These deposits must be 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. All deposits are required to be insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 or collateralized with securities held by the state or its agent in the State Treasurer's name as custodian.

The total amount of the Systems' deposits at June 30, 2007, was as follows (amounts expressed in thousands):

	<u>Carrying Amount</u>
SCRS	\$ 14,309
PORS	2,299
GARS	19
JSRS	54
NGRS	<u>11</u>
<b>Total</b>	<u>\$ 16,692</u>

##### 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 Sections 11-9-660 and 9-1-1310 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, futures and options, collateralized mortgage obligations, domestic and international equity securities, private equity, real estate, and fund of funds.

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Corporate obligations must bear an investment grade rating by at least two nationally recognized rating services. Collateral held for certificates of deposit or repurchase agreements must be obligations of the United States or investment grade corporate obligations and held by a third party as escrow agent or custodian and

of a market value not less than the amount of either the certificate of deposit so secured, including interest, or the amount of the repurchase agreement so collateralized, including interest. At June 30, 2007, all of the Systems' investments were insured or collateralized.

The following table presents the fair value of investments as of June 30, 2007:

### Statement of Invested Assets June 30, 2007 (Amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
<b><u>Short Term Investments</u></b>	
Money Market Funds	\$ 2,657
Commercial Paper	313,109
Repurchase Agreements	5,413,509
U.S. Treasury Bills	228,244
U.S. Government Agencies	325,941
Total Short Term Investments	6,283,460
<b><u>Domestic Equity</u></b>	
Common Stocks	4,802,227
Real Estate Investment Trusts	74,606
Commingled Equity Funds	8,284,196
Limited Partnerships	24,433
Total Domestic Equity	13,185,462
<b><u>Domestic Fixed Income</u></b>	
<b><u>U.S. Government:</u></b>	
U.S. Government Treasury Notes and Bonds	340,536
U.S. Government Agencies	47,793
<b><u>Mortgage Backed:</u></b>	
Government National Mortgage Association	3,558,312
Federal National Mortgage Association	5,254
Collateralized Mortgage Obligations	267,543
<b><u>Corporate:</u></b>	
Corporate Bonds	3,655,568
Asset Backed Securities	150,927
<b><u>Private Placements</u></b>	
	847,150
Total Domestic Fixed Income	8,873,083
<b>Total Invested Assets</b>	<b>\$ 28,342,005</b>

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### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using effective duration. Effective duration is a measure of the price sensitivity of a bond or a portfolio of bonds to interest rate movements given a 50 basis point change in interest rates. It 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.

The Systems invests in mortgage-backed securities which are reported at fair value in the Statement of Plan Net Assets and are based on cash flows from principal and interest payments of the underlying mortgages. These securities are sensitive to prepayments, which are likely in an environment of declining interest rates, and thereby reduce the value of the security. The Systems invests in these securities to diversify the fixed income portfolio and minimize risk.

Disclosures for interest rate risk can be found below.

### South Carolina Retirement Systems Interest Rate Sensitivity - Effective Duration June 30, 2007 (Amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
<b><u>Short Term Investments</u></b>		
Commercial Paper	\$ 313,109	0.08
Repurchase Agreements	5,413,509	0.00
U.S. Treasury Bills	228,244	0.24
U.S. Government Agencies	325,941	0.06
Total Short Term Investments	6,280,803	0.02
<b><u>Domestic Fixed Income Investments</u></b>		
<b>U.S. Government:</b>		
U.S. Government Treasury Notes and Bonds	340,536	2.84
U.S. Government Agencies	47,793	0.66
Total U.S. Government	388,329	2.57
<b>Mortgage Backed:</b>		
Government National Mortgage Association	3,558,312	4.79
Federal National Mortgage Association	5,254	5.91
Collateralized Mortgage Obligations	267,543	3.70
Total Mortgage Backed	3,831,109	4.71
<b>Corporate:</b>		
Corporate Bonds	3,655,568	8.73
Asset Backed Securities	150,927	1.95
Total Corporates	3,806,495	8.46
<b>Private Placements</b>		
	847,150	9.40
Total Domestic Fixed Income Investments	8,873,083	6.67
<b>Total Invested Assets</b>	\$ 15,153,886	
<b>Total Portfolio Effective Duration</b>		3.91

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### 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. The investment policy for credit quality of debt securities states that securities must bear an investment grade rating from at least two of the national rating agencies. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and disclosure is not required. Credit quality of cash reserves must carry a rating of A1/P1/F1 or D1 from at least two nationally recognized rating services. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. As of June 30, 2007, the Systems' rated debt investments were rated by Standard & Poor's and are presented below:

### South Carolina Retirement Systems Credit Risk - S&P Quality Ratings June 30, 2007 (Amounts expressed in thousands)

Investment Type and Fair Value	AAA	AA	A	BBB	BB	B	A-1	NR
<b>Short Term Investments</b>								
Money Market Funds	\$ 343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,314
Commercial Paper							313,109	
Repurchase Agreements							5,413,509	
<b>Domestic Fixed Income Investments</b>								
<b>U.S. Government:</b>								
U.S. Government Treasury Notes and Bonds	186,449							
U.S. Government Agencies	16,987							
<b>Mortgage Backed:</b>								
Government National Mortgage Association	4,188							
<b>Corporate:</b>								
Corporate Bonds	55,840	156,357	1,533,349	1,762,631	121,171	6,140		11,942
Asset Backed Securities	106,245		13,439	31,243				
Private Placements	50,447	138,622	357,197	242,948	2,996			54,941
<b>Totals</b>	<u>\$ 420,499</u>	<u>\$ 294,979</u>	<u>\$ 1,903,985</u>	<u>\$ 2,036,822</u>	<u>\$ 124,167</u>	<u>\$ 6,140</u>	<u>\$ 5,726,618</u>	<u>\$ 69,197</u>

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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 as amended and adopted by the Retirement System Investment Commission which states that "Except for United States Treasury and Agency obligations, the fixed income portfolio shall contain no more than 5 percent exposure to any single issuer." At June 30, 2007, the Systems had approximately 18.43 percent of its investments in an overnight repurchase agreement with the Bank of America that was fully collateralized by United States Treasury and Agency obligations.

### 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 and forwards. 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, 2007, (amounts expressed in thousands):

<u>Currency</u>	<u>Cash</u>	<u>Cash Equivalents</u>	<u>Forward Contracts</u>
Australian Dollar	\$ (1,849)	\$ 501	\$ 97,382
British Pound Sterling	2,278	(4,277)	431,236
Canadian Dollar	1,487	(1,980)	163,639
Euro Currency	17,785	(439)	1,558,815
Hong Kong Dollar	236	1,440	
Japanese Yen	(961)	(965)	689,183
<b>Totals</b>	<u>\$ 18,976</u>	<u>\$ (5,720)</u>	<u>\$ 2,940,255</u>

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### Derivatives

Derivatives are financial instruments whose value is derived from underlying assets or data. They generally take the form of contracts in which two parties agree to make payments at a later date based on the value of the underlying assets or data. The main types of derivatives that are common in today's financial markets are futures, forwards, options, and swaps.

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 minimizing credit and default risk. To comply with the requirements of multiple exchanges, \$230 million in performance bonds (U.S. Treasury Bills) were held in trust by the clearing broker on June 30, 2007. These assets represent the required margin amount to establish the Systems' futures exposure. As of June 30, 2007, the Systems had the following exposure to futures contracts:

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value*
MTF CAC40 10EU	July	Long	1,710	\$ 140,585,054
EURX DAX INDEX	September	Long	470	128,543,880
EURX ER STX 50	September	Long	7,181	439,061,636
NEW FTSE 100	September	Long	2,783	371,096,753
HKFE - HSI	July	Long	264	36,933,998
IBEX 35 PLUS	July	Long	250	50,186,652
IDEM S&P/MIB	September	Long	175	50,199,348
TSE TOPIX	September	Long	2,370	341,512,421
ME S&P CAN 60	September	Long	935	141,276,797
SFE SPI 200	September	Long	745	99,290,920
Total International Equity				1,798,687,459
CAN GOVT BOND	September	Long	227	23,611,920
EURX EUR-BOBL	September	Long	1,185	170,213,393
EURX EUR-BUND	September	Long	2,440	365,945,466
EURX E-SHATZ	September	Long	1,631	226,380,727
TSE 10 YR JGB	September	Long	325	348,297,207
LIF LONG GILT	September	Long	328	68,346,286
Total International Fixed Income				1,202,794,999
S&P 500 INDEX	September	Short	(546)	(206,852,100)
EMINI S&P 500	September	Short	(9,020)	(683,445,400)
Total Large Cap Equity				(890,297,500)
IMM MINI RUSL	September	Short	(181)	(15,242,010)
IMM EMINI MDCP	September	Short	(179)	(16,185,180)
Total Small/Mid Cap Equity				(31,427,190)
<b>Total</b>				\$ 2,079,757,768

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

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Forwards are contractual obligations that require the delivery of assets at a fixed price on a predetermined date. These contracts are “over-the-counter” instruments, meaning they are not traded on an organized exchange. As of June 30, 2007, the Systems had the following forward exposures, listed by counterparty:

Broker	Notional Value*	Base Gain/(Loss)	Base Exposure
Morgan Stanley	\$ 575,904,132	\$ (790,588)	19.33%
Bank of America	557,858,984	416,872	18.72%
UBS	472,027,890	1,409,695	15.84%
Royal Bank of Scotland	407,330,990	1,877,430	13.67%
Brown Brothers Harriman	247,755,868	(1,007,170)	8.32%
HSBC	240,663,397	1,456,968	8.08%
Deutsche Bank	189,027,339	(535,063)	6.34%
Lehman Brothers	175,218,266	531,304	5.88%
State Street Global Advisors	92,860,890	584,292	3.12%
Goldman Sachs	20,966,030	27,505	0.70%
<b>Totals</b>	<b>\$ 2,979,613,786</b>	<b>\$ 3,971,245</b>	<b>100.00%</b>

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

Counterparty risk, or default risk, is the risk that either 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.

As of June 30, 2007, the Systems was exposed to counterparty risk through currency forwards. The Systems, however, does not anticipate any default in our contractual positions.

### Limited Partnerships

To further diversify Systems assets, the Commission approved commitments in private equities. These investments are legally structured as limited partnerships. In this structure, the Systems is one of several limited partners, while the investment manager serves as the general partner. Investing in limited partnerships legally obligates the Systems to invest the committed amount until the investment is fully funded. As of June 30, 2007, the Systems had completed an initial funding of one limited partnership to Aquiline Capital Partners, LP, for \$25,900,000.

### Commitments

During the year and subsequent to year-end, the Systems entered into commitment agreements with numerous investment managers for future funding of various asset classes including private equity, hedge fund and global fixed income investments. There are varying degrees and understandings regarding the commitments across the individual managers. The total amount of investment commitments outstanding as of June 30, 2007 was \$6,457,850,000 (US dollars) and € 55,750,000 (Euros), with an additional amount of \$3,030,000,000 (US dollars) subsequent to year-end. The commitment agreements represent the Investment Commission’s continued reallocation and transition efforts for investments.

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### Securities Lending

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

There are no restrictions on the amount of securities that may be loaned. The types of securities available for loan during the year ended June 30, 2007, included U. S. Government securities, U. S. Government agencies, corporate bonds, convertible bonds, and equities. The contractual agreement with the Systems' custodial bank provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Systems income distribution by the securities' issuers while

the securities are on loan. Cash and U.S. Government securities were received as collateral for these loans. The Systems cannot pledge or sell collateral securities without a borrower default. The Systems invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the Systems must return the cash collateral to the borrower upon the expiration of the loan.

With regard to custodial credit risk, the Systems' cash collateral invested is held by the counterparty and is uninsured. All securities loaned can be terminated on demand by either the Systems or the borrower. At year end the average number of days the loans were outstanding was 21 days. The average weighted maturity of investments made with cash collateral was 23 days. At June 30, 2007, 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.

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, 2007.

	June 30, 2007					June 30, 2006	
	SCRS	PORS	GARS	JSRS	NGRS	TOTALS	TOTALS
<b>Securities lent for cash collateral:</b>							
U.S. Government securities	\$ 282,335	\$ 41,811	\$ 542	\$ 1,671	\$ 214	\$ 326,573	\$ 374,764
U.S. Government agencies	2,779,436	411,604	5,335	16,454	2,102	3,214,931	2,528,371
Corporate bonds	23,198	3,435	45	137	18	26,833	48,679
Common Stock	1,202,491	178,076	2,308	7,118	910	1,390,903	1,303,745
Total securities lent for cash collateral	<u>\$ 4,287,460</u>	<u>\$ 634,926</u>	<u>\$ 8,230</u>	<u>\$ 25,380</u>	<u>\$ 3,244</u>	<u>\$ 4,959,240</u>	<u>\$ 4,255,559</u>
<b>Cash collateral invested as follows:</b>							
Repurchase agreements	\$ 876,952	\$ 129,867	\$ 1,683	\$ 5,191	\$ 664	\$ 1,014,357	\$ 522,114
Corporate bonds	2,008,446	297,428	3,856	11,890	1,519	2,323,139	1,821,270
Asset Backed Securities	1,215,006	179,929	2,332	7,193	919	1,405,379	1,475,260
Bank Notes	296,218	43,867	569	1,753	224	342,631	553,531
Total for cash collateral invested	<u>\$ 4,396,622</u>	<u>\$ 651,091</u>	<u>\$ 8,440</u>	<u>\$ 26,027</u>	<u>\$ 3,326</u>	<u>\$ 5,085,506</u>	<u>\$ 4,372,175</u>

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Certain short-term, highly liquid securities, which were insured or registered by the Systems or in the Systems' name, with the date of maturity three months or less from the date of acquisition, are considered cash equivalents in accordance with Governmental Accounting Standards Board Statement 9. These investments at June 30, 2007, were composed of the following (amounts expressed in thousands):

### Cash Equivalents

	<u>Repurchase Agreements</u>	<u>Money Market Funds</u>	<u>Commercial Paper</u>	<u>Discount Notes</u>	<u>Totals 2007</u>	<u>Totals 2006</u>
<b>SCRS</b>	\$ 4,745,326	\$ 2,025	\$ 270,695	\$ 281,790	\$ 5,299,836	\$ 1,360,464
<b>PORS</b>	624,156	249	40,087	41,730	706,222	350,794
<b>GARS</b>	9,397	4	520	541	10,462	1,143
<b>JSRS</b>	25,825	11	1,602	1,668	29,106	6,121
<b>NGRS</b>	2,185		205	213	2,603	5,148
<b>Totals</b>	<u>\$ 5,406,889</u>	<u>\$ 2,289</u>	<u>\$ 313,109</u>	<u>\$ 325,942</u>	<u>\$ 6,048,229</u>	<u>\$ 1,723,670</u>

The Systems maintains a portfolio of short-term securities in order to actively manage all funds waiting to be placed in a more permanent investment. As of June 30, 2007, the Systems held the following short-term investments with maturities three months or less from the date of acquisition (amounts expressed in thousands):

### Short-term Securities

	<u>Forward Contracts</u>	<u>U.S. Treasury Bills</u>	<u>Totals 2007</u>	<u>Totals 2006</u>
<b>SCRS</b>	\$ 2,267	\$ 199,428	\$ 201,695	\$ 49,643
<b>PORS</b>	289	26,379	26,668	4,990
<b>GARS</b>	4	403	407	
<b>JSRS</b>	12	1,104	1,116	
<b>NGRS</b>	1	85	86	
<b>Total</b>	<u>\$ 2,573</u>	<u>\$ 227,399</u>	<u>\$ 229,972</u>	<u>\$ 54,633</u>

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Effective May 26, 1998, legislation was passed implementing the 1996 public vote amending the State Constitution to allow the Retirement Systems to invest in equity securities. This legislation established a five-member investment panel responsible for defining and developing the investment objectives and the types of equity investments to be purchased. The Act also specified that a maximum of 40 percent of assets may be invested in equities.

During fiscal year 2005, the South Carolina General Assembly passed Act 153, the State Retirement System Preservation and Investment Reform Act, which became effective July 1, 2005. This Act established a six-member Investment Commission made up of financial experts, the State Treasurer, and a nonvoting retired member. Fiduciary responsibility for all investments was moved to the Commission. Act 153 also created the position of chief investment officer and stated that equity investments cannot exceed 70 percent of the total portfolio.

As of June 30, 2007, the Retirement Systems' assets were invested in domestic equities as follows (amounts expressed in thousands):

### Equity Investments

	Common Trust Funds			Common Stock	Totals 2007	Totals 2006
	S&P 500 Index Fund	Russell 2000 Index Fund	Barclays Global Investors			
<b>SCRS</b>	\$ 6,438,669	\$ 405,155	\$ 504,716	\$ 4,319,996	\$ 11,668,536	\$ 12,004,816
<b>PORS</b>	768,696	48,071	60,261	521,160	1,398,188	1,437,296
<b>GARS</b>	12,005	475	984	9,050	22,514	25,106
<b>JSRS</b>	33,214	2,076	2,604	22,325	60,219	61,871
<b>NGRS</b>	5,576	1,434	261	-	7,271	-
<b>Total</b>	\$ 7,258,160	\$ 457,211	\$ 568,826	\$ 4,872,531	\$ 13,156,728	\$ 13,529,089

The Systems retains a consultant to provide investment consulting services necessary to fulfill the duties for investing the Systems' portfolio. As of June 30, 2007, individual agreements were in place between the Systems and 19 investment managers.

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On June 30, 2007, the Systems held collateralized mortgage obligations (CMOs) in its portfolios. The CMOs consist of the planned amortizations class-1 (PAC-1) and the very accurately defined maturity (VADM) tranches of these issues. The PAC-1 and VADM tranche CMO structure securities were entered into for several reasons: (1) to protect the Retirement Systems' portfolios from principal prepayment risk during an environment of declining interest rates, (2) to provide incremental yield above that available on corporate securities with similar terms, (3) to provide diversification in the portfolios, (4) to maintain the high quality of government-sponsored credits in the portfolios, and (5) to utilize the estimated future term cash flows provided by these securities to match the term of the liabilities of the Retirement Systems. These securities are all rated AAA by the major rating agencies. The PAC-1 and VADM structures are highly marketable securities.

The Systems held the following CMOs included in the financial and other category (amounts expressed in thousands):

### Collateral Mortgage Obligations (CMOs)

	June 30, 2007	June 30, 2006
	<u>Fair Value</u>	<u>Fair Value</u>
<b>SCRS</b>	\$ 224,739	\$ 265,678
<b>PORS</b>	33,281	23,194
<b>GARS</b>	431	134
<b>JSRS</b>	1,331	106
<b>NGRS</b>	170	-
<b>Total</b>	<u>\$ 259,952</u>	<u>\$ 289,112</u>

On June 30, 2007, the Systems also held asset-backed securities in its portfolios. These securities had an average life of one to three years with a legal final maturity of two to five years. These securities represent an undivided ownership interest in a trust consisting of auto loan receivables. These securities are rated AAA by the major rating agencies. In addition, under the asset-backed securities category, the Systems held bonds issued by the South Carolina Tobacco Settlement Revenue Management Authority. These securities are rated Baa2/BBB and have an average life of 4.12 years with a legal maturity of 2016.

The Systems held the following asset-backed securities included in the financial and other category (amounts expressed in thousands):

### Asset Backed Securities

	June 30, 2007	June 30, 2006
	<u>Fair Value</u>	<u>Fair Value</u>
<b>SCRS</b>	\$ 136,521	\$ 137,609
<b>PORS</b>	20,217	24,299
<b>GARS</b>	262	621
<b>JSRS</b>	808	1,764
<b>NGRS</b>	103	495
<b>Total</b>	<u>\$ 157,911</u>	<u>\$ 164,788</u>

In addition to CMOs and asset-backed securities, the financial and other category primarily consisted of corporate financial paper as follows (amounts expressed in thousands):

### Corporate Financial Paper

	June 30, 2007	June 30, 2006
	<u>Fair Value</u>	<u>Fair Value</u>
<b>SCRS</b>	\$ 751,540	\$ 1,112,379
<b>PORS</b>	111,295	145,909
<b>GARS</b>	1,443	2,281
<b>JSRS</b>	4,449	5,469
<b>NGRS</b>	569	2,024
<b>Total</b>	<u>\$ 869,296</u>	<u>\$ 1,268,062</u>

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### IV. Capital Assets

Capital assets at June 30, 2007, consist of the following amounts (expressed in thousands). There were no additions or dispositions of capital assets during the year.

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTALS</u>	<u>TOTALS</u> <u>2006</u>
Land	\$ 524	\$ 54	\$ 1	\$ 3	\$ 582	\$ 582
Building	4,279	437	13	20	4,749	4,749
Total Capital Assets	<u>4,803</u>	<u>491</u>	<u>14</u>	<u>23</u>	<u>5,331</u>	<u>5,331</u>
Less: Accumulated Depreciation	<u>(1,580)</u>	<u>(162)</u>	<u>(4)</u>	<u>(8)</u>	<u>(1,754)</u>	<u>(1,635)</u>
Net Capital Assets	<u>\$ 3,223</u>	<u>\$ 329</u>	<u>\$ 10</u>	<u>\$ 15</u>	<u>\$ 3,577</u>	<u>\$ 3,696</u>

### V. Transfers Between Systems

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

Transfers made during the fiscal year ended June 30, 2007, were as follows (amounts expressed in thousands):

<u>Transfers from</u>	<u>Transfers to</u>					<u>Totals</u>
	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	
SCRS	\$ -	\$ 1,614	\$ 52	\$ 79	\$ -	\$ 1,745
PORS						-
GARS						-
JSRS						-
NGRS						-
<b>Totals</b>	<u>\$ -</u>	<u>\$ 1,614</u>	<u>\$ 52</u>	<u>\$ 79</u>	<u>\$ -</u>	<u>\$ 1,745</u>

The following schedule reflects amounts due to or from other systems as of June 30, 2007, (amounts expressed in thousands):

<u>Due from</u>	<u>Due to</u>					<u>Totals</u>
	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	
SCRS	\$ -	\$ 346	\$ -	\$ 70	\$ -	\$ 416
PORS	170		4			174
GARS	15			66		81
JSRS						-
NGRS						-
<b>Totals</b>	<u>\$ 185</u>	<u>\$ 346</u>	<u>\$ 4</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 671</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 34 percent of combined contribution revenues. In addition, the Systems receives custodial and related services from the State Treasurer.

At June 30, 2007, liabilities of approximately \$34.3 million were due to other state departments and agencies, and contributions receivable of approximately \$18.67 million were due from other state departments and agencies.

The National Guard Retirement System received state-appropriated contributions in the amount of \$3.9 million during the fiscal year. This amount was made up of the annual required contribution plus \$926,000 to fund the reopening of the plan effective January 1, 2007, to guardsmen who became members of the South Carolina National Guard after June 30, 1993. In addition, the Systems received state appropriations in the amount of \$50,000 to cover some of the costs associated with the administration of the plan.

As discussed in Note III, the Retirement System Investment Commission was established by Act 153 with an effective date of October 1, 2005. The Investment Commission is considered a separate state agency; however, the expenses of the Commission are funded by transfers from the Systems. Transfers in the amount of approximately \$2.3 million were made to the Commission during the fiscal year.

### VII. Teacher and Employee Retention Incentive Program

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

A total of 9,049 members were actively participating in the TERI program at June 30, 2007. The activity for this program is reflected in the following schedule:

#### Schedule of TERI Activity Year Ended June 30, 2007 (Amounts expressed in thousands)

Beginning Liability Balance	\$ 670,527
Additions	240,580
TERI Distributions	<u>(269,357)</u>
Ending Liability Balance	<u>\$ 641,750</u>

### VIII. Litigation

1. *Howard Duvall v. South Carolina Budget and Control Board, South Carolina Retirement Systems*, 03-ALJ-30-0448, is an appeal from a contested case in the Administrative Law Court. The Petitioner is the Executive Director of the Municipal Association of South Carolina, who received payment for excess annual leave (above the allowable 45 days). The Retirement Systems excluded these payments from the Petitioner's average final compensation for determining retirement benefits. The Administrative Law Judge agreed with the Retirement Systems and the Petitioner filed an appeal to the

Court of Commons Pleas for Richland County. The Circuit Court ruled in favor of the Retirement Systems and Petitioner has appealed to the South Carolina Court of Appeals. After briefs were served and filed with the Court of Appeals by both parties, the Supreme Court took the case. We are awaiting notice from the Supreme Court regarding when they will decide the matter. If the Petitioner prevails in the appeal, his monthly retirement benefit would increase significantly retroactive to October 1, 2003. The Board and the Retirement Systems vigorously oppose the appeal and will seek to have the decision by the Circuit Court affirmed. A favorable outcome is expected.

2. *Nancy Layman et al. v. South Carolina Retirement System and the State of South Carolina*, Case Number 05-CP-40-2785. In May, 2006, the Supreme Court ruled that Act 153, which had been enacted by the General Assembly in 2005, and which required certain retirees, including participants in the Teacher and Employee Retention Incentive (TERI) program, to remit employee contributions to the Retirement Systems, violated the contract rights of the TERI participants who were in the program on or before June 30, 2005. The Supreme Court ordered that all contributions from the TERI participants that had been collected since July 1, 2005, should be refunded, with interest, and that no future contributions from the TERI participants be collected. The Supreme Court remanded to the trial court the question of whether the Retirement Systems is liable for Plaintiffs' attorneys' fees. The trial court awarded \$8.66 million in favor of the Plaintiffs' attorneys. The Retirement Systems has appealed, as have the Plaintiffs. The Plaintiffs claim that the trial court erred in not awarding fees of approximately \$20 million. The Retirement Systems' position with regard to this unprecedented award is that no fees should have been shifted to the State or the agency as our defense of the Plaintiffs' claims was substantially justified and, in the alternative, the amount of the award is unreasonable. Oral arguments before the Supreme Court in the fee matter were held on September 19, 2007.

2(a). As part of the *Layman* decision, the Supreme Court also remanded the claims of persons enrolled in the "working retiree program" for determination by the trial court, although the Supreme Court found that the statute creating the working retiree program did not create a contract between the state and the participants in that program. Discovery regarding these issues is underway, and it is premature to estimate any potential loss associated with them. However, as of August 20, 2007, the Retirement Systems had collected approximately \$20.4 million in the form of retirement contributions from

## Financial Section

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members of the South Carolina Retirement System who retired prior to July 1, 2005, and returned to work. If the Plaintiffs were to prevail, these contributions would be refunded to the members and no future contributions could be collected from them. The Retirement Systems intends to vigorously contest these claims.

3. *Arnold et al. v. the South Carolina Police Officers Retirement System, the South Carolina Retirement System and the State of South Carolina*, Civil Action Number 2005-CP-22-756, is a putative class action case, filed on August 9, 2005, alleging that provisions in Act 153 requiring working retirees in the Police Officers Retirement System and the South Carolina Retirement System to make employee contributions are unconstitutional and illegal. Specifically, the plaintiffs allege that the provisions of Act 153 requiring working retirees to make contributions impairs contractual rights, constitutes an unlawful taking of property, and violates due

process. Plaintiffs seek a declaration that provisions in Act 153 affecting members who retired prior to July 1, 2005, are unconstitutional, an injunction enjoining the defendants from collecting employee contributions from plaintiffs, and a refund of all contributions paid by working retirees under Act 153, including attorney's fees. As of August 20, 2007, the Retirement Systems had collected approximately \$6.4 million in the form of retirement contributions from members of the South Carolina Police Officers Retirement System who retired prior to July 1, 2005 and returned to work. If the plaintiffs were to prevail, these contributions would be refunded to the members of the Police Officers Retirement System and no future contributions could be collected from them. (See 2(a) for an explanation of the South Carolina Retirement System's exposure). The defendants believe their defense is meritorious and will vigorously contest the case.

## Financial Section

### South Carolina Retirement Systems Required Supplementary Information

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

#### Schedule of Funding Progress (Amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b - a)/c
<b>SCRS</b>						
7/01/06	\$22,293,446	\$32,018,519	\$9,725,073	69.6%	\$6,733,379	144.4%
7/01/05	21,625,510	30,217,471	8,591,961	71.6%	6,356,489	135.2%
7/01/04	20,862,659	25,977,852	5,115,193	80.3%	6,180,599	82.8%
7/01/03	20,197,936	24,398,931	4,200,995	82.8%	6,240,768	67.3%
7/01/02	19,298,174	22,446,574	3,148,400	86.0%	6,147,712	51.2%
7/01/01	18,486,773	21,162,147	2,675,374	87.4%	6,017,537	44.5%
<b>PORS</b>						
7/01/06	2,935,841	3,466,281	530,440	84.7%	931,815	56.9%
7/01/05	2,774,606	3,173,930	399,324	87.4%	850,610	46.9%
7/01/04	2,616,835	2,984,584	367,749	87.7%	822,448	44.7%
7/01/03	2,511,369	2,744,849	233,480	91.5%	800,394	29.2%
7/01/02	2,351,100	2,527,876	176,776	93.0%	757,393	23.3%
7/01/01	2,197,982	2,324,257	126,275	94.6%	757,335	16.7%
<b>GARS</b>						
7/01/06	46,075	69,734	23,659	66.1%	3,854	613.9%
7/01/05	46,316	69,161	22,845	67.0%	3,853	592.9%
7/01/04	45,087	68,332	23,245	66.0%	3,839	605.5%
7/01/03	44,682	66,619	21,937	67.1%	3,844	570.8%
7/01/02	43,841	73,046	29,205	60.0%	4,515	646.9%
7/01/01	42,788	68,291	25,503	62.7%	4,761	535.6%
<b>JSRS</b>						
7/01/06	124,837	211,384	86,547	59.1%	15,929	543.3%
7/01/05	118,888	204,847	85,959	58.0%	15,465	555.8%
7/01/04	112,016	185,052	73,036	60.5%	14,870	491.2%
7/01/03	106,114	166,655	60,541	63.7%	14,437	419.3%
7/01/02	100,074	166,440	66,366	60.1%	14,211	467.0%
7/01/01	94,795	159,246	64,451	59.5%	14,109	456.8%
<b>NGRS</b>						
7/01/06	14,046	48,755	34,709	28.8%	N/A	N/A
6/30/05	12,151	46,985	34,835	25.9%	N/A	N/A
6/30/04	13,567	47,281	33,714	28.7%	N/A	N/A
6/30/02	12,608	44,678	32,069	28.2%	N/A	N/A
6/30/00*	11,089	43,427	32,338	25.5%	N/A	N/A
6/30/98	8,640	41,478	32,839	20.8%	N/A	N/A
6/30/96	6,259	36,756	30,497	17.0%	N/A	N/A

\*As of April 30, 2000

## Financial Section

# South Carolina Retirement Systems Required Supplementary Information (continued)

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

Year Ended June 30,	SCRS		PORS		GARS		JSRS		NGRS	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Pension Cost <sup>1</sup>	Percentage Contributed
2007	\$ 644,350	100%	\$ 106,753	100%	\$ 2,358	100%	\$ 6,706	100%	\$ 3,948	130.6%
2006	577,468	100%	100,281	100%	2,171	100%	6,511	100%	2,969	132.8%
2005	538,809	100%	90,528	100%	2,890	100%	6,260	100%	2,887	69.2%
2004	515,996	100%	87,922	100%	2,731	100%	6,078	100%	2,796	71.4%
2003	512,345	100%	86,563	100%	2,577	100%	6,014	100%	2,804	71.2%
2002	509,044	100%	88,608	100%	2,627	100%	5,993	100%	2,938	72.6%

<sup>1</sup>The Annual Pension Cost (APC) for the National Guard Retirement System includes both the Annual Required Contribution (ARC) and the discounted present value of the balance of the net pension obligation.

## Notes to Required Supplementary Information

Additional information as of the latest actuarial valuations follows.

### Actuarial Assumptions and Methods

	SCRS	PORS	GARS	JSRS	NGRS
Valuation date	07/01/06	07/01/06	07/01/06	07/01/06	07/01/06
Actuarial cost method	Entry age				
Amortization period	Level percent open	Level percent open	Level percent closed	Level percent open	Level dollar open
Remaining amortization period	30 years	18 years	19 years	29 years	30 years
Asset valuation method	5-year smoothed market				
Actuarial assumptions:					
Investment rate of return	7.25%	7.25%	7.25%	7.25%	7.25%
Projected salary increases	4.00% - 8.00%	4.50% - 11.50%	None	3.25%	None
Includes inflation at	3.00%	3.00%	3.00%	3.00%	3.00%
Cost-of-living adjustments	Automatic 1% <sup>2</sup>	None	None	3.25%	None

<sup>2</sup>Beginning the July 1st following one year of receiving benefits, the monthly benefit amount will increase by the calendar year change in CPI but not to exceed 1 percent. Additional ad hoc COLAs may be paid as approved by the State Budget and Control Board and based upon the financial condition of the System.

## Financial Section

# South Carolina Retirement Systems Schedule of Changes in Plan Net Assets SCRS Pension Trust Fund Year Ended June 30, 2007

With comparative totals for the year ended June 30, 2006  
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE FUND	TOTALS	TOTALS 2006
<b>Additions</b>					
Employee contributions					
State department employees	\$ 155,481	\$ 7,003		\$ 162,484	\$ 169,870
Public school employees	208,029	16,991		225,020	219,093
Other political subdivision employees	114,331	3,287		117,618	109,482
Employer contributions					
State department employees		210,108	\$ 4,371	214,479	194,626
Public school employees		280,667	5,423	286,090	254,878
Other political subdivision employees		141,514	2,267	143,781	127,964
Total contributions	<u>477,841</u>	<u>659,570</u>	<u>12,061</u>	<u>1,149,472</u>	<u>1,075,913</u>
Investment Income					
Net appreciation (depreciation) in fair value of investments		2,294,350	12,328	2,306,678	519,348
Interest and dividend income		710,540	3,812	714,352	632,106
Investment expense		(31,817)	(171)	(31,988)	(26,458)
Net income from investing activities		<u>2,973,073</u>	<u>15,969</u>	<u>2,989,042</u>	<u>1,124,996</u>
From securities lending activities:					
Securities lending income		253,111	1,360	254,471	171,278
Securities lending expense		(242,998)	(1,306)	(244,304)	(161,635)
Net income from securities lending activities		<u>10,113</u>	<u>54</u>	<u>10,167</u>	<u>9,643</u>
Total net investment income		<u>2,983,186</u>	<u>16,023</u>	<u>2,999,209</u>	<u>1,134,639</u>
Supplemental retirement benefits funded by the State		1,532		1,532	1,741
Transfers of contributions from other Systems					13
Total additions	<u>477,841</u>	<u>3,644,288</u>	<u>28,084</u>	<u>4,150,213</u>	<u>2,212,306</u>
<b>Deductions</b>					
Refunds of contributions to members	77,212			77,212	108,569
Transfers of contributions to other Systems	1,166	579		1,745	3,233
Regular retirement benefits		1,505,080		1,505,080	1,316,123
Deferred retirement benefits		240,580		240,580	321,374
Supplemental retirement benefits		1,532		1,532	1,741
Group life insurance claims			15,948	15,948	14,875
Depreciation		107		107	107
Administrative expense		16,314	88	16,402	15,205
Total deductions	<u>78,378</u>	<u>1,764,192</u>	<u>16,036</u>	<u>1,858,606</u>	<u>1,781,227</u>
Interfund transfers according to statutory requirements					
Contributions by members at retirement	(361,671)	361,671			
Interest credited to members' accounts	197,789	(197,789)			
Net interfund transfers	<u>(163,882)</u>	<u>163,882</u>			
Net increase	<u>235,581</u>	<u>2,043,978</u>	<u>12,048</u>	<u>2,291,607</u>	<u>431,079</u>
Net assets held in trust for Pension Benefits					
Beginning of year	5,229,175	16,903,463	118,924	22,251,562	21,820,483
End of year	<u>\$ 5,464,756</u>	<u>\$ 18,947,441</u>	<u>\$ 130,972</u>	<u>\$ 24,543,169</u>	<u>\$ 22,251,562</u>

## Financial Section

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

## *PORS Pension Trust Fund*

**Year Ended June 30, 2007**

With comparative totals for the year ended June 30, 2006

*(Amounts expressed in thousands)*

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE FUND	ACCIDENTAL DEATH FUND	TOTALS	TOTALS 2006
<b>Additions</b>						
Employee contributions						
State department employees	\$ 25,346	\$ 1,171			\$ 26,517	\$ 24,898
Public school employees	34	122			156	166
Other political subdivision employees	41,174	2,794			43,968	42,330
Employer contributions						
State department employees		38,181	\$ 740	\$ 740	39,661	37,310
Public school employees		210	4	4	218	174
Other political subdivision employees		64,526	1,210	1,138	66,874	62,797
Total contributions	<u>66,554</u>	<u>107,004</u>	<u>1,954</u>	<u>1,882</u>	<u>177,394</u>	<u>167,675</u>
Investment Income						
Net appreciation (depreciation) in fair value of investments		272,118	2,175	2,644	276,937	61,997
Interest and dividend income		98,437	785	953	100,175	79,680
Investment expense		(3,853)	(31)	(37)	(3,921)	(3,190)
Net income from investing activities		<u>366,702</u>	<u>2,929</u>	<u>3,560</u>	<u>373,191</u>	<u>138,487</u>
From securities lending activities:						
Securities lending income		35,747	286	347	36,380	22,411
Securities lending expense		(34,340)	(274)	(334)	(34,948)	(21,113)
Net income from securities lending activities		<u>1,407</u>	<u>12</u>	<u>13</u>	<u>1,432</u>	<u>1,298</u>
Total net investment income		<u>368,109</u>	<u>2,941</u>	<u>3,573</u>	<u>374,623</u>	<u>139,785</u>
Supplemental retirement benefits funded by the State		55			55	60
Transfers of contributions from other Systems	1,035	579			1,614	3,026
Total additions	<u>67,589</u>	<u>475,747</u>	<u>4,895</u>	<u>5,455</u>	<u>553,686</u>	<u>310,546</u>
<b>Deductions</b>						
Refunds of contributions to members	12,543				12,543	13,248
Transfers of contributions to other Systems						
Regular retirement benefits		180,135			180,135	165,834
Supplemental retirement benefits		55			55	60
Group life insurance claims			1,919		1,919	1,821
Accidental death benefits				1,198	1,198	1,183
Depreciation		11			11	11
Administrative expense		2,130	17	21	2,168	1,957
Total deductions	<u>12,543</u>	<u>182,331</u>	<u>1,936</u>	<u>1,219</u>	<u>198,029</u>	<u>184,114</u>
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(42,520)	42,520				
Interest credited to members' accounts	23,489	(23,489)				
Net interfund transfers	<u>(19,031)</u>	<u>19,031</u>				
Net increase	<u>36,015</u>	<u>312,447</u>	<u>2,959</u>	<u>4,236</u>	<u>355,657</u>	<u>126,432</u>
Net assets held in trust for Pension Benefits						
Beginning of year	<u>622,008</u>	<u>2,275,010</u>	<u>23,156</u>	<u>28,150</u>	<u>2,948,324</u>	<u>2,821,892</u>
End of year	<u>\$ 658,023</u>	<u>\$ 2,587,457</u>	<u>\$ 26,115</u>	<u>\$ 32,386</u>	<u>\$ 3,303,981</u>	<u>\$ 2,948,324</u>

## Financial Section

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

## *GARS Pension Trust Fund*

**Year Ended June 30, 2007**

With comparative totals for the year ended June 30, 2006

*(Amounts expressed in thousands)*

	EMPLOYEE FUND	EMPLOYER FUND	TOTALS	TOTALS 2006
<b>Additions</b>				
Contributions				
Employee contributions - State departments	\$ 551		\$ 551	\$ 543
Employer contributions - State departments		\$ 2,358	2,358	2,171
Total contributions	551	2,358	2,909	2,714
Investment Income				
Net appreciation (depreciation) in fair value of investments		4,559	4,559	657
Interest and dividend income		1,436	1,436	1,472
Investment expense		(66)	(66)	(54)
Net income from investing activities		5,929	5,929	2,075
From securities lending activities:				
Securities lending income		527	527	217
Securities lending expense		(506)	(506)	(206)
Net income from securities lending activities		21	21	11
Total net investment income		5,950	5,950	2,086
Transfers of contributions from other Systems	52		52	41
Total additions	603	8,308	8,911	4,841
<b>Deductions</b>				
Refunds of contributions to members	70		70	
Transfers of contributions to other Systems				65
Regular retirement benefits		5,935	5,935	5,726
Group life insurance claims		5	5	17
Depreciation				
Administrative expense		34	34	33
Total deductions	70	5,974	6,044	5,841
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(1,194)	1,194		
Interest credited to members' accounts	302	(302)		
Net interfund transfers	(892)	892		
Net increase (decrease)	(359)	3,226	2,867	(1,000)
Net assets held in trust for Pension Benefits				
Beginning of year	8,094	37,585	45,679	46,679
End of year	\$ 7,735	\$ 40,811	\$ 48,546	\$ 45,679

## Financial Section

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

### *JSRS Pension Trust Fund*

**Year Ended June 30, 2007**

With comparative totals for the year ended June 30, 2006

*(Amounts expressed in thousands)*

	EMPLOYEE FUND	EMPLOYER FUND	TOTALS	TOTALS 2006
<b>Additions</b>				
Contributions				
Employee contributions - State departments	\$ 1,705		\$ 1,705	\$ 1,526
Employer contributions - State departments		\$ 6,706	6,706	6,511
Total contributions	<u>1,705</u>	<u>6,706</u>	<u>8,411</u>	<u>8,037</u>
Investment Income				
Net appreciation (depreciation) in fair value of investments		11,915	11,915	2,139
Interest and dividend income		4,209	4,209	3,711
Investment expense		(167)	(167)	(135)
Net income from investing activities		<u>15,957</u>	<u>15,957</u>	<u>5,715</u>
From securities lending activities:				
Securities lending income		1,523	1,523	910
Securities lending expense		(1,463)	(1,463)	(864)
Net income from securities lending activities		<u>60</u>	<u>60</u>	<u>46</u>
Total net investment income		<u>16,017</u>	<u>16,017</u>	<u>5,761</u>
Transfers of contributions from other Systems	79		79	218
Total additions	<u>1,784</u>	<u>22,723</u>	<u>24,507</u>	<u>14,016</u>
<b>Deductions</b>				
Refunds of contributions to members				20
Regular retirement benefits		10,348	10,348	9,677
Group life insurance claims		381	381	124
Depreciation		1	1	
Administrative expense		91	91	83
Total deductions		<u>10,821</u>	<u>10,821</u>	<u>9,904</u>
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(5,326)	5,326		
Interest credited to members' accounts	684	(684)		
Net interfund transfers	<u>(4,642)</u>	<u>4,642</u>		
Net increase (decrease)	<u>(2,858)</u>	<u>16,544</u>	<u>13,686</u>	<u>4,112</u>
Net assets held in trust for Pension Benefits				
Beginning of year	<u>21,857</u>	<u>101,648</u>	<u>123,505</u>	<u>119,393</u>
End of year	<u>\$ 18,999</u>	<u>\$ 118,192</u>	<u>\$ 137,191</u>	<u>\$ 123,505</u>

## Financial Section

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

#### *NGRS Pension Trust Fund*

**Year Ended June 30, 2007**

With comparative totals for the year ended June 30, 2006

*(Amounts expressed in thousands)*

	TOTALS 2007	TOTALS 2006
<b>Additions</b>		
Contributions		
State appropriated contributions	\$ 3,948	\$ -
Total contributions	3,948	-
Investment Income		
Net appreciation (depreciation) in fair value of investments	1,270	(253)
Interest income	727	342
Investment expense	(5)	
Income from investing activities	1,992	89
From securities lending activities:		
Securities lending income	224	7
Securities lending expense	(214)	(7)
Net income from securities lending activities	10	-
Total net investment income	2,002	89
State Appropriation for Administrative Expenses	50	300
Total additions	6,000	389
<b>Deductions</b>		
Regular retirement benefits	2,926	1,371
Administrative charges	59	204
Total deductions	2,985	1,575
Net increase (decrease) before transfer	3,015	(1,186)
Transfer from the State Adjutant General's Office	-	14,064
Net increase	3,015	12,878
Net assets held in trust for Pension Benefits		
Beginning of year	12,878	-
End of year	\$ 15,893	\$ 12,878

## Financial Section

### Schedule of Administrative Expenses For the Year Ended June 30, 2007 (Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
<b>Personal Services</b>						
Salaries and Wages	\$ 7,396	\$ 978	\$ 15	\$ 41	\$ 4	\$ 8,434
Employee Benefits	1,991	263	4	11	1	2,270
<b>Contractual Services</b>						
Data Processing Services	1,404	186	3	8	16	1,617
Medical & Health Services	636	84	1	4	1	726
Financial Audit	27	4			3	34
Actuarial Services	232	31	1	1	32	297
Other Professional Services	133	18		1		152
Legal Services	258	34	1	1		294
<b>Operating Expenses</b>						
Facilities Management	380	50	1	2		433
Intergovernmental Services	566	75	1	3		645
Transfers to Investment Commission	2,029	268	4	11	1	2,313
Telephone	89	11		1		101
Insurance	42	5		1		48
Postage	379	50	1	2		432
Supplies	213	28	1	1		243
<b>Other Miscellaneous Expenses</b>	627	83	1	3	1	715
	<u>\$ 16,402</u>	<u>\$ 2,168</u>	<u>\$ 34</u>	<u>\$ 91</u>	<u>\$ 59</u>	<u>\$ 18,754</u>

### Schedule of Professional and Consultant Fees For the Year Ended June 30, 2007 (Amounts expressed in thousands)

Professional/Consultant	Nature of Service	Amounts Paid
Adobe Systems	IT Maintenance & Support	\$ 11
Alphanumeric Systems	IT Maintenance	31
Beeline.com	Application Development Resources	753
Cavanaugh Macdonald Consulting	Actuary Services	32
Cost Effectiveness Measurement	Benchmarking Services	35
Document Systems Inc.	IT Tape Storage & Imaging Records Storage	17
EMC Corp	IT Maintenance & Support	29
Gergel Nickles & Solomon PA	Legal Services	9
Helma Bernardini	IT Maintenance	11
Hewlett Packard	IT Equipment & Maintenance	125
Hollenbeck & Associates LLC	Disability Case Evaluations	22
Leonard & Associates	Disability Case Evaluations	16
Liebert Corp	IT Maintenance & Support	11
Milliman USA	Actuary Services	266
Oracle Corp	Database License & Support Maintenance	24
Piggly Wiggly Carolina Co Inc (Tri-State Printing)	Printing - Popular Annual Financial Report	31
Professional Printers	Printing - Comprehensive Annual Financial Report	7
Psychological & Training Services	Disability Case Evaluations	14
Rogers & Laban	Financial Audit	34
SAP Public Services	SAP Software Licenses & Maintenance	10
Software AG Inc.	IT Enterprise License & Maintenance	65
Southern Imaging Group	Annual Member Statements	40
Sowell Gray Stepp & Laffitte	Attorney Fees	276
Summit Strategies Inc	Optional Retirement Plan Consultants	65
Sunguard Availability Service	IT Disaster Recovery	24
TeamIA Inc	Imaging Maintenance/Auditing	179
The RL Bryan Co	Printing - Member Handbooks	24
Vocational Rehabilitation	Disability Case Evaluations	726
		<u>\$ 2,887</u>

## Financial Section

### South Carolina Retirement Systems Schedule of Investment Fees and Expenses Year Ended June 30, 2007 (Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
<b>Equity Investment Managers Fees:</b>						
AllianceBernstein, LP (Large Cap Value) <sup>1</sup>	\$ 938	\$ 110	\$ 2	\$ 5		\$ 1,055
AllianceBernstein, LP (Large Cap Growth) <sup>1</sup>	337	41	1	1		380
Aquiline Capital Partners, LLC <sup>2</sup>	2,101	275	4	12	\$ 1	2,393
Barclays Global Investors, N.A.	1,256	150	2	6	1	1,415
Batterymarch Financial Management, Inc.	1,230	145	3	6		1,384
Wells Capital Management, Inc. (Benson Value Team)	2,110	257	5	11		2,383
ClariVest Asset Management, LLC	1,088	128	2	6		1,224
Fidelity Management Trust Company	2,266	270	5	11		2,552
Flippin, Bruce & Porter, Inc. <sup>3</sup>	696	83	1	4		784
Integrity Asset Management, LLC	878	103	2	4		987
Legg Mason Capital Management, Inc.	1,439	176	3	7		1,625
Pzena Investment Management, LLC	1,750	215	4	9		1,978
Russell Investment Group <sup>4</sup>	82	10		1		93
Sands Capital Management, LP <sup>5</sup>	1,514	185	3	8		1,710
State Street Global Advisors Russell 2000 Index Fund	134	16		1		151
State Street Global Advisors S&P 500 Index Fund	165	20	1	1		187
TimesSquare Capital Management, LLC	2,355	287	5	12		2,659
Thompson, Siegel & Walmsley, Inc.	1,405	165	3	7		1,580
Turner Investment Partners, Inc.	1,556	182	3	8		1,749
WCM Investment Management	2,447	300	5	13		2,765
Wellington Management Company, LLP <sup>6</sup>	2,672	320	5	14		3,011
Totals	28,419	3,438	59	147	2	32,065
<b>Investment Expenses:</b>						
Limited Partnership Expenses	2,195	287	4	12	2	2,500
Bank Fees	1,374	196	3	8	1	1,582
Totals	\$ 31,988	\$ 3,921	\$ 66	\$ 167	\$ 5	\$ 36,147
<b>Securities Lending Expenses:</b>						
Borrower Rebates	\$ 244,304	\$ 34,948	\$ 506	\$ 1,463	\$ 214	\$ 281,435
<b>Total Investment Fees and Expenses</b>	\$ 276,292	\$ 38,869	\$ 572	\$ 1,630	\$ 219	\$ 317,582

<sup>1</sup>The contract with AllianceBernstein, LP (large cap value and large cap growth) was terminated June 2007.

<sup>2</sup>Aquiline Capital Partners, LLC was funded March 28, 2007.

<sup>3</sup>The contract with Flippin, Bruce & Porter, Inc., was terminated June 2007.

<sup>4</sup>Russell Investment Group was funded May 29, 2007.

<sup>5</sup>The contract with Sands Capital Management, LP, was terminated June 2007.

<sup>6</sup>The contract with Wellington Management Company, LP, was terminated June 2007.



# Investment Section

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## Investment Section

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STATE OF SOUTH CAROLINA

### OFFICE OF THE STATE TREASURER

CONVERSE A. CHELLIS III, CPA

October 24, 2007

The Honorable Mark Sanford  
Governor, State of South Carolina  
Members of the General Assembly of South Carolina

Dear Governor and Members:

As Custodian of funds for the South Carolina Retirement Systems (SCRS), I am pleased to submit the following information on the SCRS investments for Fiscal Year ended June 30, 2007.

During the Fiscal Year 2007, the Chief Investment Officer with the approval of the S C Retirement Investment Commission hired several new managers to further diversify the portfolio. The funding of these new managers began in June 2007. Throughout the year, the Commission continued to diversify the portfolio in accordance with its Annual Investment Plan.

The core fixed income sector, which is managed by this office, has provided the primary source of funds for the diversification program and will continue to do so as we move forward in time. Given the increased requirement for integration of the investment mission for this portfolio and the Retirement System's other assets, it became appropriate that investment management of the core fixed income portfolio be transferred to the direct control of the Commission. Accordingly, effective July 1, 2007, at the conclusion of the 2007 fiscal year, this responsibility was so transferred.

The investment return attained for this year in the consolidated portfolio was 13.35 percent and 8.62 percent, 8.84 percent and 7.02 percent for the three, five and ten year periods respectively. This compares with the assumed actuarial interest rate of 7.25 percent.

As of fiscal year end, the equity portion of the portfolio had grown to 57.8 percent with 47 percent invested in a passively managed account and the remainder in actively managed accounts. The equity allocation returned 18.69 percent for the fiscal year ending June 30, 2007 slightly underperforming the S&P 500 Index and the Russell 3000

## Investment Section

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Index, which returned 20.59 percent and 26.08 percent respectively. The return for the equity portfolio was 11.68 percent and 10.82 percent for the three and five-year periods respectively.

The bond market was relatively stable during the fiscal year. The Federal Reserve continued its policy of vigilance, influenced by inflation expectations. Federal Reserve policy could best be described as neutral/restrictive with Federal Funds remaining at 5.25% throughout the fiscal year. Accordingly, the bond market offered little volatility, and returns were largely confined to coupon income, although sector and duration judgments contributed to the portfolio's outperforming benchmarks.

The core fixed income portfolio management of which the Treasurer's office was directly responsible, performed exceptionally well for this fiscal year, outperforming the market indices and our private sector peers, at a fraction of the cost. Our return for this past fiscal year was 7.02 percent, exceeding by 15%, the Lehman Aggregate Index, the benchmark for this portfolio, which returned 6.12 percent. The return for the fixed income portfolio was 4.82 percent, 5.47 percent and 6.75 percent for the three, five and ten-year period respectively.

Following the end of the fiscal year, the nationwide collapse in housing, the related seizing up of the credit markets and the risk that these conditions would spread into the economy at large forced the Federal Reserve to act to ease credit conditions. In addition to encouraging banks to borrow from the Federal Reserve to address these specific credit issues, the Federal Reserve also cut the discount rate twice and also reduced the inter-bank lending rate (Federal Funds) to 4.75% for the first time since that rate reached its peak level in this cycle of 5.25% in mid 2006. In taking this action, the Federal Reserve has signaled its concern for the economy and proper functioning of the credit markets, while moving with restraint to remain vigilant on the inflation issue.

Accordingly, it appears at this time that an expected slowdown in growth of the economy can be accomplished without it deteriorating into recession. Against this background, the more diversified investment program, which is in the process of development and implementation, is designed to produce enhanced returns and promote the long-term goals of the Retirement System.

As Custodian of funds, it gives me great pleasure to provide this information.

Yours very truly,



Converse A. Chellis III, CPA  
Treasurer

CAC/afw

# Investment Section

Reynolds Williams  
Chairman

James R. Powers  
Vice Chairman

Converse A. Chellis, III, CPA  
State Treasurer

Robert L. Borden, CFA  
Chief Investment Officer

## State of South Carolina Retirement System Investment Commission



Post Office Box 11960  
COLUMBIA, SOUTH CAROLINA 29211

Blaine Ewing

Allen R. Gillespie, CFA

S. Travis Pritchett

Nancy E. Shealy  
Administrative Director  
and General Counsel

November 26, 2007

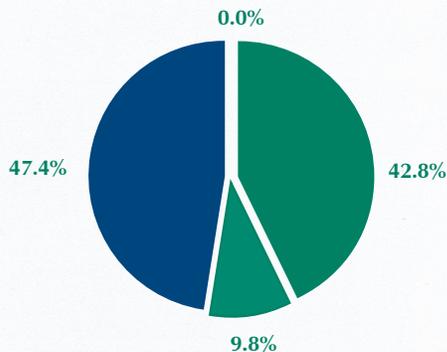
The Honorable Mark Sanford, Governor  
Budget and Control Board  
State of South Carolina  
Members of the General Assembly of South Carolina

Dear Ladies and Gentlemen:

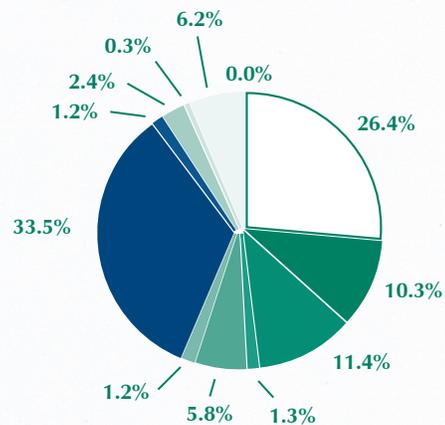
It is our pleasure to provide the report on the investments of the South Carolina Retirement Systems' (Retirement Systems) portfolio by the Investment Commission. We are happy to report that with the February 2007 ratification of an amendment to Section 16, Article X of the state constitution, which effectively broadened the opportunity set for diversifying the investments in the portfolio, the redeployment of the Retirement Systems' assets has been significantly implemented.

Fiscal year 2006 was noteworthy for the creation of the Investment Commission and the structure through which the Retirement Systems' assets could be reallocated into an appreciably improved investment mix. In its turn, fiscal year 2007 was remarkable for building upon this to construct and make major progress toward implementing an asset allocation that we believe will greatly improve the risk and return profile of the portfolio. From a portfolio that was essentially 50% US stocks and 50% US high quality bonds at the beginning of the fiscal year, the portfolio as of October 31, 2007, was well on its way toward being diversified among thirteen broad asset classes.

**June 30, 2006\***



**October 31, 2007\***

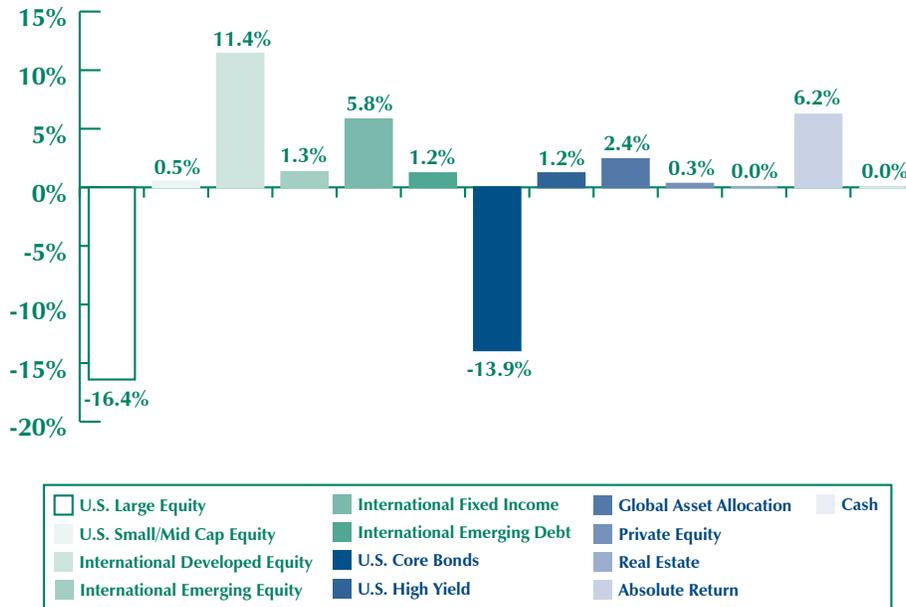


\*See legend on the next page for asset classes.

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# Investment Section

## Asset Allocation Weight Change



The Statement of Investment Objectives (SIO) and Policies (SIP) cover the general guidelines and the goals for the investment of the Retirement Systems' assets. The investment program is implemented through an Annual Investment Plan (AIP) which details the target asset allocation and the rules by which the managers of the assets must comply. Additionally, the AIP sets forth rebalancing procedures, permissible investments, and benchmarks for performance evaluation. Each fiscal year, the goals, objectives and policies of the investment program are reviewed and updated to ensure that the portfolio is managed to achieve the goals of the Retirement Systems with appropriate fiduciary oversight.

As of June 30, 2007, the Retirement Systems' portfolio totaled \$28.56 billion, up from \$25.97 billion a year earlier. At fiscal year end, exposures in the portfolio were 32.8% in US large cap equities, 10.0% in US smallcap equities, 6.8% in international developed market equities, 4.2% in international fixed income, 40.0% in US high quality bonds, 0.1% in private equity, and 6.1% in cash. The shifts from the prior year's allocation to this one occurred mainly in May and June, with more major reallocations occurring after June to arrive at the October 31, 2007, picture shown above.

Unfortunately, due to the previous lack of diversification in the portfolio, the investment returns for the Retirement Systems have lagged its peers. For the one-, three- and five-year periods ended June 30, 2007, the total portfolio returned, gross of fees, 13.35 percent, 8.62 percent and 8.84 percent, respectively, lagging the ICC Large Fund Universe (a commonly used industry database of plan sponsors with assets exceeding \$1 billion) median return by 445, 418, and 276 basis points, respectively. These returns did, however, compare favorably to the assumed actuarial interest rate of 7.25 percent.

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## Investment Section

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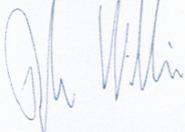
The Commission is committed to using industry best practices to transform South Carolina Retirement Systems' investment program into a top quartile ranked public pension fund, on a risk-adjusted basis, while working to exceed the Commission's target rate of return. We believe that we now have the necessary structure and tools in place to achieve this critical goal. The diversification process and resulting increase in investment performance will not happen overnight, but fiscal year 2007 saw a dramatic step made toward these goals. Particularly due to the difficulty of investing less liquid asset classes such as private equity and real estate, the transition will not be completed in fiscal year 2008, but the majority of the assets will have been reallocated to reflect the approved asset allocation.

The Commission also made significant progress in hiring a highly qualified and professional staff and developing the infrastructure necessary to implement its goals during fiscal year 2007. Also during the year, consulting and investment services were provided by the State Treasurer's Office; Jamison, Eaton & Woods; New England Pension Consultants; Russell Investment Group; and Morgan Stanley.

We are poised for significant, progressive change for the Retirement Systems' investment portfolio. With that change will come great opportunity. We are pleased to be serving the citizens of the State of South Carolina and seizing the opportunity that is before us. The Commission is dedicated to providing complete transparency of its plans, goals, and results to the public.

We are committed to the interests of the members of the Retirement Systems, and we will continue to manage the assets of the fund in a prudent manner, seeking superior returns at acceptable levels of risk. It is a tremendous responsibility and opportunity for us to serve as the Commission's first Chairman and CIO.

Sincerely,



Reynolds Williams, Chairman



Robert L. Borden, CFA

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## Investment Section

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### South Carolina Retirement System

#### Summary of Investment Growth

(Amounts expressed in thousands)

<b>Year Ended June 30,</b>	<b>Market Value of Investments*</b>	<b>% Increase for Year</b>	<b>Net Income from Investments</b>	<b>% Increase for Year</b>
2007	\$ 24,779,857	8.97%	\$ 2,999,209	164.33%
2006	22,741,048	0.99%	1,134,639	-24.20%
2005	22,517,910	5.69%	1,496,887	-14.93%
2004	21,305,463	6.69%	1,759,686	5.83%
2003	19,969,435	8.29%	1,662,781	876.48%
2002	18,440,327	-0.20%	170,284	-86.84%
2001	18,477,867	7.35%	1,293,997	63.33%
2000	17,212,697	4.31%	792,282	101.16%
1999	16,502,052	2.33%	393,856	-79.32%
1998	16,126,828	13.22%	1,904,740	57.12%

### Police Officers Retirement System

#### Summary of Investment Growth

(Amounts expressed in thousands)

<b>Year Ended June 30,</b>	<b>Market Value of Investments*</b>	<b>% Increase for Year</b>	<b>Net Income from Investments</b>	<b>% Increase for Year</b>
2007	\$ 3,257,632	11.66%	\$ 374,623	167.99%
2006	2,917,468	4.31%	139,785	-20.51%
2005	2,796,872	6.52%	175,849	-17.13%
2004	2,625,710	7.90%	212,201	15.22%
2003	2,433,396	8.98%	184,177	886.48%
2002	2,232,967	1.44%	18,670	-87.52%
2001	2,201,277	9.49%	149,574	60.10%
2000	2,010,545	6.49%	93,425	75.27%
1999	1,887,931	4.54%	53,304	-74.37%
1998	1,805,884	15.13%	207,998	57.77%

\*Market value includes investment categories classified as cash equivalents for financial statement purposes. Securities lending assets are excluded.

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## Investment Section

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### General Assembly Retirement System

#### Summary of Investment Growth

(Amounts expressed in thousands)

<u>Year Ended June 30,</u>	<u>Market Value of Investments*</u>	<u>% Increase for Year</u>	<u>Net Income from Investments</u>	<u>% Increase for Year</u>
2007	\$ 47,992	5.98%	\$ 5,950	185.23%
2006	45,282	-2.20%	2,086	-35.58%
2005	46,300	3.42%	3,238	-19.67%
2004	44,771	3.93%	4,031	0.65%
2003	43,078	5.09%	4,005	14,203.57%
2002	40,990	-3.51%	28	-99.07%
2001	42,482	5.16%	3,022	65.41%
2000	40,397	2.44%	1,827	54.83%
1999	39,435	1.79%	1,180	-72.79%
1998	38,742	10.94%	4,337	48.43%

### Judges and Solicitors Retirement System

#### Summary of Investment Growth

(Amounts expressed in thousands)

<u>Year Ended June 30,</u>	<u>Market Value of Investments*</u>	<u>% Increase for Year</u>	<u>Net Income from Investments</u>	<u>% Increase for Year</u>
2007	\$ 135,482	10.93%	\$ 16,017	178.00%
2006	122,128	3.24%	5,761	-29.30%
2005	118,299	6.96%	8,148	-11.35%
2004	110,597	7.73%	9,191	4.50%
2003	102,657	8.70%	8,795	758.05%
2002	94,439	0.01%	1,025	-85.62%
2001	94,426	8.99%	7,128	88.02%
2000	86,637	4.13%	3,791	61.18%
1999	83,198	2.87%	2,352	-75.29%
1998	80,878	13.47%	9,520	60.03%

\*Market value includes investment categories classified as cash equivalents for financial statement purposes. Securities lending assets are excluded.

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## Investment Section

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

<b>Year Ended <u>June 30,</u></b>	<b><u>Market Value of Investments*</u></b>	<b><u>% Increase for Year</u></b>	<b><u>Net Income from Investments</u></b>	<b><u>% Increase for Year</u></b>
2007	\$ 15,714	23.83%	\$ 2,002	2,149.44%
2006	12,690		89	

\*Market value includes investment categories classified as cash equivalents for financial statement purposes. Securities lending assets are excluded.

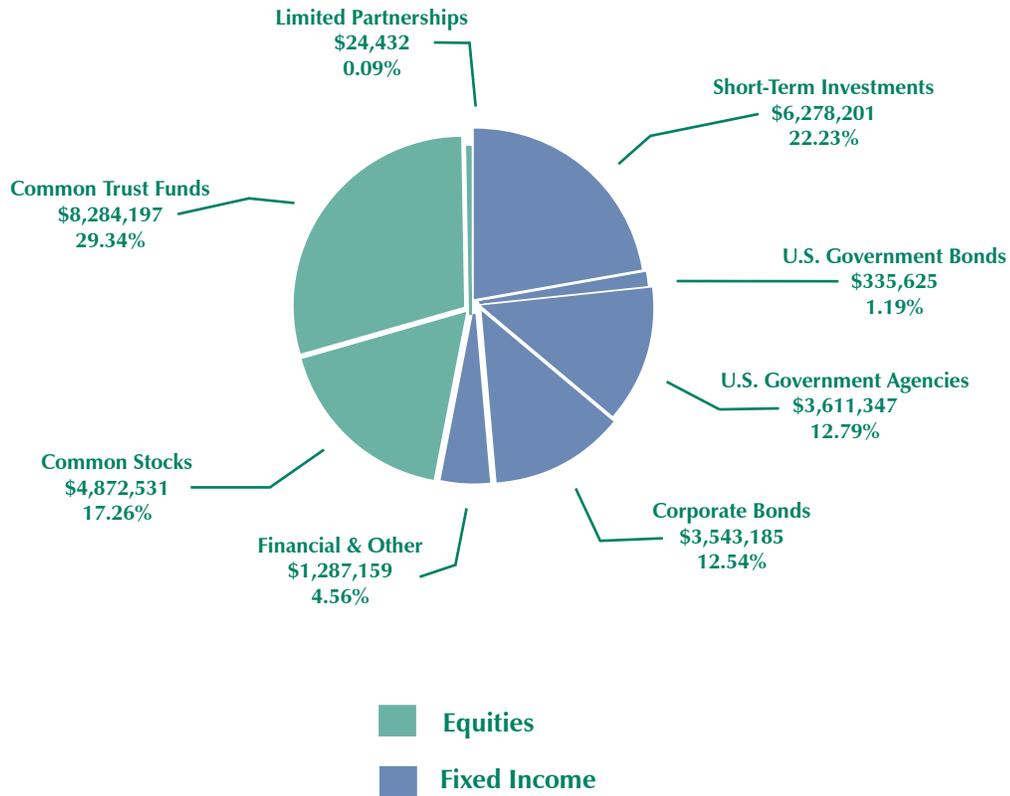
The South Carolina Retirement Systems assumed administrative responsibilities for the National Guard Retirement System January 1, 2006; therefore, prior year data is not presented.

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## Investment Section

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### South Carolina Retirement Systems Schedule of Total Asset Allocation for All Systems Market Value of Investments as of June 30, 2007 (Dollar amounts expressed in thousands)



Note: Short-term investments with an original maturity of three months or less were classified as cash equivalents for financial statement purposes.

## Investment Section

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

	South Carolina Retirement System			Police Officers Retirement System		
	Market Value		% of	Market Value		% of
	06/30/2006	06/30/2007	Market Value at 06/30/07	06/30/2006	06/30/2007	Market Value at 06/30/07
<b>Short-Term Investments:</b>						
Repurchase Agreements	\$ 1,358,482	\$ 4,745,326	19.15%	\$ 350,557	\$ 624,156	19.16%
Money Market Funds	1,982	2,025	0.01%	237	249	0.01%
Commercial Paper	29,685	270,695	1.09%	-	40,087	1.23%
Federal Agencies	19,958	281,790	1.14%	4,990	41,730	1.28%
U.S. Treasury Bills	-	199,428	0.80%	-	26,379	0.81%
Forward Contracts	-	2,267	0.01%	-	289	0.01%
	<u>1,410,107</u>	<u>5,501,531</u>	<u>22.20%</u>	<u>355,784</u>	<u>732,890</u>	<u>22.50%</u>
<b>U.S. Government Agencies &amp; Government Insured:</b>						
Treasury Notes	99,806	86,231	0.35%	-	12,770	0.39%
Treasury Bonds	239,589	203,930	0.82%	27,045	30,200	0.93%
Treasury Bonds (Zero Coupons)	287,358	-	0.00%	47,977	-	0.00%
U.S. Government Agencies	3,398,418	3,115,142	12.57%	352,544	461,318	14.16%
Insured Marine Bonds	25,823	7,011	0.03%	4,393	1,039	0.03%
	<u>4,050,994</u>	<u>3,412,314</u>	<u>13.77%</u>	<u>431,959</u>	<u>505,327</u>	<u>15.51%</u>
<b>Corporate Bonds:</b>						
Industrials	1,780,335	1,292,005	5.21%	185,516	191,332	5.87%
Utilities	1,978,987	1,771,219	7.15%	313,494	262,298	8.05%
Financial & Other	1,515,666	1,112,800	4.49%	193,402	164,793	5.06%
	<u>5,274,988</u>	<u>4,176,024</u>	<u>16.85%</u>	<u>692,412</u>	<u>618,423</u>	<u>18.98%</u>
<b>Convertible Bonds</b>						
	143	-	0.00%	17	-	0.00%
	<u>143</u>	<u>-</u>	<u>0.00%</u>	<u>17</u>	<u>-</u>	<u>0.00%</u>
<b>Common Stock</b>						
	5,509,162	4,319,996	17.43%	662,613	521,160	16.00%
	<u>5,509,162</u>	<u>4,319,996</u>	<u>17.43%</u>	<u>662,613</u>	<u>521,160</u>	<u>16.00%</u>
<b>Common Trust Funds</b>						
	6,495,654	7,348,540	29.66%	774,683	877,028	26.92%
	<u>6,495,654</u>	<u>7,348,540</u>	<u>29.66%</u>	<u>774,683</u>	<u>877,028</u>	<u>26.92%</u>
<b>Limited Partnerships</b>						
	-	21,452	0.09%	-	2,804	0.09%
	<u>-</u>	<u>21,452</u>	<u>0.09%</u>	<u>-</u>	<u>2,804</u>	<u>0.09%</u>
<b>Total Investments</b>	<u>\$ 22,741,048</u>	<u>\$ 24,779,857</u>	<u>100.00%</u>	<u>\$ 2,917,468</u>	<u>\$ 3,257,632</u>	<u>100.00%</u>

Note: Market value excludes securities lending assets.

## Investment Section

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

	General Assembly Retirement System			Judges and Solicitors Retirement System		
	<u>Market Value</u>		% of	<u>Market Value</u>		% of
	06/30/2006	06/30/2007	Market Value at 06/30/07	06/30/2006	06/30/2007	Market Value at 06/30/07
<b>Short-Term Investments:</b>						
Repurchase Agreements	\$ 1,139	\$ 9,397	19.58%	\$ 6,111	\$ 25,825	19.06%
Money Market Funds	4	4	0.01%	10	11	0.01%
Commercial Paper	-	520	1.08%	-	1,602	1.18%
Federal Agencies	-	541	1.13%	-	1,668	1.23%
U.S. Treasury Bills	-	403	0.84%	-	1,104	0.81%
Forward Contracts	-	4	0.01%	-	12	0.01%
	<u>1,143</u>	<u>10,869</u>	<u>22.65%</u>	<u>6,121</u>	<u>30,222</u>	<u>22.30%</u>
<b>U.S. Government Agencies &amp; Government Insured:</b>						
Treasury Notes	-	166	0.35%	9,984	511	0.38%
Treasury Bonds	1,096	391	0.81%	670	1,207	0.89%
Treasury Bonds (Zero Coupons)	-	-	0.00%	-	-	0.00%
U.S. Government Agencies	6,583	5,980	12.46%	15,021	18,441	13.61%
Insured Marine Bonds	-	13	0.03%	-	41	0.03%
	<u>7,679</u>	<u>6,550</u>	<u>13.65%</u>	<u>25,675</u>	<u>20,200</u>	<u>14.91%</u>
<b>Corporate Bonds:</b>						
Industrials	3,989	2,480	5.17%	9,151	7,649	5.65%
Utilities	4,328	3,400	7.08%	11,970	10,485	7.74%
Financial & Other	3,036	2,136	4.45%	7,339	6,588	4.86%
	<u>11,353</u>	<u>8,016</u>	<u>16.70%</u>	<u>28,460</u>	<u>24,722</u>	<u>18.25%</u>
<b>Convertible Bonds</b>	<u>1</u>	<u>-</u>	<u>0.00%</u>	<u>1</u>	<u>-</u>	<u>0.00%</u>
	1	-	0.00%	1	-	0.00%
<b>Common Stock</b>	<u>11,531</u>	<u>9,050</u>	<u>18.86%</u>	<u>28,400</u>	<u>22,325</u>	<u>16.48%</u>
	11,531	9,050	18.86%	28,400	22,325	16.48%
<b>Common Trust Funds</b>	<u>13,575</u>	<u>13,464</u>	<u>28.05%</u>	<u>33,471</u>	<u>37,894</u>	<u>27.97%</u>
	13,575	13,464	28.05%	33,471	37,894	27.97%
<b>Limited Partnerships</b>	<u>-</u>	<u>43</u>	<u>0.09%</u>	<u>-</u>	<u>119</u>	<u>0.09%</u>
	-	43	0.09%	-	119	0.09%
<b>Total Investments</b>	<u>\$ 45,282</u>	<u>\$ 47,992</u>	<u>100.00%</u>	<u>\$ 122,128</u>	<u>\$ 135,482</u>	<u>100.00%</u>

Note: Market value excludes securities lending assets.

## Investment Section

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

<b>National Guard Retirement System</b>			
	<u>Market Value</u>		<b>% of</b>
	<b>06/30/2006</b>	<b>06/30/2007</b>	<b>Market Value at 06/30/07</b>
<b>Short-Term Investments:</b>			
Repurchase Agreements	\$ 5,148	\$ 2,185	13.90%
Money Market Funds	-	-	0.00%
Commercial Paper	-	205	1.30%
Federal Agencies	-	213	1.36%
U.S. Treasury Bills	-	85	0.54%
Forward Contracts	-	1	0.01%
	<u>5,148</u>	<u>2,689</u>	<u>17.11%</u>
<b>U.S. Government Agencies &amp; Government Insured:</b>			
Treasury Notes	-	65	0.41%
Treasury Bonds	-	154	0.98%
Treasury Bonds (Zero Coupons)	-	-	0.00%
U.S. Government Agencies	2,816	2,357	15.00%
Insured Marine Bonds	-	5	0.03%
	<u>2,816</u>	<u>2,581</u>	<u>16.42%</u>
<b>Corporate Bonds:</b>			
Industrials	1,082	977	6.22%
Utilities	1,125	1,340	8.53%
Financial & Other	2,519	842	5.36%
	<u>4,726</u>	<u>3,159</u>	<u>20.11%</u>
<b>Convertible Bonds</b>			
	-	-	-
	-	-	-
<b>Common Stock</b>			
	-	-	-
	-	-	-
<b>Common Trust Funds</b>			
	-	7,271	46.27%
	-	7,271	46.27%
<b>Limited Partnerships</b>			
	-	14	0.09%
	-	14	0.09%
<b>Total Investments</b>	<u>\$ 12,690</u>	<u>\$ 15,714</u>	<u>100.00%</u>

Note: Market value excludes securities lending assets.

## Investment Section

### South Carolina Retirement Systems List of Largest Assets Held As of June 30, 2007

#### Common Trust Funds

<u>Units</u>	<u>Description</u>	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	<u>Market Value</u>
25,268,097	State Street Global Advisors (S&P 500 equity index fund)	\$ 6,438,668,742	\$ 768,696,223	\$ 12,004,929	\$ 33,213,519	\$ 5,576,413	\$ 7,258,159,826
9,184,815	State Street Global Advisors (Russell 2000 equity index fund)	405,155,582	48,070,709	474,668	2,076,395	1,433,535	457,210,889
3,435,005	Barclays Global Investors Alpha Tilts Fund (large cap active core equity fund)	504,715,117	60,261,399	984,885	2,603,325	260,949	568,825,675
<b>Total</b>							\$ 8,284,196,390

#### Top 10 Actively Managed Equity Holdings

<u>Units</u>	<u>Description</u>	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	<u>Market Value</u>
1,466,750	Citigroup Inc	\$ 66,032,593	\$ 8,666,101	\$ 129,137	\$ 360,613	\$ 41,164	\$ 75,229,608
2,733,250	Yahoo Inc	65,087,667	8,542,089	127,289	355,453	40,575	74,153,073
2,101,530	Ebay Inc	59,359,631	7,790,343	116,087	324,171	37,004	67,627,236
1,971,710	Dell Inc	49,410,439	6,484,613	96,630	269,837	30,802	56,292,321
1,171,415	Electronic Arts	48,654,731	6,385,434	95,152	265,710	30,331	55,431,358
1,221,240	Expeditors International	44,271,132	5,810,132	86,579	241,771	27,598	50,437,212
1,115,240	Walgreen Company	42,621,263	5,593,604	83,352	232,761	26,569	48,557,549
743,145	Johnson & Johnson	40,194,332	5,275,094	78,606	219,507	25,057	45,792,596
1,167,920	Whole Foods Mkt Inc	39,262,814	5,152,842	76,784	214,420	24,476	44,731,336
686,140	Costoco Corp	35,244,115	4,625,429	68,925	192,473	21,971	40,152,913
<b>Total</b>							\$ 558,405,202

#### Top 10 Fixed Income Holdings

<u>Par Value</u>	<u>Description</u>	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	<u>Market Value</u>
\$ 230,000,000	U.S. Treasury Bills (held as collateral at Goldman) due 9/27/07	\$ 196,595,226	\$ 29,113,580	\$ 377,382	\$ 1,163,802	\$ 148,710	\$ 227,398,700
200,000,000	Federal Home Loan Bank Discount Note due 07/25/07	172,238,301	25,506,589	330,626	1,019,615	130,286	199,225,417
155,055,763	GNMA #781987 5.50% due 10/15/35	130,260,891	19,290,198	250,047	771,117	98,533	150,670,786
151,648,543	GNMA #651753 5.50% due 03/15/36	127,266,099	18,846,703	244,298	753,389	96,268	147,206,757
148,464,299	GNMA #651860 5.50% due 06/15/36	124,593,827	18,450,969	239,169	737,569	94,246	144,115,780
124,586,640	GNMA #621244 5.50% due 05/15/37	104,533,737	15,480,291	200,662	618,818	79,072	120,912,580
124,218,911	GNMA #550657 5.50% due 09/15/35	104,346,550	15,452,571	200,302	617,710	78,931	120,696,064
122,299,520	GNMA #658297 5.50% due 02/15/37	102,614,741	15,196,109	196,978	607,458	77,621	118,692,907
121,743,660	GNMA #728138 5.50% due 02/15/37	102,225,185	15,138,420	196,230	605,152	77,326	118,242,313
120,777,158	GNMA #651722 5.50% due 02/15/36	101,358,296	15,010,043	194,566	600,020	76,670	117,239,595
<b>Total</b>							\$ 1,464,400,899

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

## Investment Section

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

Fiscal Years ended June 30,	Benchmarks					Actual Performance			
	91 Day Treasury Bill Index	Lehman Aggregate	S&P 500 Equity Index	Consumer Price Index (CPI) <sup>1</sup>	Assumed Rate of Return	Cash <sup>2</sup>	Domestic Fixed Income	Domestic Equity <sup>3</sup>	Total Portfolio
2007	5.21%	6.12%	20.59%	2.71%	7.25%	5.58%	7.02%	18.69%	13.35%
2006	3.99%	-0.81%	8.64%	4.33%	7.25%	4.44%	0.69%	10.34%	5.13%
2005	2.15%	6.80%	6.32%	2.53%	7.25%	2.30%	6.87%	7.24%	7.02%
2004	-	0.33%	19.10%	3.27%	7.25%	-	1.49%	20.88%	8.76%
2003	-	10.40%	0.25%	2.11%	7.25%	-	11.67%	-0.40%	8.88%
2002	-	8.63%	-17.99%	1.07%	7.25%	-	8.22%	-17.32%	0.93%
2001	-	11.23%	-14.83%	3.25%	7.25%	-	10.85%	-7.75%	7.15%
2000	-	4.56%	7.25%	3.73%	7.25%	-	4.23%	10.23%	4.75%
1999	-	3.13%	-	1.96%	7.25%	-	2.33%	-	2.45%
1998	-	10.54%	-	1.68%	7.25%	-	15.07%	-	15.07%
3-Year Annualized	3.78%	3.98%	11.69%	3.15%	7.25%	4.10%	4.82%	11.68%	8.62%
5-Year Annualized	2.76%	4.48%	10.70%	2.95%	7.25%	-	5.47%	10.82%	8.84%
10-Year Annualized	3.78%	6.02%	7.13%	2.63%	7.25%	-	6.75%	-	7.02%

<sup>1</sup>Measure of the Consumer Price Index (CPI) - All Urban Consumers (all items) represents the year-over-year changes in prices of all goods and services purchased for consumption by urban households and includes expenditures by urban wage earners and clerical workers, professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, retirees and others not in the labor force. This represents about 80 percent of the total U.S. population and is the broadest, most comprehensive measure of changes in prices of goods and services.

<sup>2</sup>Effective July 1, 2004, a 2 percent (approximately) portion of the aggregate fixed income portfolio was segmented into a liquidity pool of short duration investments to more efficiently manage cash flows.

<sup>3</sup>Equity segment funded June 1999.

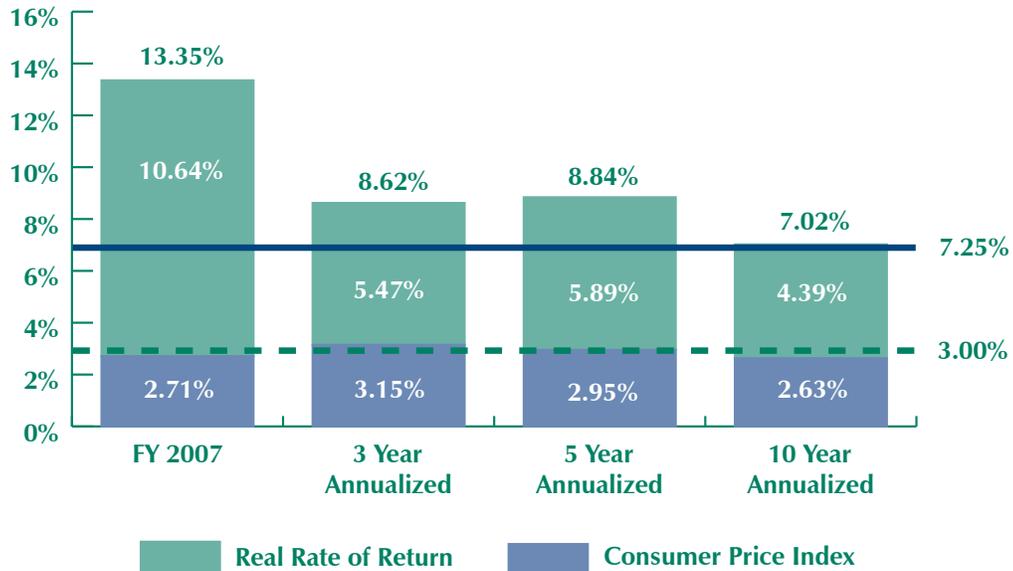
A new Private Equity segment was funded March 2007; however, separate performance results were not reported for the initial 2007 funding year.

Note: Calculations were prepared using a time-weighted, market rate of return in accordance with the Chartered Financial Analyst (CFA) Institute's performance presentation standards.

# Investment Section

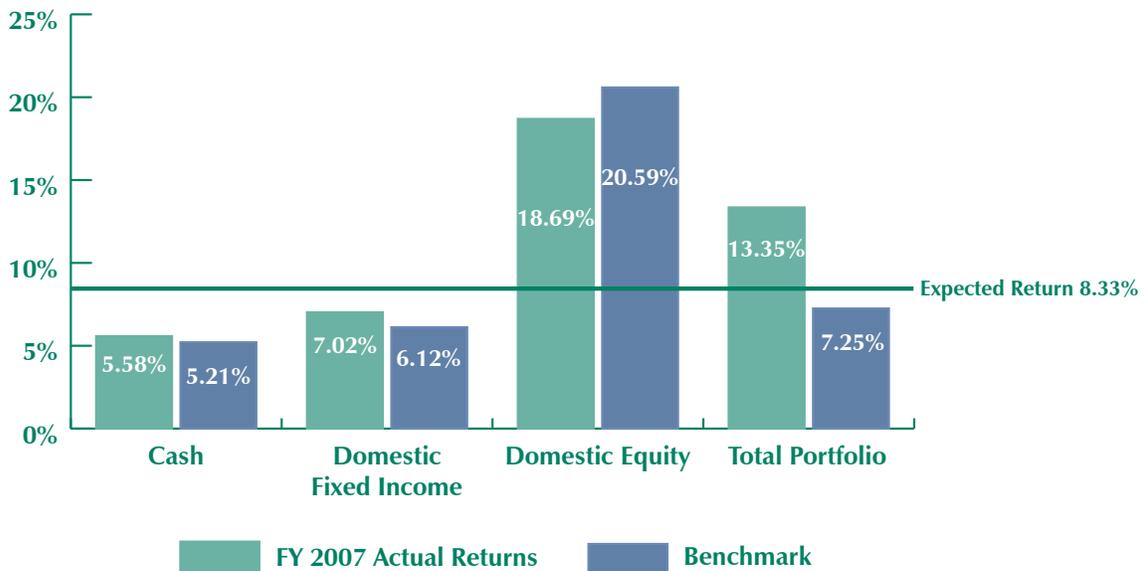
## South Carolina Retirement Systems

### Investment Performance Summary



Note: Actuarial assumption includes a 7.25 percent annual investment rate of return, which is composed of 3 percent inflation and 4.25 percent real rate of return, net of investment and administrative expenses.

### Fiscal Year 2007 Investment Performance by Market Segment



Note: The assumed Investment Rate of Return for actuarial purposes is 7.25 percent and the South Carolina Retirement System Investment Commission (SCRSIC) adopted an asset allocation model expected to generate a gross annual investment return of 8.33 percent for the total portfolio.

## Investment Section

### South Carolina Retirement Systems Schedule of Investment Fees and Commissions For the Year Ended June 30, 2007

	<b>Market Value of Assets under Management at June 30, 2007<sup>1</sup></b>	<b>Fees</b>
Investment Managers' Fees:		
Equity Managers' Fees	\$ 16,506,383,790	\$ 32,064,671
Other Investment Service Fees:		
Limited Partnership Expenses		2,499,333
Bank Fees		1,582,850
		\$ 36,146,854

<b>Brokerage Firm</b>	<b>Number of Shares Traded</b>	<b>Commissions<sup>2</sup></b>	<b>Average Commissions per Share</b>
ITG, Inc.	49,280,928	\$ 774,644	0.0157
Merrill Lynch Pierce Fenner & Smith	14,239,085	328,615	0.0231
Investment Technology Group	17,278,933	317,864	0.0184
Lehman Brothers Inc., USA	11,253,338	284,670	0.0253
Credit Suisse First Boston	12,885,663	281,871	0.0219
Bear Stearns & Co., Inc.	6,992,425	272,994	0.0390
Banc/America Securities, LLC	10,310,318	267,188	0.0259
Goldman Sachs & Co.	10,226,741	247,679	0.0242
Citigroup Global Markets, Inc.	10,416,147	243,264	0.0234
UBS Financial Securities, LLC	7,911,762	237,751	0.0301
Liquidnet, Inc.	10,486,334	226,899	0.0216
Morgan Stanley & Co.	9,474,556	220,200	0.0232
Cantor, Fitzgerald & Co., Inc.	11,158,404	219,997	0.0197
Jefferies & Company, Inc.	8,884,894	193,282	0.0218
Abel Noser Corporation	11,064,364	190,608	0.0172
Deutsche Banc/Alex Brown	5,581,511	165,993	0.0297
Instinet Corporation	7,850,241	138,434	0.0176
Weeden & Co.	6,911,623	135,533	0.0196
J.P. Morgan Securities, Inc.	4,101,048	133,596	0.0326
Piper Jaffray & Co.	2,529,162	95,606	0.0378
Sanford C. Bernstein & Co., LLC	3,425,828	91,975	0.0268
CIBC World Markets Corp	2,315,302	89,481	0.0386
Raymond James & Associates	2,175,104	88,863	0.0409
Wachovia Secs Capital Market	2,266,783	88,515	0.0390
Keybank Capital Markets	2,419,359	85,027	0.0351
Bear Stearns Securities Corp	3,829,346	84,572	0.0221
Friedman, Billings & Ramsey	2,093,086	82,991	0.0396
Instinet Clearing Services, Inc.	5,313,887	78,101	0.0147
National Financial Services Corp	4,473,860	75,231	0.0168
Baird Robert W & Co., Inc.	1,951,080	74,646	0.0383
BNY Convergenx Exec Solutions	3,317,958	71,675	0.0216
Merrill Lynch Professional	3,059,701	68,132	0.0223
BNY Brokerage, Inc.	1,377,844	55,361	0.0402
Morgan Keegan & Co., Inc.	1,207,788	53,927	0.0446
Jones & Associates, Inc.	2,517,194	53,174	0.0211
Keefe Bruyette & Woods, Inc.	1,238,595	50,284	0.0406
All others <sup>3</sup>	62,429,235	1,773,315	0.0284
	334,249,427	\$ 7,941,958	0.0238

Data provided by the Bank of New York/Mellon, Custodial bank.

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

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

<sup>3</sup>Other brokers include 160 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, 2007 (Amounts expressed in thousands)

<u>Investment Manager</u>	<u>Style</u>	<u>Initial Funding Date</u>	<u>Market Value of Assets under Management at June 30, 2007<sup>1</sup></u>	<u>Fees</u>
State Street Global Advisors Boston, MA	Large Cap Passive S&P 500 Index Fund	June 16, 1999	\$ 7,258,160	\$ 187
Flippin, Bruce & Porter, Inc. <sup>5</sup> Lynchburg, VA	Large Cap Value	March 2, 2000	45	784
AllianceBernstein, LP <sup>3</sup> New York, NY	Large Cap Value	May 3, 2000	114	1,055
Aronson + Johnson + Ortiz, LP <sup>2</sup> Philadelphia, PA	Large Cap Value	September 21, 2005	781,604	-
Pzena Investment Management, LLC New York, NY	Large Cap Value	September 21, 2005	528,205	1,978
AllianceBernstein, LP <sup>3</sup> New York, NY	Large Cap Growth	July 2, 2001	13	380
Legg Mason Capital Management, Inc. Baltimore, MD	Large Cap Growth	September 21, 2005	483,710	1,625
Sands Capital Management, LP <sup>7</sup> Arlington, VA	Large Cap Growth	September 21, 2005	56	1,710
WCM Investment Management Lake Forest, CA	Large Cap Growth	September 21, 2005	680,476	2,765
Wellington Management Company, LLP <sup>8</sup> Boston, MA	Large Cap Core	March 15, 2000	61	3,011
Barclays Global Investors, NA San Francisco, CA	Large Cap Core	April 16, 2004	568,826	1,415
State Street Global Advisors Boston, MA	Small/Mid Cap Passive Russell 2000 Index Fund	October 1, 2001	457,211	151
Wells Capital Management, Inc. (Benson Value Team) Portland, OR	Small Cap Value	October 1, 2002	417,109	2,383
Integrity Asset Management, LLC Louisville, KY	Small Cap Value	March 15, 2005	170,111	987
Thompson, Siegel & Walmsley, Inc. Richmond, VA	Small Cap Value	March 15, 2005	255,362	1,580
TimesSquare Capital Management, LLC New York, NY	Small Cap Growth	October 1, 2002	380,305	2,659
Batterymarch Financial Management, Inc. Boston, MA	Small Cap Growth	March 15, 2005	229,100	1,384
Turner Investment Partners, Inc. Berwyn, PA	Small Cap Growth	March 15, 2005	259,595	1,749
ClariVest Asset Management, LLC San Diego, CA	Small Cap Growth	June 5, 2006	327,955	1,224
Fidelity Management Trust Company Boston, MA	Small Cap Core	May 23, 2000	462,603	2,552
Aquiline Capital Partners, LLC <sup>4</sup> New York, NY	Private Equity	March 28, 2007	24,433	2,393
Russell Investment Group <sup>6</sup> Tacoma, WA	Beta Overlay	May 29, 2007	3,221,111	93
State Street Bank & Trust Co. (as Transition manager) <sup>9</sup> Boston, MA			219	-
			\$ 16,506,384	\$ 32,065

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

<sup>2</sup>Aronson + Johnson + Ortiz, LP, was funded September 2006. The manager's fee is calculated strictly on performance based on annualized returns and includes no base fee. No fees are payable until after the first three full calendar quarters.

<sup>3</sup>The contract with AllianceBernstein, LP, (large cap value and large growth) was terminated June 2007.

<sup>4</sup>Aquiline Capital Partners, LLC, was funded March 28, 2007.

<sup>5</sup>The contract with Flippin, Bruce & Porter, Inc., was terminated June 2007.

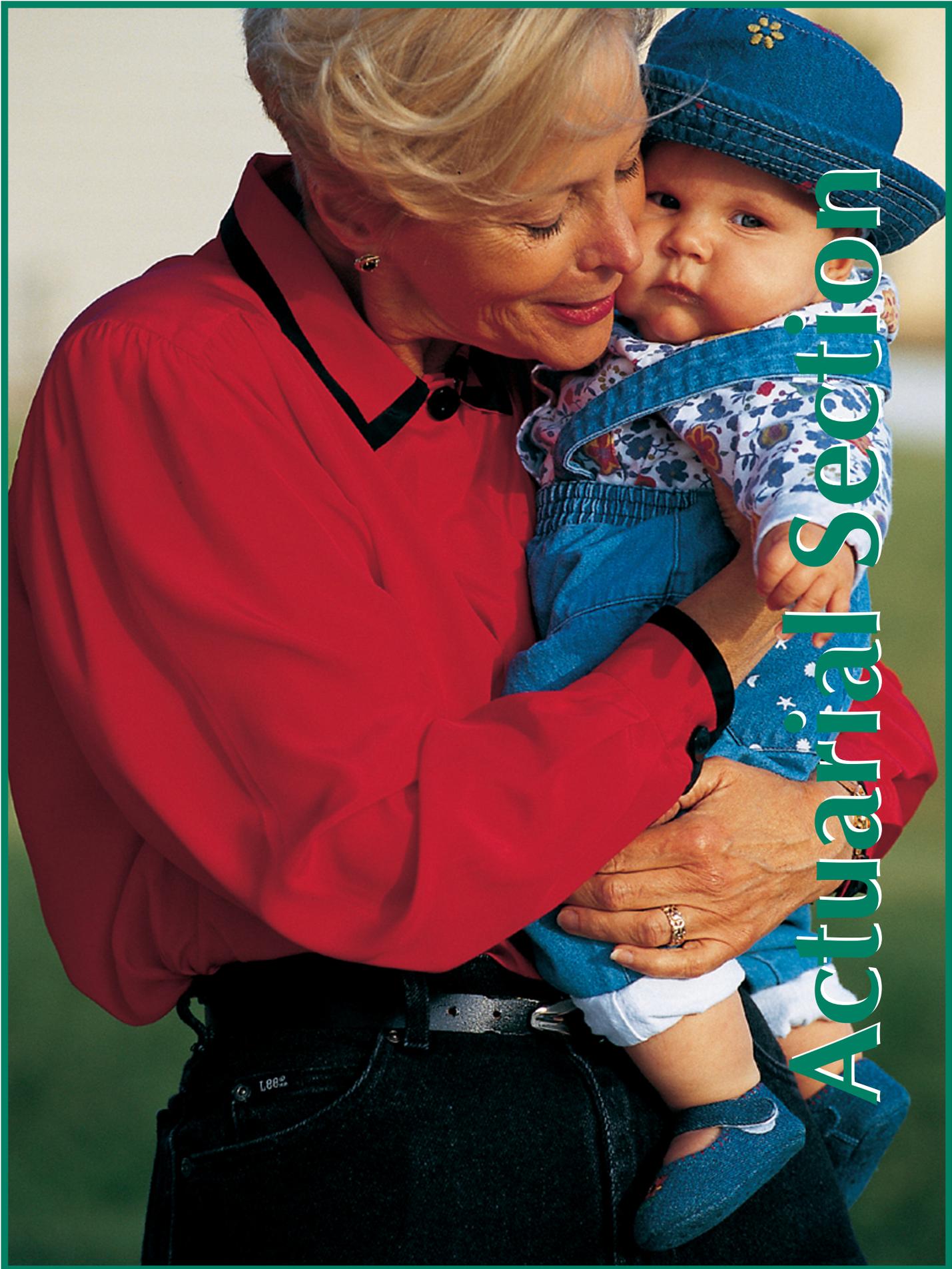
<sup>6</sup>Russell Investment Group was funded May 29, 2007.

<sup>7</sup>The contract with Sands Capital Management, LP, was terminated June 2007.

<sup>8</sup>The contract with Wellington Management Company, LLP, was terminated June 2007.

<sup>9</sup>The balance held by State Street Bank & Trust, Co., represents funds remaining at fiscal year-end during the transition from J. L. Kaplan Associates, LLC, to the S&P 500 fund during May 2006.

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# Actuarial Section

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## Milliman

Consultants and Actuaries

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October 25, 2007

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

Re: Certification and Statement Regarding Actuarial Valuations as of July 1, 2006

Dear Members of the Board:

### Applicable Laws

The laws governing the operation of the various Retirement Systems provide that actuarial valuations of the assets and liabilities of the Systems shall be made annually for the South Carolina Retirement System and the Police Officers Retirement System and no less frequently than biennially for the General Assembly Retirement System and the Judges and Solicitors Retirement System. At your request, we have conducted an annual actuarial valuation of each of the four separate Retirement Systems as of July 1, 2006.

### Funding Objective

A funding objective of the Systems is that contribution rates will remain relatively level over time as a percentage of payroll. As these contribution rates are set by the Board, the valuation is used to determine the sufficiency of the contributions to maintain or improve the measures of the Systems' funding progress (i.e. *funded ratio, funding period*) and provide for the complete funding of all actuarial liabilities within 30 years.

### Funding Methodology

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

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

### Assumptions

Actuarial assumptions are necessary to estimate the future economic and demographic experience of the Systems. The actuarial assumptions were recommended by the prior actuary and adopted by the State Budget and Control Board based on a review of the System's experience completed during Fiscal Year 2004. Certain assumptions have been modified in order to recognize specific emerging trends in experience. We have reviewed these assumptions and believe they are reasonable.

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

The results and conclusions of this report are only valid for the July 1, 2006 plan year and should not be interpreted as applying in future years. Differences between our projections and actual amounts depend on the extent to which future experience conforms exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

OFFICES IN PRINCIPAL CITIES WORLDWIDE



State Budget and Control Board  
South Carolina Retirement Systems  
October 25, 2007  
Page 2

### Data Reliance

In preparing the valuations, we, as the actuary, relied on data provided by the Systems. In fulfillment of the scope of our assignment, we performed a limited review of the data for consistency and reasonableness and did not find material defects in the census data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

### Supporting Schedules

Our firm, as actuary, is responsible for the actuarial trend data in the financial section of the report and the supporting schedules in the actuarial section, beginning with the information for the July 1, 2004 to June 30, 2006 period. Information for previous years was supplied by other actuarial firms employed by the Systems at that time. Milliman's work product was prepared exclusively for the South Carolina Retirement Systems for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning the Systems' operations, and uses data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

### Certification

Based on the results of the four July 1, 2006 valuations, we believe that the valuations appropriately reflect each plan's long term obligations and the current contribution levels are sufficient to fund the liabilities of each plan over a reasonable time frame, and based on these criteria may be deemed actuarially sound.

I, Robert Dezube, am a consulting actuary for Milliman. I am also a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. On the basis of the foregoing, I certify that, to the best of my knowledge this report is complete and accurate and has been prepared in accordance with South Carolina's statutes and generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Respectfully submitted,

Milliman, Inc.

Robert S. Dezube, FSA, MAAA  
Principal and Consulting Actuary

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## Actuarial Section

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### South Carolina Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2006 (Amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Assets</u></b>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 5,229,175
ii) Employer Annuity Accumulation Fund	17,064,271
iii) Total Current Assets	<u>\$ 22,293,446</u>
b. Present Value of Future Member Contributions	\$ 3,313,857
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 2,041,508
ii) Accrued Liability Contributions	9,725,073
iii) Total Future Employer Contributions	<u>\$ 11,766,581</u>
d. Total Assets	<u><u>\$ 37,373,884</u></u>
<b>2. <u>Liabilities</u></b>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 5,229,175
ii) Present Value of Future Member Contributions	3,457,552
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 8,686,727</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 17,800,254
ii) Benefits to be Paid to Current Active Members	10,886,903
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 28,687,157</u>
c. Total Liabilities	<u><u>\$ 37,373,884</u></u>

## Actuarial Section

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### Police Officers Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2006 (Amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Assets</u></b>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 622,008
ii) Employer Annuity Accumulation Fund	2,313,833
iii) Total Current Assets	<u>\$ 2,935,841</u>
b. Present Value of Future Member Contributions	\$ 473,750
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 499,696
ii) Accrued Liability Contributions	530,440
iii) Total Future Employer Contributions	<u>\$ 1,030,136</u>
d. Total Assets	<u><u>\$ 4,439,727</u></u>
<b>2. <u>Liabilities</u></b>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 622,008
ii) Present Value of Future Member Contributions	473,750
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 1,095,758</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 1,668,449
ii) Benefits to be Paid to Current Active Members	1,675,520
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 3,343,969</u>
c. Total Liabilities	<u><u>\$ 4,439,727</u></u>

## Actuarial Section

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### General Assembly Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2006 (Amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Assets</u></b>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 8,094
ii) Employer Annuity Accumulation Fund	37,981
iii) Total Current Assets	<u>\$ 46,075</u>
b. Present Value of Future Member Contributions	\$ 2,337
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 1,888
ii) Accrued Liability Contributions	23,659
iii) Total Future Employer Contributions	<u>\$ 25,547</u>
d. Total Assets	<u><u>\$ 73,959</u></u>
<b>2. <u>Liabilities</u></b>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 8,094
ii) Present Value of Future Member Contributions*	2,337
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 10,431</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 51,870
ii) Benefits to be Paid to Current Active Members	11,658
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 63,528</u>
c. Total Liabilities	<u><u>\$ 73,959</u></u>

\*Includes future special contributors

## Actuarial Section

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### Judges and Solicitors Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2006 (Amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Assets</u></b>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 21,857
ii) Employer Annuity Accumulation Fund	102,980
iii) Total Current Assets	<u>\$ 124,837</u>
b. Present Value of Future Member Contributions	\$ 10,708
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 15,333
ii) Accrued Liability Contributions	86,547
iii) Total Prospective Employer Contributions	<u>\$ 101,880</u>
d. Total Assets	<u><u>\$ 237,425</u></u>
<b>2. <u>Liabilities</u></b>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 21,857
ii) Present Value of Future Member Contributions	10,708
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 32,565</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 112,823
ii) Benefits to be Paid to Current Active Members	92,037
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 204,860</u>
c. Total Liabilities	<u><u>\$ 237,425</u></u>

## Actuarial Section

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### South Carolina Retirement System Results of the Valuation as of July 1, 2006 (Dollar amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 17,800,254
b. Present Active and Inactive Members	19,573,630
c. Total Actuarial Present Value	\$ 37,373,884
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employee	\$ 3,313,857
b. Employer	2,041,508
c. Total Future Normal Contributions	\$ 5,355,365
<b>3. <u>Actuarial Liability</u></b>	\$ 32,018,519
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 22,293,446
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 9,725,073
<b>6. <u>Unfunded Actuarial Liability Rates</u></b>	
a. Active Members	3.91%
b. TERI Members	14.55%
c. ORP Members	3.05%
d. Reemployed Members	14.55%
<b>7. <u>Unfunded Actuarial Liability Liquidation Period</u></b>	30 years

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## Actuarial Section

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### Police Officers Retirement System Results of the Valuation as of July 1, 2006 (Dollar amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 1,668,449
b. Present Active and Inactive Members	<u>2,771,278</u>
c. Total Actuarial Present Value	\$ 4,439,727
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employee	\$ 473,750
b. Employer	<u>499,696</u>
c. Total Future Normal Contributions	\$ 973,446
<b>3. <u>Actuarial Liability</u></b>	\$ 3,466,281
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 2,935,841
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 530,440
<b>6. <u>Unfunded Actuarial Liability Rates</u></b>	3.16%
<b>7. <u>Unfunded Actuarial Liability Liquidation Period</u></b>	18 years

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## Actuarial Section

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### General Assembly Retirement System Results of the Valuation as of July 1, 2006 (Dollar amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 51,870
b. Present Active and Inactive Members	22,089
c. Total Actuarial Present Value	<u>\$ 73,959</u>
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employee	\$ 2,088
b. Special Contributors	248
c. Employer	1,888
d. Total Future Normal Contributions	<u>\$ 4,224</u>
<b>3. <u>Actuarial Liability</u></b>	\$ 69,734
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 46,075
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 23,659
<b>6. <u>Unfunded Actuarial Liability Liquidation Period</u></b>	19 years

## Actuarial Section

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### Judges and Solicitors Retirement System Results of the Valuation as of July 1, 2006 (Dollar amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 112,823
b. Present Active and Inactive Members	124,602
c. Total Actuarial Present Value	<u>\$ 237,425</u>
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employee	\$ 10,708
b. Employer	15,333
c. Total Future Normal Contributions	<u>\$ 26,041</u>
<b>3. <u>Actuarial Liability</u></b>	\$ 211,384
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 124,837
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 86,547
<b>6. <u>Unfunded Actuarial Liability Rates</u></b>	27.72%
<b>7. <u>Unfunded Actuarial Liability Liquidation Period</u></b>	29 years

Note: On May 16, 2006, the Budget and Control Board adopted the recommended employer increase effective July 1, 2007. This was necessary to maintain a 30-year amortization period.

# Actuarial Section

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

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

7.25 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 4.25 percent real rate of return, net of investment and administrative expenses.

**2. Salary Increases**

Salary increases are assumed in accordance with the following representative rates:

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

**3. Decrement Rates**

a. Service Retirement

		Annual Rates of			
		Unreduced Service Retirement*		Reduced Service Retirement	
		Male	Female	Male	Female
Employees	<u>Age</u>				
	50	12%	14%		
	55	15%	18%	5%	10%
	60	20%	20%	5%	11%
	61	20%	20%	15%	15%
	62	30%	35%	27%	28%
	63	30%	30%	16%	20%
	64	30%	35%	22%	20%
	65	40%	40%		
	66	20%	25%		
	67	20%	25%		
	68	20%	25%		
	69	20%	25%		
70	100%	100%			
Teachers	50	14%	15%		
	55	18%	25%	6%	9%
	60	25%	25%	14%	15%
	61	30%	40%	18%	20%
	62	20%	35%	25%	25%
	63	20%	25%	28%	20%
	64	35%	30%	28%	30%
	65	45%	40%		
	66	23%	23%		
	67	23%	23%		
	68	23%	23%		
	69	23%	23%		
70	100%	100%			

## Actuarial Section

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\*Plus the following percentage in the year when they first become eligible for unreduced service retirement before age 65.

	<u>General Employees</u>	<u>Teachers</u>
Male	30%	30%
Female	30%	30%

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

It is assumed that 40 percent of all members elect TERI coverage prior to age 60 and 60 percent elect between age 60 and 65 when first eligible for an unreduced retirement benefit. This is a change from the prior year. It is also assumed that members in TERI are exposed to adjusted retirement rates during TERI coverage and 100 percent terminate employment at the end of the TERI period (five years). The retirement rate is adjusted by the following schedule based on number of years since entering TERI:

<u>Years Since Entering TERI Program</u>	<u>Multiple of Unreduced Retirement Table</u>
0.00 - 0.99	50%
1.00 - 1.99	65%
2.00 - 2.99	80%
3.00 - 3.99	90%
4.00 - 4.99	100%
5.00	All members assumed to retire immediately

c. In-Service Mortality and Disability

Annual Rates of								
<u>Age</u>	<u>Mortality</u>				<u>Disability</u>			
	<u>Employees</u>		<u>Teachers</u>		<u>Employees</u>		<u>Teachers</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
25	0.04%	0.01%	0.03%	0.01%	0.06%	0.05%	0.04%	0.05%
30	0.04%	0.02%	0.03%	0.01%	0.12%	0.07%	0.06%	0.07%
35	0.08%	0.03%	0.06%	0.03%	0.17%	0.15%	0.08%	0.07%
40	0.11%	0.05%	0.08%	0.04%	0.29%	0.19%	0.16%	0.13%
45	0.15%	0.07%	0.11%	0.06%	0.40%	0.27%	0.26%	0.26%
50	0.21%	0.11%	0.16%	0.09%	0.58%	0.46%	0.42%	0.42%
55	0.30%	0.16%	0.23%	0.14%	0.92%	0.74%	0.68%	0.68%
60	0.49%	0.26%	0.37%	0.22%	1.15%	1.12%	1.05%	1.05%
64	0.70%	0.35%	0.53%	0.30%	1.44%	1.56%	1.31%	1.31%

# Actuarial Section

d. Withdrawal Rates

### Probability of Decrement Due to Withdrawal

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

### Probability of Decrement Due to Withdrawal

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

### Probability of Decrement Due to Withdrawal

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

### Probability of Decrement Due to Withdrawal

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

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

## Actuarial Section

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### 4. Mortality After Retirement

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

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

### 5. Marriage Assumption

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

### 6. Asset Valuation Method

The actuarial value of assets is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual net income (both based on market value) with the resulting value not being less than 80 percent or more than 120 percent of the market value of assets.

### 7. Cost Methods

#### a. Normal Retirement, Termination, Death and Disability Benefits

The contribution rate is set by statute for employees and by the South Carolina Budget and Control Board for the employers. The funding period is determined, as described below, using the Entry Age Normal actuarial cost method.

The Entry Age Normal actuarial cost method assigns the plan's total unfunded liabilities (the actuarial present value of future benefits less the actuarial value of assets) to various periods. The unfunded actuarial liability is assigned to years prior to the valuation, and the normal cost is assigned to the year following the valuation. The remaining costs are the normal costs for future years. Then each year's contribution is composed of (i) that year's normal cost, plus (ii) a payment used to reduce the unfunded actuarial liability.

The normal cost is the level (as a percentage of pay) contribution required to fund the benefits for all current members. Part of the normal cost is paid from the employees' own contributions. The employers pay the balance from their contributions. The method used for this valuation sets the present value of future normal costs that are to be paid by the employees as 6.25 percent of the value of the current year's earnings plus 6.50 percent of their present value of future earnings after June 30, 2006.

The actuarial liability is the difference between the total present value of future benefits and the actuarial present value of future normal costs. The unfunded actuarial liability is the excess of the actuarial liability over the actuarial value of assets.

The balance of the employers' contributions – the remainder after paying their share of the normal cost – is used to reduce the unfunded actuarial liability. The calculation of the amortization period takes into account increases to contribution rates applicable to future years, payroll growth, and the results are rounded to the nearest year. Also, the calculation of the amortization period reflects

## Actuarial Section

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additional contributions the System receives with respect to TERI participants, 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.

b. Group Life Insurance Benefit

One-year term cost method.

8. Unused Annual Leave

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

9. Unused Sick Leave

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

10. Future Cost-of-Living Increases

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

11. Administrative and Investment Expenses

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

12. Payroll Growth Rate

4.00 percent per annum.

13. Changes from Prior Valuation

- a. The rate of election for TERI was reduced from 80 percent to 40 percent of first eligible members prior to age 60 and from 80 percent to 60 percent of first eligible members at ages 60 to 65.
- b. The rate of retirement assumption uses an additional rate reflecting the higher election of members in their first year of eligibility for unreduced retirement benefits prior to age 65. The additional first eligibility rate in the prior valuation was 40 percent for male and female teachers and 30 percent for male general employees and 45 percent for female general employees. The first eligibility rate was adjusted to 30 percent for all categories prior to age 65.

14. Adoption Date

The current actuarial assumptions and methods were adopted by the State Budget and Control Board on April 20, 2004. The rate of election for TERI and retirement rates were approved by the Board on May 16, 2006.

## Actuarial Section

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

Item	Valuation as of July 1, 2006
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (435,359)
b. Current Year - 1	(14,499)
c. Current Year - 2	330,912
d. Current Year - 3	\$ 319,064
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ (348,287)
b. Current Year - 1 (60% Deferral)	(8,699)
c. Current Year - 2 (40% Deferral)	132,365
d. Current Year - 3 (20% Deferral)	63,813
e. Total Deferred for Year	<u>\$ (160,808)</u>
3. Market Value of Plan Assets, End of Year	\$ 22,132,638
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 22,293,446
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 17,706,110
b. 120% of Market Value of Assets, End of Year	\$ 26,559,166
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 22,293,446

# Actuarial Section

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

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

7.25 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 4.25 percent real rate of return, net of investment and administrative expenses.

**2. Salary Increases**

Salary increases are assumed in accordance with the following representative rates:

<u>Years of Service</u>	<u>Annual Increase</u>	<u>Years of Service</u>	<u>Annual Increase</u>
0	11.50%	8	4.75%
1	6.75%	9	4.75%
2	5.75%	10	4.75%
3	5.50%	11	4.75%
4	5.25%	12	4.50%
5	5.00%	13	4.50%
6	4.75%	14	4.50%
7	4.75%	15+	4.50%

**3. Decrement Rates**

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

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

\*Plus an additional 22 percent for participants under age 55 in year when first eligible for unreduced service retirement.

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

## Actuarial Section

### Probability of Decrement Due to Withdrawal

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

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

#### 4. Mortality After Retirement

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

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

#### 5. Marriage Assumption

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

#### 6. Asset Valuation Method

The actuarial value of assets is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual net income (both based on market value) with the resulting value not being less than 80 percent or more than 120 percent of the market value of assets.

#### 7. Cost Methods

##### a. Normal Retirement, Termination, Death and Disability Benefits

Projected benefit method with level percentage entry age normal cost. Gains and losses are reflected in the period remaining to liquidate the unfunded actuarial liability. The resulting amortization period is based upon payments level as a percentage of payroll and the results are rounded to the nearest year. We completed a separate valuation of the accidental (duty-related) death benefit.

##### b. Group Life Insurance Benefit and Accidental Death Benefits

One-year term cost method.

## Actuarial Section

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**8. Unused Annual Leave**

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

**9. Unused Sick Leave**

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

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

None assumed.

**11. Administrative and Investment Expenses**

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

**12. Payroll Growth Rate**

4.00 percent per annum.

**13. Changes from Prior Valuation**

None.

**14. Adoption Date**

The current actuarial assumptions and methods were adopted by the State Budget and Control Board on April 20, 2004.

## Actuarial Section

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

Item	Valuation as of July 1, 2006
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (65,188)
b. Current Year - 1	(18,170)
c. Current Year - 2	31,828
d. Current Year - 3	\$ 57,490
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ (52,150)
b. Current Year - 1 (60% Deferral)	(10,902)
c. Current Year - 2 (40% Deferral)	12,731
d. Current Year - 3 (20% Deferral)	11,498
e. Total Deferred for Year	\$ (38,823)
3. Market Value of Plan Assets, End of Year	\$ 2,897,018
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 2,935,841
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 2,317,614
b. 120% of Market Value of Assets, End of Year	\$ 3,476,422
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 2,935,841

# Actuarial Section

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

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

7.25 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 4.25 percent real rate of return, net of investment and administrative expenses.

**2. Salary Increases**

None assumed.

**3. Decrement Rates**

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

a. Unreduced Service Retirement

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

In addition, members with 30 years of service are assumed to commence benefit payments immediately even if they do not terminate employment.

b. In-service Mortality and Disability

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

## Actuarial Section

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### 4. Mortality After Retirement

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

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

### 5. Marriage Assumption

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

### 6. Asset Valuation Method

The actuarial value of assets is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual net income (both based on market value) with the resulting value not being less than 80 percent or more than 120 percent of the market value of assets.

### 7. Cost Method

Projected benefit method with level percentage entry age normal cost and a closed, level-dollar amortization of the unfunded actuarial accrued liability.

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

None assumed.

### 9. Payroll Growth Rate

None assumed.

### 10. Administrative and Investment Expenses

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

### 11. Changes from Prior Valuation

None.

### 12. Adoption Date

The current actuarial assumptions and methods were adopted by the State Budget and Control Board on May 4, 2004.

## Actuarial Section

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

Item	Valuation as of July 1, 2006
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (1,220)
b. Current Year - 1	(9)
c. Current Year - 2	927
d. Current Year - 3	\$ 1,068
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ (976)
b. Current Year - 1 (60% Deferral)	(5)
c. Current Year - 2 (40% Deferral)	371
d. Current Year - 3 (20% Deferral)	214
e. Total Deferred for Year	\$ (396)
3. Market Value of Plan Assets, End of Year	\$ 45,679
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 46,075
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 36,543
b. 120% of Market Value of Assets, End of Year	\$ 54,815
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 46,075

# Actuarial Section

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

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

7.25 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 4.25 percent real rate of return, net of investment and administrative expenses.

**2. Salary Increases**

3.25 percent per annum, compounded annually.

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

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

<u>Age</u>	<u>Annual Rates of</u>			
	<u>Mortality</u>		<u>Disability</u>	
	<u>Employees</u>		<u>Employees</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
25	0.06%	0.03%	0.04%	0.05%
30	0.07%	0.04%	0.06%	0.07%
35	0.07%	0.04%	0.08%	0.07%
40	0.10%	0.05%	0.15%	0.12%
45	0.18%	0.08%	0.25%	0.25%
50	0.30%	0.13%	0.40%	0.40%
55	0.46%	0.21%	0.65%	0.65%
60	0.65%	0.33%	1.00%	1.00%
64	0.99%	0.54%	1.25%	1.25%

No in-service withdrawals are assumed.

**4. Mortality After Retirement**

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

<u>Age</u>	<u>Male</u>	<u>Female</u>
60	0.92%	0.42%
65	1.56%	0.71%
70	2.75%	1.24%
75	4.46%	2.40%
80	7.41%	4.29%
85	11.48%	6.99%

## Actuarial Section

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**5. Normal Retirement Assumption**

Upon meeting the retirement eligibility requirement, participants are assumed to retire in the following manner:

Normal Retirement Assumption					
Age	Solicitors Service	% Retiring	Age	Judges Service	% Retiring
70 to 72	15 to 19	12	70 to 72	15 to 19	12
65 to 69	20 to 23	40	65 to 69	20 to 24	40
Any	24	40	Any	25	25
Any	25	25	Any	26	15
Any	26	12	Any	27	15
Any	27	12	Any	28	15
Any	28	12	Any	29	15
Any	29	12	Any	30	15
Any	30	12	Any	31	15
Any	31	35	Any	32	35
Any	32 and over	12	Any	33 and over	15

Additionally, 100 percent of participants are assumed to retire upon reaching the mandatory retirement age of 72.

**6. Marriage Assumption**

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

**7. Asset Valuation Method**

The actuarial value of assets is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual net income (both based on market value) with the resulting value not being less than 80 percent or more than 120 percent of the market value of assets.

**8. Cost Methods**

Projected benefit method with level percentage entry age normal cost. Gains and losses are reflected in the period remaining to liquidate the unfunded actuarial accrued liability. The calculation of the amortization period takes into account future increases to contribution rates applicable to future years, payroll growth and the results are rounded to the nearest year.

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

3.25 percent per annum.

**10. Administrative and Investment Expenses**

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

**11. Payroll Growth Rate**

3.25 percent per annum.

**12. Changes from Prior Valuation**

None.

## Actuarial Section

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### 13. Adoption Date

The current actuarial assumptions, except for the retirement rate assumption, were adopted by the State Budget and Control Board on April 20, 2004. The retirement rates were approved by the Board on May 16, 2006.

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

Item	Valuation as of July 1, 2006
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (2,921)
b. Current Year - 1	(31)
c. Current Year - 2	1,619
d. Current Year - 3	1,878
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ (2,337)
b. Current Year - 1 (60% Deferral)	(19)
c. Current Year - 2 (40% Deferral)	648
d. Current Year - 3 (20% Deferral)	376
e. Total Deferred for Year	\$ (1,332)
3. Market Value of Plan Assets, End of Year	\$ 123,505
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 124,837
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 98,804
b. 120% of Market Value of Assets, End of Year	\$ 148,206
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 124,837

## Actuarial Section

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### South Carolina Retirement System Schedule of Active Member Valuation Data\* As of July 1, 2006

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-06	763	184,282	\$ 6,733,379	\$ 36,538	4.06%
7-01-05	768	181,022	6,356,489	35,114	3.30%
7-01-04	763	181,827	6,180,599	33,992	1.06%
7-01-03	763	185,538	6,240,768	33,636	3.50%
7-01-02	746	189,166	6,147,712	32,499	3.42%
7-01-01	739	191,494	6,017,537	31,424	5.15%
7-01-00	729	196,825	5,881,847	29,884	5.49%
7-01-99	726	193,213	5,473,759	28,330	3.83%
7-01-98	720	190,259	5,191,048	27,284	2.78%
7-01-97	725	185,597	4,927,124	26,547	4.40%

\*Does not include Teacher and Employee Retention Incentive (TERI) participants.

### Police Officers Retirement System Schedule of Active Member Valuation Data As of July 1, 2006

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-06	314	24,813	\$ 931,815	\$ 37,554	5.05%
7-01-05	314	23,795	850,610	35,747	3.16%
7-01-04	314	23,734	822,448	34,653	3.35%
7-01-03	314	23,871	800,394	33,530	6.08%
7-01-02	302	23,963	757,393	31,607	3.59%
7-01-01	296	24,821	757,335	30,512	5.50%
7-01-00	297	24,782	716,749	28,922	4.82%
7-01-99	307	23,127	638,086	27,591	4.11%
7-01-98	301	22,883	606,426	26,501	2.83%
7-01-97	297	21,829	562,553	25,771	4.31%

## Actuarial Section

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### General Assembly Retirement System Schedule of Active Member Valuation Data\* As of July 1, 2006

<u>Valuation Date</u>	<u>Number of Employers</u>	<u>Number of Active Members*</u>	<u>Annual Payroll (in thousands)</u>	<u>Annual Average Pay</u>	<u>Percentage Increase In Average Pay</u>
7-01-06	2	170	\$ 3,854	\$ 22,671	0.00%
7-01-05	2	170	3,853	22,668	0.38%
7-01-04	2	170	3,839	22,582	(0.13%)
7-01-03	2	170	3,844	22,612	0.17%
7-01-02	2	200	4,515	22,573	(0.91%)
7-01-01	2	209	4,761	22,781	(0.12%)
7-01-00	2	213	4,858	22,808	0.31%
7-01-99	2	219	4,979	22,737	(0.26%)
7-01-98	2	211	4,810	22,797	0.00%
7-01-97	2	207	4,721	22,800	1.79%

\*Beginning July 1, 2003, does not include special contributors.

### Judges and Solicitors Retirement System Schedule of Active Member Valuation Data As of July 1, 2006

<u>Valuation Date</u>	<u>Number of Employers</u>	<u>Number of Active Members</u>	<u>Annual Payroll (in thousands)</u>	<u>Annual Average Pay</u>	<u>Percentage Increase In Average Pay</u>
7-01-06	2	128	\$ 15,929	\$ 124,445	3.00%
7-01-05	2	128	15,465	120,820	4.00%
7-01-04	2	128	14,870	116,172	3.00%
7-01-03	2	128	14,437	112,789	1.59%
7-01-02	2	128	14,211	111,026	0.73%
7-01-01	2	128	14,109	110,223	4.26%
7-01-00	2	125	13,214	105,715	4.49%
7-01-99	2	126	12,748	101,174	4.99%
7-01-98	2	120	11,564	96,363	3.05%
7-01-97	2	120	11,221	93,508	6.38%

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## Actuarial Section

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### South Carolina Retirement System The Number and Earnable Compensation of Active Members As of July 1, 2006 *(Dollar amounts expressed in thousands)*

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
State Employees	53,360	\$ 2,135,447
Teachers	81,578	2,918,377
Other	49,344	1,679,555
Total	184,282	\$ 6,733,379

Note: In addition, there are 151,510 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

### Police Officers Retirement System The Number and Earnable Compensation of Active Members As of July 1, 2006 *(Dollar amounts expressed in thousands)*

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
24,813	\$ 931,815

Note: In addition, there are 10,464 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

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## Actuarial Section

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### General Assembly Retirement System The Number and Earnable Compensation of Active Members As of July 1, 2006 *(Dollar amounts expressed in thousands)*

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

Note: There are 63 inactive members with contributions still in the system, and there are 27 special contributors. The results of the valuation were adjusted to take these members into account. Numbers shown above do not include open seats or members receiving retirement benefits while continuing in office.

### Judges and Solicitors Retirement System The Number and Earnable Compensation of Active Members As of July 1, 2006 *(Dollar amounts expressed in thousands)*

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
128	\$ 15,929

Note: There are five inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account. Numbers above were not adjusted for open seats.

## Actuarial Section

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### South Carolina Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries\*

As of July 1, 2006

(Dollar amounts expressed in thousands)

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES</u>
<b>Service Retirements:</b>		
Employees:		
Men	18,903	\$ 418,565
Women	21,435	330,436
Total	40,338	749,001
Teachers:		
Men	7,666	184,819
Women	31,610	573,258
Total	39,276	758,077
<b>Disability Retirements:</b>		
Employees:		
Men	2,914	35,655
Women	3,461	38,682
Total	6,375	74,337
Teachers:		
Men	836	11,362
Women	3,404	41,376
Total	4,240	52,738
<b>Beneficiaries:</b>		
Men	1,905	13,477
Women	5,071	56,959
Total	6,976	70,436
Grand Total	97,205	\$ 1,704,589

\*Includes Teacher and Employee Retention Incentive (TERI) participants.

## Actuarial Section

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### Police Officers Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries

As of July 1, 2006

*(Dollar amounts expressed in thousands)*

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
<b>Service Retirements:</b>		
Men	6,451	\$ 123,512
Women	1,170	14,387
Total	7,621	137,899
<b>Disability Retirements:</b>		
Men	1,176	21,775
Women	343	4,604
Total	1,519	26,379
<b>Beneficiaries:</b>		
Men	34	271
Women	960	10,396
Total	994	10,667
Grand Total	10,134	\$ 174,945

### General Assembly Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries

As of July 1, 2006

*(Dollar amounts expressed in thousands)*

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
<b>Service Retirements:</b>		
Men	218	\$ 4,166
Women	25	474
Total	243	4,640
<b>Disability Retirements:</b>		
Men	1	16
Women	0	0
Total	1	16
<b>Beneficiaries:</b>		
Men	0	0
Women	73	1,119
Total	73	1,119
Grand Total	317	\$ 5,775

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## Actuarial Section

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### Judges and Solicitors Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries

As of July 1, 2006

*(Dollar amounts expressed in thousands)*

<b>GROUP</b>	<b>NUMBER</b>	<b>ANNUAL RETIREMENT ALLOWANCES</b>
<b>Service Retirements:</b>		
Men	98	\$ 8,574
Women	1	87
Total	99	8,661
<b>Disability Retirements:</b>		
Men	1	89
Women	0	0
Total	1	89
<b>Beneficiaries:</b>		
Men	10	233
Women	34	1,068
Total	44	1,301
Grand Total	144	\$ 10,051

## Actuarial Section

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-06	4,621	\$ 118,271	2,083	\$ 24,099	97,205	\$ 1,704,589	5.8%	\$ 17,536
7-01-05	7,203	167,748	2,143	23,537	94,667	1,610,417	9.8%	17,011
7-01-04	7,319	151,477	2,132	22,656	89,607	1,466,206	9.6%	16,363
7-01-03	7,866	163,867	2,510	27,662	84,420	1,337,385	11.3%	15,842
7-01-02	7,344	140,077	2,334	24,531	79,064	1,201,180	10.6%	15,193
7-01-01	12,523	284,739	2,474	23,735	74,054	1,085,634	31.7%	14,660
7-01-00	4,772	93,459	1,830	17,139	64,005	824,630	10.2%	12,884
7-01-99	4,961	68,522	2,436	12,175	61,063	748,310	8.1%	12,255
7-01-98	4,580	61,751	2,169	13,592	58,538	691,963	7.5%	11,321
7-01-97	4,601	78,201	2,346	10,928	56,127	643,804	11.7%	11,470

\*Includes Teacher and Employee Retention Incentive (TERI) participants.

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-06	678	\$ 16,880	205	\$ 2,691	10,134	\$ 174,945	8.8%	\$ 17,263
7-01-05	778	12,576	173	2,147	9,661	160,756	9.8%	16,640
7-01-04	894	16,256	265	2,923	9,056	146,348	10.8%	16,114
7-01-03	947	18,614	226	2,733	8,427	133,015	13.6%	15,784
7-01-02	956	17,378	220	2,639	7,706	117,134	14.4%	15,200
7-01-01	989	17,235	341	3,986	6,970	102,395	14.9%	14,691
7-01-00	549	9,979	152	1,581	6,322	89,146	10.4%	14,101
7-01-99	606	8,490	238	1,731	5,925	80,748	9.1%	13,628
7-01-98	492	6,924	154	1,085	5,557	73,989	8.6%	13,315
7-01-97	533	9,024	176	759	5,219	68,150	13.8%	13,058

## Actuarial Section

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-06	13	\$ 238	8	\$ 179	317	\$ 5,775	1.0%	\$ 18,218
7-01-05	22	486	7	125	312	5,716	6.8%	18,321
7-01-04	12	185	9	119	297	5,353	1.2%	18,023
7-01-03	40	839	12	226	294	5,287	13.1%	17,983
7-01-02	24	453	9	160	266	4,674	6.7%	17,571
7-01-01	27	609	11	204	251	4,381	10.2%	17,454
7-01-00	8	118	7	110	235	3,976	0.2%	16,919
7-01-99	16	257	6	62	234	3,968	5.2%	16,957
7-01-98	9	125	6	159	224	3,773	(0.9%)	16,844
7-01-97	18	233	4	92	221	3,807	3.8%	17,226

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

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-06	4	\$ 464	1	\$ 28	144	\$ 10,051	4.5%	\$ 69,799
7-01-05	3	581	1	27	141	9,615	6.1%	68,191
7-01-04	11	925	2	139	139	9,061	9.5%	65,190
7-01-03	11	716	7	493	130	8,275	2.8%	63,654
7-01-02	13	706	5	248	126	8,052	6.0%	63,905
7-01-01	9	685	6	442	118	7,594	3.3%	64,356
7-01-00	7	772	4	276	115	7,351	7.2%	63,926
7-01-99	9	598	3	209	112	6,855	6.0%	61,205
7-01-98	8	812	3	198	106	6,466	10.5%	60,996
7-01-97	4	746	4	187	101	5,852	10.6%	57,941

## Actuarial Section

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

	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
<b>SCRS</b>	7-01-06	\$ 22,293,446	\$ 32,018,519	69.6%	\$ 9,725,073	\$ 6,733,379	144.4%
	7-01-05	21,625,510	30,217,471	71.6%	8,591,961	6,356,489	135.2%
	7-01-04	20,862,659	25,977,852	80.3%	5,115,193	6,180,599	82.8%
	7-01-03	20,197,936	24,398,931	82.8%	4,200,995	6,240,768	67.3%
	7-01-02	19,298,174	22,446,574	86.0%	3,148,400	6,147,712	51.2%
	7-01-01	18,486,773	21,162,147	87.4%	2,675,374	6,017,537	44.5%
	7-01-00	17,286,108	19,414,972	89.0%	2,128,864	5,881,847	36.2%
	7-01-99	16,120,513	16,298,438	98.9%	177,925	5,473,759	3.3%
	7-01-98	14,946,070	15,952,345	93.7%	1,006,275	5,191,048	19.4%
	7-01-97	13,621,362	14,977,179	90.9%	1,355,817	4,927,124	27.5%
<b>PORS</b>	7-01-06	\$ 2,935,841	\$ 3,466,281	84.7%	\$ 530,440	\$ 931,815	56.9%
	7-01-05	2,774,606	3,173,930	87.4%	399,324	850,610	46.9%
	7-01-04	2,616,835	2,984,584	87.7%	367,749	822,448	44.7%
	7-01-03	2,511,369	2,744,849	91.5%	233,480	800,394	29.2%
	7-01-02	2,351,100	2,527,876	93.0%	176,776	757,393	23.3%
	7-01-01	2,197,982	2,324,257	94.6%	126,275	757,335	16.7%
	7-01-00	2,008,554	2,095,991	95.8%	87,437	716,749	12.2%
	7-01-99	1,844,517	1,898,237	97.2%	53,720	638,086	8.4%
	7-01-98	1,684,641	1,733,578	97.2%	48,937	606,426	8.1%
	7-01-97	1,512,390	1,570,816	96.3%	58,426	562,553	10.4%

Note: Effective 7-1-1999, actuarial assumptions were changed as a result of a 5 year experience study.

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

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

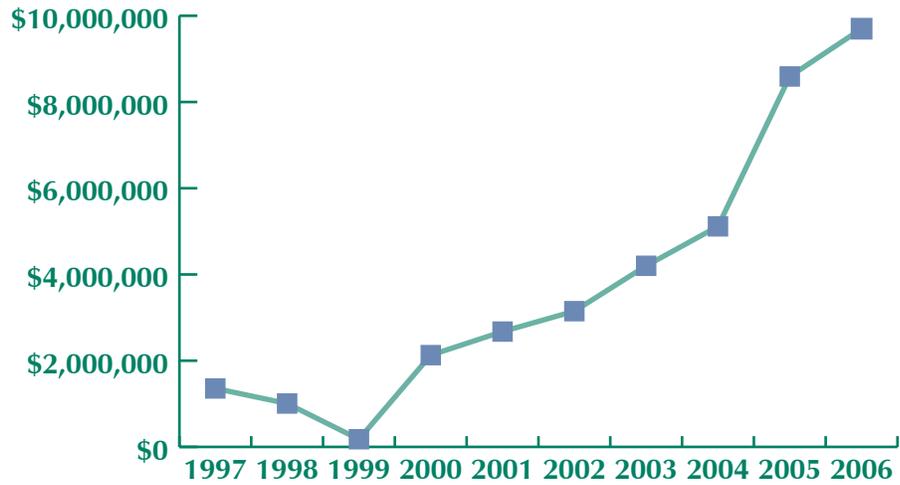
Effective 7-1-2005, actuarial assumptions were changed to include an increase in member contributions to 6.25 percent of earnings for fiscal year 2006 and 6.50 percent beginning fiscal year 2007; all return-to-work retirees and those TERI participants who joined the system after 7-01-2005 contributing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

## Actuarial Section

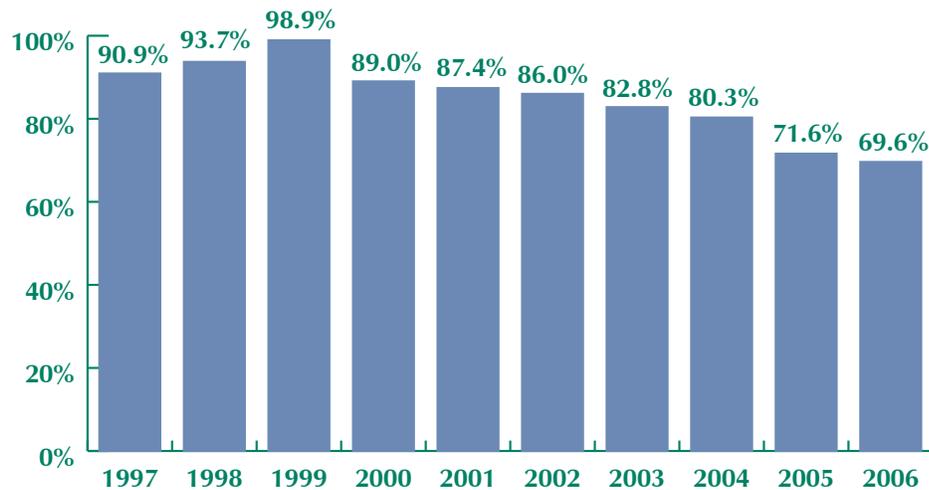
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### South Carolina Retirement System Funding Progress with Funded Ratios

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



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

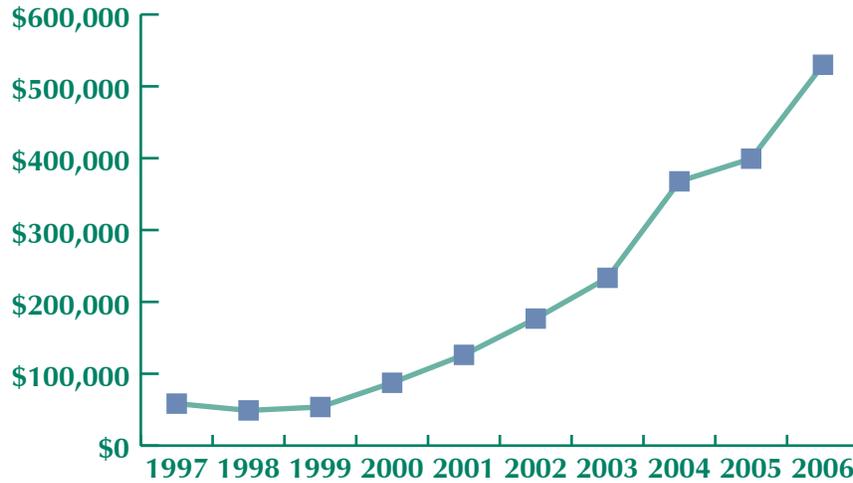


## Actuarial Section

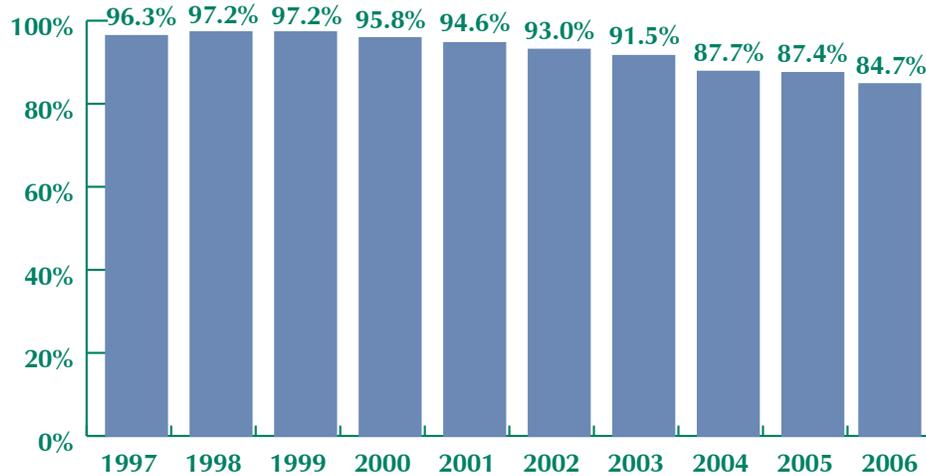
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### Police Officers Retirement System Funding Progress with Funded Ratios

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



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



## Actuarial Section

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

GARS	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
	7-01-06	\$ 46,075	\$ 69,734	66.1%	\$ 23,659	\$ 3,854	613.9%
7-01-05	46,316	69,161	67.0%	22,845	3,853	592.9%	
7-01-04	45,087	68,332	66.0%	23,245	3,839	605.5%	
7-01-03	44,682	66,619	67.1%	21,937	3,844	570.8%	
7-01-02	43,841	73,046	60.0%	29,205	4,515	646.9%	
7-01-01	42,788	68,291	62.7%	25,503	4,761	535.6%	
7-01-00	40,730	63,947	63.7%	23,217	4,858	477.9%	
7-01-99	38,685	63,501	60.9%	24,816	4,979	498.4%	
7-01-98	36,260	60,330	60.1%	24,070	4,810	500.4%	
7-01-97	33,627	60,052	56.0%	26,425	4,721	559.7%	

JSRS	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
	7-01-06	\$ 124,837	\$ 211,384	59.1%	\$ 86,547	\$ 15,929	543.3%
7-01-05	118,888	204,847	58.0%	85,959	15,465	555.8%	
7-01-04	112,016	185,052	60.5%	73,036	14,870	491.2%	
7-01-03	106,114	166,655	63.7%	60,541	14,437	419.3%	
7-01-02	100,074	166,440	60.1%	66,366	14,211	467.0%	
7-01-01	94,795	159,246	59.5%	64,451	14,109	456.8%	
7-01-00	87,536	144,631	60.5%	57,095	13,214	432.1%	
7-01-99	81,780	134,272	60.9%	52,492	12,748	411.8%	
7-01-98	75,699	124,756	60.7%	49,057	11,564	424.2%	
7-01-97	68,980	112,185	61.5%	43,205	11,221	385.0%	

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

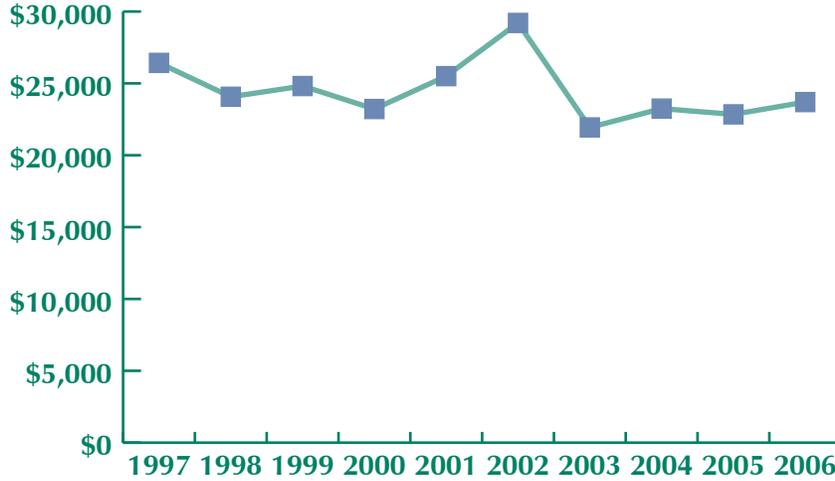
Effective 7-1-2003, actuarial assumptions for GARS and JSRS were changed as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, and disability incidence assumptions were revised.

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

# 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)*

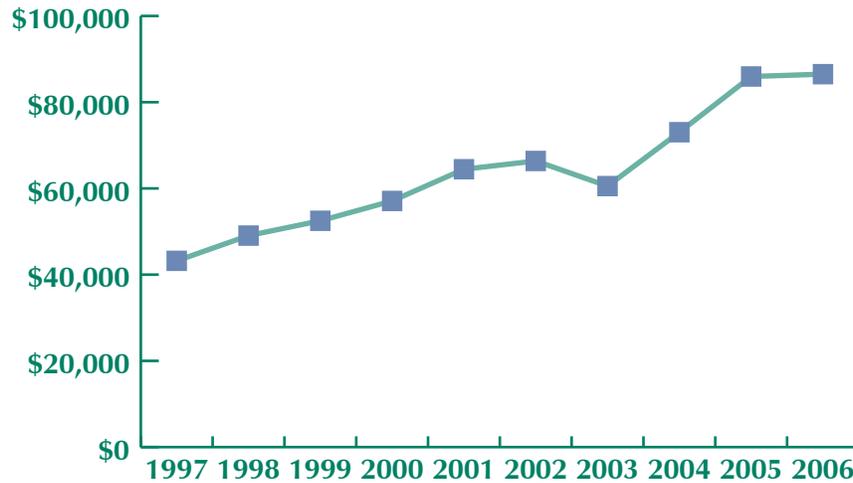


## Actuarial Section

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

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



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



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## Actuarial Section

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### South Carolina Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2006 (Amounts expressed in millions)

<b>Item:</b>	<b>Amount of Increase (Decrease)</b>
Beginning of Year Unfunded Actuarial Liability	\$ 8,592
Interest on Unfunded Actuarial Liability	623
Amortization Payment	(333)
Asset Experience	190
Salary Experience	145
Other Liability Experience	227
COLA	457
Benefit Changes	-
Assumption/Method Changes	(176)
Total Increase/(Decrease)	<u>\$ 1,133</u>
End of Year Unfunded Actuarial Liability	<u>\$ 9,725</u>

### Police Officers Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2006 (Amounts expressed in millions)

<b>Item:</b>	<b>Amount of Increase (Decrease)</b>
Beginning of Year Unfunded Actuarial Liability	\$ 399.3
Interest on Unfunded Actuarial Liability	28.9
Amortization Payment	(37.9)
Asset Experience	27.5
Salary Experience	28.4
Other Liability Experience	26.8
COLA	57.4
Benefit Changes	-
Assumption/Method Changes	-
Total Increase/(Decrease)	<u>\$ 131.1</u>
End of Year Unfunded Actuarial Liability	<u>\$ 530.4</u>

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## Actuarial Section

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### General Assembly Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2006 (Amounts expressed in millions)

<u>Item:</u>	<u>Amount of Increase (Decrease)</u>
Beginning of Year Unfunded Actuarial Liability	\$ 22,845
Interest on Unfunded Actuarial Liability	1,656
Required Amortization Payment	(1,883)
Asset Experience	435
Salary Experience	-
Other Liability Experience	606
Benefit Changes	-
Assumption/Method Changes	-
Total Increase/(Decrease)	\$ 814
End of Year Unfunded Actuarial Liability	<u>\$ 23,659</u>

### Judges and Solicitors Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2006 (Amounts expressed in millions)

<u>Item:</u>	<u>Amount of Increase (Decrease)</u>
Beginning of Year Unfunded Actuarial Liability	\$ 86.0
Interest on Unfunded Actuarial Liability	6.2
Amortization Payment	(4.4)
Asset Experience	1.0
Salary Experience	(0.3)
Other Liability Experience	(1.7)
COLA	(0.3)
Benefit Changes	-
Assumption/Method Changes	-
Total Increase/(Decrease)	\$ 0.5
End of Year Unfunded Actuarial Liability	<u>\$ 86.5</u>

## Actuarial Section

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

	Valuation Date	(1) Active Member Contributions	(2) Retirants & Beneficiaries	(3) Active Members (Employer Funded Portion)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
						(1)	(2)	(3)
<b>SCRS</b>	7-01-06	\$ 5,229,175	\$ 17,800,254	\$ 8,989,090	\$ 22,293,446	100%	95.9%	0.0%
	7-01-05	4,915,423	16,891,954	8,410,094	21,625,510	100%	98.9%	0.0%
	7-01-04	4,750,077	14,184,765	7,043,010	20,862,659	100%	100%	27.4%
	7-01-03	4,627,360	13,240,368	6,531,203	20,197,936	100%	100%	35.7%
	7-01-02	4,512,402	11,600,395	6,333,777	19,298,174	100%	100%	50.3%
	7-01-01	4,339,747	10,367,913	6,454,487	18,486,773	100%	100%	58.6%
	7-01-00	4,563,513	7,484,050	7,367,149	17,286,108	100%	100%	71.1%
	7-01-99	4,278,861	6,944,021	5,075,556	16,120,513	100%	100%	96.5%
	7-01-98	3,972,263	6,305,903	5,674,179	14,946,070	100%	100%	82.3%
	7-01-97	3,657,217	5,866,156	5,453,806	13,621,362	100%	100%	75.1%
<b>PORS</b>	7-01-06	\$ 622,008	\$ 1,668,449	\$ 1,175,824	\$ 2,935,841	100%	100%	54.9%
	7-01-05	585,701	1,530,199	1,058,030	2,774,606	100%	100%	62.0%
	7-01-04	548,699	1,415,627	1,020,258	2,616,835	100%	100%	64.0%
	7-01-03	516,313	1,265,173	963,363	2,511,369	100%	100%	75.8%
	7-01-02	492,178	1,136,998	898,700	2,351,100	100%	100%	80.3%
	7-01-01	464,217	977,769	882,271	2,197,982	100%	100%	85.7%
	7-01-00	427,449	844,631	823,911	2,008,554	100%	100%	89.4%
	7-01-99	389,456	783,042	725,739	1,844,517	100%	100%	92.6%
	7-01-98	352,424	702,155	678,999	1,684,641	100%	100%	92.8%
	7-01-97	314,217	645,356	611,243	1,512,390	100%	100%	90.4%

Note: Effective 7-1-1999, actuarial assumptions were changed as a result of a 5 year experience study.

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

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

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

## Actuarial Section

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

	Valuation Date	(1)		(2)		(3)		Portion of Aggregate Accrued Liabilities Covered by Assets		
		Active Member Contributions	Retirants & Beneficiaries	Active Members (Employer Funded Portion)	Valuation Assets	(1)	(2)	(3)		
<b>GARS</b>	7-01-06	\$ 8,094	\$ 51,870	\$ 9,770	\$ 46,075	100%	73.2%	0.0%		
	7-01-05	8,024	51,353	9,784	46,316	100%	74.6%	0.0%		
	7-01-04	8,485	48,126	11,721	45,087	100%	76.1%	0.0%		
	7-01-03	8,324	46,781	11,515	44,682	100%	77.7%	0.0%		
	7-01-02	9,470	47,485	16,091	43,841	100%	72.4%	0.0%		
	7-01-01	9,329	45,013	13,949	42,788	100%	74.3%	0.0%		
	7-01-00	9,220	39,409	15,318	40,730	100%	80.0%	0.0%		
	7-01-99	8,459	40,298	14,744	38,685	100%	75.0%	0.0%		
	7-01-98	7,898	38,282	14,150	36,260	100%	74.1%	0.0%		
	7-01-97	7,224	39,214	13,614	33,627	100%	67.3%	0.0%		
<b>JSRS</b>	7-01-06	\$ 21,857	\$ 112,823	\$ 76,704	\$ 124,837	100%	91.3%	0.0%		
	7-01-05	20,005	110,876	73,966	118,888	100%	89.2%	0.0%		
	7-01-04	17,640	106,159	61,253	112,016	100%	88.9%	0.0%		
	7-01-03	16,545	96,409	53,701	106,114	100%	92.9%	0.0%		
	7-01-02	16,162	101,716	48,562	100,074	100%	82.5%	0.0%		
	7-01-01	15,254	97,512	46,480	94,795	100%	81.6%	0.0%		
	7-01-00	12,979	94,633	37,019	87,536	100%	78.8%	0.0%		
	7-01-99	12,286	87,464	34,522	81,780	100%	79.5%	0.0%		
	7-01-98	11,424	81,193	32,139	75,699	100%	79.2%	0.0%		
	7-01-97	10,819	70,724	30,642	68,980	100%	82.2%	0.0%		

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

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

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



**Cavanaugh Macdonald**  
CONSULTING, LLC  
*The experience and dedication you deserve*

February 1, 2007

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

Re: Certification and Statement Regarding the Actuarial Valuation of the South Carolina National Guard Retirement System as of July 1, 2006

Dear Members of the Board:

**Applicable Laws**

The law governing the operation of the South Carolina National Guard Retirement System provides that actuarial valuation of the assets and liabilities of the System shall be made at least every other year. We have prepared the annual actuarial valuation of the Retirement System as of July 1, 2006.

**Funding Objective**

A funding objective of the System is that the contributions will remain relatively level over time. As these contributions are set by the Board, the valuation is used to determine the sufficiency of the contributions to maintain or improve the measures of the System's funding progress (i.e. *funded ratio*, *funding period*) and provide for the complete funding of all actuarial liabilities within 30 years.

**Funding Methodology**

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

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

**Assumptions**

Actuarial assumptions are necessary to estimate the future economic and demographic experience of the System. The actuarial assumptions used in the valuation are internally consistent and reasonably based on the actual experience of the System.

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State Budget and Control Board  
South Carolina Retirement Systems  
February 1, 2007  
Page 2

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

The results and conclusions of this report are based on the valuation as of July 1, 2006. Differences between our projections and actual amounts depend on the extent to which future experience conforms exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

#### **Data Reliance**

In preparing the valuations, we, as the actuary, relied on data provided by the System. In fulfillment of the scope of our assignment, we performed a limited review of the data for consistency and reasonableness and did not find material defects in the census data.

#### **Supporting Schedules**

Our firm, as actuary, is responsible for the actuarial trend data in the financial section of the report and the supporting schedules in the actuarial section, beginning with the information for the July 1, 2004 to June 30, 2005 period. Information for previous years was supplied by other actuarial firms employed by the System at that time.

#### **Certification**

Based on the results of the July 1, 2006 valuation, we believe that the valuation is appropriately reflecting the System's long term obligations and the current contribution levels are sufficient to fund the liabilities over a reasonable time frame, and based on these criteria may be deemed actuarially sound.

I, Edward A. Macdonald, President of Cavanaugh Macdonald Consulting, LLC, am a Member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. On the basis of the foregoing, I certify that, to the best of my knowledge this report is complete and accurate and has been prepared in accordance with South Carolina's statutes and generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'E. Macdonald'.

Edward A. Macdonald, ASA, FCA, MAAA  
President

## Actuarial Section

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### National Guard Retirement System Valuation Balance Sheet\* As of Actuarial Valuation at July 1, 2006 (Amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Assets</u></b>	
a. Current Assets (Actuarial Value)	\$ 14,046
b. Present Value of Future Member Contributions	\$ -
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 545
ii) Accrued Liability Contributions	34,709
iii) Total Future Employer Contributions	<u>\$ 35,254</u>
d. Total Assets	<u>\$ 49,300</u>
<b>2. <u>Liabilities</u></b>	
a. Benefits to be Paid to Retired Members and Beneficiaries	\$ 22,366
b. Benefits to be Paid to Former Members Entitled to Deferred Pensions	\$ 16,312
c. Benefits to be Paid to Current Active Members	<u>\$ 10,622</u>
d. Total Liabilities	<u>\$ 49,300</u>

\*Determined as of the valuation date. Does not include unfunded liability for legislation which allows those guardsmen who became members of the National Guard after June 30, 1993, to become eligible for membership in the system effective January 1, 2007.

## Actuarial Section

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### National Guard Retirement System Results of the Valuation as of July 1, 2006\* (Dollar amounts expressed in thousands)

	<u>July 1, 2006</u>
<b>1. <u>Actuarial Present Value of Future Benefits</u></b>	
a. Present Retired Members and Beneficiaries	\$ 22,366
b. Former Members Entitled to Deferred Pensions	16,312
b. Present Active Members	<u>10,622</u>
c. Total Actuarial Present Value	\$ 49,300
<b>2. <u>Present Value of Future Normal Contributions</u></b>	
a. Employees	\$ -
b. Employer	<u>545</u>
c. Total Future Normal Contributions	\$ 545
<b>3. <u>Actuarial Liability</u></b>	\$ 48,755
<b>4. <u>Current Actuarial Value of Assets</u></b>	\$ 14,046
<b>5. <u>Unfunded Actuarial Liability</u></b>	\$ 34,709
<b>6. <u>Unfunded Actuarial Liability Annual Payment Amount</u></b>	\$ 3,444
<b>7. <u>Unfunded Actuarial Liability Liquidation Period</u></b>	30 years

\*Determined as of the valuation date. Does not include unfunded liability for legislation which allows those guardsmen who became members of the National Guard after June 30, 1993, to become eligible for membership in the system effective January 1, 2007.

## Actuarial Section

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

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

7.25% per annum net of investment and administrative expenses, compounded annually.

2. **Separations from Active Service**

Representative values of the assumed annual rates of separation from active service are as follows:

Annual Rates of				
Retirement				
Age	Under Age 60 with 20 Years of Service	Age 60 with 20 Years of Service or 30 Years of Service	Death	Disability <sup>1</sup>
25			.0005	.0009
30			.0006	.0011
35			.0009	.0015
40	.100		.0012	.0022
45	.100		.0022	.0036
50	.100		.0039	.0061
55	.100	1.000	.0061	.0101
60		1.000	.0092	.0163

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

No rates of withdrawals are assumed.

3. **Mortality After Retirement**

The 1983 Group Annuity Mortality Table rates for males is used.

4. **Marriage Assumption**

Not applicable because no death benefits are payable.

5. **Asset Valuation Method**

The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected value of assets, based on the assumed valuation rate of return. The amount recognized in addition to the expected return each year is 20 percent of the difference between the market value and expected actuarial value.

6. **Cost Methods**

Projected benefit method with entry age normal cost and open-end accrued liability. Gains and losses are reflected in the unfunded accrued liability.

7. **Administrative and Investment Expenses**

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

## Actuarial Section

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### 8. Changes from Prior Valuation

There have been no changes since the prior valuation.

### 9. Adoption Date

Cavanaugh Macdonald Consulting, LLC, is the consulting actuary responsible for the actuarial trend data in the financial section of the report and the supporting schedules in the actuarial section. The exact adoption date for the current actuarial assumptions and methods is unknown. The discount rate and retirement rates were last changed for the 1996 valuation. The death, disability, and mortality rates were changed in 1990 by the prior actuary.

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

Item	Valuation as of July 1, 2006
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (906)
b. Current Year - 1	(363)
c. Current Year - 2	(565)
d. Current Year - 3	N/A
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ (724)
b. Current Year - 1 (60% Deferral)	(218)
c. Current Year - 2 (40% Deferral)	(226)
d. Current Year - 3 (20% Deferral)	-
e. Total Deferred for Year	(1,168)
3. Market Value of Plan Assets, End of Year	\$ 12,878
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 14,046
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 10,302
b. 120% of Market Value of Assets, End of Year	\$ 15,454
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 14,046

## Actuarial Section

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### National Guard Retirement System Schedule of Active Member Valuation Data As of July 1, 2006

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-06	1	2,502	N/A	N/A	N/A
6-30-05	1	2,864	N/A	N/A	N/A
6-30-04	1	3,425	N/A	N/A	N/A
6-30-02	1	4,010	N/A	N/A	N/A
6-30-00	1	5,289	N/A	N/A	N/A
6-30-98	1	9,604	N/A	N/A	N/A
6-30-96	1	11,198	N/A	N/A	N/A

### National Guard Retirement System The Number and Annual Retirement Allowances of Retired Members As of July 1, 2006 *(Dollar amounts expressed in thousands)*

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
<b>Service Retirements:</b>		
Men	2,890	\$ 2,744
Women	13	13
Total	2,903	2,757
<b>Disability Retirements:</b>		
Men	N/A	N/A
Women	N/A	N/A
Total	N/A	N/A
<b>Beneficiaries:</b>		
Men	N/A	N/A
Women	N/A	N/A
Total	N/A	N/A
Grand Total	2,903	\$ 2,757

## Actuarial Section

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

Year Ended	Added to Rolls*		Removed from Rolls*		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-06	303	\$ 276	90	\$ 91	2,903	\$ 2,757	7.2%	\$ 950
6-30-05	244	214	89	81	2,690	2,572	5.5%	956
6-30-04	-	-	-	-	2,535	2,439	12.9%	962
6-30-02	-	-	-	-	2,213	2,160	10.9%	976
6-30-00	-	-	-	-	1,962	1,947	7.7%	992
6-30-98	-	-	-	-	1,801	1,808	13.6%	1,004
6-30-96	-	-	-	-	1,550	1,591	18.9%	1,026

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

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

NGRS	Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Actuarial	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a %
				Assets as a % of Actuarial Accrued Liabilities			of Active Member Payroll
	7-01-06	\$ 14,046	\$ 48,755	28.8%	\$ 34,709	N/A	N/A
	6-30-05	12,151	46,985	25.9%	34,835	N/A	N/A
	6-30-04	13,567	47,281	28.7%	33,714	N/A	N/A
	6-30-02	12,608	44,678	28.2%	32,069	N/A	N/A
	6-30-00*	11,089	43,427	25.5%	32,338	N/A	N/A
	6-30-98	8,640	41,478	20.8%	32,839	N/A	N/A
	6-30-96	6,259	36,756	17.0%	30,497	N/A	N/A

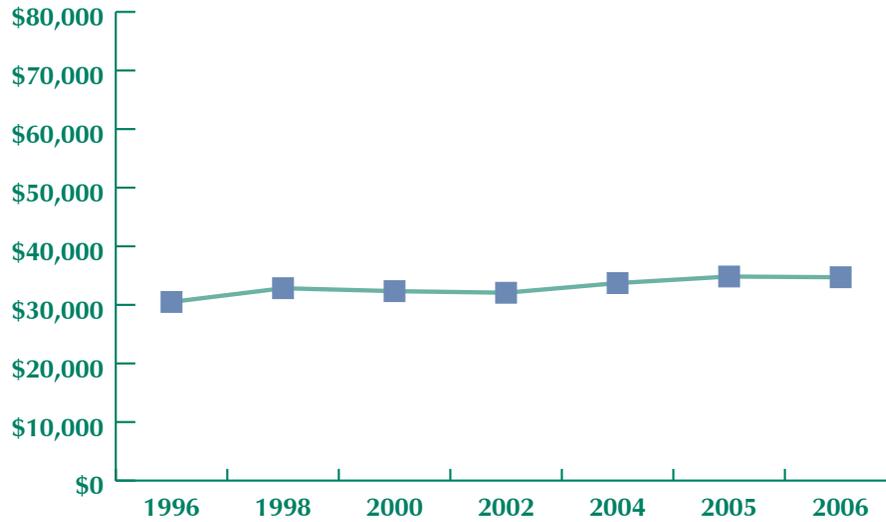
\*As of April 30, 2000.

## Actuarial Section

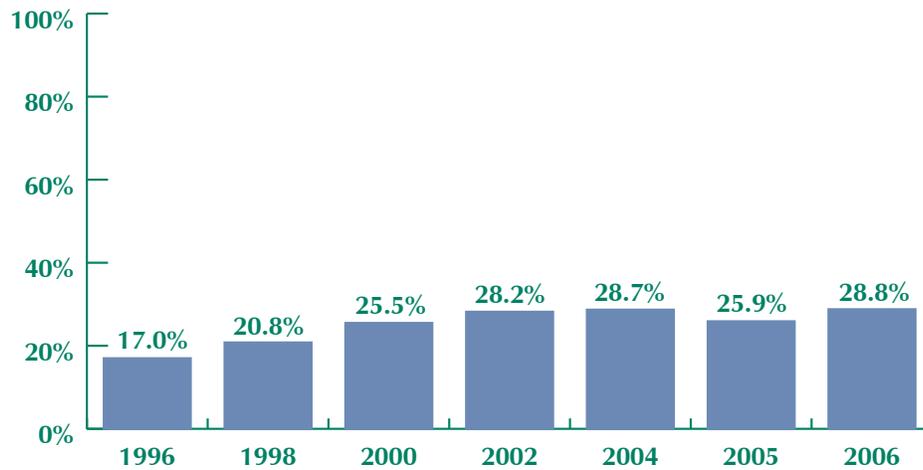
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### National Guard Retirement System Funding Progress with Funded Ratios

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



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



## Actuarial Section

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### National Guard Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2006 (Amounts expressed in thousands)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 34,835
Interest on Unfunded Actuarial Liability	2,526
Amortization Payment	(3,758)
Asset Experience	367
Salary Experience	-
Other Liability Experience	739
COLA	-
Benefit Changes	-
Assumption/Method Changes	-
Total Increase/(Decrease)	\$ (126)
End of Year Unfunded Actuarial Liability	\$ 34,709

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

	Valuation Date	(1) Active			Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
		Member Contributions	(2) Retirants	(3) Active Members (Employer Funded)		(1)	(2)	(3)
<b>NGRS</b>	7-01-06	\$ -	\$ 22,366	\$ 26,389	\$ 14,046	N/A	62.8%	0.0%
	6-30-05	-	20,804	26,181	12,151	N/A	58.4%	0.0%
	6-30-04	-	19,704	27,577	13,567	N/A	68.9%	0.0%
	6-30-02	-	17,597	27,081	12,608	N/A	71.6%	0.0%
	6-30-00	-	16,186	27,241	11,089	N/A	68.5%	0.0%
	6-30-98	-	14,651	26,827	8,640	N/A	59.0%	0.0%
	6-30-96	-	13,138	23,618	6,259	N/A	47.6%	0.0%

# Actuarial Section

## Summary of Basic Provisions

SCRS	PORS	GARS	JSRS	NGRS
<b>1. Membership</b>				
All permanent, full-time and part-time employees of covered employers must join unless specifically exempted by statute or are eligible and elect to participate in the State ORP.	To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner or deputy coroner in a full-time permanent position; or be a peace officer employed by the 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.	Generally, all persons are required to participate upon taking office as member of the General Assembly unless exempted by statute.	All solicitors, judges of a Circuit or Family Court, and justices of the Court of Appeals and Supreme Court are required to participate upon taking office unless exempted by statute.	Individuals serving in the South Carolina National Guard.
<b>2. Employee Contributions</b>				
<b>Class I</b> 5% of earnable compensation	<b>Class I</b> \$21 per month	10% of earnable compensation	10% of earnable compensation	Not applicable as this is a non-contributory plan
<b>Class II</b> 6.5% of earnable compensation	<b>Class II</b> 6.5% of earnable compensation			
<b>3. Employer Contributions</b>				
<b>Class I</b> 4.25% of earnable compensation	<b>Class I</b> 7.8% of earnable compensation	Annual lump-sum appropriation	41.65% of earnable compensation	Annual lump-sum appropriation
<b>Class II</b> 8.05% of earnable compensation	<b>Class II</b> 10.3% of earnable compensation			
<b>Group Life Insurance</b> 0.15% of earnable compensation	<b>Group Life Insurance</b> 0.2% of earnable compensation	<b>Group Life Insurance</b> Included within annual lump-sum appropriation	<b>Group Life Insurance</b> 0.45% of earnable compensation	<b>Group Life Insurance</b> Not applicable
<b>Accidental Death Program</b> Not applicable	<b>Accidental Death Program</b> 0.2% of earnable compensation	<b>Accidental Death Program</b> Not applicable	<b>Accidental Death Program</b> Not applicable	<b>Accidental Death Program</b> Not applicable

# Actuarial Section

SCRS	PORS	GARS	JSRS	NGRS
<b>4. Requirements for Service Annuity</b>				
5 years earned service  The member is entitled to a deferred reduced annuity at age 60.	5 years earned service  The member is entitled to a deferred annuity at age 55.	8 years service  The member is entitled to a deferred annuity at age 60.	10 years earned service in position of judge; 8 years earned service in position of solicitor.  For members who joined prior to 7/1/2004, member is eligible for a deferred annuity at age 55 with 12 years in position. For members who joined after 6/30/2004, member is eligible for a deferred annuity at age 65.	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.
<b>5. Normal Retirement Age</b>				
Age 65	Age 55	Age 60	Varies depending on service	Age 60
<b>6. Requirements for Full Service Retirement</b>				
Age 65 or 28 years of credited service  The member must have a minimum of five years of earned service to qualify for retirement.	Age 55 with 5 years of service or 25 years of credited service  The member must have a minimum of five years of earned service to qualify for retirement.	Age 60 or 30 years of service  Age 70 or 30 years of service while continuing to serve in the General Assembly	Age 70 with 15 years of service  Age 65 with 20 years of service  25 years of service as judge regardless of age  24 years of service as solicitor regardless of age  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.	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.
<b>7. Early Retirement</b>				
Age 60 with 5% reduction for each year of age under age 65  Age 55 with 25 years service, reduced 4% for each year of service under 28  The member must have a minimum of five years of earned service to qualify for early retirement.	Age 55 with five years of service credit  The member must have a minimum of five years of earned service to qualify for early retirement.	Age 60 with 8 years of service credit	Age 55 with 10 years of service in the position of a judge or 8 years of service in the position of a solicitor for members who joined the system prior to 7/1/2004. For members who joined after 6/30/2004, the age requirement is 65.	Not applicable
<b>8. Formula for Normal Service Retirement</b>				
<b>Class I</b> 1.45% of Average Final Compensation times years of credited service	<b>Class I</b> \$10.97 per month for each year of service	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	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.
<b>Class II</b> 1.82% of Average Final Compensation times years of credited service	<b>Class II</b> 2.14% of Average Final Compensation times years of credited service			
			Continued on Next Page	Continued on Next Page

# Actuarial Section

## SCRS

## PORS

## GARS

## JSRS

## NGRS

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

active service over 25 years for judges or over 24 years for solicitors. The monthly retirement allowance may not exceed 90% of the current active salary for the member's position. A member retiring after 2003 will receive an additional benefit equal to employee contributions and accumulated interest remitted after reaching the maximum 90% benefit.

The maximum benefit a retiree can receive is \$100.

### 9. Requirements for Disability Retirement

5 years of earned service unless injury is job related	5 years of earned service unless injury is job related	5 years of credited service	5 years of credited service	Not applicable
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### 10. Formula for Disability Retirement

The disability retirement benefit based on a projection of service credit to age 65 with an actuarial reduction.	The disability retirement benefit is based on a projection of service credit to age 55.	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
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### 11. Benefit Options

<p><b>Option A (Maximum/Retiree Only)</b> Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.</p> <p><b>Option B (100% - 100% Joint Retiree/Survivor)</b> Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary.</p> <p><b>Option C (100% - 50% Joint Retiree/Survivor)</b> 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.</p>	<p><b>Option A (Maximum/Retiree Only)</b> Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.</p> <p><b>Option B (100% - 100% Joint Retiree/Survivor)</b> Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary.</p> <p><b>Option C (100% - 50% Joint Retiree/Survivor)</b> 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.</p>	<p><b>Maximum Benefit (Retiree Only)</b> Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.</p> <p><b>Option 1</b> 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.</p> <p><b>Option 2</b> 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 Maxi-</p>	<p><b>Maximum Benefit Retiree/One-Third Spouse)</b> 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.</p> <p><b>Optional Allowance</b> 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).</p>	<p>Formula benefit as calculated in item 8.</p>
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## Actuarial Section

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### SCRS

### PORS

### GARS

### JSRS

### NGRS

#### 11. Benefit Options (continued)

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

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

mum 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.

#### 12. Deferred Retirement Option Programs

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

Not applicable

Not applicable

Effective June 27, 2007, a JSRS member who reaches maximum service eligibility (32 years for judge or 31 years for solicitor) prior to normal retirement age of 60 may elect to immediately begin accruing annuity benefits in a deferred retirement account while continuing employment. Upon attaining age 60, accumulated deferred benefits are distributed from the plan.

Not applicable

# Actuarial Section

SCRS	PORS	GARS	JSRS	NGRS
<b>13. Post Retirement Increase</b>				
Guaranteed increase of up to 1 percent provided that increase in Consumer Price Index as of prior December 31 is at least 1 percent. Increases in excess of 1 percent, up to a total of 4%, may be approved if the CPI increase exceeded 1 percent and if the unfunded liability amortization period for SCRS does not exceed 30 years.	Increase in Consumer Price Index, up to 4%. (Increases are not guaranteed and must be approved annually subject to compliance with statute.)	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.
<b>14. Accidental Death Program</b>				
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.	Not applicable	Not applicable	Not applicable
<b>15. Group Life Insurance Benefits</b>				
<ul style="list-style-type: none"> <li>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.</li> <li>No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.</li> <li>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 group life insurance benefit payment equal to their annual salary in lieu of the standard retired member benefit.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>No service requirements for death resulting from an injury arising out of the actual performance of duties for an active member.</li> <li>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 group life insurance benefit payment equal to their annual salary in lieu of the standard retired member benefit.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.</li> <li>Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.</li> <li>Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.</li> </ul>	Not applicable
<b>16. Withdrawal of Employee Contributions</b>				
Accumulated contributions, plus interest, payable upon request 90 days after termination of all covered employment.	Accumulated contributions, plus interest, payable upon request 90 days after termination of all covered employment.	Accumulated contributions, plus interest, paid as promptly as feasible upon request after termination of all covered employment.	Accumulated contributions, plus interest, paid as promptly as feasible upon request after termination of all covered employment.	Not applicable as this is a non-contributory plan



# Statistical Section

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## Statistical Section

### Employee Contribution Rates<sup>1</sup> Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS	PORS	GARS	JSRS
2007	6.50%	6.50%	10.00%	10.00%
2006	6.25%	6.50%	10.00%	9.00%
2005	6.00%	6.50%	10.00%	8.00%
2004	6.00%	6.50%	10.00%	7.00%
2003	6.00%	6.50%	10.00%	7.00%
2002	6.00%	6.50%	10.00%	7.00%
2001	6.00%	6.50%	10.00%	7.00%
2000	6.00%	6.50%	10.00%	7.00%
1999	6.00%	6.50%	10.00%	7.00%
1998	6.00%	6.50%	10.00%	7.00%

<sup>1</sup>The National Guard Retirement System is a non-contributory plan; therefore, employee contribution rates are not applicable.

### Employer Contribution Rates<sup>1</sup> Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS Class II <sup>2</sup>			PORS Class II <sup>2</sup>			JSRS	
	State Dept & Public Schools	Local Government	Group Life	All Employers	Group Life	Accidental Death	All Employers	Group Life
2007	8.05%	8.05%	0.15%	10.30%	0.20%	0.20%	41.65%	0.45%
2006	7.55%	7.55%	0.15%	10.30%	0.20%	0.20%	41.65%	0.45%
2005	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	41.65%	0.45%
2004	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	41.35%	0.75%
2003	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.91%	0.75%
2002	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.76%	0.75%
2001	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.76%	0.75%
2000	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.76%	0.75%
1999	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.76%	0.75%
1998	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.69%	0.82%

<sup>1</sup>Employer contributions for the General Assembly Retirement System (GARS) are paid as an annual lump-sum appropriation, in which group life contributions are included. Employer contributions for the National Guard Retirement System (NGRS) are paid through an annual State appropriation.

<sup>2</sup>For employers with retiree insurance coverage, an additional retiree health insurance surcharge is collected and remitted by the Retirement Systems to the Employee Insurance Program; however, these rates are not considered employer retirement contributions and therefore are not included in this schedule.

## Statistical Section

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

	2007	2006	2005	2004	2003
<b>Assets</b>					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 6,855,459	\$ 2,078,394	\$ 3,137,913	\$ 3,087,343	\$ 3,173,518
Total investments, at fair value	22,188,448	24,114,946	22,652,248	21,427,345	19,694,444
Securities lending cash collateral invested	5,085,506	4,372,175	4,110,377	3,698,749	3,912,893
Property, net of accumulated depreciation	3,577	3,696	3,814	3,933	4,052
<b>Total Assets</b>	<u>34,132,990</u>	<u>30,569,211</u>	<u>29,904,352</u>	<u>28,217,370</u>	<u>26,784,907</u>
<b>Liabilities</b>					
Deferred retirement benefits	641,750	670,527	884,776	649,385	424,906
Obligations under securities lending	5,085,506	4,372,175	4,110,377	3,698,749	3,912,893
Other accounts payable	356,954	144,561	100,752	86,497	67,738
<b>Total Liabilities</b>	<u>6,084,210</u>	<u>5,187,263</u>	<u>5,095,905</u>	<u>4,434,631</u>	<u>4,405,537</u>
<b>Total Net Assets</b>	<u>\$ 28,048,780</u>	<u>\$ 25,381,948</u>	<u>\$ 24,808,447</u>	<u>\$ 23,782,739</u>	<u>\$ 22,379,370</u>

	2002	2001	2000	1999	1998
<b>Assets</b>					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 3,027,811	\$ 2,986,937	\$ 2,999,073	\$ 1,236,948	\$ 2,353,019
Total investments, at fair value	18,219,578	18,232,312	16,706,486	17,599,130	16,073,408
Securities lending cash collateral invested	3,174,643	1,691,977	1,413,893	1,438,860	1,526,258
Property, net of accumulated depreciation	4,171	4,289	4,408	4,527	4,646
<b>Total Assets</b>	<u>24,426,203</u>	<u>22,915,515</u>	<u>21,123,860</u>	<u>20,279,465</u>	<u>19,957,331</u>
<b>Liabilities</b>					
Deferred retirement benefits	229,590	54,644	-	-	-
Obligations under securities lending	3,174,643	1,691,977	1,413,893	1,438,860	1,526,258
Other accounts payable	70,414	106,193	50,789	58,096	74,892
<b>Total Liabilities</b>	<u>3,474,647</u>	<u>1,852,814</u>	<u>1,464,682</u>	<u>1,496,956</u>	<u>1,601,150</u>
<b>Total Net Assets</b>	<u>\$ 20,951,556</u>	<u>\$ 21,062,701</u>	<u>\$ 19,659,178</u>	<u>\$ 18,782,509</u>	<u>\$ 18,356,181</u>

## Statistical Section

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

	2007	2006	2005	2004	2003
<b>Additions</b>					
Employee contributions	\$ 505,122	\$ 498,458	\$ 433,254	\$ 414,967	\$ 408,359
Employer contributions	644,350	577,468	538,809	515,996	512,345
Investment income	2,999,209	1,134,639	1,496,887	1,759,686	1,662,781
Other income	1,532	1,741	1,982	2,328	2,688
<b>Total Additions</b>	<u>4,150,213</u>	<u>2,212,306</u>	<u>2,470,932</u>	<u>2,692,977</u>	<u>2,586,173</u>
<b>Deductions</b>					
Annuities	1,747,192	1,639,238	1,514,219	1,405,958	1,266,348
Refunds	77,212	108,569	67,434	66,505	60,133
Group Life	15,948	14,875	13,710	13,515	14,759
Administrative & other expenses	18,254	18,545	16,485	16,425	14,447
<b>Total Deductions</b>	<u>1,858,606</u>	<u>1,781,227</u>	<u>1,611,848</u>	<u>1,502,403</u>	<u>1,355,687</u>
<b>Increase (Decrease) in Net Assets</b>	2,291,607	431,079	859,084	1,190,574	1,230,486
Beginning Net Assets	<u>22,251,562</u>	<u>21,820,483</u>	<u>20,961,399</u>	<u>19,770,825</u>	<u>18,540,339</u>
<b>Ending Net Assets</b>	<u>\$ 24,543,169</u>	<u>\$ 22,251,562</u>	<u>\$ 21,820,483</u>	<u>\$ 20,961,399</u>	<u>\$ 19,770,825</u>
<hr/>					
	2002	2001	2000	1999	1998
<b>Additions</b>					
Employee contributions	\$ 413,905	\$ 435,075	\$ 379,491	\$ 353,119	\$ 335,849
Employer contributions	509,044	491,329	455,914	419,918	398,845
Investment income	170,284	1,293,997	792,282	393,856	1,904,740
Other income	3,141	3,518	3,873	4,356	4,880
<b>Total Additions</b>	<u>1,096,374</u>	<u>2,223,919</u>	<u>1,631,560</u>	<u>1,171,249</u>	<u>2,644,314</u>
<b>Deductions</b>					
Annuities	1,153,538	924,240	783,170	720,234	667,705
Refunds	63,936	68,894	72,452	84,536	61,629
Group Life	13,492	12,850	10,026	7,873	9,277
Administrative & other expenses	14,910	15,374	15,175	13,659	12,822
<b>Total Deductions</b>	<u>1,245,876</u>	<u>1,021,358</u>	<u>880,823</u>	<u>826,302</u>	<u>751,433</u>
<b>Increase (Decrease) in Net Assets</b>	(149,502)	1,202,561	750,737	344,947	1,892,881
Beginning Net Assets	<u>18,689,841</u>	<u>17,487,280</u>	<u>16,736,543</u>	<u>16,391,596</u>	<u>14,498,715</u>
<b>Ending Net Assets</b>	<u>\$ 18,540,339</u>	<u>\$ 18,689,841</u>	<u>\$ 17,487,280</u>	<u>\$ 16,736,543</u>	<u>\$ 16,391,596</u>

## Statistical Section

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

	2007	2006	2005	2004	2003
<b>Additions</b>					
Employee contributions	\$ 71,676	\$ 69,254	\$ 60,110	\$ 58,202	\$ 56,581
Employer contributions	107,332	101,447	91,291	88,867	87,084
Investment income	374,623	139,785	175,849	212,201	184,177
Other income	55	60	64	72	82
<b>Total Additions</b>	<u>553,686</u>	<u>310,546</u>	<u>327,314</u>	<u>359,342</u>	<u>327,924</u>
<b>Deductions</b>					
Annuities	181,388	167,077	152,588	141,461	125,671
Refunds	12,543	13,248	13,441	11,918	11,452
Group Life	1,919	1,821	1,468	1,555	1,594
Administrative & other expenses	2,179	1,968	1,823	1,732	1,572
<b>Total Deductions</b>	<u>198,029</u>	<u>184,114</u>	<u>169,320</u>	<u>156,666</u>	<u>140,289</u>
<b>Increase (Decrease) in Net Assets</b>	355,657	126,432	157,994	202,676	187,635
Beginning Net Assets	2,948,324	2,821,892	2,663,898	2,461,222	2,273,587
<b>Ending Net Assets</b>	<u>\$ 3,303,981</u>	<u>\$ 2,948,324</u>	<u>\$ 2,821,892</u>	<u>\$ 2,663,898</u>	<u>\$ 2,461,222</u>
	2002	2001	2000	1999	1998
<b>Additions</b>					
Employee contributions	\$ 57,778	\$ 56,952	\$ 50,438	\$ 46,211	\$ 44,590
Employer contributions	89,366	94,312	76,267	70,197	66,619
Investment income	18,670	149,574	93,425	53,304	207,998
Other income	92	104	113	124	132
<b>Total Additions</b>	<u>165,906</u>	<u>300,942</u>	<u>220,243</u>	<u>169,836</u>	<u>319,339</u>
<b>Deductions</b>					
Annuities	112,166	95,340	85,235	78,477	71,931
Refunds	11,214	11,498	10,643	10,940	8,482
Group Life	1,608	1,399	1,404	644	1,373
Administrative & other expenses	1,520	1,551	1,525	1,332	1,111
<b>Total Deductions</b>	<u>126,508</u>	<u>109,788</u>	<u>98,807</u>	<u>91,393</u>	<u>82,897</u>
<b>Increase (Decrease) in Net Assets</b>	39,398	191,154	121,436	78,443	236,442
Beginning Net Assets	2,234,189	2,043,035	1,921,599	1,843,156	1,606,714
<b>Ending Net Assets</b>	<u>\$ 2,273,587</u>	<u>\$ 2,234,189</u>	<u>\$ 2,043,035</u>	<u>\$ 1,921,599</u>	<u>\$ 1,843,156</u>

## Statistical Section

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

	2007	2006	2005	2004	2003
<b>Additions</b>					
Employee contributions	\$ 603	\$ 584	\$ 935	\$ 513	\$ 619
Employer contributions	2,358	2,171	2,890	2,731	2,577
Investment income	5,950	2,086	3,238	4,031	4,005
Other income					
<b>Total Additions</b>	<u>8,911</u>	<u>4,841</u>	<u>7,063</u>	<u>7,275</u>	<u>7,201</u>
<b>Deductions</b>					
Annuities	5,935	5,726	5,560	5,347	5,073
Refunds	70		31		72
Group Life	5	17	16	8	5
Administrative & other expenses	34	98	33	162	84
<b>Total Deductions</b>	<u>6,044</u>	<u>5,841</u>	<u>5,640</u>	<u>5,517</u>	<u>5,234</u>
<b>Increase (Decrease) in Net Assets</b>	2,867	(1,000)	1,423	1,758	1,967
Beginning Net Assets	45,679	46,679	45,256	43,498	41,531
<b>Ending Net Assets</b>	<u>\$ 48,546</u>	<u>\$ 45,679</u>	<u>\$ 46,679</u>	<u>\$ 45,256</u>	<u>\$ 43,498</u>
	2002	2001	2000	1999	1998
<b>Additions</b>					
Employee contributions	\$ 643	\$ 904	\$ 638	\$ 783	\$ 686
Employer contributions	2,627	2,510	2,636	2,768	2,796
Investment income	28	3,022	1,827	1,180	4,337
Other income					
<b>Total Additions</b>	<u>3,298</u>	<u>6,436</u>	<u>5,101</u>	<u>4,731</u>	<u>7,819</u>
<b>Deductions</b>					
Annuities	4,537	4,197	3,998	3,941	3,771
Refunds	23	38	16	49	63
Group Life	12	42	36	9	9
Administrative & other expenses	148	71	67	65	188
<b>Total Deductions</b>	<u>4,720</u>	<u>4,348</u>	<u>4,117</u>	<u>4,064</u>	<u>4,031</u>
<b>Increase (Decrease) in Net Assets</b>	(1,422)	2,088	984	667	3,788
Beginning Net Assets	42,953	40,865	39,881	39,214	35,426
<b>Ending Net Assets</b>	<u>\$ 41,531</u>	<u>\$ 42,953</u>	<u>\$ 40,865</u>	<u>\$ 39,881</u>	<u>\$ 39,214</u>

## Statistical Section

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

	2007	2006	2005	2004	2003
<b>Additions</b>					
Employee contributions	\$ 1,784	\$ 1,744	\$ 2,092	\$ 1,893	\$ 1,209
Employer contributions	6,706	6,511	6,260	6,078	6,014
Investment income	16,017	5,761	8,148	9,191	8,795
Other income					
<b>Total Additions</b>	<u>24,507</u>	<u>14,016</u>	<u>16,500</u>	<u>17,162</u>	<u>16,018</u>
<b>Deductions</b>					
Annuities	10,348	9,677	9,215	8,605	8,217
Refunds		20			
Group Life	381	124	1	124	8
Administrative & other expenses	92	83	77	72	67
<b>Total Deductions</b>	<u>10,821</u>	<u>9,904</u>	<u>9,293</u>	<u>8,801</u>	<u>8,292</u>
<b>Increase (Decrease) in Net Assets</b>	<u>13,686</u>	<u>4,112</u>	<u>7,207</u>	<u>8,361</u>	<u>7,726</u>
Beginning Net Assets	123,505	119,393	112,186	103,825	96,099
<b>Ending Net Assets</b>	<u>\$ 137,191</u>	<u>\$ 123,505</u>	<u>\$ 119,393</u>	<u>\$ 112,186</u>	<u>\$ 103,825</u>
	2002	2001	2000	1999	1998
<b>Additions</b>					
Employee contributions	\$ 1,628	\$ 2,216	\$ 1,194	\$ 1,364	\$ 1,246
Employer contributions	5,993	5,875	5,659	5,485	4,991
Investment income	1,025	7,128	3,791	2,352	9,520
Other income					
<b>Total Additions</b>	<u>8,646</u>	<u>15,219</u>	<u>10,644</u>	<u>9,201</u>	<u>15,757</u>
<b>Deductions</b>					
Annuities	8,063	7,426	6,979	6,813	6,100
Refunds	130		71	51	
Group Life	7	6	15	6	1
Administrative & other expenses	65	67	67	60	50
<b>Total Deductions</b>	<u>8,265</u>	<u>7,499</u>	<u>7,132</u>	<u>6,930</u>	<u>6,151</u>
<b>Increase (Decrease) in Net Assets</b>	<u>381</u>	<u>7,720</u>	<u>3,512</u>	<u>2,271</u>	<u>9,606</u>
Beginning Net Assets	95,718	87,998	84,486	82,215	72,609
<b>Ending Net Assets</b>	<u>\$ 96,099</u>	<u>\$ 95,718</u>	<u>\$ 87,998</u>	<u>\$ 84,486</u>	<u>\$ 82,215</u>

## Statistical Section

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

	2007	2006
<b>Additions</b>		
State-appropriated contributions	\$ 3,948	\$ -
Investment income	2,002	89
Other income	50	300
<b>Total Additions</b>	6,000	389
<b>Deductions</b>		
Annuities	2,926	1,371
Refunds		
Group Life		
Administrative & other expenses	59	204
<b>Total Deductions</b>	2,985	1,575
<b>Increase (Decrease) in Net Assets</b>	3,015	(1,186)
<b>Transfer from State Adjutant General's Office</b>	-	14,064
<b>Total Increase (Decrease) in Net Assets</b>	3,015	12,878
Beginning Net Assets	12,878	-
<b>Ending Net Assets</b>	\$ 15,893	\$ 12,878

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

## Statistical Section

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

Year Ended June 30,	Employee Contributions <sup>1</sup>	Employer Contributions <sup>1</sup>	Investment Income <sup>2</sup>	Other	Total
<b>South Carolina Retirement System (SCRS)</b>					
2007	\$ 505,122	\$ 644,350	\$ 2,999,209	\$ 1,532	\$ 4,150,213
2006	498,458	577,468	1,134,639	1,741	2,212,306
2005	433,254	538,809	1,496,887	1,982	2,470,932
2004	414,967	515,996	1,759,686	2,328	2,692,977
2003	408,359	512,345	1,662,781	2,688	2,586,173
2002	413,905	509,044	170,284	3,141	1,096,374
2001	435,075	491,329	1,293,997	3,518	2,223,919
2000	379,491	455,914	792,282	3,873	1,631,560
1999	353,119	419,918	393,856	4,356	1,171,249
1998	335,849	398,845	1,904,740	4,880	2,644,314
<b>Police Officers Retirement System (PORS)</b>					
2007	71,676	107,332	374,623	55	553,686
2006	69,254	101,447	139,785	60	310,546
2005	60,110	91,291	175,849	64	327,314
2004	58,202	88,867	212,201	72	359,342
2003	56,581	87,084	184,177	82	327,924
2002	57,778	89,366	18,670	92	165,906
2001	56,952	94,312	149,574	104	300,942
2000	50,438	76,267	93,425	113	220,243
1999	46,211	70,197	53,304	124	169,836
1998	44,590	66,619	207,998	132	319,339
<b>General Assembly Retirement System (GARS)</b>					
2007	603	2,358	5,950	-	8,911
2006	584	2,171	2,086	-	4,841
2005	935	2,890	3,238	-	7,063
2004	513	2,731	4,031	-	7,275
2003	619	2,577	4,005	-	7,201
2002	643	2,627	28	-	3,298
2001	904	2,510	3,022	-	6,436
2000	638	2,636	1,827	-	5,101
1999	783	2,768	1,180	-	4,731
1998	686	2,796	4,337	-	7,819
<b>Judges and Solicitors Retirement System (JSRS)</b>					
2007	1,784	6,706	16,017	-	24,507
2006	1,744	6,511	5,761	-	14,016
2005	2,092	6,260	8,148	-	16,500
2004	1,893	6,078	9,191	-	17,162
2003	1,209	6,014	8,795	-	16,018
2002	1,628	5,993	1,025	-	8,646
2001	2,216	5,875	7,128	-	15,219
2000	1,194	5,659	3,791	-	10,644
1999	1,364	5,485	2,352	-	9,201
1998	1,246	4,991	9,520	-	15,757
<b>National Guard Retirement System (NGRS)</b>					
2007	-	3,948	2,002	50	6,000
2006 <sup>3</sup>	-	-	89	300	389

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

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

<sup>3</sup>The South Carolina Retirement Systems did not assume administrative responsibilities for the National Guard Retirement System until January 1, 2006; therefore, prior year data is not presented.

## Statistical Section

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

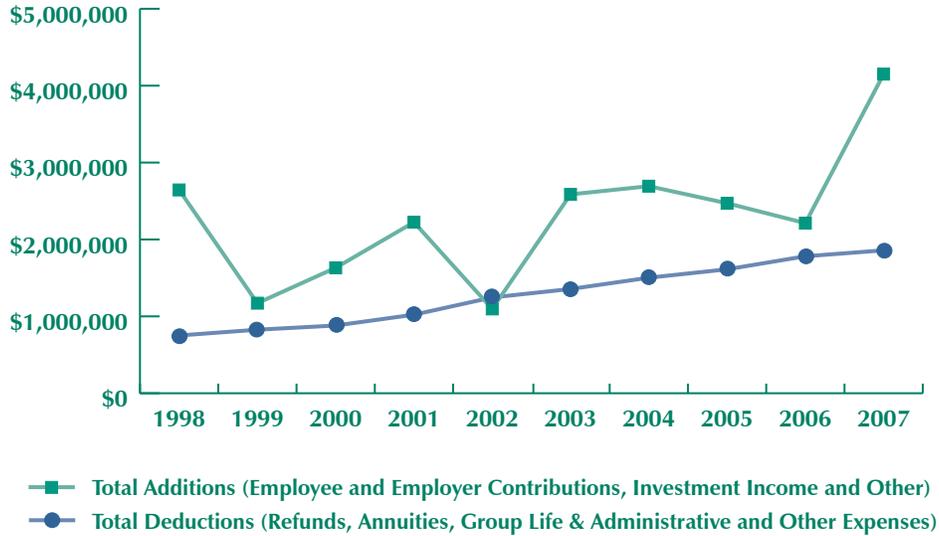
Year Ended June 30,	Refunds	Annuity Expenses	Group Life Expenses	Administrative and Other Expenses	Total
<b>South Carolina Retirement System (SCRS)</b>					
2007	\$ 77,212	\$ 1,747,192	\$ 15,948	\$ 18,254	\$ 1,858,606
2006	108,569	1,639,238	14,875	18,545	1,781,227
2005	67,434	1,514,219	13,710	16,485	1,611,848
2004	66,505	1,405,958	13,515	16,425	1,502,403
2003	60,133	1,266,348	14,759	14,447	1,355,687
2002	63,936	1,153,538	13,492	14,910	1,245,876
2001	68,894	924,240	12,850	15,374	1,021,358
2000	72,452	783,170	10,026	15,175	880,823
1999	84,536	720,234	7,873	13,659	826,302
1998	61,629	667,705	9,277	12,822	751,433
<b>Police Officers Retirement System (PORS)</b>					
2007	12,543	181,388	1,919	2,179	198,029
2006	13,248	167,077	1,821	1,968	184,114
2005	13,441	152,588	1,468	1,823	169,320
2004	11,918	141,461	1,555	1,732	156,666
2003	11,452	125,671	1,594	1,572	140,289
2002	11,214	112,166	1,608	1,520	126,508
2001	11,498	95,340	1,399	1,551	109,788
2000	10,643	85,235	1,404	1,525	98,807
1999	10,940	78,477	644	1,332	91,393
1998	8,482	71,931	1,373	1,111	82,897
<b>General Assembly Retirement System (GARS)</b>					
2007	70	5,935	5	34	6,044
2006	-	5,726	17	98	5,841
2005	31	5,560	16	33	5,640
2004	-	5,347	8	162	5,517
2003	72	5,073	5	84	5,234
2002	23	4,537	12	148	4,720
2001	38	4,197	42	71	4,348
2000	16	3,998	36	67	4,117
1999	49	3,941	9	65	4,064
1998	63	3,771	9	188	4,031
<b>Judges and Solicitors Retirement System (JSRS)</b>					
2007	-	10,348	381	92	10,821
2006	20	9,677	124	83	9,904
2005	-	9,215	1	77	9,293
2004	-	8,605	124	72	8,801
2003	-	8,217	8	67	8,292
2002	130	8,063	7	65	8,265
2001	-	7,426	6	67	7,499
2000	71	6,979	15	67	7,132
1999	51	6,813	6	60	6,930
1998	-	6,100	1	50	6,151
<b>National Guard Retirement System (NGRS)</b>					
2007	-	2,926	-	59	2,985
2006 <sup>1</sup>	-	1,371	-	204	1,575

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

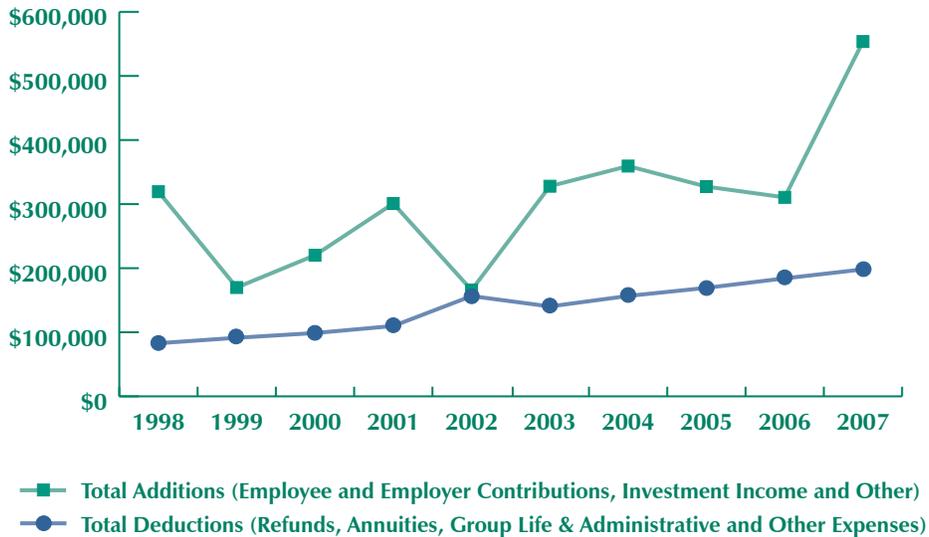
## Statistical Section

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



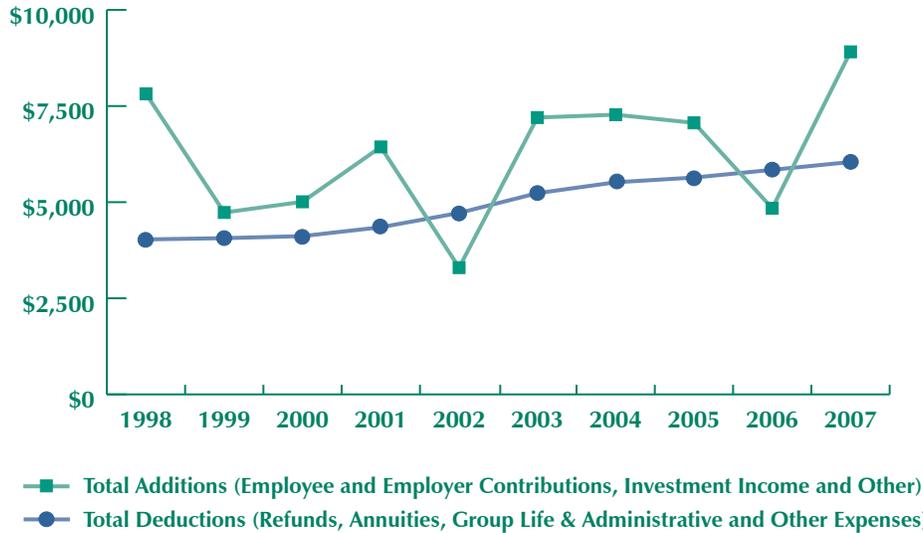
### Police Officers Retirement System Pension Trust Funds Additions and Deductions *(Amounts expressed in thousands)*



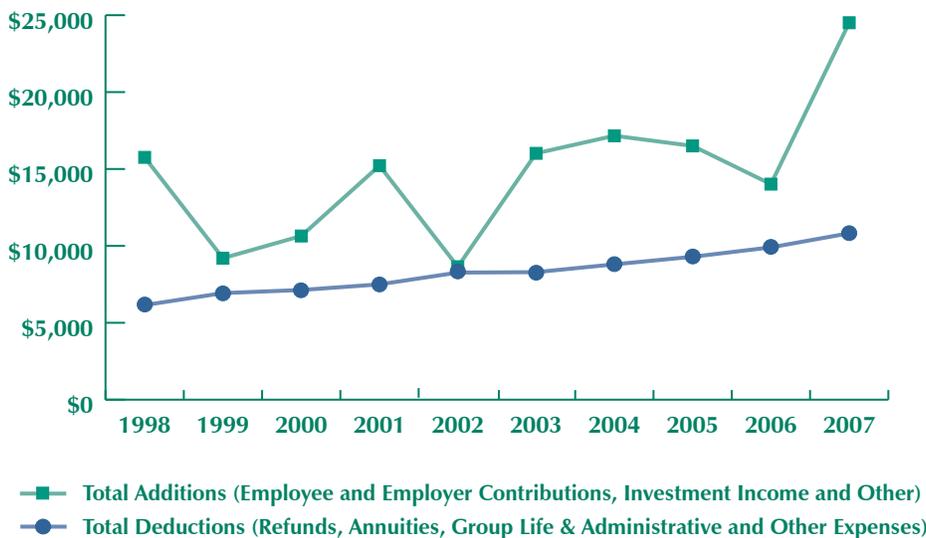
## Statistical Section

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### 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)*

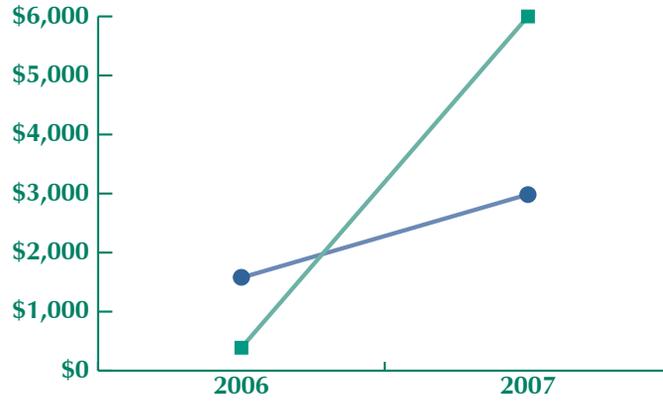


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## Statistical Section

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



- Total Additions (Employee and Employer Contributions, Investment Income and Other)
- Total Deductions (Refunds, Annuities, Group Life & Administrative and Other Expenses)

## Statistical Section

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

Year Ended June 30,	Refunds		Annuity Expenses		Group Life Expenses		Total
	Member	Survivor/Other	Member	Survivor/Other	Active	Retired	
<b>South Carolina Retirement System (SCRS)</b>							
2007	\$ 71,778	\$ 5,434	\$ 1,674,534	\$ 72,658	\$ 7,509	\$ 8,439	\$ 1,840,352
2006	104,728	3,841	1,570,938	68,300	6,823	8,052	1,762,682
2005	63,417	4,017	1,450,883	63,336	6,534	7,176	1,595,363
2004	62,124	4,381	1,345,837	60,121	6,203	7,312	1,485,978
2003	56,377	3,756	1,209,621	56,727	7,341	7,418	1,341,240
2002	60,122	3,814	1,099,953	53,585	6,898	6,594	1,230,966
2001	65,767	3,127	875,053	49,187	6,947	5,903	1,005,984
2000	69,468	2,984	738,149	45,021	6,979	3,047	865,648
1999	82,589	1,947	678,403	41,831	4,802	3,071	812,643
1998	58,886	2,743	628,804	38,901	6,344	2,933	738,611
<b>Police Officers Retirement System (PORS)</b>							
2007	12,063	480	168,785	12,603	1,178	741	195,850
2006	12,613	639	155,241	11,832	1,015	806	182,146
2005	13,017	424	141,493	11,095	859	609	167,497
2004	11,525	393	131,104	10,357	976	579	154,934
2003	11,155	297	116,180	9,491	978	616	138,717
2002	10,829	385	103,286	8,880	1,056	552	124,988
2001	10,983	515	87,208	8,132	878	521	108,237
2000	10,382	261	77,143	7,356	1,082	322	96,546
1999	10,649	291	71,546	6,931	286	358	90,061
1998	8,238	244	65,379	6,552	1,077	296	81,786
<b>General Assembly Retirement System (GARS)</b>							
2007	70	-	4,767	1,168	-	5	6,010
2006	-	-	4,598	1,128	-	17	5,743
2005	31	-	4,493	1,067	-	16	5,607
2004	-	-	4,303	1,044	-	8	5,355
2003	70	2	4,045	1,028	-	5	5,150
2002	21	2	3,542	995	-	12	4,572
2001	38	-	3,308	889	26	16	4,277
2000	3	13	3,178	820	23	13	4,050
1999	49	-	3,108	833	-	9	3,999
1998	-	63	3,019	752	-	9	3,843
<b>Judges and Solicitors Retirement System (JSRS)</b>							
2007	-	-	8,747	1,601	371	10	10,729
2006	-	20	8,311	1,366	122	2	9,821
2005	-	-	7,957	1,258	-	1	9,216
2004	-	-	7,382	1,223	117	7	8,729
2003	-	-	7,047	1,170	-	8	8,225
2002	130	-	6,949	1,114	-	7	8,200
2001	-	-	6,380	1,046	-	6	7,432
2000	71	-	6,043	936	-	15	7,065
1999	51	-	6,022	791	-	6	6,870
1998	-	-	5,368	732	-	1	6,101
<b>National Guard Retirement System (NGRS)</b>							
2007	-	-	2,925	1	-	-	2,926
2006 <sup>1</sup>	-	-	1,370	1	-	-	1,371

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

## Statistical Section

### South Carolina Retirement System Retired Members by Type of Benefit As of June 30, 2007

Monthly Benefit	Number of Annuitant Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	9,984	2,272	5,581	1,165	619	347	6,887	141	1,063	351	211	1,001	330
\$ 251 - \$ 500	12,785	2,204	6,675	1,031	2,315	560	8,977	183	1,166	418	325	1,126	590
\$ 501 - \$ 750	10,169	1,973	4,910	835	2,112	339	6,948	149	792	345	426	895	614
\$ 751 - \$ 1,000	8,237	2,173	3,593	639	1,618	214	5,454	110	660	230	535	717	531
\$ 1,001 - \$ 1,250	7,221	2,943	2,489	448	1,206	135	4,425	114	493	205	728	686	570
\$ 1,251 - \$ 1,500	6,690	3,587	1,794	325	889	95	3,875	123	432	182	893	652	533
\$ 1,501 - \$ 1,750	6,088	3,979	1,217	230	609	53	3,256	78	251	148	1,183	654	518
\$ 1,751 - \$ 2,000	6,281	4,704	888	177	473	39	3,336	82	220	124	1,126	711	682
Over \$2,000	25,062	21,871	1,537	550	1,055	49	15,164	266	976	699	2,851	2,099	3,007
Deferred	8,018	6,463	1,555	-	-	-	5,276	-	-	-	-	1,592	1,150
Totals	100,535	52,169	30,239	5,400	10,896	1,831	63,598	1,246	6,053	2,702	8,278	10,133	8,525

Type 1: Normal Retirement for Age and Service  
 Type 2: Early Retirement  
 Type 3: Beneficiary Payment  
 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, 2007

Monthly Benefit	Number of Annuitant Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	855	556	132	137	16	14	468	86	41	98	-	105	57
\$ 251 - \$ 500	1,237	795	105	191	108	38	667	124	65	95	-	203	83
\$ 501 - \$ 750	1,177	749	61	150	174	43	668	141	36	112	-	132	88
\$ 751 - \$ 1,000	1,103	681	51	114	212	45	621	92	43	92	-	152	103
\$ 1,001 - \$ 1,250	944	568	68	76	213	19	509	65	37	112	-	120	101
\$ 1,251 - \$ 1,500	908	533	57	74	227	17	456	61	37	117	-	117	120
\$ 1,501 - \$ 1,750	823	544	47	36	190	6	458	40	19	98	-	94	114
\$ 1,751 - \$ 2,000	785	564	33	32	148	8	411	29	19	114	-	105	107
Over \$2,000	2,821	2,355	48	69	343	6	1,581	82	84	454	-	222	398
Totals	10,653	7,345	602	879	1,631	196	5,839	720	381	1,292	-	1,250	1,171

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

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

## Statistical Section

### General Assembly Retirement System Retired Members by Type of Benefit As of June 30, 2007

Monthly Benefit	Number of Annuitant Payees	Type of Benefit												
		Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6	
\$ 1 - \$ 250	10	4	3	3	-	-	7	1	2	-	-	-	-	
\$ 251 - \$ 500	18	6	1	11	-	-	3	6	2	-	-	3	4	
\$ 501 - \$ 750	28	17	2	9	-	-	10	10	-	-	-	6	2	
\$ 751 - \$ 1,000	47	31	4	12	-	-	20	10	5	-	-	7	5	
\$ 1,001 - \$ 1,250	25	15	1	9	-	-	6	12	1	-	-	3	3	
\$ 1,251 - \$ 1,500	28	14	2	11	1	-	8	8	5	-	-	4	3	
\$ 1,501 - \$ 1,750	60	40	10	10	-	-	9	30	6	-	-	9	6	
\$ 1,751 - \$ 2,000	42	36	4	2	-	-	23	4	10	-	-	2	3	
Over \$2,000	75	58	5	12	-	-	28	23	8	-	-	13	3	
<b>Totals</b>	<b>333</b>	<b>221</b>	<b>32</b>	<b>79</b>	<b>1</b>	<b>-</b>	<b>114</b>	<b>104</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>29</b>	

Type 1: Normal Retirement for Age and Service  
 Type 2: Early Retirement  
 Type 3: Beneficiary Payment  
 Type 4: Disability Payment

Option 0: Maximum Benefit  
 Option 1: Survivor Benefit, Full Payment  
 Option 2: Survivor Benefit, Half Payment  
 Option 5: Survivor Benefit, Full Payment, Revert to Maximum  
 Option 6: Survivor Benefit, Half Payment, Revert to Maximum

### Judges and Solicitors Retirement System Retired Members by Type of Benefit As of June 30, 2007

Monthly Benefit	Number of Annuitant Payees	Type of Benefit											
		Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 251 - \$ 500	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 501 - \$ 750	1	-	-	1	-	-	1	-	-	-	-	-	-
\$ 751 - \$ 1,000	3	-	-	3	-	-	-	3	-	-	-	-	-
\$ 1,001 - \$ 1,250	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,251 - \$ 1,500	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,501 - \$ 1,750	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,751 - \$ 2,000	1	-	-	1	-	-	-	1	-	-	-	-	-
Over \$2,000	143	85	9	48	1	-	139	4	-	-	-	-	-
<b>Totals</b>	<b>148</b>	<b>85</b>	<b>9</b>	<b>53</b>	<b>1</b>	<b>-</b>	<b>140</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Type 1: Normal Retirement for Age and Service  
 Type 2: Early Retirement  
 Type 3: Beneficiary Payment  
 Type 4: Disability Payment

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

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

## Statistical Section

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### National Guard Retirement System Retired Members by Type of Benefit As of July 1, 2007

Monthly Benefit	Number of Annuitant Payees	Type of Benefit											
		Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	3,200	3,199	-	1	-	-	3,200	-	-	-	-	-	-
\$ 251 - \$ 500	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 501 - \$ 750	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 751 - \$ 1,000	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,001 - \$ 1,250	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,251 - \$ 1,500	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,501 - \$ 1,750	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,751 - \$ 2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Over \$2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>3,200</b>	<b>3,199</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>3,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Option 0: Maximum Benefit

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

## Statistical Section

### South Carolina Retirement System Retired Members by Years of Service

	Years of Credited Service							Avg/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
<b>Period 07/01/1997 to 06/30/1998</b>								
Average Monthly Benefit	\$ 144.31	\$ 296.81	\$ 481.52	\$ 712.86	\$ 934.92	\$ 1,343.80	\$ 2,122.34	\$ 1,161.87
Average AFC	\$ 20,268.80	\$ 21,085.13	\$ 24,925.72	\$ 26,537.49	\$ 29,071.19	\$ 33,911.06	\$ 42,099.95	\$ 31,585.31
Number of Retired Members	102	533	584	476	519	554	1,242	4,010
<b>Period 07/01/1998 to 06/30/1999</b>								
Average Monthly Benefit	\$ 143.34	\$ 323.96	\$ 487.26	\$ 717.56	\$ 916.54	\$ 1,391.12	\$ 2,152.73	\$ 1,232.57
Average AFC	\$ 19,957.51	\$ 22,639.42	\$ 24,929.87	\$ 27,513.12	\$ 28,164.24	\$ 35,457.84	\$ 43,006.04	\$ 32,855.54
Number of Retired Members	135	547	602	454	526	617	1,516	4,397
<b>Period 07/01/1999 to 06/30/2000</b>								
Average Monthly Benefit	\$ 147.75	\$ 306.07	\$ 493.90	\$ 778.78	\$ 986.61	\$ 1,432.88	\$ 2,273.85	\$ 1,364.85
Average AFC	\$ 22,228.15	\$ 22,999.81	\$ 24,881.16	\$ 29,920.92	\$ 30,352.07	\$ 35,538.78	\$ 45,707.40	\$ 35,236.49
Number of Retired Members	130	485	625	481	547	649	1,827	4,744
<b>Period 07/01/2000 to 06/30/2001</b>								
Average Monthly Benefit	\$ 139.87	\$ 335.67	\$ 528.53	\$ 795.44	\$ 1,067.68	\$ 1,884.92	\$ 2,414.11	\$ 1,812.34
Average AFC	\$ 22,055.96	\$ 25,236.65	\$ 27,337.72	\$ 32,213.90	\$ 33,705.50	\$ 44,966.91	\$ 50,795.26	\$ 43,679.76
Number of Retired Members	150	488	755	612	641	4,762	4,478	11,886
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly Benefit	\$ 150.52	\$ 323.26	\$ 549.16	\$ 792.20	\$ 1,111.28	\$ 1,823.11	\$ 2,413.43	\$ 1,467.46
Average AFC	\$ 25,542.99	\$ 25,333.93	\$ 28,726.11	\$ 31,319.20	\$ 35,115.91	\$ 44,180.00	\$ 51,913.70	\$ 39,865.78
Number of Retired Members	146	579	735	579	574	3,241	1,028	6,882
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly Benefit	\$ 160.51	\$ 329.31	\$ 563.40	\$ 844.66	\$ 1,128.95	\$ 1,928.46	\$ 2,505.34	\$ 1,543.14
Average AFC	\$ 26,247.00	\$ 25,654.08	\$ 29,290.38	\$ 34,571.64	\$ 36,323.89	\$ 46,878.27	\$ 54,344.49	\$ 42,043.07
Number of Retired Members	169	599	721	645	540	3,789	916	7,379
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly Benefit	\$ 150.68	\$ 312.72	\$ 567.96	\$ 841.16	\$ 1,122.43	\$ 1,968.74	\$ 2,616.95	\$ 1,513.54
Average AFC	\$ 22,204.11	\$ 25,085.89	\$ 30,563.64	\$ 34,335.49	\$ 35,989.43	\$ 48,030.98	\$ 56,718.40	\$ 42,073.66
Number of Retired Members	148	642	799	735	501	3,771	636	7,232
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly Benefit	\$ 180.34	\$ 332.89	\$ 561.82	\$ 863.64	\$ 1,178.26	\$ 1,950.86	\$ 2,568.59	\$ 1,450.95
Average AFC	\$ 26,243.64	\$ 27,061.98	\$ 30,543.95	\$ 35,349.25	\$ 37,503.78	\$ 47,442.90	\$ 54,785.13	\$ 41,358.66
Number of Retired Members	127	751	828	778	614	3,595	505	7,198
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly Benefit	\$ 199.03	\$ 337.49	\$ 555.63	\$ 858.80	\$ 1,212.45	\$ 1,854.22	\$ 2,254.98	\$ 1,191.12
Average AFC	\$ 27,470.76	\$ 26,705.27	\$ 29,853.01	\$ 33,910.04	\$ 38,313.49	\$ 45,183.27	\$ 47,917.58	\$ 37,350.66
Number of Retired Members	85	707	694	640	451	1,691	198	4,466
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly Benefit	\$ 201.90	\$ 333.01	\$ 604.53	\$ 881.57	\$ 1,174.70	\$ 1,977.59	\$ 2,502.04	\$ 1,323.69
Average AFC	\$ 27,893.78	\$ 28,054.01	\$ 33,756.16	\$ 36,342.41	\$ 38,042.71	\$ 48,262.71	\$ 52,943.91	\$ 40,667.56
Number of Retired Members	110	837	846	700	554	2,484	279	5,810
<b>10 Year Averages</b>								
Average Monthly Benefit	\$ 159.52	\$ 324.28	\$ 543.63	\$ 817.52	\$ 1,083.28	\$ 1,876.90	\$ 2,356.13	\$ 1,468.36
Average AFC	\$ 23,923.10	\$ 25,279.06	\$ 28,790.80	\$ 32,712.40	\$ 34,259.62	\$ 45,587.18	\$ 49,077.65	\$ 39,796.71
Number of Retired Members	1,302	6,168	7,189	6,100	5,467	25,153	12,625	64,004

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

## Statistical Section

### Police Officers Retirement System Retired Members by Years of Service

	Years of Credited Service							Avg/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
<b>Period 07/01/1997 to 06/30/1998</b>								
Average Monthly Benefit	\$ 286.67	\$ 574.44	\$ 756.83	\$ 1,044.54	\$ 1,440.01	\$ 1,823.72	\$ 2,815.67	\$ 1,204.13
Average AFC	\$ 28,347.28	\$ 30,152.48	\$ 29,610.25	\$ 29,850.49	\$ 34,955.09	\$ 37,484.14	\$ 49,157.81	\$ 33,390.49
Number of Retired Members	38	76	85	61	43	137	22	462
<b>Period 07/01/1998 to 06/30/1999</b>								
Average Monthly Benefit	\$ 219.30	\$ 620.49	\$ 780.49	\$ 1,193.84	\$ 1,382.98	\$ 1,846.17	\$ 2,643.86	\$ 1,254.59
Average AFC	\$ 26,010.84	\$ 26,891.21	\$ 28,315.21	\$ 32,300.08	\$ 31,951.68	\$ 38,361.06	\$ 46,064.31	\$ 32,851.63
Number of Retired Members	44	71	101	74	57	133	41	521
<b>Period 07/01/1999 to 06/30/2000</b>								
Average Monthly Benefit	\$ 220.86	\$ 598.01	\$ 890.69	\$ 1,056.31	\$ 1,519.80	\$ 1,989.16	\$ 2,615.87	\$ 1,356.63
Average AFC	\$ 30,500.64	\$ 29,771.78	\$ 31,498.85	\$ 32,108.69	\$ 35,870.75	\$ 40,736.89	\$ 45,558.11	\$ 35,573.46
Number of Retired Members	31	82	102	69	48	148	51	531
<b>Period 07/01/2000 to 06/30/2001</b>								
Average Monthly Benefit	\$ 294.07	\$ 585.33	\$ 932.92	\$ 1,243.34	\$ 1,510.40	\$ 1,973.84	\$ 2,872.16	\$ 1,387.22
Average AFC	\$ 36,454.35	\$ 31,922.37	\$ 33,463.11	\$ 34,501.74	\$ 36,850.53	\$ 41,474.79	\$ 50,681.30	\$ 37,842.97
Number of Retired Members	73	110	124	83	66	232	62	750
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly Benefit	\$ 285.46	\$ 549.74	\$ 934.42	\$ 1,208.68	\$ 1,623.61	\$ 2,047.07	\$ 3,128.02	\$ 1,478.71
Average AFC	\$ 40,201.77	\$ 32,772.66	\$ 33,773.35	\$ 37,519.41	\$ 40,085.35	\$ 44,566.31	\$ 55,512.13	\$ 40,738.47
Number of Retired Members	83	132	131	117	87	279	93	922
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly Benefit	\$ 277.51	\$ 584.78	\$ 905.84	\$ 1,300.62	\$ 1,560.15	\$ 2,204.21	\$ 3,218.15	\$ 1,512.11
Average AFC	\$ 37,817.53	\$ 34,509.45	\$ 35,571.19	\$ 40,924.13	\$ 39,947.22	\$ 48,979.84	\$ 58,536.22	\$ 42,833.57
Number of Retired Members	81	140	129	111	83	244	93	881
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly Benefit	\$ 283.51	\$ 538.05	\$ 881.07	\$ 1,221.85	\$ 1,648.24	\$ 2,143.88	\$ 3,072.37	\$ 1,442.55
Average AFC	\$ 34,019.96	\$ 31,747.46	\$ 34,805.64	\$ 37,054.29	\$ 41,825.61	\$ 47,125.31	\$ 54,979.45	\$ 40,409.94
Number of Retired Members	60	123	111	127	80	240	53	794
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly Benefit	\$ 371.38	\$ 665.30	\$ 919.65	\$ 1,222.52	\$ 1,735.14	\$ 2,072.94	\$ 3,186.44	\$ 1,375.95
Average AFC	\$ 39,097.95	\$ 35,333.45	\$ 36,099.76	\$ 37,866.96	\$ 43,866.18	\$ 46,356.17	\$ 58,635.82	\$ 41,131.46
Number of Retired Members	71	121	124	128	81	205	34	764
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly Benefit	\$ 400.94	\$ 582.86	\$ 999.32	\$ 1,261.00	\$ 1,819.72	\$ 2,310.74	\$ 3,360.75	\$ 1,501.15
Average AFC	\$ 35,128.27	\$ 36,867.91	\$ 37,636.09	\$ 38,662.54	\$ 44,045.30	\$ 51,116.66	\$ 61,874.17	\$ 43,153.02
Number of Retired Members	43	117	109	111	70	186	34	670
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly Benefit	\$ 309.89	\$ 572.09	\$ 916.56	\$ 1,293.36	\$ 1,828.90	\$ 2,294.56	\$ 3,770.99	\$ 1,430.44
Average AFC	\$ 33,238.01	\$ 35,279.06	\$ 37,936.83	\$ 40,772.15	\$ 45,450.77	\$ 51,596.01	\$ 68,339.13	\$ 43,017.50
Number of Retired Members	70	132	119	112	106	183	29	751
<b>10 Year Averages</b>								
Average Monthly Benefit	\$ 298.55	\$ 585.11	\$ 897.61	\$ 1,218.94	\$ 1,633.54	\$ 2,086.49	\$ 3,060.19	\$ 1,411.15
Average AFC	\$ 35,156.48	\$ 33,027.29	\$ 34,105.01	\$ 36,892.20	\$ 40,335.37	\$ 45,313.28	\$ 54,757.11	\$ 39,716.60
Number of Retired Members	594	1,104	1,135	993	721	1,987	512	7,046

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

## Statistical Section

### General Assembly Retirement System Retired Members by Years of Service

	Years of Credited Service							Avg/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
<b>Period 07/01/1997 to 06/30/1998</b>								
Average Monthly Benefit	\$ 22.27	\$ 618.21	\$ 905.23	\$ 1,076.98	\$ 2,085.45	-	-	\$ 1,155.55
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 23,600.00	-	-	\$ 22,800.00
Number of Retired Members	1	2	2	1	3	-	-	9
<b>Period 07/01/1998 to 06/30/1999</b>								
Average Monthly Benefit	\$ 179.95	\$ 793.91	\$ 775.10	\$ 1,799.47	\$ 1,731.57	\$ 2,534.25	\$ 2,250.23	\$ 1,458.25
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	2	1	6	1	2	16
<b>Period 07/01/1999 to 06/30/2000</b>								
Average Monthly Benefit	-	-	-	-	\$ 1,761.95	-	-	\$ 1,761.83
Average AFC	-	-	-	-	\$ 22,400.00	-	-	\$ 22,400.00
Number of Retired Members	-	-	-	-	6	-	-	6
<b>Period 07/01/2000 to 06/30/2001</b>								
Average Monthly Benefit	-	\$ 647.16	\$ 705.16	\$ 1,474.20	\$ 1,907.68	\$ 2,647.92	\$ 3,250.49	\$ 2,273.04
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 23,120.00	\$ 22,400.00	\$ 27,400.00	\$ 25,955.55	\$ 24,571.42
Number of Retired Members	-	2	1	5	2	2	9	21
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly Benefit	-	\$ 654.55	\$ 1,006.93	\$ 1,709.49	\$ 1,952.14	\$ 2,253.85	\$ 2,617.34	\$ 1,812.40
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 24,066.66	\$ 22,400.00	\$ 22,400.00	\$ 23,066.66
Number of Retired Members	-	2	1	2	6	2	2	15
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly Benefit	-	\$ 788.91	\$ 992.27	\$ 1,379.23	\$ 1,916.75	\$ 2,097.10	\$ 2,760.89	\$ 1,842.34
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 23,727.27	\$ 22,856.25
Number of Retired Members	-	5	4	5	5	2	11	32
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly Benefit	-	-	\$ 975.67	\$ 1,579.78	\$ 2,069.32	-	-	\$ 1,714.25
Average AFC	-	-	\$ 22,400.00	\$ 22,400.00	\$ 23,828.57	-	-	\$ 23,233.33
Number of Retired Members	-	-	3	2	7	-	-	12
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly Benefit	-	\$ 719.79	\$ 1,060.18	\$ 1,504.62	\$ 1,765.31	\$ 2,343.33	\$ 2,567.82	\$ 1,801.39
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired Members	-	1	3	5	6	5	3	23
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly Benefit	-	-	\$ 1,192.02	\$ 1,398.49	\$ 1,900.02	\$ 1,953.73	\$ 2,691.46	\$ 1,750.70
Average AFC	-	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired Members	-	-	3	2	2	1	2	10
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly Benefit	-	\$ 899.73	\$ 914.61	\$ 1,348.59	\$ 1,843.28	-	\$ 2,619.33	\$ 1,778.87
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	-	\$ 22,400.00	\$ 22,400.00
Number of Retired Members	-	1	1	3	8	-	3	16
<b>10 Year Averages</b>								
Average Monthly Benefit	\$ 101.11	\$ 736.60	\$ 982.00	\$ 1,464.92	\$ 1,881.42	\$ 2,323.26	\$ 2,821.99	\$ 1,788.59
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,538.46	\$ 22,862.74	\$ 23,169.23	\$ 23,856.25	\$ 22,923.75
Number of Retired Members	2	16	20	26	51	13	32	160

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

## Statistical Section

### Judges and Solicitors Retirement System Retired Members by Years of Service

	Years of Credited Service							Avg/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
<b>Period 07/01/1997 to 06/30/1998</b>								
Average Monthly Benefit	-	-	\$ 3,204.24	-	\$ 5,632.88	\$ 5,942.33	\$ 7,220.24	\$ 5,803.25
Average AFC	-	-	\$ 98,905.00	-	\$ 97,562.66	\$ 98,175.00	\$ 96,939.50	\$ 97,727.75
Number of Retired Members	-	-	1	-	3	2	2	8
<b>Period 07/01/1998 to 06/30/1999</b>								
Average Monthly Benefit	\$ 6,011.54	-	-	-	\$ 6,092.79	\$ 6,726.43	-	\$ 6,443.00
Average AFC	\$ 101,176.00	-	-	-	\$ 102,543.50	\$ 102,479.00	-	\$ 102,311.28
Number of Retired Members	1	-	-	-	2	4	-	7
<b>Period 07/01/1999 to 06/30/2000</b>								
Average Monthly Benefit	-	-	\$ 5,777.70	\$ 6,252.00	\$ 6,354.94	\$ 9,226.88	\$ 6,623.66	
Average AFC	-	-	\$ 107,933.00	\$ 105,223.00	\$ 106,896.50	\$ 123,025.00	\$ 109,651.16	
Number of Retired Members	-	-	-	2	1	2	1	6
<b>Period 07/01/2000 to 06/30/2001</b>								
Average Monthly Benefit	-	\$ 6,613.61	-	-	\$ 6,613.61	\$ 7,111.82	-	\$ 6,862.25
Average AFC	-	\$ 111,309.00	-	-	\$ 111,309.00	\$ 111,032.00	-	\$ 111,170.50
Number of Retired Members	-	1	-	-	1	2	-	4
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly Benefit	-	\$ 4,152.92	-	-	\$ 6,745.87	\$ 7,348.64	\$ 8,148.82	\$ 7,062.42
Average AFC	-	\$ 113,535.00	-	-	\$ 113,535.00	\$ 113,535.00	\$ 110,546.00	\$ 112,254.00
Number of Retired Members	-	-	1	-	2	1	3	7
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly Benefit	-	-	\$ 4,958.74	\$ 6,115.60	\$ 7,322.62	-	\$ 6,266.33	
Average AFC	-	-	\$ 111,542.33	\$ 112,040.50	\$ 114,281.50	-	\$ 112,870.44	
Number of Retired Members	-	-	-	3	2	4	-	9
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly Benefit	-	-	\$ 5,057.41	\$ 6,688.09	\$ 6,385.11	\$ 8,564.85	\$ 7,180.75	
Average AFC	-	-	\$ 114,886.50	\$ 113,535.00	\$ 116,521.00	\$ 114,210.75	\$ 114,584.00	
Number of Retired Members	-	-	-	2	1	1	4	8
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly Benefit	-	-	-	\$ 6,850.98	-	\$ 8,538.70	\$ 7,413.00	
Average AFC	-	-	-	\$ 115,255.50	-	\$ 113,862.00	\$ 114,791.00	
Number of Retired Members	-	-	-	-	2	-	1	3
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly Benefit	-	-	\$ 7,226.08	-	\$ 8,198.72	\$ 9,097.69	\$ 8,173.66	
Average AFC	-	-	\$ 121,617.00	-	\$ 121,617.00	\$ 121,316.00	\$ 121,516.66	
Number of Retired Members	-	-	-	1	-	1	1	3
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly Benefit	-	\$ 4,430.37	\$ 5,184.19	\$ 7,456.84	\$ 8,433.08	\$ 9,228.09	\$ 8,697.43	
Average AFC	-	\$ 125,265.00	\$ 124,955.00	\$ 124,955.00	\$ 121,968.00	\$ 126,312.05	\$ 125,770.78	
Number of Retired Members	-	-	1	1	1	2	18	23
<b>10 Year Averages</b>								
Average Monthly Benefit	\$ 6,011.54	\$ 6,613.61	\$ 3,929.17	\$ 5,439.63	\$ 6,367.97	\$ 7,042.79	\$ 8,870.50	\$ 7,292.53
Average AFC	\$ 101,176.00	\$ 111,309.00	\$ 112,568.33	\$ 114,093.11	\$ 108,963.93	\$ 110,255.68	\$ 120,472.66	\$ 114,365.70
Number of Retired Members	1	1	3	9	15	19	30	78

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

## Statistical Section

### National Guard Retirement System Retired Members by Years of Service

	Years of Credited Service							Avg/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
<b>Period 07/01/1997 to 06/30/1998</b>								
Average Monthly Benefit	-	-	-	\$ 50.00	\$ 62.55	\$ 96.53	\$ 100.00	\$ 79.78
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	15	49	65	10	139
<b>Period 07/01/1998 to 06/30/1999</b>								
Average Monthly Benefit	-	-	-	\$ 50.00	\$ 62.85	\$ 92.05	\$ 100.00	\$ 76.37
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	16	56	39	24	135
<b>Period 07/01/1999 to 06/30/2000</b>								
Average Monthly Benefit	-	-	-	\$ 50.00	\$ 63.21	\$ 92.82	\$ 100.00	\$ 76.90
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	16	56	23	36	131
<b>Period 07/01/2000 to 06/30/2001</b>								
Average Monthly Benefit	-	-	-	\$ 50.00	\$ 63.12	\$ 90.75	\$ 100.00	\$ 77.61
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	17	64	33	43	157
<b>Period 07/01/2001 to 06/30/2002</b>								
Average Monthly Benefit	-	-	-	\$ 50.00	\$ 62.24	\$ 85.95	\$ 100.00	\$ 72.25
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	24	78	21	37	160
<b>Period 07/01/2002 to 06/30/2003</b>								
Average Monthly Benefit	-	-	-	\$ 50.34	\$ 62.86	\$ 88.48	\$ 100.00	\$ 74.59
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	29	96	33	54	212
<b>Period 07/01/2003 to 06/30/2004</b>								
Average Monthly Benefit	-	-	-	\$ 50.00	\$ 62.61	\$ 90.22	\$ 100.00	\$ 75.14
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	29	88	44	47	208
<b>Period 07/01/2004 to 06/30/2005</b>								
Average Monthly Benefit	-	-	-	\$ 50.31	\$ 62.56	\$ 91.11	\$ 100.00	\$ 74.38
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	32	109	45	51	237
<b>Period 07/01/2005 to 06/30/2006</b>								
Average Monthly Benefit	-	-	-	\$ 50.00	\$ 62.64	\$ 90.42	\$ 100.00	\$ 75.09
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	42	134	59	73	308
<b>Period 07/01/2006 to 06/30/2007</b>								
Average Monthly Benefit	-	-	-	\$ 50.00	\$ 62.22	\$ 89.27	\$ 100.00	\$ 76.11
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	49	148	90	90	377
<b>10 Year Averages</b>								
Average Monthly Benefit	-	-	-	\$ 50.07	\$ 62.63	\$ 91.06	\$ 100.00	\$ 75.63
Average AFC	-	-	-	-	-	-	-	-
Number of Retired Members	-	-	-	269	878	452	465	2,064

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

## Statistical Section

### South Carolina Retirement System Principal Participating Employers in 2007 and 1998

Participating Government	2007					1998				
	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired <sup>1</sup>
State Agency	36,657	1	16.63%	32,077	4,580	43,116	1	21.62%	43,116	-
School District of Greenville County	8,938	2	4.05%	7,832	1,106	6,945	2	3.48%	6,945	-
Charleston County School District	5,673	3	2.57%	5,055	618	5,481	4	2.74%	5,481	-
University of South Carolina	5,353	4	2.42%	4,403	950	5,058	5	2.53%	5,058	-
Horry County School District	4,597	5	2.08%	4,181	416	3,616	7	1.81%	3,616	-
Spartanburg Regional Medical Center	4,520	6	2.05%	4,362	158	-	-	-	-	-
MUSC Hospital Authority/MUSC	4,315	7	1.95%	4,174	141	6,215	3	3.11%	6,215	-
Richland County School District 1	4,178	8	1.89%	3,568	610	4,238	6	2.12%	4,238	-
Clemson University	3,607	9	1.63%	3,082	525	3,566	8	1.78%	3,566	-
Berkeley County Department of Education	3,536	10	1.60%	3,167	369	3,183	9	1.59%	3,183	-
Aiken County Department of Education	-	-	-	-	-	2,993	10	1.50%	2,993	-
All Other	139,019		63.13%	125,956	13,063	114,973		57.72%	114,973	-
Total <sup>2</sup>	220,393		100.00%	197,857	22,536	199,384		100.00%	199,384	-

**In 2007, "All Other" consisted of:**

Type	Number	Employees
Quasi-State/Higher Ed	30	14,205
City/County	578	53,185
Public Schools	100	71,629
Total	708	139,019

**In 1998, "All Other" consisted of:**

Type	Number	Employees
Quasi-State/Higher Ed	29	10,864
City/County	499	46,576
Public Schools	98	57,533
Total	626	114,973

<sup>1</sup>Prior to July 1, 1999, contributions for working retirees were not required; therefore, membership information was not collected.

<sup>2</sup>2007 total reflects 718 governments and 1998 total reflects 636 governments.

## Statistical Section

### Police Officers Retirement System Principal Participating Employers in 2007 and 1998

Participating Government	2007					1998				
	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired <sup>1</sup>
State Agency	11,112	1	5.04%	10,488	624	10,684	1	45.00%	10,684	-
County Council of Richland County	866	2	0.39%	790	76	658	2	2.77%	658	-
City of Columbia	809	3	0.36%	779	30	623	4	2.62%	623	-
Horry County Council	754	4	0.34%	735	19	376	8	1.58%	376	-
Greenville County Council	734	5	0.33%	662	72	627	3	2.64%	627	-
County of Charleston	666	6	0.30%	595	71	514	5	2.16%	514	-
City of Charleston	605	7	0.27%	555	50	343	10	1.44%	343	-
City of North Charleston	519	8	0.23%	509	10	394	7	1.65%	394	-
Spartanburg County Council	503	9	0.22%	446	57	454	6	1.91%	454	-
County Council of Lexington	487	10	0.22%	442	45	360	9	1.51%	360	-
All Other	12,105		92.30%	11,216	889	8,706		36.72%	8,706	-
Total <sup>2</sup>	29,160		100.00%	27,217	1,943	23,739		100.00%	23,739	-

**In 2007, "All Other" consisted of:**

Type	Number	Employees
Quasi-State/Higher Ed	26	488
City/County	280	11,540
Public Schools	36	77
Total	342	12,105

**In 1998, "All Other" consisted of:**

Type	Number	Employees
Quasi-State/Higher Ed	15	442
City/County	239	8,252
Public Schools	5	12
Total	259	8,706

<sup>1</sup>Prior to July 1, 1999, contributions for working retirees were not required; therefore, membership information was not collected.

<sup>2</sup>2007 total reflects 352 governments and 1998 total reflects 269 governments.

Note: The Principal Participating Employers schedule is not presented for GARS, JSRS, and NGRS as employers for these systems are considered components of the State Agency category.

## Statistical Section

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### Participating Employers

<b>Participating Employers Covered by Statute</b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
State Agencies & Institutions of Higher Education	<b>109</b>	<b>67</b>
Public School Districts	<b>103</b>	<b>46</b>

<b><u>NAME</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
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<b>Participating Employers Covered by Separate Agreement</b>	578	300
ABBEVILLE COUNTY COUNCIL	Y	Y
ABBEVILLE GREENWOOD REGIONAL LIBRARY BD	Y	
AIKEN BAMBERG BRNWELL EDGEFLD REG LIB BD	Y	
AIKEN COUNTY COMM ON ALCOHOL&DRUG ABUSE	Y	
ALLENDALE COUNTY COUNCIL	Y	Y
ALLENDALE COUNTY OFFICE ON AGING	Y	
ALLENDALE HAMPTON JASPER REG LIBRARY	Y	
ALLENDALE-BARNWELL DIS & SPEC NEEDS BD	Y	
ALLIGATOR RURAL WATER & SEWER CO	Y	
ANDERSON CO COMM ON ALCOHOL & DRUG ABUSE	Y	
ANDERSON CO COUNCIL-FINANCE OFFICE	Y	Y
ANDERSON CO DISABILITIES & SPEC NEEDS BD	Y	
ANDERSON CO FIRE PROTECTION COMMISSION	Y	Y
ANDERSON COUNTY LIBRARY BOARD	Y	
ANDERSON REGIONAL JOINT WATER SYSTEM	Y	
ASHLEY RIVER FIRE DISTRICT	Y	Y
AXIS I CENTER OF BARNWELL	Y	
BAMBERG BOARD OF PUBLIC WORKS	Y	
BAMBERG CO DISBILITIES & SPEC NEEDS BD	Y	
BAMBERG COUNTY COUNCIL	Y	Y
BAMBERG COUNTY OFFICE ON AGING	Y	
BARNWELL COUNTY COUNCIL	Y	Y
BDST SERVICES, INC.	Y	
BEAUFORT MEMORIAL HOSPITAL	Y	
BEAUFORT SOIL & WATER CONSERVATION DIST	Y	
BEAUFORT-JASPER CO WATER AUTHORITY	Y	
BEECH ISLAND RURAL COMMUNITY WATER DIST	Y	
BELMONT FIRE & SANITATION DIST COMM		Y
BELTON-HONEA PATH WATER AUTHORITY	Y	
BEREA PUBLIC SERVICE DISTRICT COMMISSION	Y	
BERKELEY CHARLESTON DORCHESTER RTMA	Y	
BERKELEY COUNTY GOVERNMENT	Y	Y
BERKELEY COUNTY PUBLIC DEFENDER, INC	Y	
BERKELEY COUNTY WATER & SEWER AUTHORITY	Y	
BETHUNE RURAL WATER COMPANY INC	Y	
BIG CREEK WATER AND SEWERAGE DISTRICT	Y	
BLDG COMM OF THE CITY & CO OF FLORENCE	Y	
BLUE RIDGE RURAL WATER COMPANY, INC.	Y	
BLUFFTON TOWNSHIP FIRE DISTRICT	Y	Y
BOILING SPRINGS FIRE DEPARTMENT		Y
BOILING SPRINGS FIRE DISTRICT		Y
BROADWAY WATER AND SEWER DISTRICT	Y	
BURTON CNTR FOR DIS & SPC ND	Y	Y
BURTON FIRE DISTRICT	Y	Y

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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
CHESTER CO BD OF DIRECTORS	Y	Y
CHESTER CO HOSPITAL & NURSING CTR., INC.	Y	
CHESTER METRO DISTRICT	Y	
CHESTER SEWER DISTRICT	Y	
CHESTER/LANCASTER CO DSN BOARD, INC.	Y	
CHESTERFIELD CO DISAB & SPEC NEEDS BD	Y	
CHESTERFIELD CO RURAL WATER CO INC	Y	Y
CHESTERFIELD COUNTY COUNCIL	Y	Y
CHESTERFIELD SOIL & WATER CONS DISTRICT	Y	
CITY OF ABBEVILLE	Y	Y
CITY OF AIKEN		Y
CITY OF ANDERSON	Y	Y
CITY OF BAMBERG	Y	Y
CITY OF BARNWELL	Y	Y
CITY OF BEAUFORT	Y	Y
CITY OF BELTON	Y	Y
CITY OF BENNETTSVILLE	Y	Y
CITY OF CAMDEN & MUNICIPAL UTILITIES	Y	Y
CITY OF CAYCE	Y	Y
CITY OF CHARLESTON	Y	Y
CITY OF CHESTER	Y	Y
CITY OF CLEMSON	Y	Y
CITY OF CLINTON	Y	Y
CITY OF COLUMBIA/ATTN:LISA ROLAN,CFO	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

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
CITY OF FOREST ACRES	Y	Y
CITY OF FOUNTAIN INN	Y	Y
CITY OF GAFFNEY	Y	Y
CITY OF GEORGETOWN	Y	Y
CITY OF GOOSE CREEK	Y	Y
CITY OF GREENVILLE	Y	Y
CITY OF GREENWOOD	Y	Y
CITY OF GREER	Y	Y
CITY OF HANAHAN	Y	Y
CITY OF HARDEEVILLE	Y	Y
CITY OF HARTSVILLE	Y	Y
CITY OF INMAN	Y	Y
CITY OF ISLE OF PALMS	Y	Y
CITY OF JOHNSONVILLE	Y	Y
CITY OF LAKE CITY	Y	Y
CITY OF LANCASTER	Y	Y
CITY OF LAURENS	Y	Y
CITY OF LIBERTY	Y	Y
CITY OF LORIS	Y	Y
CITY OF MANNING	Y	Y
CITY OF MARION	Y	Y
CITY OF MAULDIN	Y	Y
CITY OF MULLINS	Y	Y
CITY OF MYRTLE BEACH	Y	Y
CITY OF NEW ELLENTON	Y	Y
CITY OF NEWBERRY	Y	Y
CITY OF NORTH AUGUSTA	Y	Y
CITY OF NORTH CHARLESTON	Y	Y
CITY OF NORTH MYRTLE BEACH		Y
CITY OF ORANGEBURG	Y	Y
CITY OF PICKENS	Y	Y
CITY OF ROCK HILL	Y	Y
CITY OF SENECA	Y	Y
CITY OF SIMPSONVILLE	Y	Y
CITY OF SPARTANBURG	Y	Y
CITY OF SUMTER	Y	Y
CITY OF TEGA CAY	Y	Y
CITY OF TRAVELERS REST	Y	Y
CITY OF UNION	Y	Y
CITY OF WALHALLA	Y	Y
CITY OF WALTERBORO	Y	Y
CITY OF WEST COLUMBIA	Y	Y
CITY OF WOODRUFF	Y	Y
CITY OF YORK	Y	Y
CLARENDON CO COMM ON ALCOHOL & DRUG ABUS	Y	
CLARENDON CO DISB & SPECIAL NEEDS BOARD	Y	
CLARENDON COUNTY	Y	Y
CLEAR SPRING FIRE-RESCUE	Y	Y
CLINTON NEWBERRY NATURAL GAS AUTHORITY	Y	
CO COUNCIL OF LEXINGTON	Y	Y
COLLETON CO DISABILITIES & SPEC NEED BD	Y	
COLUMBIA MUSEUM OF ART	Y	
COMBINED UTILITY SYSTEM	Y	
COMM OF PUBLIC WORKS MUNICIPAL UTILITIES	Y	

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
COMMISSION OF PUBLIC WORKS	Y	
COMMISSION OF PUBLIC WORKS	Y	
COMMISSION ON PUBLIC WORKS	Y	
CONVERSE FIRE DISTRICT		Y
COUNTY COUNCIL FOR DORCHESTER COUNTY	Y	Y
COUNTY COUNCIL OF BEAUFORT COUNTY	Y	Y
COUNTY COUNCIL OF NEWBERRY COUNTY	Y	Y
COUNTY COUNCIL OF PICKENS COUNTY	Y	Y
COUNTY COUNCIL OF RICHLAND COUNTY	Y	Y
COUNTY OF AIKEN	Y	Y
COUNTY OF CHARLESTON	Y	Y
COUNTY OF COLLETON	Y	Y
COUNTY OF HAMPTON	Y	Y
COUNTY OF LAURENS	Y	Y
COUNTY OF MARLBORO	Y	Y
COUNTY OF MCCORMICK	Y	Y
CROFT FIRE DISTRICT		Y
CULTURAL & HERITAGE COMM OF YORK COUNTY	Y	
DARLINGTON CO COMMUNITY ACTION AGENCY	Y	
DARLINGTON CO DISAB & SPECIAL NEEDS BD	Y	
DARLINGTON CO SOIL & WATER CONS DISTRICT	Y	
DARLINGTON CO WATER & SEWER COMMISSION	Y	
DARLINGTON COUNTY COUNCIL	Y	Y
DARLINGTON COUNTY COUNCIL ON AGING	Y	
DARLINGTON COURT LIBRARY COMM	Y	
DAUFUSKIE ISLAND FIRE DISTRICT		Y
DEF CORP OF ALLENDALE HAMPTON & JASPER	Y	
DEFENDER CORPORATION OF RICHLAND CO	Y	Y
DEFENDER CORP OF GREENVILLE CO	Y	
DEFENDER CORPORATION FOR DORCHESTER CO	Y	
DEFENDER CORPORATION OF AIKEN COUNTY	Y	
DEFENDER CORPORATION OF CHEROKEE COUNTY	Y	
DEFENDER CORPORATION OF MARLBORO COUNTY	Y	
DEFENDER CORPORATION OF PICKENS COUNTY	Y	Y
DILLON CO EMPLOYMENT & TRAINING PROGRAMS	Y	
DILLON COUNTY COUNCIL	Y	Y
DONALDS-DUE WEST WATER & SEWER AUTHORITY	Y	
DONALDSON DEVELOPMENT COMM DONALDSON CTR	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	
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	

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
FAIRFIELD MEMORIAL HOSPITAL	Y	
FLORENCE CO COMM ON ALCOHOL & DRUG ABUSE	Y	
FLORENCE CO DISABILITIES & SPEC NEEDS BD	Y	
FLORENCE COUNTY COUNCIL	Y	Y
FLORENCE REGIONAL AIRPORT	Y	Y
FRIPP ISLAND PUBLIC SERVICE DISTRICT	Y	
GAFFNEY BOARD OF PUBLIC WORKS	Y	
GANTT FIRE SEWER AND POLICE DISTRICT	Y	Y
GASTON RURAL COMMUNITY WATER DISTRICT	Y	
GATEWAY COUNSELING CENTER	Y	
GENERATIONS UNLIMITED	Y	
GEORGETOWN CO ALCOHOL & DRUG ABUSE COMM	Y	
GEORGETOWN CO DISAB & SPECIAL NEED BD	Y	
GEORGETOWN COUNTY COUNCIL	Y	Y
GEORGETOWN COUNTY WATER AND SEWER DIST	Y	
GEORGETOWN SOIL & WATER CONSERVATION DIS	Y	
GILBERT-SUMMIT RURAL WATER DISTRICT	Y	
GLASSY MOUNTAIN FIRE SERVICE AREA	Y	
GLEAMNS HUMAN RESOURCES COMMISSION	Y	
GLENDALE FIRE DISTRICT	Y	
GOUCHER WATER COMPANY, INC.	Y	
GRAND STRAND WATER & SEWER AUTHORITY	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	
GREENVILLE CO MUSEUM COMMISSION	Y	
GREENVILLE CO RECREATION DISTRICT	Y	
GREENVILLE COMM OF PUBLIC WORKS	Y	
GREENVILLE COUNTY COUNCIL	Y	Y
GREENVILLE COUNTY LIBRARY	Y	Y
GREENVILLE REDEVELOPMENT AUTHORITY	Y	
GREENVILLE-SPARTANBURG AIRPORT DISTRICT	Y	Y
GREENWOOD CO COUNCIL-ADM & FIN OFFICE	Y	Y
GREENWOOD COMM OF PUBLIC WORKS	Y	
GREENWOOD METROPOLITAN DISTRICT COMM	Y	
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	
HILLTOP FIRE DISTRICT	Y	Y
HILTON HEAD NO 1 PUBLIC SERVICE DISTRICT	Y	
HOLLY SPRINGS VOLUNTEER FIRE DISTRICT	Y	Y
HOMELAND PARK WATER DISTRICT	Y	
HORRY CO COUNCIL	Y	Y
HORRY CO DISABILITIES & SPECIAL NEEDS BD	Y	
HORRY COUNTY SOLID WASTE AUTHORITY, INC	Y	
HORRY SOIL CONSERVATION DISTRICT	Y	
HOUSING AUTH OF THE CITY OF CHARLESTON	Y	
HOUSING AUTH OF THE CITY OF EASLEY	Y	
HOUSING AUTH OF THE CITY OF GREENWOOD	Y	

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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	
HOUSING AUTHORITY OF DARLINGTON	Y	
HOUSING AUTHORITY OF FLORENCE	Y	
HOUSING AUTHORITY OF FORT MILL	Y	
HOUSING AUTHORITY OF LANCASTER	Y	
HOUSING AUTHORITY OF THE CITY OF AIKEN	Y	
HOUSING AUTHORITY OF THE CITY OF CHESTER	Y	
HOUSING AUTHORITY OF THE CITY OF CONWAY	Y	
HOUSING AUTHORITY OF THE CITY OF GAFFNEY	Y	
HOUSING AUTHORITY OF TOWN OF WOODRUFF	Y	
HOUSING AUTY OF CITY OF SUMTER	Y	
INMAN COMMUNITY FIRE DEPARTMENT		Y
INMAN-CAMPOBELLO WATER DISTRICT	Y	Y
IRMO CHAPIN RECREATION DISTRICT	Y	Y
IRMO FIRE DISTRICT		Y
ISLE OF PALMS WATER & SEWER COMMISSION	Y	
JAMES ISLAND PUBLIC SERVICE DIST COMM	Y	Y
JASPER CO BD OF DIS & SPECIAL NEEDS	Y	
JASPER COUNTY COUNCIL	Y	Y
JOHNSONVILLE RURAL FIRE DISTRICT		Y
JOINT MUNICIPAL WATER & SEWER COMMISSION	Y	
JONESVILLE FIRE DISTRICT		Y
KEOWEE FIRE TAX DISTRICT		Y
KERSHAW CO BD DOF DIS & SPECIAL NEEDS	Y	
KERSHAW CO COMM ON ALCOHOL & DRUG ABUSE	Y	Y
KERSHAW COUNTY COUNCIL	Y	Y
KINGSTREE HOUSING AUTHORITY	Y	
LADYS ISLAND - ST HELENA FIRE DISTRICT	Y	Y
LAKE CITY DEVELOPMENT CORPORATION	Y	
LAKE CITY HOUSING AUTHORITY	Y	
LAKE CUNNINGHAM FIRE DISTRICT	Y	Y
LANCASTER CO COMM ON ALCOHOL&DRUG ABUSE	Y	
LANCASTER CO WATER & SEWER DISTRICT	Y	
LANCASTER COUNTY COUNCIL	Y	Y
LANCASTER COUNTY COUNCIL ON AGING	Y	
LANCASTER COUNTY LIBRARY	Y	
LANCASTER COUNTY NATURAL GAS AUTHORITY	Y	
LAURENS CO DISABILITIES & SPEC NEEDS BD	Y	
LAURENS COMMISSIONERS OF PUBLIC WORKS	Y	
LAURENS COUNTY WATER & SEWER COMMISSION	Y	
LEE CO DISABILITIES & SPECIAL NEEDS BD	Y	
LEE COUNTY COUNCIL	Y	Y
LEXINGTON CO DEFENDER AGENCY INC	Y	
LEXINGTON MEDICAL CENTER	Y	Y
LEX-RICH ALCOHOL & DRUG ABUSE COUNCIL	Y	
LIBERTY-CHESNEE-FINGERVILLE WATER DIST	Y	
LITTLE RIVER WATER & SEWER CO., INC	Y	
LOWCOUNTRY COUNCIL OF GOVERNMENTS	Y	
LOWCOUNTRY REGIONAL TRANSPORTATION AUTH	Y	
LOWER SAVANNAH COUNCIL OF GOVERNMENTS	Y	
LUGOFF FIRE DISTRICT		Y

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
LUGOFF WATER DISTRICT OF KERSHAW COUNTY	Y	
MARCO RURAL WATER CO., INC.	Y	
MARION CO COM ON ALCOHOL & DRUG ABUSE	Y	
MARION COUNTY COUNCIL	Y	Y
MARION COUNTY LIBRARY	Y	
MARION-DILLON CO DISAB & SPEC NEEDS BD	Y	
MARLBORO CO DISABILITIES & SPEC NEEDS BD	Y	
MARLBORO WATER COMPANY	Y	
MCCORMICK COMM OF PUBLIC WORKS	Y	
MCCORMICK COUNTY WATER & SEWER AUTHORITY	Y	
MCCORMICK HEALTH CARE CENTER	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
NEWBERRY CO DISABILITIES & SP ND BD	Y	
NEWBERRY CO NURSING HOME COMMISSION	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 COUNTY SEWER COMMISSION	Y	
OCONEE DISABILITIES & SPEC NEEDS BD	Y	
OLD FORT FIRE DISTRICT	Y	Y
OLD NINETY SIX TOURISM COMMISSION	Y	
ORANGEBURG CO DISAB & SPECIAL NEEDS BD	Y	
ORANGEBURG COUNTY COUNCIL	Y	Y
ORANGEBURG DEPT OF PUBLIC UTILITIES	Y	Y
PALMETTO STATE TEACHERS ASSOCIATION	Y	
PARKER SEWER & FIRE SUBDISTRICT	Y	
PEACHTREE CENTER D/B/A-CHEROKEE LTC	Y	
PEE DEE REGIONAL COUNCIL OF GOVERNMENTS	Y	
PEE DEE REGIONAL EMS, INC	Y	
PEE DEE REGIONAL TRANSPORTATION AUTH	Y	
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	
PUBLIC DEFENDER CORP OF HORRY COUNTY	Y	
REC DIST & REC COMM OF RICHLAND COUNTY	Y	Y
RECREATION DIST LEXINGTON CO	Y	
REIDVILLE FIRE DISTRICT		Y
RICH/LEX CO DISAB & SPECIAL NEEDS BD	Y	

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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	
SC MIDLANDS EMER MED SER MGM ASSOC	Y	
SC STATE CREDIT UNION	Y	
SC STATE FIREMENS ASSOCIATION	Y	
SENIOR SERVICES INC OF CHESTER COUNTY	Y	
SHELDON FIRE DISTRICT	Y	Y
SHORELINE BEHAVIORAL HEALTH SERVICES	Y	
SIX MILE RURAL WATER DISTRICT	Y	
SLATER-MARIETTA FIRE DEPT		Y
SOUTH CAROLINA SHERIFFS' ASSOCIATION	Y	Y
SOUTH GREENVILLE AREA FIRE DISTRICT	Y	
SOUTH ISLAND PUBLIC SERVICE DISTRICT	Y	
SOUTH LYNCHES FIRE DEPARTMENT		Y
SOUTHSIDE RURAL COMMUNITY WATER DIST	Y	
SPARTANBURG COMRS OF PUBLIC WORK	Y	
SPARTANBURG COUNTY COUNCIL	Y	Y
SPARTANBURG PUBLIC LIBRARY	Y	
SPARTANBURG REGIONAL MEDICAL CENTER	Y	Y
SPARTANBURG SANITARY SEWER DIST	Y	
ST ANDREWS PARISH PARKS & PLAYGROUNDS	Y	
ST ANDREWS PUBLIC SERVICE DIST COMM	Y	
ST GEORGE WATER AND SEWER DEPARTMENT	Y	
ST JOHNS FIRE DISTRICT	Y	Y
ST PAULS FIRE DISTRICT	Y	Y
STARR-IVA WATER COMPANY	Y	
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

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
SUMTER COUNTY LIBRARY	Y	
TAYLORS FIRE AND SEWER DISTRICT	Y	
THE ERNEST E KENNEDY CENTER	Y	
THE PEE DEE TOURISM COMMISSION	Y	
THREE RIVERS SOLID WASTE AUTHORITY	Y	
TOWN OF ALLENDALE	Y	Y
TOWN OF ANDREWS	Y	Y
TOWN OF ATLANTIC BEACH	Y	Y
TOWN OF AYNOR	Y	Y
TOWN OF BATESBURG-LEESVILLE	Y	Y
TOWN OF BETHUNE	Y	Y
TOWN OF BISHOPVILLE	Y	Y
TOWN OF BLACKSBURG	Y	Y
TOWN OF BLACKVILLE	Y	
TOWN OF BLUFFTON	Y	Y
TOWN OF BLYTHEWOOD	Y	
TOWN OF BONNEAU		Y
TOWN OF BOWMAN	Y	Y
TOWN OF BRANCHVILLE	Y	Y
TOWN OF BRIARCLIFFE ACRES	Y	Y
TOWN OF BRUNSON	Y	
TOWN OF BURNETTOWN	Y	Y
TOWN OF CALHOUN FALLS	Y	Y
TOWN OF CAMERON	Y	Y
TOWN OF CAMPOBELLO	Y	Y
TOWN OF CARLISLE	Y	
TOWN OF CENTRAL	Y	Y
TOWN OF CHAPIN	Y	Y
TOWN OF CHERAW	Y	Y
TOWN OF CHESNEE	Y	Y
TOWN OF CHESTERFIELD	Y	Y
TOWN OF CLIO	Y	Y
TOWN OF CLOVER	Y	Y
TOWN OF CORDOVA	Y	
TOWN OF COTTAGEVILLE		Y
TOWN OF COWARD	Y	Y
TOWN OF COWPENS	Y	Y
TOWN OF DUE WEST	Y	Y
TOWN OF DUNCAN	Y	Y
TOWN OF EASTOVER	Y	Y
TOWN OF EDGEFIELD	Y	Y
TOWN OF EDISTO BEACH	Y	Y
TOWN OF EHRHARDT	Y	Y
TOWN OF ELGIN	Y	Y
TOWN OF ELKO	Y	
TOWN OF ELLOREE	Y	Y
TOWN OF ESTILL	Y	Y
TOWN OF FAIRFAX	Y	
TOWN OF FORT LAWN	Y	Y
TOWN OF FORT MILL	Y	Y
TOWN OF GILBERT	Y	
TOWN OF GRAY COURT	Y	
TOWN OF GREAT FALLS	Y	Y
TOWN OF GREELEYVILLE	Y	Y

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TOWN OF HAMPTON	Y	Y
TOWN OF HARLEYVILLE	Y	Y
TOWN OF HEATH SPRINGS	Y	
TOWN OF HEMINGWAY	Y	Y
TOWN OF HILTON HEAD ISLAND		Y
TOWN OF HOLLY HILL	Y	Y
TOWN OF HOLLYWOOD	Y	
TOWN OF HONEA PATH	Y	Y
TOWN OF IRMO	Y	Y
TOWN OF IVA	Y	Y
TOWN OF JACKSON	Y	Y
TOWN OF JAMES ISLAND	Y	
TOWN OF JAMESTOWN	Y	Y
TOWN OF JEFFERSON	Y	
TOWN OF JOHNSTON	Y	Y
TOWN OF JONESVILLE	Y	Y
TOWN OF KERSHAW	Y	
TOWN OF KIAWAH ISLAND	Y	Y
TOWN OF KINGSTREE	Y	Y
TOWN OF LAKE VIEW	Y	Y
TOWN OF LAMAR		Y
TOWN OF LANDRUM	Y	Y
TOWN OF LANE	Y	Y
TOWN OF LATTA	Y	Y
TOWN OF LEXINGTON	Y	Y
TOWN OF LINCOLNVILLE	Y	Y
TOWN OF LITTLE MOUNTAIN	Y	
TOWN OF LIVINGSTON	Y	
TOWN OF LYMAN	Y	Y
TOWN OF MAYESVILLE	Y	
TOWN OF MCBEE	Y	Y
TOWN OF MCCLELLANVILLE	Y	
TOWN OF MCCOLL	Y	Y
TOWN OF MCCORMICK	Y	Y
TOWN OF MEGGETT	Y	
TOWN OF MONCK'S CORNER	Y	Y
TOWN OF MONETTA	Y	
TOWN OF MT PLEASANT	Y	Y
TOWN OF MT. CROGHAN	Y	
TOWN OF NICHOLS	Y	Y
TOWN OF NINETY-SIX	Y	Y
TOWN OF NORRIS	Y	
TOWN OF NORTH	Y	Y
TOWN OF NORWAY	Y	Y
TOWN OF OLANTA	Y	Y
TOWN OF OLAR	Y	Y
TOWN OF PACOLET	Y	Y
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	Y

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TOWN OF PERRY	Y	Y
TOWN OF PINE RIDGE	Y	Y
TOWN OF PINWOOD	Y	
TOWN OF POMARIA	Y	
TOWN OF PORT ROYAL	Y	Y
TOWN OF PROSPERITY	Y	Y
TOWN OF QUINBY	Y	Y
TOWN OF RAVENEL	Y	
TOWN OF RIDGE SPRING	Y	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 SELLERS	Y	
TOWN OF SIX MILE	Y	
TOWN OF SMYRNA	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 SYCAMORE	Y	
TOWN OF TIMMONSVILLE	Y	Y
TOWN OF TRENTON	Y	Y
TOWN OF TURBEVILLE	Y	Y
TOWN OF VANCE	Y	Y
TOWN OF VARNVILLE	Y	
TOWN OF WAGENER	Y	Y
TOWN OF WARD	Y	
TOWN OF WARE SHOALS	Y	Y
TOWN OF WELLFORD	Y	Y
TOWN OF WEST PELZER	Y	Y
TOWN OF WEST UNION	Y	Y
TOWN OF WESTMINSTER	Y	Y
TOWN OF WHITMIRE	Y	Y
TOWN OF WILLIAMSTON	Y	Y
TOWN OF WILLISTON	Y	Y
TOWN OF WINNSBORO	Y	Y
TOWN OF YEMASSEE	Y	
TYGER RIVER FIRE DISTRICT		Y
UNA FIRE DEPARTMENT		Y

## Statistical Section

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<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
UNION CARNEGIE LIBRARY	Y	
UNION CO DISABILITIES & SPECIAL NEEDS BD	Y	
UNION COUNTY COUNCIL OF AGING	Y	
UNION COUNTY DEVELOPMENT BOARD	Y	
UNION COUNTY SUPERVISOR	Y	Y
UPPER SAVANNAH COUNCIL OF GOVERNMENTS	Y	
VALLEY PUBLIC SERVICE AUTHORITY	Y	
WACCAMAW ECONOMIC OPPORTUNITY COUNCIL	Y	
WACCAMAW REGIONAL COUNCIL OF GOVERNMENTS	Y	
WADE HAMPTON FIRE & SEWER DISTRICT	Y	Y
WESTERN CAROLINA REGIONAL SEWER AUTH	Y	
WESTMINSTER COMM OF PUBLIC WORKS	Y	
WESTVIEW BEHAVIORAL HEALTH SERVICES	Y	
WESTVIEW-FAIRFOREST FIRE DEPARTMENT	Y	Y
WHITESVILLE RURAL VOL FIRE DEPT		Y
WHITNEY AREA FIRE DEPT		Y
WILLIAMSBURG CO DISAB & SPECIAL NEEDS BD	Y	
WILLIAMSBURG COUNTY COUNCIL	Y	Y
WILLIAMSBURG COUNTY LIBRARY	Y	
WINDY HILL VOLUNTEER FIRE COMPANY		Y
WOODRUFF ROEBUCK WATER DISTRICT	Y	
YORK CO COVENTION & VISITORS BUREAU	Y	
YORK CO DISABILITIES & SPECIAL NEEDS BD	Y	
YORK COUNTY	Y	Y
YORK COUNTY COUNCIL ON AGING	Y	Y
YORK COUNTY LIBRARY	Y	
YORK SOIL & WATER CONSERVATION DIST	Y	

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