

Comprehensive Annual Financial Report

South Carolina Retirement Systems
For the fiscal year ended June 30, 2015
Pension trust funds of the State of South Carolina

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Introductory Section



LETTER OF TRANSMITTAL

December 4, 2015

The Honorable Nikki R. Haley, Governor
State of South Carolina
Members of the S.C. State Fiscal Accountability Authority
S.C. Public Employee Benefit Authority Board

Ladies and Gentlemen:

We are pleased to present the *Comprehensive Annual Financial Report (CAFR)* of the South Carolina Retirement Systems (Systems) as administered by the South Carolina Public Employee Benefit Authority (PEBA), for the fiscal year ended June 30, 2015. Section 9-1-300 of the South Carolina Code of Laws requires that a report be published annually showing the fiscal transactions of the Systems, and the CAFR fulfills that statutory requirement. PEBA is considered a division of the primary government of the state of South Carolina; and therefore, financial information for the Retirement Systems' trust funds is also included in the CAFR of the state of South Carolina. Responsibility for both the accuracy of the data, and the completeness and reliability of the presentation, including all disclosures, rests with the management of PEBA. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the Systems.

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

Financial transactions of the Systems are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements and supporting schedules, with consideration that the cost of internal control should not exceed anticipated benefits.

The financial statements presented in this CAFR have been independently audited by CliftonLarsonAllen, LLP, under the direction of the State Auditor's Office. CliftonLarsonAllen issued an unmodified opinion, which means that based upon the financial audit; they concluded that the financial statements were fairly presented in all material respects and are free from material misstatement, in accordance with accounting principles generally accepted in the United States of America.

In accordance with Governmental Auditing Standards, as part of obtaining reasonable assurance about whether the Systems' financial statements are free of material misstatement, CliftonLarsonAllen also considered internal controls over financial reporting and compliance with certain provisions of laws, regulations, contracts, and other matters. Although independent auditors cannot guarantee the accuracy of the statements, they do have a reasonable basis for the opinion they rendered. The independent auditor's report is presented as the first

component of the financial section of this report. Management's Discussion and Analysis (MD&A), which can also be found in the financial section starting on Page 29, provides a narrative introduction to and analysis of the financial statements. This letter of transmittal is meant to complement the MD&A and should be read in conjunction with it.

Profile of the Systems

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

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

- The South Carolina Retirement System (SCRS) was established July 1, 1945, to provide retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The Police Officers Retirement System (PORS) was established July 1, 1962, to provide retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.
- The Retirement System for Members of the General Assembly of the State of South Carolina (GARS) was established January 1, 1966, to provide retirement and other benefits to members of the General Assembly. Retirement reform legislation closed the GARS plan to individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The Retirement System for Judges and Solicitors of the State of South Carolina (JSRS) was established July 1, 1979, to provide retirement and other benefits to state judges, solicitors. JSRS also covers circuit public defenders.
- The South Carolina National Guard Supplemental Retirement Plan (SCNG) was established July 1, 1975, to provide supplemental retirement benefits to members who served in the South Carolina National Guard.

Fiscal Year 2015 Highlights

Fiscal Year 2015 ended PEBA's third fiscal year of operations as an agency, having been created effective July 1, 2012, by the South Carolina General Assembly along with legislative retirement reform. The agency is governed by an 11-member Board of Directors. PEBA is responsible for administration of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs.

Administrative Activities

PEBA has been under the leadership of its Board of Directors since its creation in 2012. Since that time, there have been various interim executive directors leading the newly formed agency; however, in July 2014, PEBA's Board of Directors appointed Peggy G. Boykin, CPA, as the agency's first permanent executive director.

A major focus during fiscal year 2015 was the review and assessment of the reasonableness and adequacy of PEBA's organizational structure as it related to administration of the retirement and insurance programs. In an effort to streamline the flow of communication, merge common core business functions, and maintain sufficient staffing, the agency was restructured and many positions that had previously been left vacant were filled. PEBA's management continues to develop formal training and education programs and policies, with a high priority on succession planning. Operational consolidation was necessary in some areas to eliminate overlapping responsibilities. As a result, the previously separate Insurance Benefits and Retirement Benefits operational functions were consolidated under the management of the Chief Financial Officer position. Organizational changes were designed to make PEBA function more efficiently, effectively, and most importantly, responsively to its stakeholder groups. This goal was also the mitigating factor behind the creation of the new Employer Services Unit. This new unit is still being fully developed with three major goals:

- Educating employers on PEBA functions, services and legislation; and providing employers with the essential tools and resources to effectively meet their PEBA related responsibilities;
- Ensuring our diverse group of employers receive high quality customer services across PEBA functions; and
- Advocating for operational and technical improvements to PEBA functions to benefit our employers.

Along with reviewing the agency's structure, PEBA also developed Characteristics of High Performance, which were designed to define and promote an organizational culture of high performance. Town Hall style meetings were conducted in which these characteristics were introduced and promoted to staff. Management explained how these characteristics should guide staff performance of individuals and our agency and this forum was an opportunity for staff to offer comments and feedback.

During the year, PEBA put forth significant effort to introduce and promote a unique identity for the agency, the first few years of the agency's existence having been focused primarily on identifying operational efficiencies and realignment opportunities. PEBA introduced a distinctive graphic element and tagline as tools to help educate stakeholders about the agency and reflect the consolidation of the administration of the state's public employee insurance and retirement benefits programs. The new identity elements are part of a broader educational campaign to inform stakeholders of PEBA's existence as a state agency and to clarify that the agency is responsible for both the state's employee insurance programs and the retirement systems. PEBA believes these efforts are a necessary part of telling the agency's story in the wake of many years of the insurance and retirement programs having been administered by separate divisions of state government. The new identity elements have been incorporated into this year's CAFR. Additionally, a style guide and document and other templates were developed and issued to staff to help ensure that PEBA presents a consistent look and feel across all communications channels. As part of this update, PEBA staff recommended and the Board approved including the new graphic element on collateral that is produced by the agency's various insurance and retirement vendors. Along with this identify awareness effort, PEBA staff began a strategic review and an oversight initiative of all external vendors' marketing and communications plans and contractual responsibilities.

PEBA participated in Cost Effectiveness Measurement (CEM), Inc.'s benchmarking survey for the Retirement Systems for fiscal year 2014. These pension administration benchmarking results were communicated to the Board and management in March 2015. Benefits of the program include measuring and managing

administration costs and member service as well as receiving insight into current trends and best practices. Results indicated that the Retirement Systems' annual administrative cost per active member and annuitant was \$31 which was a 12.4 percent decrease over the past fiscal year and \$47 below the peer median of \$78. The Retirement Systems' cost per member was lower in all pension administration categories and was the 4th lowest overall cost in CEM's universe. Primary reasons for the differences in total cost were lower costs per full time equivalent (FTE) position and lower costs for back office activities. PEBA also experienced a decreased allocation of FTE's to pension administration responsibilities during FY2014. Additionally, the survey results reported that the Retirement Systems' total service score of 76 was below the peer median of 80. Service scores are based on turnaround times, availability, choices, content and quality. Trends in pension administration include improved electronic communication and transactions, targeting and segmentation of membership and retirement preparedness. Recommendations for improving service scores are being evaluated.

Public Policy Activities

Beginning in October 2014, Funston Advisory Services (FAS), with oversight from the South Carolina Office of the State Inspector General (SIG), conducted a fiduciary performance audit of PEBA. The purpose of the audit was to critically evaluate the fiduciary roles and responsibilities of PEBA and staff; the relationship with other fiduciaries of the Retirement Systems; and the operational policies and practices of PEBA. The goal of the audit was to identify areas of strengths and weaknesses, provide comparison with leading practices of other retirement plans and make recommendations for improvement.

The final report, which was issued on January 16, 2015, contained 113 recommended improvements. Of the recommendations presented, 102 can be addressed by PEBA directly; however, legislative changes by the General Assembly will be needed for the remaining 11. During the audit, FAS found that PEBA has been keeping its service promise while maintaining strong cost controls:

- 97 percent or higher customer satisfaction rating for the Call Center and Visitor Center for the previous two fiscal years; and
- PEBA staff are competent, dedicated and service oriented.

After the final FAS report was issued, PEBA staff incorporated the audit recommendations into PEBA's strategic actions plans for the organization. The Board of Directors adopted the action plans during its March 2015 retreat. As of June 30, 2015, PEBA had completed 47 of the recommendations. Completed tasks include:

- Confirming that State Optional Retirement Program and Deferred Compensation investment advisors acknowledge their compliance with the Securities and Exchange Commission;
- Prioritizing strategic planning as a focus for the PEBA Board of Directors;
- Updating the PEBA Board of Directors' Bylaws and Committee Charters to include formalizing a process for calling a committee meeting and developing an agenda, developing a Board Orientation Manual and process for new board members, and creating a framework for evaluating the Executive Director; and
- Enhancing the PEBA Board's Education Policy to include an expanded framework on ethical standards and fiduciary training and adding an outside, non-vendor training requirement.

In summary, PEBA's efforts to continue implementation of recommendations from FAS' fiduciary audit report, include a slate to complete 28 of the tasks in fiscal year 2016; 11 in fiscal year 2017; and six in fiscal year 2018.

During fiscal year 2015, PEBA staff continued to work closely with the external actuary and participating employers to provide education and information to participating employers in order for them to implement the requirements of Governmental Accounting Standards Board (GASB) Statement 68. Staff surveyed employers to

obtain information about their audit and financial statements and to ensure PEBA has appropriate contact information for the senior level finance contact for each employer. The first GASB 68 Special Audit as of the June 30, 2014, Measurement Date was completed by our external audit firm for which an unmodified opinion was issued. Staff also continued to enhance PEBA's online GASB resource center by adding the following to the public website:

- Pension Disclosure Memorandum for June 30, 2014, Measurement Date;
- A four-part Online Educational Series on GASB 67/68;
- June 30, 2014, Accounting Valuation Report;
- Contribution Reconciliation Template for Employers; and
- Q&A Document with Frequently Asked Questions.

Operational System Improvements

During fiscal year 2015, PEBA began a broad operational assessment to evaluate its business processes and procedures for consolidating the Insurance and Retirement information technology systems. One of the goals of the assessment is to increase the availability of online services for employers and members. PEBA will also ensure that its information technology resources are deployed in the safest and most secure manner feasible. The initial assessment is scheduled to be completed by June 2016 and will include a roadmap and recommendations for implementation moving forward.

PEBA also unveiled a new feature on our secure Electronic Employer Services (EES) website that allows participating employers to initiate and submit retirement enrollment elections for newly hired employees through EES. The online enrollment should eliminate most paper forms and processes.

Summary of Financial Condition

Actuarial Results

The main funding objective of the pension trust funds is to meet future benefit obligations of retirees and beneficiaries through employee and employer contributions and investment earnings. Each year, the external consulting actuaries determine the actuarial soundness of the plans based on long term obligations and the sufficiency of current contribution levels to fund the liabilities of each plan over a reasonable time frame. As of the July 1, 2014 valuations, funding levels of all the plans are such that annual expected contributions are sufficient to maintain a funding period that does not exceed 30 years; however, because the market value of assets is less than the actuarial value of assets, there are currently deferred investment losses that will either be offset by future investment gains or be recognized as investment losses in future years. The changes in the levels of funding do not affect the availability of funds or resources for future use and actuarial projections indicate that unfunded liabilities should be amortized and funded within acceptable funding guidelines.

The July 1, 2014, actuarial valuations, adopted by the PEBA Board and subsequently provided to the S.C. State Fiscal Accountability Authority, determined the actuarial status of each plan and concluded that the employee and employer contribution requirements for fiscal year 2017 will remain unchanged from the rates scheduled to be in effect for fiscal year 2016.

The funded ratios of the five plans as of July 1, 2014, range from a low of 38.7 percent for SCNG to a high of 69.5 percent for PORS. The funded ratio for SCRS, which represents the largest membership of the five plans, increased from 62.5 percent to 62.7 percent while PORS went up from 69.2 percent to 69.5 percent. Changes in funded ratios were primarily due to increased contribution levels and the recognition of investment gains and

losses which are recognized using a five-year smoothing method. Based on the current funding policy and absent future unfavorable experience, the funded ratio (on an actuarial value of asset basis) is expected to remain relatively constant for the next several years then begin to gradually improve. The funded ratio of SCNG continues to be very low because at one time, the plan was not funded on an actuarially sound basis. However, since 2006 when the General Assembly transferred administrative responsibility to the Retirement Division, their commitment to ensure the SCNG plan would be sufficiently funded prospectively has been maintained and the funded ratio has steadily improved. Each year recurring funds are set aside in the state's annual budget to fund SCNG over an amortization period that does not exceed 30 years, so continued future improvement in the funded ratio is expected.

As of July 1, 2014, the unfunded actuarial accrued liability for SCRS increased from \$15.4 billion to \$16.0 billion and PORS increased from \$1.74 billion to \$1.80 billion. The largest source of increase was the result of continual recognition of deferred investment losses in the actuarial value of assets. Absent significant favorable investment experience, those deferred losses will continue to be reflected, or smoothed, in the actuarial value of assets over the next few years. Other non-investment related experience activity such as mortality, salary experience, payroll growth and turnover, which are considered normal within the course of plan experience, contributed to other actuarial gains and losses, as actual experience cannot be precisely predicted and will never exactly match the estimated assumptions.

Actuarial smoothing techniques which defer investment gains and losses help to dampen the short-term volatility inherent in investment markets by allowing only a portion of investment gains and losses to be recognized each year. Although actual investment returns for fiscal year 2014 were greater than the assumed rate of return, using smoothing techniques, all of the Systems recognized a net actuarial loss on investment returns for the valuation year. For SCRS, the smoothing methodology resulted in a net amount of \$1.2 billion in excess investment losses being deferred as of the July 1, 2014 valuation.

For additional financial information, refer to management's discussion and analysis, financial statements and schedules included in the financial section and the actuarial section of this report. It is important to note that the actuarial valuations determine the funding of the pension plans; however, under new standards issued by the Governmental Accounting Standards Board (GASB), Statements 67 and 68 completely disconnect the funding of pensions from the accounting and reporting of pensions.

Investment Performance

As of June 30, 2015, the custodial bank reported that assets of the pension trust funds, invested and managed by the Retirement System Investment Commission (RSIC), were valued at \$29.2 billion. The plans are in a negative cash flow position as benefit payments in the amount of \$3.5 billion (on a cash flow basis) significantly exceeded the receipt of only \$2.4 billion in contributions (on a cash flow basis). This resulting negative net cash outflow of \$1.1 billion in net benefit obligations during the year represents approximately 3.6 percent of the portfolio's assets.

Capital markets during the fiscal year were challenging for the Plan as broad US equity indices showed modest gains, domestic fixed income showed mixed results, and international and emerging markets, both equity and fixed income, were generally negative. Real estate and private equity asset classes posted strong positive returns. The RSIC Plan assets earned a return of 1.60 percent net of fees on a time-weighted calculation basis for the fiscal year ending June 30, 2015, compared to the Policy benchmark's return of 1.21 percent. This is sixth consecutive year that the fund has experienced a positive annual return. The three-year annualized net of fees

return was 8.81 percent as of the fiscal year end compared to the Policy benchmark return of 7.74 percent. The Plan's actuarial assumed rate of return is 7.50 percent.

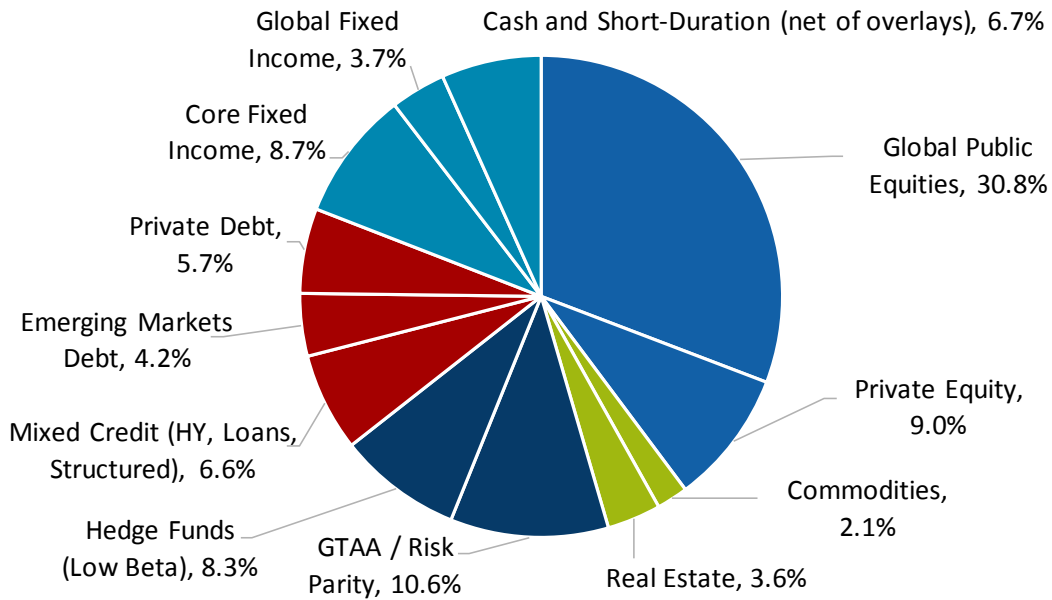
The plan assets are invested by the Commission in a manner consistent with a long-term investment time horizon. While the financial markets continue to experience significant volatility, the assets of the Retirement Systems are invested in a broadly diversified manner in an effort to mitigate risk. Although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

An optimally diversified investment portfolio is designed to generate long-term returns sufficient to ensure the program's financial stability. While the Systems' investment performance was historically constrained by state constitution and state statute, the Commission has implemented a fully diversified asset allocation policy. With the help of the retained investment consultant, Aon Hewitt Investment Consulting, the RSIC manages investments across an asset allocation designed to generate attractive long-term risk-adjusted returns at a prudent level of risk.

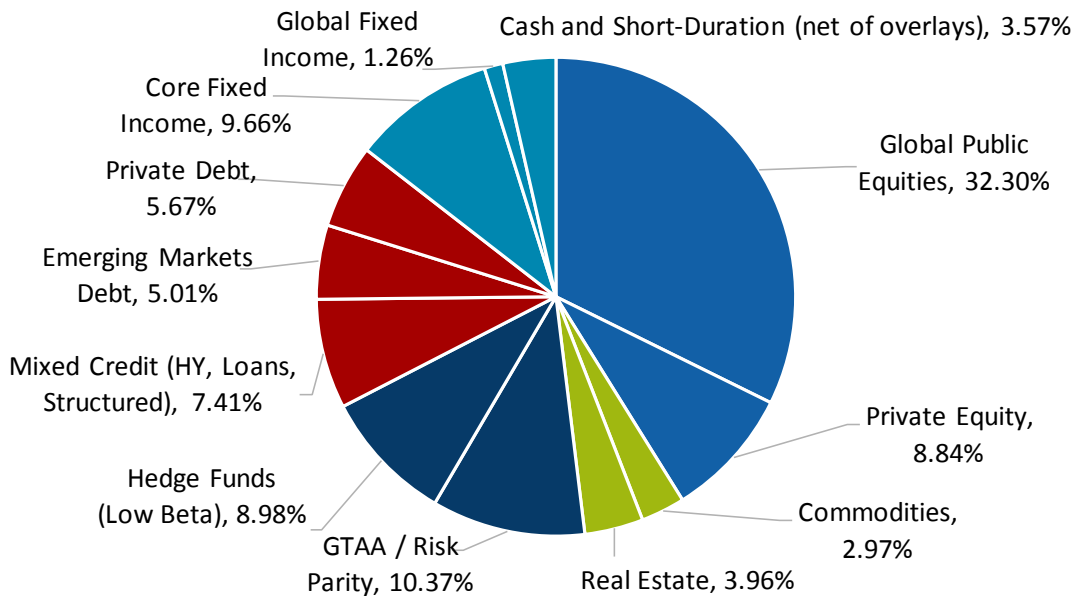
The RSIC provided the charts on pages 16-17, which summarize the diversification progress of managing the asset allocation of the Retirement Systems' trust funds for the prior and most recent fiscal year and the RSIC's target allocation in effect as of fiscal year ended June 30, 2015.

Investment performance, in comparison to the actuarial assumed rate of investment return, is one of the most significant factors in the actuarial valuations. As mentioned above, the actuarial asset valuation method utilized dampens year-to-year fluctuations, smooths the effect of volatility in the market and helps provide a consistent estimate for the actuarial value of assets. Detailed investment results for fiscal year 2015 can be found within both the financial and investment sections of this report.

Portfolio Exposure as of June 30, 2014



Portfolio Exposure as of June 30, 2015



Global Equity

Global Public Equities*
Private Equity

Diversified Credit

Mixed Credit (HY, Loans, Structured)*
Emerging Markets Debt*
Private Debt*

Real Assets

Commodities*
Real Estate

Conservative Fixed Income

Core Fixed Income
Global Fixed Income
Short-Duration (net of overlays)
Cash (net of overlays)

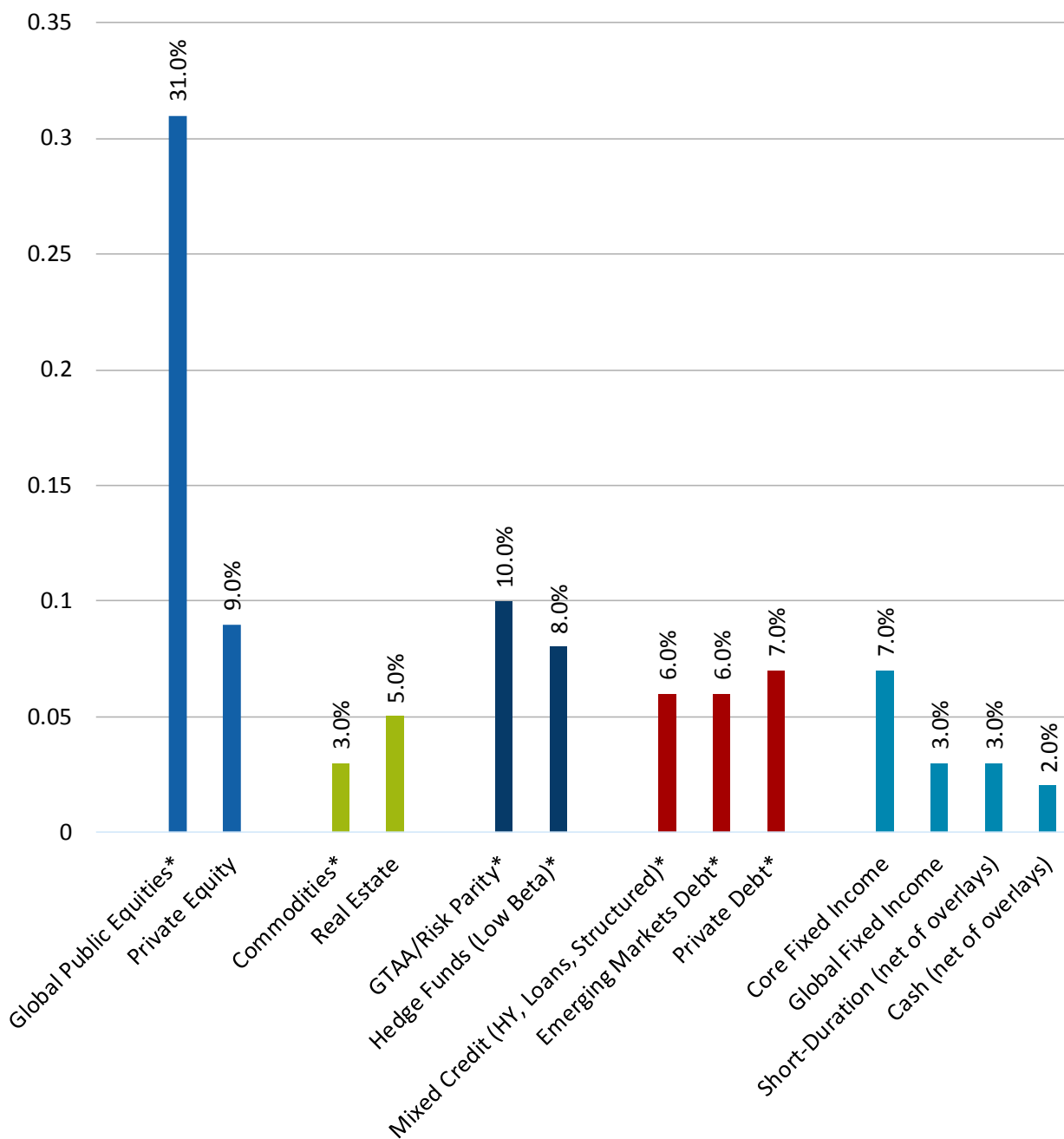
Opportunistic

GTAA/Risk Parity*
Hedge Funds (Low Beta)*

Note: Values rounded for presentation purposes. Portfolio exposure includes both adjustments made by managers that invest across asset classes and exposure from the RSICs derivative overlay program.

**Asset classes in which hedge funds can be used, up to a maximum of 15% across the entire portfolio.*

Target Asset Allocation



Global Equity

Global Public Equities*
Private Equity

Diversified Credit

Mixed Credit (HY, Loans, Structured)*
Emerging Markets Debt*
Private Debt*

Real Assets

Commodities*
Real Estate

Conservative Fixed Income

Core Fixed Income
Global Fixed Income
Short-Duration (net of overlays)
Cash (net of overlays)

Opportunistic

GTAA/Risk Parity*
Hedge Funds (Low Beta)*

Note: Target Asset Allocation in effect since July 1, 2013 - adopted and amended by the Commission on September 26, 2013.

*Asset classes in which hedge funds can be used, up to a maximum of 15% across the entire portfolio.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Carolina Retirement Systems for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the 28th consecutive year that the Retirement Systems has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Public Pension Standards Award

The South Carolina Retirement Systems received the Public Pension Coordinating Council's Public Pension Standards Award in 2015 for the 12th consecutive year in recognition of meeting professional plan design and administration standards. The Public Pension Coordinating Council is a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement.

Acknowledgments

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

We express our gratitude to the members of the S.C. State Fiscal Accountability Authority, PEBA's Board of Directors, the S.C. General Assembly, the RSIC, the staff, the consultants, and the many people who have worked so diligently to assure the continued successful operation of the Retirement Systems for the members we serve.

Respectfully submitted,


Peggy G. Boykin, CPA
Executive Director


Travis J. Turner, CPA, CISA
Chief Financial Officer


Tammy B. Nichols, CPA
Retirement Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**South Carolina Employee Benefit
Authority - South Carolina Retirement
Systems**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2015***

Presented to

South Carolina Retirement Systems

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

Presented by the Public Pension Coordinating Council, a confederation of

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

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

Alan H. Winkle
Program Administrator

Governing Board and Administration as of Issuance

S.C. Public Employee Benefit Authority Board of Directors

Arthur M. Bjontegard, *Chairman*

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Stephen M. Heisler

Stacy Kubu

Sheriff Leon Lott

Steve A. Matthews

Stephen Osborne

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Audie Penn

John A. Sowards

David J. Tigges

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Andrew Chernick, CPA, *Managing Director of Operations and Operational Due Diligence*

Investment Consultant

Aon Hewitt Investment Consulting, Inc.

Custodial Bank

BNY Mellon Asset Servicing

Consulting Actuaries

Gabriel Roeder Smith & Company

S.C. Public Employee Benefit Authority Executive Management

Peggy G. Boykin, CPA

Executive Director

Sarah Niegsch Corbett, CPA

Chief Operating Officer

Travis J. Turner, CPA

Chief Financial Officer

John E. Page, CIA, CISA

Director of Internal Audit

Stephen Van Camp, J.D.

General Counsel

Robin E. Tester

Healthcare Policy Director

Gwen Bynoe

Governmental Affairs

Heather Muller

Board Liaison

S.C. Public Employee Benefit Authority staff responsible for compilation of CAFR

Tammy B. Nichols, CPA

Retirement Finance Director

Danielle M. Quattlebaum, CPA

Retirement Systems Finance

Faith Wright

Retirement Systems Finance

Ashley M. Brindle, CPA

Retirement Systems Finance

Megan B. Lightle

Communications Director

Angie Warren

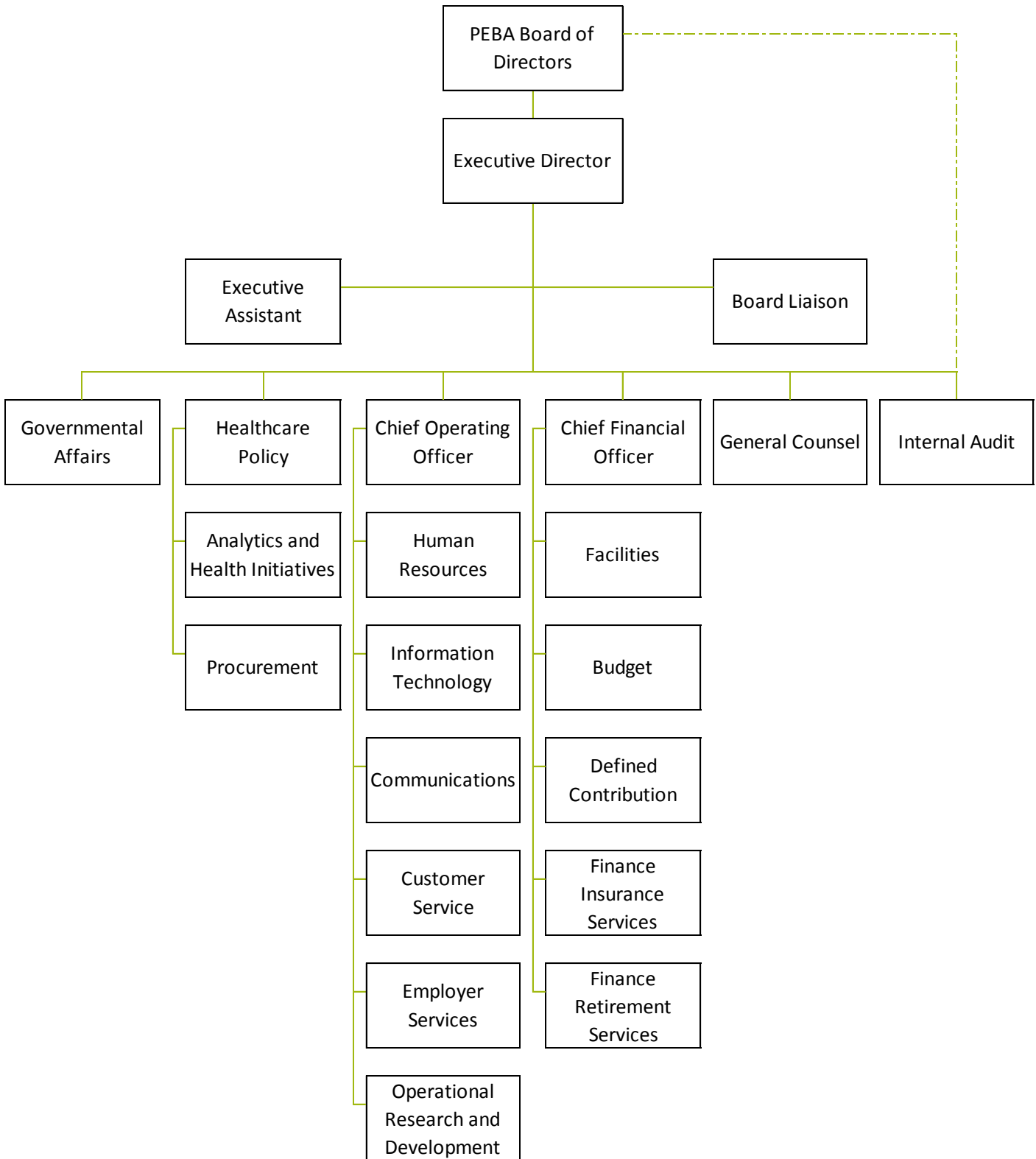
Communications Manager

Heather H. Young

Communications Manager

¹Refer to Pages 104-108 for a list of investment managers and fees.

S.C. PEBA Organizational Chart



Organizational Description

The structural organization of the South Carolina Public Employee Benefit Authority (PEBA) is depicted in the organizational chart on Page 22. A brief description of the primary functions performed by each department follows:

Governmental Affairs

Serves as liaison to the SC General Assembly. Provides research and assistance to legislative staff in the provisions of retirement and health benefits, both in the service of constituents and legislation governing the agency.

Healthcare Policy

Directs healthcare policy for the public employee insurance benefits package. Oversees the research, analysis, and pricing of the State Health Plan. Directs contract and plan compliance in offering the most cost effective options while providing maximum benefit within regulatory requirements.

Chief Operating Officer

Provides leadership and oversight of internal operations and administrative functions to include customer service, employer services, information technology, communications and human resources. Directs operational research and development and the development and implementation of agency strategic plans.

Chief Financial Officer

Directs the financial activity and financial reporting of the retirement plans and insurance benefits offered to public employees. Provides oversight and leadership to the financial operations of insurance benefits and Other Post Employment Benefit trusts, five defined benefit plans, a defined contribution plan and the deferred compensation program.

General Counsel

Provides consultation to agency leadership and staff concerning the operation and compliance of governmental employee retirement and insurance benefit plans. Represents the agency in matters at the administrative, trial and appellate levels, and coordinates associated outside legal counsel.

Internal Audit

Responsible to the Board of Directors for providing independent analysis and assurance of agency processes, policies and internal controls.

This page contains no other content.

Financial Section





CliftonLarsonAllen LLP
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Independent Auditors' Report

The Honorable Nikki R. Haley, Governor
Mr. George L. Kennedy, CPA, State Auditor
and
Board of Directors
South Carolina Public Employee Benefit Authority
Columbia, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the South Carolina Retirement Systems (the Systems), as administered by the South Carolina Public Employee Benefit Authority, which comprise the statement of fiduciary net position as of June 30, 2015, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Systems as of June 30, 2015, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Systems' 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.



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Emphasis of Matter

The financial statements include alternative investments valued at \$9.0 billion (31% percent of total net position). As explained in Note 1, their fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes in employers' net pension liability, employers' net pension liability, employers' contributions and investment returns and related notes, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Systems' financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2015 on our consideration of the Systems' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Systems' internal control over financial reporting and compliance.



Baltimore, Maryland
October 15, 2015

Management's Discussion and Analysis

This section presents management's discussion and analysis of the financial position and performance for the year ended June 30, 2015, for the South Carolina Retirement Systems' pension trust funds (Systems), and is offered as an introduction and analytical overview. This narrative is intended as a supplement and should be read in conjunction with the financial statements and other information presented in the *Comprehensive Annual Financial Report*.

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

- South Carolina Retirement System (SCRS) - A member contributory multiple-employer plan covering teachers, as well as state and municipal employees;
- Police Officers Retirement System (PORS) - A member contributory multiple-employer plan covering state and local law enforcement personnel and firefighters;
- The Retirement System for Members of the General Assembly (GARS) - A member contributory plan providing benefits to members of the South Carolina General Assembly, which is closed to persons first elected to the South Carolina General Assembly at or after the general election in November 2012;
- The Retirement System for Judges and Solicitors (JSRS) - A member contributory plan covering Judges, Solicitors and Public Defenders; and
- South Carolina National Guard Supplemental Retirement Plan (SCNG) - A non-contributory supplemental benefit plan for members of the South Carolina National Guard.

Overview of the Financial Statements

The Systems represents the collective retirement funds that are held in a group trust for the plans and are protected by the state's constitution. PEBA, which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. In accordance with the South Carolina Restructuring Act of 2014 (Act 121), the Budget and Control Board ceased operations on June 30, 2015. Effective July 1, 2015, the functions and responsibilities referenced above are transferred to the State Fiscal Accountability Authority. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state. Financial statements prepared on behalf of the Systems, include the following information, for the fiscal year ended June 30, 2015, with combined total comparative information for the fiscal year ended June 30, 2014:

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements
- Required Supplementary Information
- Other Supplementary Information

The Statement of Fiduciary Net Position presents the Systems' assets and liabilities and the resulting net position restricted for pensions. This statement reflects a year-end snapshot of the Systems' investments, at fair value, along with cash and short-term investments, receivables and other assets and liabilities.

The Statement of Changes in Fiduciary Net Position presents information showing how the Systems' net position restricted for pensions changed during the year. This statement includes additions for contributions by members and employers and investment earnings and deductions for annuity payments, refunded contributions, death benefit payments and administrative expenses.

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

Required Supplementary Information presents schedules pertaining to employers' net pension liability, changes in employers' net pension liability, employers' contributions, and the money-weighted rate of return on investments. These schedules are intended to provide additional information useful in evaluating the condition of the systems.

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

Financial Highlights

- Total fiduciary net position for all five defined benefit plans of the Systems combined, decreased by \$622 million or just over two percent during fiscal year 2015. The net position of the plans is impacted by contributions to the plans, investment returns, and benefit payments out of the system. It is important to note that growth in fiduciary net position depends on both investment performance and contributions from employers and employees. The plans are in a net cash outflow position with benefit payments exceeding contributions, therefore, investment performance must first make up this gap before fiduciary net position can grow. The decrease in net position from \$29.9 billion to \$29.3 billion was primarily attributable to reduced investment performance and the net cash outflow situation.
- For the fiscal year ended June 30, 2015, the net of fee investment performance return provided by the custodial bank, BNY Mellon was 1.60 percent. This return reflects performance of the Systems, at the aggregate for the pooled investments of the consolidated pension trust funds, after the deduction of manager fees and/or expenses. This fiscal year's performance was well below the prior year's return of 15.29 percent and will be recognized as an actuarial loss as it was less than the 7.5 percent actuarial investment rate of return assumed for the plans. For the actuarial valuation prepared for funding purposes, gains and losses from investment performance are recognized using smoothing methods which help mitigate sharply fluctuating market returns over a long-term period. The smoothing methodology offsets both deferred investment gains and losses against each other and is intended to produce an actuarial asset value that is fairly consistent with market value during periods of ordinary investment returns. Smoothing avoids overreaction to inherently volatile conditions that would otherwise overweight the effects of a single year of performance that would most likely be reversed in subsequent years. Actuarial smoothing is intended to result in more stable contribution rates and a more level funded status, and is also a valuable methodology for governmental entities because it permits budgetary planning over more than one fiscal year.
- The rise over the prior fiscal year in the amount of employee and employer contributions collected is largely attributable to increased contribution rates. Employee contribution rates for SCRS and PORS rose

from 7.50 to 8.00 percent and 7.84 to 8.41 percent, respectively, effective July 1, 2014. Base employer contributions rates for SCRS and PORS also increased proportionately, effective July 1, 2014, from 10.45 to 10.75 percent and 12.44 to 13.01 percent, respectively. Act 278 amended state statute to provide a schedule of minimum employee and employer contributions beginning FY2013 and further provided that if those rates are insufficient, the board may increase the rates, in equal percentage amounts for employee and employer contributions, as necessary to maintain an amortization schedule of no more than 30 years. Based on the 2014 valuation results, no contribution increase is required in order to maintain a 30-year funding period in either SCRS or PORS effective July 1, 2016. The PEBA Board adopted the recommended rates, which were subsequently presented to the State Fiscal Accountability Authority (formerly referred to as the Budget and Control Board).

- The total number of retired members and beneficiaries receiving monthly annuity benefits from the Systems increased from approximately 153,000 to just under 157,000 annuitants during the year. Additionally, eligible SCRS & PORS annuitant payees received an annual benefit adjustment equal to the lesser of 1 percent or \$500 on July 1, 2014. The increase in the number of new annuitants added to the payroll during the year coupled with the retiree benefit adjustment resulted in an overall increase of 5 percent in the dollar amount of annuity benefits paid to annuitants compared to the prior the year.
- The Teacher and Employee Retention Incentive (TERI) program is a deferred retirement option program under SCRS that initially allowed retired members to accumulate annuity benefits on a deferred basis for up to 60 months while continuing employment. Retirement reform legislation will close the TERI program to all participants effective June 30, 2018, so SCRS members who entered the TERI program after July 1, 2013, will not be eligible to participate in TERI for the full 60 months. Current TERI participants are required to pay the same pre-tax member contribution rate on compensation earned, in the same manner as active members. TERI participants do not earn additional service credit or interest on their TERI account but are eligible to receive benefit increases in the same manner as other annuitant payees. At the end of the member's TERI participation and upon termination from employment, funds are distributed from the accumulated TERI account. The number of members actively participating in TERI decreased slightly from 9,644 at fiscal year-end 2014 to 9,327 at fiscal year-end 2015. While the overall number of members participating in the program decreased from the prior year, the average payout of the accumulated balance of TERI annuity benefits to participants at termination from employment was greater than the average payout in the prior period resulting in an overall increase in deferred retirement benefits expense during the fiscal year.
- The Systems' investment portfolio continues to participate in a securities lending program, managed by BNY Mellon (Securities Lending Program), whereby securities are loaned for the purpose of generating additional income. BNY Mellon is responsible for making loans of securities on a collateralized basis from the Systems' investment portfolio to various third party broker-dealers and financial institutions. The gross securities lending revenue for the fiscal year was \$1.98 million, an increase from \$1.73 million in the prior year. As reported by BNY Mellon, at June 30, 2015, the fair value of securities on loan was \$179.61 million, the fair value of the invested cash collateral was \$70.18 million, and the securities lending obligations were \$117.72 million. The reported difference in the value of the invested cash collateral and the securities lending obligations in the securities lending program is reflected within "Other Liabilities" on the Retirement Systems' Statement of Fiduciary Net Position, consistent with information reported on accounting statements provided by BNY Mellon as the custodial bank.
- The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005 as co-fiduciary for the Systems, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission operates pursuant to

statutory provisions and under governance policies that allow for a diverse asset allocation and which afford the RSIC and its chief investment officer discretion and flexibility to quickly react to changes in market conditions. The investment portfolio is structured to focus on ensuring the long-term stability of the plans, seeking superior returns at acceptable levels of risk.

- The Commission is responsible for establishing and maintaining a target asset allocation that manages risk, ensures liquidity, and affords flexibility to quickly react to changes in market conditions. The Policy Asset Allocation effective as of July 1, 2013 was reaffirmed by the Commission for the fiscal year beginning on July 1, 2014 and no modifications were made. Variances from the target among asset classes are the result of over or underweights reflected in the Commission's asset allocation strategies as well as volatility experienced in the financial markets. During the fiscal year, new managers were added to the Global Equity, Diversified Credit, Real Estate, and Core Fixed Income asset classes.
- The Office of the State Treasurer has a contract with the Bank of New York Mellon (BNYM) to serve as custodian of the funds of the Retirement Systems. Under a provision of the most recent contract for custody services and in an effort to improve transparency, BNYM began directly invoicing the trust funds on a quarterly basis for both custody and other ancillary services utilized. PEBA and the RSIC jointly verify that invoices accurately reflect services rendered and are appropriate for the period before amounts are paid. The trust funds' securities lending revenue account is the initial source from which such costs are paid to the custodial agent.
- All investment manager fees, whether directly invoiced or deducted from the fund NAV, are classified and reported as investment expense in the Statement of Changes in Fiduciary Net Position. The RSIC provides the netted fee information to PEBA on an annual basis so that amounts can be reclassified and reported in the financial statements. There is no industry standard for reporting pension plan investment fees and expenses, therefore, in order to compare investment expense as reported by the Systems with investment management costs reported by other public pension plans, an understanding of the actual fees and expenses included in any comparative reports is necessary. The fiscal year 2015 invoiced and netted investment fees and expenses total is \$348.2 million which is 23% less than the fiscal year 2014 total of \$454.5 million largely due to lower performance fees (including carried interest allocations) as a result of generally lower market returns.
- PEBA is still a relatively new entity having been created July 1, 2012, as the governing body responsible for administration of the state's retirement plans and employee insurance programs. In September 2014, the South Carolina Office of the State Inspector General (SIG) engaged Funston Advisory Services LLC to conduct a fiduciary performance audit of the PEBA. The purpose of the audit was to critically evaluate fiduciary roles and responsibilities, relationships and policies and to identify areas of strengths and weaknesses, along with improvement recommendations. Funston's report which was issued on January 16, 2015, articulated and prioritized recommendations and also included an analysis of potential costs or benefits associated with implementation. The costs of this fiduciary performance audit contributed to an increase over the prior year in Administrative expenses in the Statement of Changes in Fiduciary Net Position.
- During the year PEBA solicited proposals to conduct a comprehensive assessment of the operational information technology systems and a contract was awarded to Linea Solutions Inc. in December 2014. The project includes three phases: 1) Operational Information Technology Systems Assessment, 2) Future Operational Information Technology System and 3) Operational Information Technology Systems Modernization Plan. Project work commenced immediately and associated expenses paid to Linea during the fiscal year are included in Administrative expenses in the Statement of Changes in Fiduciary Net Position.

- The Systems implemented the requirements of Governmental Accounting Standards Board (GASB) Statement 67, as approved by GASB in June 2012, in its financial statements for the fiscal year ended June 30, 2014. Effective for fiscal periods ending after June 15, 2015, participating employers who issue Generally Accepted Accounting Principles (GAAP) based financial statements are required to implement GASB Statement 68. To help ensure employers were provided with information for their individual external financial audits, PEBA took the initiative to expend resources to obtain an additional audit opinion that their auditors could rely upon in conducting their audits. During the fiscal period, the State Auditor's Office engaged CliftonLarsonAllen LLP to conduct a separate audit of the Schedules of Employer Allocations, Schedules of Pension Amounts by Employer and Related Notes for the fiscal year ended June 30, 2014, as well as the census data that was used in the development of the schedules. The resulting audit report was made available by PEBA in June 2015 through its public website on a special webpage devoted to participating employers designed to provide various resources to assist in complying with GASB 68. Participating employers were notified of the availability of the report via direct email and PEBA's employer news feed. During fiscal year 2015, PEBA staff presented at various conferences and workshops around the state on the topic of GASB 67 and 68. In addition, staff worked with PEBA's Communication department to provide information regarding GASB 68 to key stakeholders, including significant updates to the participating employer resource center page. Administrative expenses experienced an increase as a result of the additional actuarial consultant and external audit work associated with providing participating employers with information necessary to comply with the requirements of GASB 68. Details regarding administrative expenses of the plans can be found in the Schedule of Administrative Expenses within the Other Supplementary Information section.
- The firm of Gabriel Roeder Smith & Company (GRS) is on retainer as the Systems' consulting actuary for the defined benefit retirement plans. South Carolina state statute requires that the actuary complete a valuation of the Systems annually and conduct an experience investigation at least once in each five-year period. GRS last completed an actuarial experience study on the Systems as of July 1, 2010, and the most recent annual valuation reports were issued as of July 1, 2014. The next experience study is scheduled to begin immediately after fiscal year end and will include a review of experience for the 5 year period ending June 30, 2015. As a result of the experience study, the actuary may recommend adjustments to its current actuarial assumptions, which include the assumed annual rate of return. The current rate, as established by the General Assembly in accordance state statute, is 7.5 percent.
- In addition to the deferred retirement options available in SCRS and JSRS, all of the plans (excluding SCNG) include certain provisions that allow retired members to continue covered employment while also receiving a monthly retirement benefit. South Carolina's public employee defined benefit plans have historically provided extremely lenient return-to-work provisions for retired members of SCRS and PORS who return to work for a covered employer after retirement, or after ending their TERI participation (SCRS only). For members who return to work for a covered employer after retirement, the employer must pay the corresponding employer contribution for that particular plan, and under SCRS, PORS and JSRS, retired members are also required to pay the same employee contribution as an active member in the same position. TERI participants receive the full monthly retirement benefit, with no limit on the amount of wages they may earn from employment. Collectively among the plans, the most recent actuarial valuation study reported that close to 27,000 retirees continue covered employment while receiving monthly retirement benefits either directly or as a TERI participant, thereby making up approximately 10 percent of the total public workforce covered by the Systems. Because historically lenient return-to-work provisions, coupled with demographic changes of the membership, caused concern over the long-term stability of the plans, retirement reform legislation also addressed retiree

return-to-work provisions. Generally, SCRS and PORS members who retired after January 1, 2013, and had not yet reached age 62 (SCRS) or age 57 (PORS) at retirement are subject to an annual earnings limit of \$10,000 on wages earned from covered employment.

- Qualified Excess Benefit Arrangement (QEBA) trust funds are maintained for each of the plans administered by the Retirement Division of PEBA. A QEBA is intended to be a qualified governmental excess benefit arrangement within the meaning of Section 415(m)(3) of the Internal Revenue Code and provides the part of a participant's retirement benefit that would have been paid by the Systems had there been no limitations under Code Section 415(b). The QEBA plans are separate and apart from the funds comprising the retirement funds and are not commingled with assets of those funds. The QEBA is not prefunded; therefore, no assets or income are accumulated to pay future benefits. The amount of required contributions necessary to pay benefits under the plans is determined and deposited to the trust funds on an as-needed basis. Employer contributions to fund the excess benefits are not credited or commingled with contributions paid into and accumulated in the retirement funds.
- The GARS is closed to persons first elected to the South Carolina General Assembly at or after the general election in November 2012. Members so elected to the Senate or House of Representatives now have the option to join SCRS, the State Optional Retirement Program (State ORP), which is a defined contribution plan, or opt out altogether. As a result of the plan closure, employee contributions to the GARS plan should decrease over time, while employer contributions may experience a general increase over time.

Condensed Financial Information

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

The Systems' principal sources of revenue are employee contributions, employer contributions and investment earnings. Required annual contributions for the SCNG are funded through an annual state appropriation. Expenses of the Systems consist primarily of payments of monthly annuities to retired members or their beneficiaries, and refunds of member contributions and interest that are paid subsequent to termination of employment. The defined benefit plans include an incidental death benefit for both active and retired members and an accidental death plan for members of the PORS.

PEBA sponsors the State ORP, which is a defined contribution alternative plan that is administered by four different vendors. The State ORP is available to newly hired employees of state agencies, institutions of higher education and public school districts. Membership in either SCRS or State ORP is also available to individuals first elected to the General Assembly at or after the general election in November 2012. In addition, PEBA is responsible for an optional Deferred Compensation Program (401k and 457 plans) administered by a third party record keeper. Both State ORP and Deferred Compensation assets are outside the group trust fund of the Systems and are not invested or managed by the RSIC. Summary comparative financial statements of the pension trust funds are presented on the following page.

Fiduciary Net Position

As of June 30

(Amounts expressed in thousands)

| | 2015 | 2014 | Increase / (Decrease) | % Increase / (Decrease) |
|---------------------------------------------------------------|----------------------|----------------------|--------------------------|----------------------------|
| Assets | | | | |
| Cash & cash equivalents, receivables, and prepaid expenses | \$ 3,622,210 | \$ 4,063,173 | \$ (440,963) | -10.85% |
| Investments, at fair value | 27,093,961 | 26,754,819 | 339,142 | 1.27% |
| Securities lending cash collateral invested | 70,177 | 72,645 | (2,468) | -3.40% |
| Capital Assets, net of accumulated depreciation | 3,005 | 2,912 | 93 | 3.19% |
| Total Assets | <u>30,789,353</u> | <u>30,893,549</u> | <u>(104,196)</u> | <u>-0.34%</u> |
| Liabilities | | | | |
| Deferred retirement benefits | 68,104 | 56,901 | 11,203 | 19.69% |
| Obligations under securities lending | 70,177 | 72,645 | (2,468) | -3.40% |
| Other accounts payable | 1,345,382 | 836,292 | 509,090 | 60.87% |
| Total Liabilities | <u>1,483,663</u> | <u>965,838</u> | <u>517,825</u> | <u>53.61%</u> |
| Total Fiduciary Net Position Restricted for Pensions | <u>\$ 29,305,690</u> | <u>\$ 29,927,711</u> | <u>\$ (622,021)</u> | <u>-2.08%</u> |

Changes in Fiduciary Net Position

Years Ended June 30

(Amounts expressed in thousands)

| | 2015 | 2014 | Increase / (Decrease) | % Increase / (Decrease) |
|--------------------------------------------------------------|----------------------|----------------------|--------------------------|----------------------------|
| Additions | | | | |
| Employee contributions | \$ 826,483 | \$ 751,467 | \$ 75,016 | 9.98% |
| Employer contributions | 1,203,313 | 1,132,128 | 71,185 | 6.29% |
| State-appropriated contributions | 4,591 | 4,586 | 5 | 0.11% |
| Net Investment income | 435,886 | 4,083,023 | (3,647,137) | -89.32% |
| Other income | 1,883 | 3,083 | (1,200) | -38.92% |
| Total Additions | <u>2,472,156</u> | <u>5,974,287</u> | <u>(3,502,131)</u> | <u>-58.62%</u> |
| Deductions | | | | |
| Annuity benefits | 2,943,355 | 2,803,084 | 140,271 | 5.00% |
| Refunds | 112,557 | 106,475 | 6,082 | 5.71% |
| Death benefits | 22,319 | 21,680 | 639 | 2.95% |
| Administrative & other expenses | 15,946 | 16,150 | (204) | -1.26% |
| Total Deductions | <u>3,094,177</u> | <u>2,947,389</u> | <u>146,788</u> | <u>4.98%</u> |
| Increase (Decrease) in Fiduciary Net Position | <u>(622,021)</u> | <u>3,026,898</u> | <u>(3,648,919)</u> | <u>-120.55%</u> |
| Beginning Fiduciary Net Position | 29,927,711 | 26,900,813 | 3,026,898 | 11.25% |
| Ending Fiduciary Net Position Restricted for Pensions | <u>\$ 29,305,690</u> | <u>\$ 29,927,711</u> | <u>\$ (622,021)</u> | <u>-2.08%</u> |

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

On a combined basis, the defined benefit plans' fiduciary net position was valued at \$29.3 billion at June 30, 2015, representing just over a 2 percent decrease in net position from the previous fiscal year-end. Reduced investment earnings as well as increased benefit expenses were the primary drivers of the change in fiduciary net position for the fiscal year.

During fiscal year 2015, the total dollar amount of contributions added to the plans increased slightly corresponding with the increase in employer and employee contribution rates. Monthly retirement benefits paid to annuitants increased 5 percent compared with the previous fiscal year. As previously referenced, the increase was attributable to a benefit adjustment granted to eligible SCRS and PORS annuity recipients effective July 1, 2014, along with a significant increase in the number of new annuitants added to the payroll during the year.

The fund experienced a positive return for the sixth consecutive year led by several strategies that substantially exceeded their benchmarks. The plan's net-of-fee return for the fiscal year 2015 was 1.60 percent beating the policy benchmark return of 1.21 percent but falling short of the actuarial assumed rate of return of 7.50 percent by 590 basis points. Real Estate was the strongest performing asset class with a fiscal year return of 19.32 percent beating its 14.20 percent performing benchmark by 512 basis points. Low Beta Hedge Funds were another strong performing asset class on both an absolute and relative basis returning 8.62 percent and outperforming its benchmark by 631 basis points. Private Equity was a strong performer with a 9.71 percent return but underperformed relative to its benchmark return of 12.63 percent.

Other strategies with positive returns that outperformed their benchmarks included: Private Debt with a 4.87 percent return versus 4.04 percent, Total Global Public Equity with a 1.91 percent return versus 0.71 percent, and Short Duration with a 1.12 percent return relative to a benchmark of return of 0.93 percent. Core Fixed Income returned a positive 1.62 percent but underperformed its benchmark by 24 basis points. Although having a negative return of 1.72 percent, GTAA outperformed its benchmark return of negative 3.85 percent by 213 basis points. Negatively performing asset classes, both on an absolute and relative to benchmark basis, were Global Fixed Income returning a negative 3.41 percent versus its benchmark return of a positive 2.96 percent, Emerging Markets Debt returning a negative 7.88 percent versus negative 7.72 percent, and Mixed Credit with a negative 1.88 percent return versus a positive benchmark return of 1.25 percent. Commodities was the weakest performing asset class with a negative 24.02 percent return versus its benchmark which returned a negative 23.71 percent.

Actuarial Valuations and Funding Progress

Actuarial valuations are performed annually by an external consulting actuary for all five defined benefit plans to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability over a period that does not exceed 30 years. Additionally, the Board is prohibited from decreasing the applicable contribution rate until the funded ratio is at least 90 percent. Over time, and provided there are no future benefit enhancements, the funded ratio of each system is expected to increase and eventually attain 100 percent. The primary sources of revenue to fund benefits include investment income, member contributions and employer contributions.

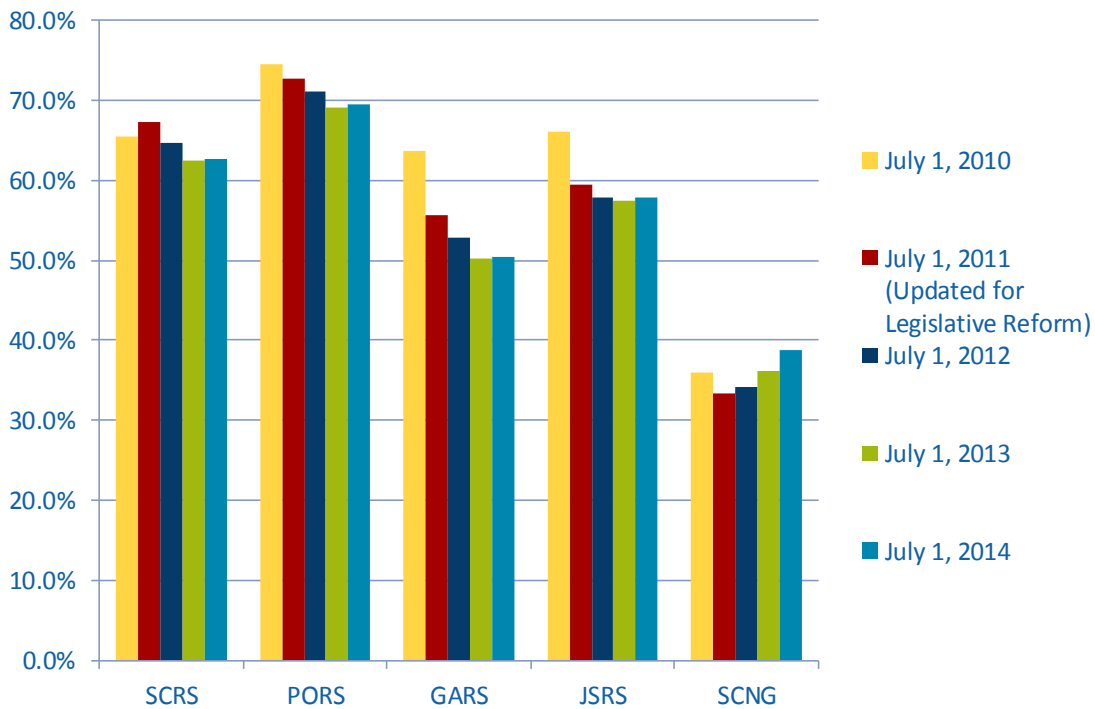
Investment performance for purposes of developing the actuarially determined contribution rate is recognized using smoothing method that recognizes 20 percent of the difference between the market value of assets and the expected actuarial value of assets each year, based upon the assumed valuation rate of return. This asset

valuation method mitigates the short term impact of market volatility and allows changes in market conditions to be recognized (smoothed) over a longer period of time. In contrast, in the actuarial valuation performed for the purpose of providing accounting information under GASB Statement No. 67, plan fiduciary net position is determined on a market value basis. Since the percentage of plan fiduciary net position to the total pension liability in the actuarial valuation prepared for accounting purposes uses the market value of assets rather than the actuarial value of assets, there can be significant short-term volatility in the proportion.

For the actuarial valuations prepared for funding purposes, the funded ratio (the ratio of the actuarial assets to the actuarial accrued liability) is a standard of measure of a plan’s funded status. It 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 assets to liabilities. The funding progress of a retirement system should be reviewed over a multi-year period, such as five to ten years, to identify trends in the system’s funded status. The most recent actuarial valuations prepared for funding purposes as of July 1, 2014, showed a slight increase in funded status for all five plans. The changes in the levels of funding do not affect the availability of funds or resources for future use and actuarial projections indicate that unfunded liabilities should be amortized and funded within acceptable funding guidelines. The actuarial funded ratios of the five plans are presented in the following graph. Percentages for GASB 67 reporting purposes can be found in the Schedule of Employers’ Net Pension Liability beginning on Page 74.

Actuarial Funded Ratios

(Actuarial assets as a percentage of actuarial accrued liabilities)



Requests for Information

This financial report is designed to provide a general overview of the Retirement Systems’ finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the South Carolina PEBA, Attn: Retirement Systems Finance, P.O. Box 11960, Columbia, SC 29211-1960. Inquiries may also be made at www.peba.sc.gov or by calling 803.737.6800.

South Carolina Retirement Systems Statement of Fiduciary Net Position

June 30, 2015

With comparative totals for June 30, 2014

(Amounts expressed in thousands)

| | SCRS | PORS | GARS | JSRS | SCNG | TOTAL | 2014 TOTAL |
|---------------------------------------------------|-------------------|------------------|---------------|----------------|---------------|-------------------|-------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 2,473,892 | \$ 396,286 | \$ 4,744 | \$ 16,640 | \$ 4,115 | \$ 2,895,677 | \$ 2,974,017 |
| Receivables | | | | | | | |
| Due from other systems | | 169 | | 4 | | 173 | 1,218 |
| Employee and employer contributions | 198,636 | 22,325 | 104 | 789 | 16 | 221,870 | 195,502 |
| Accrued investment income | 41,887 | 6,593 | 51 | 239 | 35 | 48,805 | 37,517 |
| Unsettled investment sales | 386,193 | 60,784 | 473 | 2,204 | 326 | 449,980 | 850,751 |
| Other investment receivables | 2,261 | 356 | 2 | 13 | 2 | 2,634 | 1,821 |
| Total receivables | 628,977 | 90,227 | 630 | 3,249 | 379 | 723,462 | 1,086,809 |
| Investments, at fair value | | | | | | | |
| Short-term securities | 657,551 | 103,494 | 804 | 3,753 | 555 | 766,157 | 835,867 |
| Debt | | | | | | | |
| Domestic Fixed Income | 5,246,660 | 825,787 | 6,417 | 29,942 | 4,431 | 6,113,237 | 5,724,526 |
| International Fixed Income | 1,607,359 | 252,987 | 1,966 | 9,173 | 1,357 | 1,872,842 | 2,479,437 |
| Public Equity | | | | | | | |
| Domestic Equity | 1,729,331 | 272,185 | 2,115 | 9,869 | 1,461 | 2,014,961 | 2,528,760 |
| International Equity | 4,399,301 | 692,419 | 5,381 | 25,106 | 3,715 | 5,125,922 | 3,810,656 |
| Global Tactical Asset Allocation | 1,909,410 | 300,528 | 2,336 | 10,896 | 1,613 | 2,224,783 | 2,119,233 |
| Alternatives | 7,703,664 | 1,212,502 | 9,423 | 43,964 | 6,506 | 8,976,059 | 9,256,340 |
| Total investments | 23,253,276 | 3,659,902 | 28,442 | 132,703 | 19,638 | 27,093,961 | 26,754,819 |
| Securities lending cash collateral invested | 60,229 | 9,479 | 74 | 344 | 51 | 70,177 | 72,645 |
| Prepaid expenses | 2,641 | 409 | 4 | 15 | 2 | 3,071 | 2,347 |
| Capital assets, net of accumulated depreciation | 2,693 | 291 | 7 | 13 | 1 | 3,005 | 2,912 |
| Total assets | 26,421,708 | 4,156,594 | 33,901 | 152,964 | 24,186 | 30,789,353 | 30,893,549 |
| LIABILITIES | | | | | | | |
| Due to other systems | 173 | | | | | 173 | 1,218 |
| Accounts payable - unsettled investment purchases | 1,028,515 | 161,881 | 1,258 | 5,870 | 869 | 1,198,393 | 711,656 |
| Investment fees payable | 7,270 | 1,144 | 9 | 41 | 6 | 8,470 | 9,300 |
| Obligations under securities lending | 60,229 | 9,479 | 74 | 344 | 51 | 70,177 | 72,645 |
| Deferred retirement benefits | 68,104 | | | | | 68,104 | 56,901 |
| Due to Employee Insurance Program | 58,868 | 1,788 | | | | 60,656 | 54,231 |
| Benefits payable | 3,608 | 344 | 2 | | 6 | 3,960 | 3,855 |
| Other liabilities | 63,113 | 10,133 | 76 | 356 | 52 | 73,730 | 56,032 |
| Total liabilities | 1,289,880 | 184,769 | 1,419 | 6,611 | 984 | 1,483,663 | 965,838 |
| Net Position Restricted for Pensions | \$ 25,131,828 | \$ 3,971,825 | \$ 32,482 | \$ 146,353 | \$ 23,202 | \$29,305,690 | \$29,927,711 |

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

South Carolina Retirement Systems

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2015
With comparative totals for the year ended June 30, 2014
(Amounts expressed in thousands)

| | SCRS | PORS | GARS | JSRS | SCNG | TOTAL | 2014 TOTAL |
|------------------------------------------------------|------------------|----------------|--------------|---------------|--------------|------------------|------------------|
| Additions | | | | | | | |
| Contributions | | | | | | | |
| Employee | \$ 716,107 | \$ 106,854 | \$ 369 | \$ 3,153 | \$ - | \$ 826,483 | \$ 751,467 |
| Employer | 1,022,478 | 166,451 | 4,275 | 10,109 | | 1,203,313 | 1,132,128 |
| State appropriated | | | | | 4,591 | 4,591 | 4,586 |
| Total contributions | 1,738,585 | 273,305 | 4,644 | 13,262 | 4,591 | 2,034,387 | 1,888,181 |
| Investment Income | | | | | | | |
| Net appreciation in fair value of investments | 390,742 | 61,552 | 503 | 2,263 | 332 | 455,392 | 4,200,705 |
| Interest and dividend income | 291,619 | 45,614 | 375 | 1,713 | 241 | 339,562 | 348,733 |
| Investment expense | (309,909) | (48,726) | (380) | (1,770) | (261) | (361,046) | (468,145) |
| Net income from investing activities | 372,452 | 58,440 | 498 | 2,206 | 312 | 433,908 | 4,081,293 |
| From securities lending activities: | | | | | | | |
| Securities lending income | 144 | 22 | | 1 | | 167 | 63 |
| Securities lending borrower rebates | 1,556 | 243 | 2 | 9 | 1 | 1,811 | 1,667 |
| Net income from securities lending activities | 1,700 | 265 | 2 | 10 | 1 | 1,978 | 1,730 |
| Total net investment income | 374,152 | 58,705 | 500 | 2,216 | 313 | 435,886 | 4,083,023 |
| Supplemental retirement benefits funded by the State | 507 | 22 | | | | 529 | 613 |
| Transfers of contributions from other Systems | 7 | 1,061 | | 286 | | 1,354 | 2,470 |
| Total additions | 2,113,251 | 333,093 | 5,144 | 15,764 | 4,904 | 2,472,156 | 5,974,287 |
| Deductions | | | | | | | |
| Refunds of contributions to members | 95,104 | 17,453 | | | | 112,557 | 106,475 |
| Transfers of contributions to other Systems | 1,336 | | 18 | | | 1,354 | 2,470 |
| Regular retirement benefits | 2,378,317 | 323,252 | 6,639 | 16,832 | 4,249 | 2,729,289 | 2,631,872 |
| Deferred retirement benefits | 211,982 | | | | | 211,982 | 168,999 |
| Supplemental retirement benefits | 507 | 22 | | | | 529 | 616 |
| Death Benefits | 20,144 | 2,150 | 21 | 4 | | 22,319 | 21,680 |
| Accidental death benefits | | 1,555 | | | | 1,555 | 1,597 |
| Depreciation | 227 | 29 | 1 | 1 | | 258 | 227 |
| Administrative expenses | 12,327 | 1,909 | 17 | 70 | 11 | 14,334 | 13,453 |
| Total deductions | 2,719,944 | 346,370 | 6,696 | 16,907 | 4,260 | 3,094,177 | 2,947,389 |
| Net increase (decrease) in Net Position | (606,693) | (13,277) | (1,552) | (1,143) | 644 | (622,021) | 3,026,898 |
| Net Position Restricted for Pensions | | | | | | | |
| Beginning of year | 25,738,521 | 3,985,102 | 34,034 | 147,496 | 22,558 | 29,927,711 | 26,900,813 |
| End of year | \$25,131,828 | \$ 3,971,825 | \$ 32,482 | \$ 146,353 | \$ 23,202 | \$29,305,690 | \$29,927,711 |

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 South Carolina Public Employee Benefit Authority (PEBA) was created by the S.C. General Assembly effective July 1, 2012. PEBA is a state agency responsible for the administration and management of the state's employee insurance programs and retirement systems.

The governing board of the authority is a board of directors consisting of 11 members. The membership composition is as follows:

- three non-representative members appointed by the Governor;
- two members appointed by the President Pro Tempore of the Senate, one a non-representative member and one a representative member who is either an active or retired member of the South Carolina Police Officers Retirement System (PORS);
- two members appointed by the Chairman of the Senate Finance Committee, one a non-representative member and one a representative member who is a retired member of the South Carolina Retirement System (SCRS);
- two members appointed by the Speaker of the House of Representatives, one a non-representative member and one a representative member who must be a state employee who is an active contributing member of SCRS;
- two members appointed by the Chairman of the House Ways and Means Committee, one a non-representative member and one a representative member who is an active contributing member of SCRS employed by a public school district.

Non-representative members of the PEBA board may not belong to the classes of employees and retirees from which representative members must be appointed. Individuals appointed to the PEBA board must possess certain qualifications.

Members of the PEBA board serve for terms of two years and until their successors are appointed and qualify. Vacancies on the PEBA Board must be filled within 60 days in the manner of the original appointment for the unexpired portion of the term. Terms commence on July first of even numbered years.

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

Pension Trust Funds

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

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

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

Plan Descriptions

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

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

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

other benefits for members of the General Assembly. Retirement reform legislation closed the plan to individuals newly elected to the Senate or House of Representatives after the general election of 2012.

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

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

A summary of information related to participating employers and members for the fiscal year ended June 30, 2015, follows (dollars amounts expressed in thousands):

| | State ¹ | School | Other | Total |
|----------------------------------------------------------------------------|--------------------|-------------|-------------|-------------|
| SCRS | | | | |
| Number of Employers | 34 | 117 | 577 | 728 |
| Annual Covered Payroll for Active Members | \$2,258,102 | \$3,298,977 | \$2,108,048 | \$7,665,127 |
| Average Number of: | | | | |
| Active Contributing Members | 49,963 | 83,891 | 53,532 | 187,386 |
| Retirees and beneficiaries currently receiving benefits | 48,603 | 62,727 | 23,304 | 134,634 |
| Terminated members entitled to but not yet receiving benefits ² | | | | 160,259 |
| Total SCRS Membership | | | | 482,279 |
| PORS | | | | |
| Number of Employers | 30 | 57 | 325 | 412 |
| Annual Covered Payroll for Active Members | \$375,187 | \$311 | \$737,165 | \$1,112,663 |
| Average Number of: | | | | |
| Active Contributing Members | 9,445 | 2 | 17,135 | 26,582 |
| Retirees and beneficiaries currently receiving benefits | 8,138 | 19 | 8,653 | 16,810 |
| Terminated members entitled to but not yet receiving benefits ² | | | | 12,705 |
| Total PORS Membership | | | | 56,097 |
| GARS | | | | |
| Number of Employers | 1 | | | 1 |
| Annual Covered Payroll for Active Members | \$2,383 | | | \$2,383 |
| Average Number of: | | | | |
| Active Members (170 positions) | 106 | | | 106 |
| Retirees and beneficiaries currently receiving benefits | 362 | | | 362 |
| Terminated members entitled to but not yet receiving benefits | 55 | | | 55 |
| Total GARS Membership | 523 | | | 523 |
| JSRS | | | | |
| Number of Employers | 1 | | | 1 |
| Annual Covered Payroll for Active Members | \$18,138 | | | \$18,138 |
| Average Number of: | | | | |
| Active Members (153 positions) | 137 | | | 137 |
| Retirees and beneficiaries currently receiving benefits | 206 | | | 206 |
| Terminated members entitled to but not yet receiving benefits | 2 | | | 2 |
| Total JSRS Membership | 345 | | | 345 |
| SCNG | | | | |
| Number of Employers | 1 | | | 1 |
| Annual Covered Payroll for Active Members ³ | N/A | | | N/A |
| Average Number of: | | | | |
| Active Members | 12,167 | | | 12,167 |
| Retirees and beneficiaries currently receiving benefits | 4,648 | | | 4,648 |
| Terminated members entitled to but not yet receiving benefits | 2,068 | | | 2,068 |
| Total SCNG Membership | 18,883 | | | 18,883 |

¹ Although each state agency reports separately, the State is considered the primary government and therefore, all state agencies are included as a single employer. Quasi-State Agencies and Institutions of Higher Education are counted as separate employers and included within the "State" category.

² Employee Class not determinable from data.

³ Annual covered payroll is not applicable for SCNG because it is a non-contributory plan.

Membership

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

SCRS

Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

State ORP

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. The Retirement Systems assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the Systems for financial statement purposes.

Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the investment providers for the employee contribution (8.0 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for a portion of the employer contribution (5.75 percent) and a death benefit contribution (.15 percent), which is retained by the SCRS. The activity for the State ORP is as follows:

State ORP Activity

Year Ended June 30, 2015

(Dollar amounts expressed in thousands)

| | |
|---------------------------------------------------|-------------|
| Active Contributing Participants | 26,415 |
| Annual Covered Payroll | \$1,265,823 |
| Employer Contributions Retained by SCRS | \$72,785 |
| Death Benefit Contributions Retained by SCRS | \$1,899 |
| Employee Contributions to Investment Providers | \$101,266 |
| Employer Contributions to Investment Providers | \$63,291 |

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

GARS

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

Representatives on or after the general election of 2012.

JSRS

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

SCNG

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

Pension Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

SCRS

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every

July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS

A Class II member who has separated from service with at least five years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class III member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class II and Class III members are eligible to receive a deferred annuity at age 55 with five or eight years earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

GARS

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

positions. GARS is closed to new members and persons newly elected to the General Assembly must elect membership in SCRS or State ORP or may elect non-membership.

JSRS

A pension benefit is payable at age 70 with 15 years' service, age 65 with 20 years' service, 25 years' service regardless of age for a judge or 24 years of service for a solicitor or a circuit public defender regardless of age. A judge is vested in the system after attaining 10 years of earned service in the position of judge, and a solicitor or a circuit public defender is vested in the system after attaining eight years of earned service. A member who has reached maximum eligibility is eligible to retire and draw an annuity while continuing to serve. An incidental death benefit is also provided to members. Retirees receive increases in benefits based upon increases in the current salary of their respective active positions.

SCNG

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

Summary of Significant Accounting Policies

Fund Structure

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

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

Administrative expenses are the responsibility of the PEBA and all accounting and corresponding disclosures relating to administrative expenses of the pension trust funds are included in the financial statements of the Systems.

Administrative expenses for the Retirement Division of PEBA are funded by investment earnings and are allocated to each of the pension trust funds based on its respective portion of total assets in order to pay for actual expenses incurred during the year. Administrative expenses of the Systems include the Retirement Division's portion of PEBA employee salaries and associated employee benefits, disability reviews, fiduciary liability insurance and other professional service fees.

Cash and Cash Equivalents

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

Contributions

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

Investments

The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005 as co-fiduciary for the Retirement Systems, has exclusive authority for investing and managing all assets held in trust for the South Carolina Retirement Systems. Funds of the Systems are invested subject to the terms, conditions, limitations, and restrictions imposed by Section 16, Article X of the South Carolina Constitution and Section 9-1-1310 (B) and Title 9 Chapter 16 of the South Carolina Code of Laws. The funds and assets of the various state retirement systems are not funds of the State, but are instead held in trust as provided in Section 9-16-20.

The RSIC is structured as a separate state agency reporting to a body of appointed Commissioners. The Commission is a seven-member board that includes the State Treasurer, the Executive Director of PEBA, and a retired member of the Systems. The Commission employs an Executive Director (ED) who serves as the agency head of the RSIC, reporting directly to the Commission, with functions and duties assigned by the Commission. The ED is the central source of authority and accountability for administrative decisions. In addition, the Commission employs a chief investment officer (CIO) who reports to the ED for day to day oversight and strategic planning objectives and who serves as the central source of authority and accountability for all investment decisions delegated to him or her by the Commission and state law. The Commission also engages an external investment consultant, who is accountable to the Commission to work collaboratively with RSIC staff to fulfill the duties of investing the Systems' portfolio.

Administrative costs of the RSIC are paid from the earnings of the Systems, and its budget is funded entirely from the trust fund. Costs include Commissioner, investment and administrative staff compensation, as well as other contractual services and other operating expenses. The allocation of those administrative costs is based upon a proration

of such costs in proportion to the assets that each system bears to the total assets of all of the systems for the most recently completed fiscal year.

The Commission has adopted a Statement of Investment Objectives and Policies (SIOP) in order to establish investment and performance objectives, policies and guidelines, roles, responsibilities, and delegation of authority for the investment and management of assets of the Systems. The SIOP is reviewed by the Commission at least annually to determine its continued applicability. The SIOP provides the framework pursuant to which the CIO and staff develop the Annual Investment Plan (AIP), which provides a formal plan for investing the Systems' assets to achieve the Commission's investment objectives and mission. As required by Section 9-16-320, the AIP must be submitted to the Commission no later than April 1 of each year, and the Commission must meet no later than May 1 of each year to adopt the proposed AIP for the following fiscal year. The Commission may amend the SIOP and AIP during the fiscal year as it deems appropriate.

The Commission manages Systems' assets with a long-term horizon and seeks to earn the most appropriate risk-adjusted return in consideration of the specific goals, needs and circumstances of the Systems and in the exclusive interest of members of the Systems. Among the decisions the Commission can make, asset allocation has the most significant impact on the portfolio's return and risk profile and is reviewed annually as part of the development of the AIP. Based on the Commission's determination of the appropriate risk tolerance for the Portfolio and its long-term return expectations, it has authorized the following Policy Asset Allocation, including target allocations and ranges for each asset class that became effective as of July 1, 2013 and were reaffirmed by the Commission for the fiscal year beginning on July 1, 2014.

| Asset Class | Policy Allocation | Minimum | Maximum |
|---------------------------------------------------|-------------------|--------------|--------------|
| Global Equity | 40.0% | 30.0% | 45.0% |
| Global Public Equities ¹ | 31.0% | 25.0% | 37.0% |
| Private Equity | 9.0% | 6.0% | 12.0% |
| Real Assets | 8.0% | | |
| Commodities ¹ | 3.0% | 0.0% | 6.0% |
| Real Estate | 5.0% | 2.0% | 8.0% |
| Opportunistic | 18.0% | | |
| GTAA / Risk Parity ¹ | 10.0% | 7.0% | 13.0% |
| Hedge Funds (low beta) ¹ | 8.0% | 5.0% | 11.0% |
| Diversified Credit | 19.0% | | |
| Mixed Credit (HY, Loans, Structured) ¹ | 6.0% | 3.0% | 9.0% |
| Emerging Markets Debt ¹ | 6.0% | 3.0% | 9.0% |
| Private Debt ¹ | 7.0% | 4.0% | 10.0% |
| Conservative Fixed Income | 15.0% | 10.0% | 25.0% |
| Core Fixed Income | 7.0% | 4.0% | 10.0% |
| Global Fixed Income | 3.0% | 0.0% | 6.0% |
| Short-Duration (net of overlays) | 3.0% | 0.0% | 6.0% |
| Cash (net of overlays) | 2.0% | 0.0% | 5.0% |

¹Asset classes in which hedge funds can be used, up to a maximum of 15 percent across the entire portfolio.

At June 30, 2015, the Systems held no investments (other than those issued or explicitly guaranteed by the U.S. government) in any one organization that represent 5 percent or more of the plans' fiduciary net position.

For the year ended June 30, 2015, the annual money weighted rate of return on plan investments was 1.59 percent. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

As a fiduciary acting on behalf of the Systems, the Commission enters into individual agreements with various investment managers to invest plan assets seeking superior long-term results at an acceptable level of risk. As of June 30, 2015, legal agreements were in place with 114 investment managers.

The Office of the State Treasurer has a contract with BNY Mellon to serve as custodian of the funds of

the Retirement Systems. Assets also include investments not custodied at BNY Mellon, such as funds held in partnerships, commingled accounts or private market asset classes. Additionally, as an accommodation under the global custody agreement between the South Carolina State Treasurer and BNY Mellon, the custodial bank provides consolidated recordkeeping services which are reflected on account statements for securities not held in the custodian's vault or for which the custodian or its nominee is not the registered owner (non-custody securities).

For financial statement purposes, investments of the pension trust funds are reported at fair value in the Statement of Fiduciary Net Position. Short term securities categorized as cash or cash equivalents are reported at fair value. The Systems hold domestic and global equity securities which are traded on organized exchanges. Equity securities which are held by the custodian are valued by the custodian using the last reported price on a trade-date basis. The Systems hold domestic and global fixed income securities. The custodian values those fixed income assets which are held in custody based upon prices received from external pricing sources and in accordance with the custodian's pricing policy. Commingled funds, which may contain equity and/or fixed income securities are priced based upon the manager's pricing policy and a Net Asset Value (NAV) value is provided to the custodian. Private market investments typically utilize a limited partnership structure and private equity funds normally invest in companies that are not publicly traded on a stock exchange. The fair values of alternative investments including private equity, private debt, hedge funds, real estate and commodities, for which daily market values are not readily ascertainable, are valued in good faith based on the most recent financial information available for the underlying companies and reported by the investment managers at the measurement date, adjusted for subsequent cash flow activities through June 30, 2015. The issue of valuation of investments is a joint responsibility of PEBA and RSIC. Staff from both offices serve on a joint valuation committee

which oversees and reviews the valuations provided by the custodian and/or the external investment managers. The estimated fair value of these investments may differ from values that would have been used had a liquid public market existed.

Investments are combined in a commingled investment pool, with each system owning a percentage of the pool and receiving proportionate investment income in accordance with their respective ownership percentage. Investment income includes realized and unrealized appreciation (depreciation) in the fair value of investments, interest income earned, dividend income earned, less investment expense, plus income from securities lending activities, less deductions for securities lending expenses.

While some investment managers submit invoices for their investment management fees, a significant number of investment managers provide account valuations on a net of fee basis. For greater transparency, the RSIC makes a good faith attempt to account for netted fee amounts that are not necessarily readily separable. Through a concerted effort with Conifer Financial Services, administrator for the RSIC, the collection, aggregation, and reasonability testing enables RSIC to provide the Retirement Division of PEBA with a collection of investment fees and expenses that would not otherwise be disclosed. The RSIC provides the netted fee information to PEBA on an annual basis so that amounts can be reclassified and reported in the financial statements on the Investment expense line of the Statement of Changes in Fiduciary Net Position. The netted investment expenses include amounts for investment management fees,

II. Contributions and Reserves

Contributions to each of the Plans are prescribed in Title 9 of the South Carolina Code of Laws. The board may increase the percentage rate in SCRS and PORS employer and employee contributions on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that

exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are performance fees (including carried interest allocations), and other investment expenses such as organizational expenses in limited partnership structures. The total netted fee amounts reported also reflect the impact of any offsets which have the effect of reducing this total. There is no industry standard for reporting pension plan investment fees and expenses, therefore, in order to compare investment expense as reported by the Systems with investment management costs reported by other public pension plans, an understanding of the actual fees and expenses included in any comparative reports is necessary. Additionally, investment plan composition directly influences the fee structure of a plan and adjustments for differences in plan asset allocation are necessary before conclusions can be reached from such comparisons.

Capital Assets

Capital Assets are valued at historical cost or at estimated historical cost if actual historical cost data is not available. The costs of normal maintenance and repairs that do not significantly add to the value of an asset or materially extend the asset's useful life are not capitalized. An individual asset is capitalized and reported if it has an estimated useful life of at least two years and a historical cost as follows: more than \$5 thousand for machinery and equipment; more than \$100 thousand for buildings. All land and non-depreciable land improvements are capitalized and reported, regardless of cost. Depreciation is recorded using the straight line method over the useful life of 40 years for the building and a useful life of 2 to 25 years for equipment. Land is not depreciated.

exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are

insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; this increase is not limited to one-half of one percent per year.

After June 30, 2015, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

Following are the employee and employer contribution rates applicable for fiscal year 2015:

| System | Employee Rate | Employer Rate |
|--------|------------------|--------------------------|
| SCRS | 8.0% | 10.90% ¹ |
| PORS | 8.41% | 13.41% ² |
| GARS | 11% | \$4,275,000 ³ |
| JSRS | 10% | 47.97% ¹ |
| SCNG | Non-contributory | \$4,590,798 |

¹ Includes incidental death benefit contribution rate of 0.15%

² Includes incidental death benefit and accidental death benefit contribution rate of 0.20% each

³ Includes incidental death benefit contributions as determined by the Systems' actuary

Employer contributions for the GARS and SCNG are determined by the Systems' actuary on an annual basis. SCNG employer contributions are provided annually by state appropriations.

In accordance with South Carolina State Statute, an additional employer contribution surcharge of 5.0 percent of covered payroll was added to the contribution rate applicable to state and local governments, and public school entities covered by the state's retiree health and dental insurance benefits. 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) \$375,841 and \$20,142 respectively in retiree insurance surcharges (\$63,062 of which was applicable to the State ORP) and remitted these funds to the South Carolina Retiree Health Insurance Trust Fund.

The Fiduciary Net Position of each plan is required to be reserved in the following accounts:

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

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

are transferred from the Employee Fund to the Employer Fund for subsequent payment of benefits.

The **Death Benefit Fund**, an incidental death program within SCRS and PORS, is the fund to which participating employers contribute for the purpose of providing a death benefit to active and retired members of the Systems. Employer contributions and investment earnings are credited to this fund. Death benefit payments and administrative expenses are paid from this fund. The assets in the Death Benefits Fund are not held separately in a dedicated trust for the sole purpose of paying death benefits to beneficiaries of deceased members. These benefits are considered allowable within the defined benefit plans and are held within the pension trust funds.

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

purpose of providing annuity benefits to beneficiaries of members of PORS killed in the actual performance of their duties. This fund and its benefits are independent of any other retirement benefit available to the beneficiary. Employer contributions and investment earnings are credited to this fund. Monthly survivor annuities and administrative expenses are paid from this fund.

The **Qualified Excess Benefit Arrangement (QEBA) Fund** is the fund from which annuity benefits are paid when a benefit recipient exceeds IRC Section 415(b) limits on the amount an individual may receive annually from a qualified defined benefit pension plan. Employer contributions are credited to this fund on an as-needed basis in an amount equivalent to the amount of funds necessary to pay benefits out of the QEBA fund due to IRC Section 415(b) limitations. Accordingly, the QEBA fund currently has no reserve balance.

Balances in the respective reserves at June 30, 2015, were as follows (amounts expressed in thousands):

| | SCRS | PORS | GARS | JSRS | SCNG | Total |
|-----------------------|----------------------|---------------------|------------------|-------------------|------------------|----------------------|
| Employee Fund | \$ 7,054,277 | \$ 905,768 | \$ 7,295 | \$ 24,650 | \$ - | \$ 7,991,990 |
| Employer Fund | 17,952,972 | 2,978,028 | 25,187 | 121,703 | 23,202 | 21,101,092 |
| Death Benefit Fund | 124,579 | 37,699 | | | | 162,278 |
| Accidental Death Fund | | 50,330 | | | | 50,330 |
| QEBA Fund | | | | | | |
| Totals | \$ 25,131,828 | \$ 3,971,825 | \$ 32,482 | \$ 146,353 | \$ 23,202 | \$ 29,305,690 |

III. Deposits and Investments

Deposit and Investment Risk Disclosures

The tables presented on Pages 52-55 include disclosures of credit and interest rate risk in accordance with Governmental Accounting Standards Board Statement 40 and are designed to inform financial statement users about investment risks which could affect the Systems' ability to meet its obligations. These tables classify investments by risk type, while the financial statements disclose investments by asset class. The table amounts were

provided by the custodian bank and agree to the Statement of Fiduciary Net Position.

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Systems' deposits may not be recovered. As prescribed by South Carolina state statute, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks. These deposits

are secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the state against loss in the event of insolvency or liquidation of the institution or for any other cause. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 or collateralized with securities held by the state or its agent in the South Carolina State Treasurer’s name as custodian.

The Systems’ deposits at June 30, 2015, were as follows (amounts expressed in thousands):

| | Carrying Amount |
|--------------|----------------------------|
| SCRS | \$19,607 |
| PORS | 3,318 |
| GARS | 57 |
| JSRS | 78 |
| SCNG | 52 |
| Total | \$23,112 |

Actual bank balances at June 30, 2015, totaled \$40,724 (amount expressed in thousands).

Investments

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

The table on the following page presents the fair value of investments as of June 30, 2015.

Statement of Invested Assets

June 30, 2015

(Amounts expressed in thousands)

| Investment Type | Fair Value | Investment Type | Fair Value |
|-----------------------------------------------|---------------------|-----------------------------------------------------|---------------------|
| Short Term Investments | | Fixed Income Allocation | |
| Short Term Investment Funds (U.S. Regulated) | \$ 1,331,470 | Domestic Fixed Income | |
| Repurchase Agreements | 292,196 | U.S. Government | |
| Commercial Paper | 347,702 | U.S. Government Treasuries ¹ | \$ 1,398,246 |
| U. S. Treasury Bills | 113,902 | U.S. Government Agencies | 619,405 |
| Discount Notes | 22,798 | Mortgage Backed | |
| Corporate Bond | 873 | Government National Mortgage Association | 85,544 |
| Strategic Partnership Short Duration | 585,171 | Federal National Mortgage Association | 155,837 |
| Options - Cash | (420) | Federal Home Loan Mortgage Association | 32,737 |
| Futures - Cash | (630) | Federal Home Loan Mortgage Association (Multiclass) | 762 |
| Total Short Term Investments | <u>\$ 2,693,062</u> | Collateralized Mortgage Obligations | 6,137 |
| Equity Allocation | | | 41,989 |
| Domestic Equity | | Municipals | |
| Common Stocks | \$ 1,905,267 | Corporate | |
| Real Estate Investment Trusts | 67,504 | Corporate Bonds | 2,597,434 |
| Preferred | 58,697 | Mixed Credit | 502,629 |
| Convertible Preferred | 1,309 | Convertible Bonds | 797 |
| Futures - Domestic Equity | (16,834) | Asset Backed Securities | 95,145 |
| Swaps - Domestic Equity | (982) | Private Placements | 568,952 |
| Global Equity | 5,136,944 | Yankee Bonds | 2,917 |
| Real Estate Investment Trusts | 5,537 | Options - Domestic Fixed Income | (98) |
| Preferred | 982 | Futures - Domestic Fixed Income | (362) |
| Futures - Global Equity | (17,541) | Swaps - Domestic Fixed Income | 5,166 |
| Total Equity | <u>\$ 7,140,883</u> | Global Fixed Income | |
| Global Tactical Asset Allocation | | International Asset Backed | 3,597 |
| Commingled Funds Balanced | \$ 2,224,783 | International Commingled Funds | 369,114 |
| | <u>\$ 2,224,783</u> | International Corporate Bonds | 6,613 |
| Alternatives | | International Emerging Debt | 847,552 |
| Hedge Funds | \$ 3,441,671 | International Government Bonds | 637,045 |
| Private Debt | 1,653,586 | International Private Placements | 10,922 |
| Private Equity Limited Partnerships | 2,693,843 | Options - Global Fixed Income | (220) |
| Real Estate | 1,186,959 | Futures - Global Fixed Income | (858) |
| Total Alternative Investments | <u>\$ 8,976,059</u> | Swaps - Global Fixed Income | (923) |
| | | Total Fixed Income | <u>\$ 7,986,079</u> |
| Total Invested Assets | | <u>\$ 29,020,866</u> | |
| Invested Securities Lending Collateral | \$ 70,177 | | |

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

| | |
|----------------------------------------------------------------------------------------------------------------|-----------------------------|
| Total Invested Assets | \$ 29,020,866 |
| Short Term Investments classified as Cash & Cash Equivalents on Statement of Fiduciary Net Position | |
| Short Term Investment Funds (U.S. Regulated) | (1,331,470) |
| Repurchase Agreements | (292,196) |
| Commercial Paper | (303,416) |
| Corporate Bond | (873) |
| Options - Cash | 420 |
| Futures - Cash | 630 |
| Total Investments on Statement of Fiduciary Net Position | <u>\$ 27,093,961</u> |

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While the RSIC has no formal interest rate risk policy, interest rate risk is observed within the portfolio using effective duration (option adjusted duration), which is a measure of the price sensitivity of a bond or a portfolio of bonds to interest rate movements given a 100 basis point change in interest rates. Effective duration takes into account that expected cash flows will fluctuate as interest rates change and provides a measure of risk that changes proportionately with market rates. Investment guidelines may specify the degree of interest rate risk taken versus the benchmark within each fixed income portfolio. Disclosures for interest rate risk at June 30, 2015, are noted below (amounts expressed in thousands).

| Investment Type | Fair Value Total | Fair Value Duration Not Available | Fair Value Duration Available | Effective Duration (option adjusted duration) |
|----------------------------------------------------------------------|----------------------|-----------------------------------------|-------------------------------------|-----------------------------------------------------|
| Short Term Investments | | | | |
| Short Term Investment Funds (U.S. Regulated) | \$ 1,331,470 | \$ - | \$ 1,331,470 | 0.08 |
| Repurchase Agreements | 292,196 | | 292,196 | 0.08 |
| Invested Securities Lending Collateral | 70,177 | 70,177 | | |
| Commercial Paper | 347,702 | | 347,702 | 0.04 |
| U. S. Treasury Bills | 113,902 | | 113,902 | 0.26 |
| Discount Notes | 22,798 | | 22,798 | 0.11 |
| Corporate Bond | 873 | | 873 | 0.17 |
| Strategic Partnership Short Duration | 585,171 | | 585,171 | 1.32 |
| Options - Cash | (420) | (319) | (101) | (3.12) |
| Futures - Cash | (630) | | (630) | 0.26 |
| Total Short Term Investments | 2,763,239 | 69,858 | 2,693,381 | |
| Equity Allocation | | | | |
| Preferred | 59,679 | 6,293 | 53,386 | 7.13 |
| Total Equity Investments | 59,679 | 6,293 | 53,386 | |
| Fixed Income Allocation | | | | |
| U. S. Government | | | | |
| U.S. Government Treasuries | 1,398,246 | | 1,398,246 | 6.96 |
| U. S. Government Agencies | 619,405 | 159,834 | 459,571 | 4.05 |
| Mortgage Backed | | | | |
| Government National Mortgage Association | 85,544 | | 85,544 | 3.23 |
| Federal National Mortgage Association | 155,837 | 214 | 155,623 | 3.53 |
| Federal Home Loan Mortgage Corporation | 32,737 | | 32,737 | 3.64 |
| Federal Home Loan Mortgage Association (FHLMC Multiclass) | 762 | | 762 | 0.64 |
| Collateralized Mortgage Obligations | 6,137 | | 6,137 | 3.45 |
| Municipals | 41,989 | 566 | 41,423 | 9.91 |
| Corporate | | | | |
| Corporate Bonds | 2,597,434 | 441,453 | 2,155,981 | 3.50 |
| Mixed Credit | 502,629 | | 502,629 | 2.45 |
| Convertible Bonds | 797 | | 797 | 1.91 |
| Asset Backed Securities | 95,145 | 5,012 | 90,133 | 0.62 |
| Private Placements | 568,952 | 162,543 | 406,409 | 3.39 |
| Yankee Bonds | 2,917 | | 2,917 | 10.41 |
| Options - Domestic Fixed Income | (98) | (294) | 196 | (422.25) |
| Futures - Domestic Fixed Income | (362) | | (362) | 14.96 |
| Swaps - Domestic Fixed Income | 5,166 | (28) | 5,194 | 20.04 |
| Global Fixed Income | | | | |
| International Asset Backed Securities | 3,597 | | 3,597 | 0.07 |
| International Commingled Funds | 369,114 | | 369,114 | 5.20 |
| International Corporate Bonds | 6,613 | 1,899 | 4,714 | 2.07 |
| International Emerging Debt | 847,552 | 376,624 | 470,928 | 5.40 |
| International Government Bonds | 637,045 | 18,187 | 618,858 | 7.47 |
| International Private Placements | 10,922 | 1,828 | 9,094 | 7.15 |
| Options - Global Fixed Income | (220) | (169) | (51) | 603.44 |
| Futures - Global Fixed Income | (858) | | (858) | 8.96 |
| Swaps - Global Fixed Income | (923) | | (923) | 9.64 |
| Total Fixed Income | \$ 7,986,079 | \$ 1,167,669 | \$ 6,818,410 | |
| Total Invested Assets | \$ 10,808,997 | \$ 1,243,820 | \$ 9,565,177 | |
| Total Portfolio Effective Duration (option adjusted duration) | | | | 3.52 |

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Systems. As a matter of practice, there are no overarching limitations for credit risk exposures within the overall fixed income portfolio. Each individual portfolio within fixed income is managed in accordance with investment guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers, and average credit quality. Within high yield portfolios, a quality rating of lower than C is not permissible in any of the fixed income guidelines except in those circumstances of downgrades subsequent to purchase, in which case the investment manager is responsible for communicating the downgrade to the Commission's consultant and staff. The Systems' fixed income investments at June 30, 2015, were rated by Moody's and are presented below (amounts expressed in thousands).

| Investment Type and Fair Value | AAA | AA | A | BAA | BA | B | CAA | CA | NR ¹ |
|-----------------------------------------------------|--------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| Short Term Investments | | | | | | | | | |
| Short Term Investment Funds (U. S. Regulated) | \$1,331,470 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repurchase Agreements | | | | | | | | | 292,196 |
| Invested Securities Lending Collateral | | | | | | | | | 70,177 |
| Commercial Paper | | 122,971 | | 224,731 | | | | | |
| Discount Notes | 22,798 | | | | | | | | |
| Corporate Bond | | | | 873 | | | | | |
| Strategic Partnership Short Duration | | | | | | | | | 585,171 |
| Options - Cash | | | | | | | | | (420) |
| Futures - Cash | | | | | | | | | (630) |
| Equity Investments | | | | | | | | | |
| Preferred | | | 589 | 19,620 | 12,684 | 1,959 | | | 23,846 |
| Fixed Income Allocation² | | | | | | | | | |
| Mortgage Backed | | | | | | | | | |
| Federal National Mortgage Association | 155,837 | | | | | | | | |
| Federal Home Loan Mortgage Association (Multiclass) | 762 | | | | | | | | |
| Federal Home Loan Mortgage Association | 32,737 | | | | | | | | |
| Collateralized Mortgage Association | 6,137 | | | | | | | | |
| Municipals | | 24,836 | 13,954 | | | | | | 3,199 |
| Corporate | | | | | | | | | |
| Corporate Bonds | 39,138 | 55,376 | 420,001 | 653,269 | 401,862 | 318,519 | 71,452 | 1,629 | 636,188 |
| Mixed Credit | | | | | | | | | 502,629 |
| Convertible Bonds | | | | | | | | | 797 |
| Asset Backed Securities | 31,877 | 91 | 11,275 | 15,688 | 3,500 | | 2,714 | 4,857 | 25,143 |
| Private Placements | 43,317 | 17,229 | 70,215 | 37,136 | 53,767 | 85,638 | 49,384 | | 212,267 |
| Yankee Bonds | | | 697 | 2,221 | | | | | |
| Options - Domestic Fixed Income | | | | | | | | | (98) |
| Futures - Domestic Fixed Income | | | | | | | | | (362) |
| Swaps - Domestic Fixed Income | | | | | | | | | 5,166 |
| Global Fixed Income | | | | | | | | | |
| International Asset Backed | 3,395 | | | | | | | | 202 |
| International Commingled Funds | | | | | | | | | 369,114 |
| International Corporate Bonds | 507 | 3,212 | | | | | | | 2,894 |
| International Emerging Debt | | | | | 131,904 | | | | 715,648 |
| International Government Bonds | 16,083 | | 103,362 | 345,114 | 117,368 | | 21,302 | 9,434 | 24,382 |
| International Private Placements | 747 | | | 1,583 | | 3,213 | | | 5,379 |
| Options - Global Fixed Income | | | | | | | | | (220) |
| Futures - Global Fixed Income | | | | | | | | | (858) |
| Swaps - Global Fixed Income | | | | | | | | | (923) |
| Totals | \$1,684,805 | \$ 223,715 | \$ 620,093 | \$ 1,300,235 | \$ 721,085 | \$ 409,329 | \$ 144,852 | \$ 15,920 | \$ 3,470,887 |

¹ NR represents securities that were either not rated or had a withdrawn rating.

² U.S. Treasury Bills, Notes and Bonds, Agencies and Government National Mortgage Association securities with a fair value of \$2.2 billion are not included because they are not subject to credit risk.

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The Systems' policy for reducing this risk is to comply with the Statement of Investment Objectives and Policies as amended and adopted by the Commission which states that "except that no limitations on issues and issuers shall apply to obligations of the U.S. Government and Federal Agencies, the domestic fixed income portfolio shall contain no more than 6 percent exposure to any single issuer." As of June 30, 2015, there is no single issuer exposure within the portfolio that comprises 5 percent or more of the overall portfolio. Therefore, there is no concentration of credit risk.

Foreign Currency Risk

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

The table below presents the Systems' exposure to foreign currency risk in U.S. dollars at June 30, 2015, (amounts expressed in thousands):

| Currency | Cash & Cash Equivalents | Forward Contracts | Futures Contracts | Private Equity | Private Debt | Preferred Securities | Fixed Income | Equity |
|---------------------|----------------------------|----------------------|----------------------|-------------------|-----------------|-------------------------|------------------|-------------------|
| Australian Dollar | \$ 1,337 | \$ 85,985 | \$ (1,629) | \$ - | \$ - | \$ - | \$ - | \$ 27,107 |
| Brazil Real | | (967) | | | | | 5,309 | |
| Canadian Dollar | (948) | 114,884 | (1,413) | | | | | 64,579 |
| Colombian Peso | | | | | | | 3,501 | |
| Danish Krone | | | | | | | | 15,749 |
| Euro Currency | (9,755) | 664,494 | 569 | 162,805 | 3,170 | 982 | 28,863 | 143,685 |
| Hong Kong Dollar | 1,328 | 56,993 | (1,694) | | | | | 26,052 |
| Hungarian Forint | 21 | (21) | | | | | 2,540 | |
| Indian Rupee | | 1,211 | | | | | | |
| Indonesian Rupiah | 71 | | | | | | 4,499 | |
| Israeli Shekel | | (6) | | | | | | 3,104 |
| Japanese Yen | 6,567 | 358,745 | (5,417) | | | | 12 | 118,611 |
| Malaysian Ringgit | | | | | | | 5,178 | |
| Mexican New Peso | 1,702 | (540) | | | | | 4,214 | |
| New Turkish Lira | | | | | | | 5,065 | |
| New Zealand Dollar | | | | | | | | 335 |
| Nigerian Naira | | | | | | | 780 | |
| Norwegian Krone | 28 | | | | | | | 657 |
| Peruvian Nuevo Sol | | | | | | | 668 | |
| Polish Zloty | | | | | | | 5,095 | |
| Pound Sterling | (4,430) | 345,255 | (8,162) | | | | 2,894 | 104,820 |
| Romanian Leu | | | | | | | 1,084 | |
| Russian Ruble (New) | | | | | | | 2,673 | |
| S African Comm Rand | | | | | | | 5,249 | |
| Singapore Dollar | 30 | | | | | | | 1,996 |
| South Korean Won | | (3,131) | | | | | | |
| Swedish Krona | (1,116) | 49,483 | (847) | | | | | 15,405 |
| Swiss Franc | 10 | | | | | | | 40,557 |
| Thailand Baht | | | | | | | 3,754 | |
| | <u>\$ (5,155)</u> | <u>\$ 1,672,385</u> | <u>\$ (18,593)</u> | <u>\$ 162,805</u> | <u>\$ 3,170</u> | <u>\$ 982</u> | <u>\$ 81,378</u> | <u>\$ 562,657</u> |

Derivatives

Derivatives are financial instruments for which the value is derived from underlying assets or data. All of the Systems' derivatives are considered investments. Excluding futures, derivatives generally take the form of contracts in which two parties agree to make payments at a later date based on the value of specific assets or indices. Through certain collective trust funds, the Systems may invest in various derivative financial instruments such as futures and options thereon; forward foreign currency contracts; options; interest rate, currency, equity, index, credit default, and total return swaps; interest-only strips; and CMOs to enhance the performance and reduce volatility. To comply with the requirements of multiple exchanges, cash and securities in the amount of \$7 and \$156 million, respectively, were held in trust by the clearing brokers on June 30, 2015. The Systems' derivatives, consisting of futures, options, forward contracts and swaps are presented in the tables on Pages 57-63. Investments in limited partnerships and commingled funds may include derivatives that are not shown in the derivative totals.

Derivatives directly managed by the Investment Commission are used primarily to facilitate changes

to the asset allocation of the total plan and for their low cost of implementation. The Commission uses derivatives for several reasons:

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

Futures

Futures are contractual obligations that require the buyer (seller) to buy (sell) assets at a predetermined date at a predetermined price. These contracts are standardized and trade on an organized exchange with gains and losses settled daily thereby significantly reducing credit and default risk. Gains and losses are included in the net appreciation/ (depreciation) in the fair value of investments total of the Statement of Changes in Fiduciary Net Position.

The tables below present classification information on the Systems' derivatives at June 30, 2015, (amounts expressed in thousands):

| | Changes in Fair Value | |
|-------------------|---------------------------------|-------------|
| | Classification | Gain/(Loss) |
| Futures Contracts | Net appreciation/(depreciation) | \$ (55,421) |
| Forward Contracts | Net appreciation/(depreciation) | (14,940) |
| Swaps | Net appreciation/(depreciation) | 4,173 |
| Options | Net appreciation/(depreciation) | 147 |

| | Fair Value | | | |
|----------------------------|-------------------|--------------------|-----------------|-----------------|
| | Forward Contracts | Futures | Options | Swaps |
| Cash and Cash Equivalent | \$ 8,336 | \$ (630) | \$ (420) | \$ - |
| Domestic Fixed Income | | (362) | (98) | 5,166 |
| International Fixed Income | | (858) | (220) | (923) |
| Domestic Equity | | (16,834) | | (982) |
| International Equity | | (17,541) | | |
| Alternatives | | | | |
| | <u>\$ 8,336</u> | <u>\$ (36,225)</u> | <u>\$ (738)</u> | <u>\$ 3,261</u> |

At June 30, 2015, the Systems had the following exposure via futures contracts (dollar amounts expressed in thousands):

| Futures Contracts | Expiration | Long/Short | Quantity | Notional Value¹ |
|------------------------------------------|-------------------|-------------------|-----------------|-----------------------------------|
| 90 day Eurodollar Future (CME) | March 2017 | Short | (157) | \$ (38,640) |
| 90 day Eurodollar Future (CME) | March 2018 | Short | (139) | (33,998) |
| 90 day Eurodollar Future (CME) | June 2017 | Short | (265) | (65,100) |
| 90 day Eurodollar Future (CME) | September 2015 | Long | 185 | 46,081 |
| 90 day Eurodollar Future (CME) | September 2016 | Short | (113) | (27,925) |
| 90 day Eurodollar Future (CME) | December 2016 | Long | 388 | 95,671 |
| 90 day Eurodollar Future (CME) | December 2016 | Short | (1,248) | (307,726) |
| 90 day Eurodollar Future (CME) | December 2017 | Short | (388) | (95,021) |
| Total Cash & Cash Equivalents | | | | (426,658) |
| S&P 500 Emini Ind Future (CME) | September 2015 | Long | 10,288 | 1,056,784 |
| Total Large Cap Equity | | | | 1,056,784 |
| SPI 200 Index Futures (SFE) | September 2015 | Long | 815 | 84,518 |
| S&P/TSE 60 Index Future (MSE) | September 2015 | Long | 847 | 114,507 |
| DAX Index Future (EUX) | September 2015 | Long | 502 | 153,836 |
| IBEX 35 Index Future (MFM) | July 2015 | Long | 419 | 50,302 |
| CAC40 EURO Index Future (EOP) | July 2015 | Long | 2,946 | 157,114 |
| S&P/MIB Index Future (MIL) | September 2015 | Long | 296 | 37,223 |
| Amsterdam Index Future (EOE) | July 2015 | Long | 468 | 49,230 |
| DJ EURO STOXX Index 50 Future (EUX) | September 2015 | Long | 4,245 | 162,515 |
| FTSE 100 Index Future (LIF) | September 2015 | Long | 3,088 | 315,381 |
| HANG SENG Index Future (HKG) | July 2015 | Long | 325 | 54,926 |
| TOPIX Index Future (TSE) | September 2015 | Long | 2,245 | 299,144 |
| OMXS30 Index Future (SSE) | July 2015 | Long | 2,554 | 47,456 |
| Total Global Equity | | | | 1,526,152 |
| US Treasury Bond Future (CBT) | September 2015 | Short | (116) | (17,498) |
| US Treasury Bond Future (CBT) | September 2015 | Long | 240 | 36,202 |
| US 10 Year Treasury Note Future (CBT) | September 2015 | Long | 219 | 27,631 |
| US 10 Year Treasury Note Future (CBT) | September 2015 | Long | 29 | 3,659 |
| US 10 Year Treasury Note Future (CBT) | September 2015 | Short | (289) | (36,464) |
| US 5 Year Treasury Note Future (CBT) | September 2015 | Long | 239 | 28,503 |
| US 5 Year Treasury Note Future (CBT) | September 2015 | Short | (86) | (10,256) |
| US 5 Year Treasury Note Future (CBT) | September 2015 | Long | 85 | 10,137 |
| US 2 Year Treasury Note Future (CBT) | September 2015 | Long | 180 | 39,409 |
| US 2 Year Treasury Note Future (CBT) | September 2015 | Long | 194 | 42,474 |
| US Ultra Bond (CBT) | September 2015 | Short | (5) | (770) |
| Total Domestic Fixed Income | | | | 123,027 |
| EURO-BOBL Future (EUX) | September 2015 | Long | 57 | 8,230 |
| EURO-BOBL Future (EUX) | September 2015 | Long | 156 | 22,523 |
| EURO-SCHATZ Future (EUX) | September 2015 | Long | 75 | 9,299 |
| EURO-BUND Future (EUX) | September 2015 | Long | 572 | 96,873 |
| EURO-BUND Future (EUX) | September 2015 | Long | 319 | 54,025 |
| EURO-BUND Future (EUX) | September 2015 | Short | (22) | (3,726) |
| EURO BTP Future (EUX) | September 2015 | Long | 27 | 3,917 |
| UK Long GILT Future (LIF) | September 2015 | Long | 139 | 25,299 |
| Japan 10 Year Bond Future (TSE) | September 2015 | Long | 77 | 92,483 |
| Total Global Fixed Income | | | | 308,923 |
| Total | | | | \$ 2,588,228 |

¹ Notional value is the nominal or face amount that is used to calculate payments made on derivative instruments (futures, forwards, swaps and options). This amount generally does not change hands and is thus referred to as notional. The notional amount represents the economic equivalent to an investment in the physical securities represented by the derivative contract.

Forwards

Forwards are contractual obligations that require the delivery of assets at a fixed price on a predetermined date. These contracts are “over-the-counter” (OTC) instruments, meaning they are not traded on an organized exchange. Currency forwards gains and losses are included in the net

appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Fiduciary Net Position.

At June 30, 2015, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

| Broker | Notional Value | Fair Value | Counterparty Exposure |
|-------------------------------------------|-----------------------|-------------------|------------------------------|
| Australia & New Zealand Banking Group Ltd | \$ 615 | \$ - | 0.03% |
| Bank of America | 303,513 | (1,274) | 11.89% |
| Barclays London | 4,803 | 29 | 0.19% |
| BNP Paribas | 22,928 | (170) | 0.90% |
| Bank of New York Mellon | 311,266 | 1,849 | 12.19% |
| Brown Brothers Harriman | 82 | | 0.00% |
| Citibank NA | 29,119 | (468) | 1.14% |
| Commonwealth Bank of Australia | 305,995 | 1,695 | 11.98% |
| Credit Suisse International London | 2,261 | 28 | 0.09% |
| Deutsche Bank London | 12,049 | (46) | 0.47% |
| Goldman Sachs | 79,860 | 2,307 | 3.13% |
| HSBC Securities | 405,092 | 1,322 | 15.87% |
| JP Morgan Chase Bank | 407,427 | 3,579 | 15.96% |
| Morgan Stanley Capital Services | 124,444 | (9) | 4.87% |
| National Australia Bank Ltd | 305,899 | 1,790 | 11.98% |
| Royal Bank of Canada | 101 | (2) | 0.00% |
| Standard Chartered Bank | 1,090 | | 0.04% |
| State Street Corp | 127,000 | (661) | 4.97% |
| UBS AG | 109,907 | (1,633) | 4.30% |
| | <u>\$ 2,553,451</u> | <u>\$ 8,336</u> | <u>100.00%</u> |

Swaps

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

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

Counterparty risk, or default risk, is the risk that a party will not honor its contractual obligations. The Systems seeks to actively manage its counterparty risk by thorough analysis and evaluation of all potential counterparties by investment staff and the independent overlay manager. Risk is further minimized through diversification among counterparties with high credit ratings and collateralizing unrealized gains and losses. The Systems currently does not participate in a master netting agreement. Unrealized gains and losses are not netted across instrument types and are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Fiduciary Net Position. The table below reflects the counterparty credit ratings at June 30, 2015, for currency forwards, and swap agreements, and options (amounts in thousands):

| Quality rating | Forwards | Swaps | Options | Total |
|-----------------------------------------|-----------------|-------------------|-----------------|------------------|
| Aa1 | \$ 5,299 | \$ 3,640 | \$ (68) | \$ 8,871 |
| Aa2 | 1,790 | | | 1,790 |
| Aa3 | 5,507 | (2,853) | (121) | 2,533 |
| A1 | (2,940) | 379 | (159) | (2,720) |
| A2 | (1,274) | (2,302) | 35 | (3,541) |
| A3 | (46) | 8 | | (38) |
| Ba1 | | (21) | 24 | 3 |
| NR | | | (449) | (449) |
| Total subject to credit risk | \$ 8,336 | \$ (1,149) | \$ (738) | \$ 6,449 |
| Centrally cleared: | | | | |
| Chicago Mercantile Exchange Inc | | 3,398 | | 3,398 |
| Intercontinental Exchange Holdings | | 312 | | 312 |
| LCH.Clearnet Ltd | | 700 | | 700 |
| Total not subject to credit risk | | \$ 4,410 | | \$ 4,410 |
| Total | \$ 8,336 | \$ 3,261 | \$ (738) | \$ 10,859 |

At June 30, 2015, the Systems held swaps as shown in the tables below (amounts expressed in thousands):

| Counterparty | Total Return Swaps | SCRS Pays | SCRS Receives | Maturity Date | Current Notional | Gain/(Loss) Since Trade |
|------------------|-----------------------------------------------|---------------------------------|----------------------------|---------------|-------------------|-------------------------|
| Bank of America | Russell 2000 Total Return (Short) | Russell 2000 Total Index Return | 3 Month US LIBOR - 61 bps | 8/11/2015 | \$ (209,873) | \$ (9,874) |
| Bank of America | Russell 2000 Total Return (Short) | Russell 2000 Total Index Return | 3 Month US LIBOR - 61 bps | 8/10/2015 | (209,617) | (9,618) |
| Barclays | Barclays Commodity Strategy 1709 | 43.3 bps | BXCS1709 Commodity Index | 8/28/2015 | 235,707 | (64,293) |
| BNP Paribas | S&P 500 Total Return | 3 Month LIBOR + 21 bps | S&P 500 Total Return Index | 8/11/2015 | 201,055 | 1,056 |
| BNP Paribas | S&P 500 Total Return | 3 Month LIBOR + 21 bps | S&P 500 Total Return Index | 8/10/2015 | 201,119 | 1,119 |
| JP Morgan | J.P. Morgan Enhanced Beta + Filtered Seasonal | 46.9 bps | JMABEBSP Index | 8/28/2015 | 244,804 | (5,196) |
| JP Morgan | J.P. Morgan Palmetto Equinox TR | 3 Month T-Bill + 46.9 bps | JMABEQXT Index | 5/31/2016 | 126,646 | 1,646 |
| Societe Generale | Societe Generale Custom Index | 19 bps | SGCOP26E Index | 3/31/2016 | 260,339 | 10,339 |
| | | | | | <u>\$ 850,180</u> | <u>\$ (74,821)</u> |

| Counterparty | Fixed Income Swaps | SCRS Pays | SCRS Receives | Maturity Date | Current Notional | Fair Value ¹ |
|-------------------------------------|----------------------|-----------------------|-----------------------|---------------|-------------------|-------------------------|
| Bank of America NA | Credit Default Swaps | Variable Rate | Fixed Rate | various | \$ 4,782 | \$ 32 |
| Barclays Bank PLC | Credit Default Swaps | Fixed / Variable Rate | Fixed / Variable Rate | various | (1,182) | (12) |
| Deutsche Bank AG/London | Credit Default Swaps | Variable Rate | Fixed Rate | various | 1,082 | 8 |
| Goldman Sachs International | Credit Default Swaps | Variable Rate | Fixed Rate | 12/20/2017 | 82 | 1 |
| Intercontinental Exchange | Credit Default Swaps | Variable Rate | Fixed Rate | 6/20/2020 | 21,900 | 312 |
| JPMorgan Chase Bank NA | Credit Default Swaps | Variable Rate | Fixed Rate | various | 1,027 | 114 |
| Morgan Stanley Capital Services LLC | Credit Default Swaps | Variable Rate | Fixed / Variable Rate | various | 3,600 | 378 |
| Royal Bank of Scotland PLC | Credit Default Swaps | Fixed Rate | Variable Rate | various | (1,700) | (21) |
| Chicago Mercantile Exchange Inc | Interest Rate Swaps | Fixed / Variable Rate | Fixed / Variable Rate | various | 262,064 | 3,398 |
| LCH.Clearnet Ltd | Interest Rate Swaps | Fixed Rate | Fixed / Variable Rate | various | 114,400 | 700 |
| | | | | | <u>\$ 406,055</u> | <u>\$ 4,910</u> |

¹ Fair value is the amount reasonably expected to be received if the underlying positions were liquidated on the following business day.

Options

Options are exchange traded agreements between two parties for a future transaction on an underlying asset at a reference or strike price. The buyer of an option has the right, but not the obligation, to transact. The seller of an option has

the obligation to transact if forced by the buyer. The price of an option is derived by taking the difference in the underlying asset and the strike price plus a premium for the remaining time until expiration. At June 30, 2015, the Systems had the following option positions (amounts expressed in thousands):

| Option Contracts | Underlying Security | Expiration | Quantity | Fair Value |
|------------------------------------------|--------------------------------|------------|--------------|--------------|
| Put Dec 15 098.000 ED 12/14/15 | 90DAY EURODOLLAR FUT DEC 15 | December | 566 | \$ 4 |
| Put Dec 15 099.000 ED 12/14/15 | 90DAY EURODOLLAR FUTURE DEC 15 | December | 566 | 11 |
| Put Dec 15 098.500 ED 12/11/15 | 90DAY EURODOLLAR FUTURE DEC 15 | December | (1,133) | (7) |
| Call Jul 15 065.000 ED 07/15/15 | INR/USD SPOT OPTION 2015 | July | (1,300,000) | (1) |
| Call Jul 15 064.500 ED 07/14/15 | INR/USD SPOT OPTION 2015 | July | (10,600,000) | (12) |
| Put Jul 15 061.500 ED 07/15/15 | INR/USD SPOT OPTION 2015 | July | (1,300,000) | - |
| Call Jul 15 123.550 ED 07/28/15 | JPY/USD SPOT OPTION 2015 | July | (5,063,000) | (28) |
| Call Jul 15 123.150 ED 07/29/15 | JPY/USD SPOT OPTION 2015 | July | (5,163,000) | (35) |
| Call Jul 15 123.150 ED 07/29/15 | JPY/USD SPOT OPTION 2015 | July | (1,537,000) | (11) |
| Call Jul 15 123.400 ED 07/28/15 | JPY/USD SPOT OPTION 2015 | July | (1,237,000) | (7) |
| Put Jul 15 117.000 ED 07/02/15 | JPY/USD SPOT OPTION 2015 | July | (3,600,000) | (21) |
| Call Jul 15 001.140 ED 07/23/15 | USD/EUR SPOT OPTION 2015 | July | (5,877,000) | (40) |
| Call Jul 15 001.140 ED 07/21/15 | USD/EUR SPOT OPTION 2015 | July | (3,600,000) | (21) |
| Call Jul 15 001.145 ED 07/30/15 | USD/EUR SPOT OPTION 2015 | July | (5,823,000) | (34) |
| Put Aug 15 001.090 ED 08/06/15 | USD/EUR SPOT OPTION 2015 | August | (1,900,000) | (18) |
| Put Jul 15 001.101 ED 07/28/15 | USD/EUR SPOT OPTION 2015 | July | (4,141,000) | (47) |
| Put Jul 15 001.109 ED 07/30/15 | USD/EUR SPOT OPTION 2015 | July | (5,705,000) | (85) |
| Put Jul 15 001.104 ED 07/28/15 | USD/EUR SPOT OPTION 2015 | July | (859,000) | (11) |
| Put Jul 15 001.110 ED 07/29/15 | USD/EUR SPOT OPTION 2015 | July | (3,795,000) | (57) |
| Total Cash & Cash Equivalents | | | | (420) |
| Call Jul 15 001.750 ED 07/30/15 | IRS P USD 10Y 100BPS R 1.750% | July | 2,800,000 | - |
| Put May 16 002.580 ED 05/23/16 | IRS P USD 10Y 283BPS P 2.58% | May | 12,500,000 | 459 |
| Put May 16 002.580 ED 05/12/16 | IRS P USD 10Y 320 BPS P 2.58% | May | 5,400,000 | 194 |
| Call Jan 16 001.100 ED 01/29/16 | IRS P USD 2Y 100BPS R 1.100% | January | 60,600,000 | 135 |
| Call Jan 18 002.100 ED 1/30/18 | IRS P USD 2Y 14BPS R 2.1% | January | 11,200,000 | 89 |
| Call Jul 15 001.150 ED 07/2015 | IRS P USD 3Y 46BPS R 1.15% 201 | July | 11,300,000 | 6 |
| Call Jan 16 001.500 ED 01/29/16 | IRS P USD 5Y 100BPS R 1.500% | January | 5,600,000 | 17 |
| Call Jan 16 000.800 ED 1/19/16 | IRS P US0003M R 0.80% 01/21/17 | January | 33,300,000 | 35 |
| Call Jan 16 001.100 ED 1/19/16 | IRS P US0003M R 1.10% 01/21/18 | January | 11,300,000 | 25 |
| Put Sep 15 003.450 ED 09/21/15 | IRS R US0003M P 3.45% CBK | September | 4,400,000 | 29 |
| Put Sep 15 003.450 ED 09/21/15 | IRS R US0003M P 3.45% 09/23/45 | September | 8,400,000 | 55 |
| Call Jan 16 001.750 ED 01/29/16 | IRS R 1.750% P US0003M 2/02/26 | January | 5,600,000 | 14 |

Option positions continued on next page

Option positions continued from previous page

| Options Contracts | Underlying Security | Expiration | Quantity | Fair Value |
|------------------------------------|--------------------------------|------------|---------------|-----------------|
| Put Jul 15 003.500 ED 07/07/15 | COMMIT TO PUR FNMA SF MTG OTC | July | (3,000,000) | (10) |
| Put Jul 15 101.769531 ED 07/07/15 | COMMIT TO PUR FNMA SF MTG OTC | July | (3,000,000) | (10) |
| Put Jul 15 101.90625 ED 07/07/15 | COMMIT TO PUR FNMA SF MTG OTC | July | (1,000,000) | (3) |
| Put Jul 15 102.277343 | COMMIT TO PUR FNMA SF MTG 3 | July | (3,000,000) | (11) |
| Call Jan 16 000.660 ED 01/19/16 | IRS P USD 1Y 10BPS R .66% | January | (11,100,000) | (6) |
| Call Jan 16 000.650 ED 01/19/16 | IRS P USD 1Y 11BPS R .65% | January | (22,200,000) | (12) |
| Call Jan 16 000.500 ED 01/19/16 | IRS P USD 1Y 6BPS R .5% | January | (22,200,000) | (5) |
| Call Jan 16 000.520 ED 01/19/16 | IRS P USD 1Y 6BPS R .52% | January | (11,100,000) | (3) |
| Call Jan 16 001.330 ED 01/29/16 | IRS P USD 10Y 100BPS R 1.330% | January | (5,600,000) | (3) |
| Call Jul 15 001.430 ED 07/30/15 | IRS P USD 10Y 100BPS R 1.430% | July | (2,800,000) | |
| Call Jan 16 001.540 ED 01/29/16 | IRS P USD 10Y 100BPS R 1.540% | January | (5,600,000) | (7) |
| Call Jul 15 001.590 ED 07/30/15 | IRS P USD 10Y 100BPS R 1.590% | July | (2,800,000) | |
| Call Jan 16 000.730 ED 01/29/16 | IRS P USD 2Y 100 BPS R .730% | January | (60,600,000) | (30) |
| Call Jan 16 000.915 ED 01/29/16 | IRS P USD 2Y 100 BPS R .915% | January | (60,600,000) | (69) |
| Call Jan 18 001.600 ED 01/30/18 | IRS P USD 2Y 100BPS R1.600% | January | (11,200,000) | (51) |
| Call Jan 16 000.700 ED 01/19/16 | IRS P USD 2Y 16BPS R .7% | January | (11,300,000) | (5) |
| Call Jan 16 000.900 ED 0/11/916 | IRS P USD 2Y 27BPS R .9% | January | (11,300,000) | (12) |
| Call Jul 15 000.850 ED 07/20/15 | IRS P USD 3Y 17BPS R .85% | July | (11,300,000) | |
| Call Jul 15 001.000 ED 07/20/15 | IRS P USD 3Y 30BPS R 1% | July | (11,300,000) | (1) |
| Call Jan 16 001.100 ED 01/29/16 | IRS P USD 5Y 100BPS R 1.100% | January | (5,600,000) | (4) |
| Call Jan 16 001.300 ED 01/29/16 | IRS P USD 5Y 100BPS R 1.300% | January | (5,600,000) | (9) |
| Call Jan 18 001.100 ED 0/13/018 | IRS P USD2Y 100BPS R 1.100% | January | (11,200,000) | (25) |
| Call Aug 15 002.350 ED 08/03/15 | IRS P US0003M R 2.35% 08052025 | August | (12,800,000) | (67) |
| Put Aug 15 002.750 ED 08/03/15 | IRS P US0003M R 2.75% 08052025 | August | (12,800,000) | (35) |
| Put May 16 002.500 ED 05/23/16 | IRS P 2Y 32 BPS R 2.5% | May | (118,800,000) | (387) |
| Put May 16 002.500 ED 05/12/16 | IRS P 2Y 34BPS R 2.5% | May | (51,100,000) | (160) |
| Put Sep 15 002.500 ED 09/21/15 | IRS R US0003M P 2.5% 9/23/20 | September | (35,000,000) | (31) |
| Put Sep 15 002.500 ED 09/21/15 | IRS_P US0003M R 3ML 2.5% CBK | September | (20,200,000) | (18) |
| Call Aug 15 127.00 ED 07/24/15 | US 10YR TREAS NTS FUT SEP 15 | July | (127) | (64) |
| Call Aug 15 126.500 ED 07/24/15 | US 10YR TREAS NTS FUT SEP 15 | July | (63) | (43) |
| Put Aug 15 125.000 ED 07/24/15 | US 10YR TREAS NTS FUT SEP 15 | July | (76) | (29) |
| Put Aug 15 125.500 ED 07/24/15 | US 10YR TREAS NTS FUT SEP 15 | July | (44) | (23) |
| Call Jul 15 127.500 ED 07/24/15 | US 10YR TREAS NTS FUTURE (CBT) | July | (64) | (23) |
| Total Domestic Fixed Income | | | | (98) |
| Call Aug 15 155.000 ED 07/24/15 | EURO-BUND FUTURE AUG 15 | July | (87) | (40) |
| Call Aug 15 154.500 ED 7/24/15 | EURO-BUND FUTURE SEP 15 | July | (114) | (66) |
| Call Aug 15 154.000 ED 07/24/15 | EURO-BUND FUTURE SEP 15 | July | (71) | (51) |
| Call Aug 15 153.500 ED 07/24/15 | EURO-BUND FUTURE SEP 15 | July | (42) | (37) |
| Put Aug 15 000.950 ED 08/19/15 | CDS SP UL ITRAXX 23 | August | (6,700,000) | (14) |
| Put Aug 15 000.950 ED 08/19/15 | CDS SP UL ITRAXX 23 06/20/2020 | August | (6,200,000) | (12) |
| Total Global Fixed Income | | | | (220) |
| Total | | | | <u>\$ (738)</u> |

Alternative Investments

The Alternative Investment category includes the following asset classes: private equity, hedge funds, private debt, real estate, and commodities.

Private equity, private debt, and real estate investments are typically structured as limited partnerships. In this structure, the Systems is one of several limited partners, while the investment manager serves as the general partner. Investing in such limited partnerships legally obligates the Systems to invest the committed amount until the investment is fully funded or the contractual investment period has expired. Hedge fund and commodities investments are typically on subscription basis with a single, initial investment with no further commitment.

The Systems established several strategic partnerships to gain access to deal flow, to receive favorable economics, and to efficiently take advantage of market opportunities. Investments within the strategic partnership accounts may include allocations to any asset class including those considered alternative investments. Assets of Strategic Partnerships are reported within their respective asset class totals.

The Commission's intent is to access superior risk-adjusted returns through investing in alternative investment asset classes. Due to their low correlation to traditional asset classes, alternative investments diversify the portfolio and help reduce the risk associated with volatility of returns.

Commitments

The Commission, on behalf of the Systems, has entered into contractual agreements with numerous alternative investment managers and is committed for future funding of private equity, private debt and real estate investments. At June 30, 2015, the Systems' commitments, including commitments within Strategic Partnerships, are shown in the following table (amounts expressed in thousands):

| | Total Commitment | Amount Funded to Date | Remaining Unfunded Commitment |
|-----------------------------------|-----------------------------|--------------------------------------|----------------------------------------------|
| Limited Partnerships USD | | | |
| Private Equity | \$ 4,064,917 | \$ 3,165,794 | \$ 899,123 |
| Private Debt | 3,482,452 | 2,616,280 | 866,172 |
| Real Estate | 2,000,577 | 1,399,992 | 600,585 |
| Real Assets | 30,000 | 26,179 | 3,821 |
| Totals | <u>\$ 9,577,946</u> | <u>\$ 7,208,245</u> | <u>\$ 2,369,701</u> |
| Limited Partnerships Euros | | | |
| Private Equity | € 275,750 | € 164,909 | € 110,841 |
| Private Debt | 75,917 | 75,917 | |
| Totals | <u>€ 351,667</u> | <u>€ 240,826</u> | <u>€ 110,841</u> |

Securities Lending

The Systems' investment portfolio currently participates in a securities lending program, managed by BNY Mellon ("Securities Lending Program"), whereby securities are loaned for the purpose of generating additional income. BNY Mellon is responsible for making loans of securities on a collateralized basis from the Systems' investment portfolio to various third party broker-dealers and financial institutions. The market value of the required cash collateral must initially meet or exceed 102.0 percent of the market value of the securities loaned, providing a margin against a decline in the market value of collateral. If the collateral value falls below 100.0 percent, the borrower must post additional collateral. In conjunction with generating revenue, the collateral pool seeks to maintain a net asset value (NAV) of \$1.00, which is determined by dividing the market value of the assets by the cost of those assets.

There are no restrictions on the amount of securities that may be loaned and conservative investment guidelines continue to be maintained within the Securities Lending Program. The re-investment of the cash collateral is restricted to short duration, very low risk securities and is monitored by RSIC on an ongoing basis. The types of securities available for loan during the year ended June 30, 2015 included U.S. Government securities, U.S. Government agencies, corporate bonds and equities. The contractual agreement between the State Treasurer as custodian and BNY Mellon 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 are received as collateral for these loans. Collateral securities cannot be pledged or sold without a borrower default. Cash collateral received is invested, and accordingly, investments made with cash collateral are reported as an asset. A corresponding liability is recorded as the Systems must return the cash collateral to the borrower upon the expiration of the loan.

At June 30, 2015, the fair value of securities on loan was \$179.61 million. The fair value of the invested cash collateral was \$70.18 million, securities lending obligations were \$117.72 million with the difference reported within "Other Liabilities" on the Statement of Fiduciary Net Position. The gross securities lending revenue for the fiscal year was \$1.98 million, an increase from \$1.73 million in the prior year. Since November 2008, gains and losses from the Securities Lending Program have been excluded from the Total Plan performance calculations.

With regard to counterparty credit risk, the Systems' cash collateral invested is held by the counterparty and is uninsured. All securities loaned can be terminated on demand by either the Systems or the borrower. At year end the average number of days the loans were outstanding was one day. The average weighted maturity of investments made with cash collateral was one day. At June 30, 2015, 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, 2015:

| | SCRS | PORS | GARS | JSRS | SCNG | 06/30/15 TOTALS | 06/30/14 TOTALS |
|------------------------------------------------|------------------|------------------|---------------|---------------|--------------|--------------------|--------------------|
| Securities lent for cash collateral | | | | | | | |
| U.S. Government securities | \$ 12,660 | \$ 1,993 | \$ 15 | \$ 72 | \$ 11 | \$ 14,751 | \$ 4,775 |
| Corporate bonds | 52,564 | 8,273 | 64 | 300 | 44 | 61,245 | 55,513 |
| Common stock | 33,102 | 5,210 | 41 | 189 | 28 | 38,570 | 58,409 |
| Total | \$ 98,326 | \$ 15,476 | \$ 120 | \$ 561 | \$ 83 | \$ 114,566 | \$ 118,697 |
| Securities lent for non-cash collateral | | | | | | | |
| Corporate bonds | \$ 22,666 | \$ 3,567 | \$ 28 | \$ 130 | \$ 19 | \$ 26,410 | \$ 14,657 |
| Common stock | 33,160 | 5,220 | 40 | 189 | 28 | 38,637 | 4,046 |
| Total | \$ 55,826 | \$ 8,787 | \$ 68 | \$ 319 | \$ 47 | \$ 65,047 | \$ 18,703 |
| Cash collateral invested as follows | | | | | | | |
| Repurchase agreements | \$ 60,229 | \$ 9,479 | \$ 74 | \$ 344 | \$ 51 | \$ 70,177 | \$ 72,645 |
| Total | \$ 60,229 | \$ 9,479 | \$ 74 | \$ 344 | \$ 51 | \$ 70,177 | \$ 72,645 |
| Securities received as collateral | | | | | | | |
| U.S. Government securities | \$ 57,192 | \$ 9,002 | \$ 70 | \$ 327 | \$ 48 | \$ 66,639 | \$ 19,311 |
| Total | \$ 57,192 | \$ 9,002 | \$ 70 | \$ 327 | \$ 48 | \$ 66,639 | \$ 19,311 |

IV. Transfers between Systems

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

Transfers made within the Systems administered by PEBA during the fiscal year ended June 30, 2015, were as follows (amounts expressed in thousands):

| Transfers from: | Transfers to: | | | | | |
|--------------------|---------------|-----------------|-------------|---------------|-------------|-----------------|
| | SCRS | PORS | GARS | JSRS | SCNG | Total |
| SCRS | \$ - | \$ 1,061 | \$ - | \$ 275 | \$ - | \$ 1,336 |
| PORS | | | | | | - |
| GARS | 7 | | | 11 | | 18 |
| JSRS | | | | | | - |
| SCNG | | | | | | - |
| Total | \$ 7 | \$ 1,061 | \$ - | \$ 286 | \$ - | \$ 1,354 |

The following schedule reflects amounts due to or due from other systems as of June 30, 2015, (amounts expressed in thousands):

| Due from: | Due to: | | | | | |
|--------------|-------------|---------------|-------------|-------------|-------------|---------------|
| | SCRS | PORS | GARS | JSRS | SCNG | Total |
| SCRS | \$ - | \$ 169 | \$ - | \$ 4 | \$ - | \$ 173 |
| PORS | | | | | | - |
| GARS | | | | | | - |
| JSRS | | | | | | - |
| SCNG | | | | | | - |
| Total | \$ - | \$ 169 | \$ - | \$ 4 | \$ - | \$ 173 |

V. Related Party Transactions

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

At June 30, 2015, liabilities of approximately \$60.7 million were due to other state departments and agencies, and contributions receivable of

approximately \$47 million were due from other state departments and agencies.

The SCNG Supplemental Retirement Plan received state-appropriated contributions in the amount of \$4.6 million during the fiscal year.

The Retirement System Investment Commission is a separate state agency; however, the administrative costs of the Commission are funded by transfers from the Systems' trust funds. Transfers in the amount of approximately \$11 million were made to the Commission during the fiscal year.

VI. Deferred Retirement Option Plans

The Teacher and Employee Retention Incentive (TERI) program, implemented effective January 1, 2001, is a deferred retirement option plan available to active SCRS members eligible for service retirement on or after January 1, 2001. When a member enters TERI, the member's status changes from an active member to a retiree even though the employee continues to work at his regular job and earn his regular salary for a period of up to five years. TERI participants continue to contribute at the same rate as active members. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits. During the TERI participation period, the retiree's monthly benefits are accumulated in the trust account. Upon termination of employment at the end of the TERI period, funds are distributed and the retiree may elect a payment method to either roll over his funds into a qualified retirement plan or to receive a single-sum distribution (or a combination thereof). No interest is paid on the participant funds accumulated in the TERI account. Retirement reform legislation closes the TERI program to all members effective June 30, 2018.

A total of 9,327 members were actively participating in the TERI program at June 30, 2015.

The activity for this program is reflected in the following schedule:

TERI Benefits Held in Trust

Year Ended June 30, 2015

(Amounts expressed in thousands)

| | |
|--------------------------------|-------------------|
| July 1 Benefits Held in Trust | \$ 570,167 |
| Additions | 276,352 |
| TERI Distributions | (200,780) |
| June 30 Benefits Held in Trust | <u>\$ 645,739</u> |

A deferred retirement option plan also exists under the Retirement System for Judges and Solicitors (JSRS). A member who has not yet reached the age of 60 years, but who is eligible to retire and receive the maximum monthly benefit, may retire and continue to serve as a judge, a solicitor, or a circuit public defender. The member's normal monthly retirement benefit is deferred and placed in the system's trust fund on behalf of the member. Upon reaching the age of 60 years, the balance of the member's deferred retirement benefit is distributed to the member. As of June 30, 2015, there were no benefits held in trust in JSRS.

VII. Capital Assets

Capital assets at June 30, 2015, consist of the following amounts (expressed in thousands).

| Asset Class (at Cost) | Beginning Balances 7/1/2014 | Additions | Deletions | Ending Balances 6/30/2015 |
|---------------------------------------|----------------------------------------|------------------|------------------|--------------------------------------|
| Land | \$ 582 | \$ - | \$ - | \$ 582 |
| Building | 4,749 | | | 4,749 |
| Equipment | 1,706 | 351 | | 2,057 |
| Total Capital Assets | 7,037 | 351 | | 7,388 |
| Accumulated Depreciation | | | | |
| Building | 2,585 | 119 | | 2,704 |
| Equipment | 1,540 | 139 | | 1,679 |
| Total Accumulated Depreciation | 4,125 | 258 | | 4,383 |
| Capital Assets, Net | \$ 2,912 | \$ 93 | \$ - | \$ 3,005 |

VIII. Compensated Absences

As state employees, most full-time permanent employees of SC PEBA's Retirement Division earn 15 days of annual leave and 15 days of sick leave per year during their first ten years of service. After ten years of service is complete, most employees earn an additional 1.25 days of annual leave for each year of service over ten until they reach a maximum of 30 days per year. Sick leave earnings remain at 15 days per year regardless of years of service. Employees may carry forward up to 45 days of annual leave and 180 days of sick leave from one calendar year to the next. Upon termination of employment, employees are eligible to receive payment for up to 45 days of accumulated unused annual leave at the pay rate then in effect. Employees are not eligible to receive payment for accumulated unused sick leave upon termination. As of June 30, 2015, the total amount accrued for unused annual leave for PEBA's Retirement Division

employees was \$843,389, and the associated liability is included in Other Liabilities on the Statement of Fiduciary Net Position.

IX. Participation in Pension Plans

Generally, all employees of PEBA are required to participate in the South Carolina Retirement System or the Optional Retirement Program as a condition of employment. Additional information related to membership, benefits, and contribution requirements is contained within these notes to the financial statements.

Employer contributions for Retirement Division staff are paid by PEBA and are allocated to the pension trust funds along with all other administrative expenses. Administrative expenses of the Systems are funded by investment earnings. For the year ended June 30, 2015, PEBA's actual contributions to the South Carolina Retirement System (SCRS) for Retirement Division staff were \$859,527.

X. Net Pension Liability

The total pension liability of each defined benefit pension plan summarized below was determined based on the most recent actuarial valuation, which was conducted using membership data as of July 1, 2014, projected forward to the end of the fiscal year, and financial information as of June 30, 2015, using generally accepted actuarial procedures. Information included in the following schedule is based on the certification provided by our consulting actuary, Gabriel, Roeder, Smith and Company. A Schedule of the Employers' Net Pension Liability is intended to provide information about whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. This schedule as well as a Schedule of Changes in Employers' Net Pension Liability is presented in the Required Supplementary Information (RSI) section.

The net pension liability (i.e. the Systems' total pension liability determined in accordance with GASB No. 67 less the fiduciary net position) as of June 30, 2015, is as follows (dollar amounts expressed in thousands):

| | Total Pension Liability | Plan Fiduciary Net Position | Employers' Net Pension Liability | Plan Fiduciary Net Position as a % of the Total Pension Liability |
|-------------|-------------------------|-----------------------------|----------------------------------|-------------------------------------------------------------------|
| SCRS | \$ 44,097,310 | \$ 25,131,828 | \$ 18,965,482 | 57.0% |
| PORS | 6,151,321 | 3,971,825 | 2,179,496 | 64.6% |
| GARS | 73,766 | 32,482 | 41,284 | 44.0% |
| JSRS | 272,624 | 146,353 | 126,271 | 53.7% |
| SCNG | 63,064 | 23,202 | 39,862 | 36.8% |

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed in 2011, and the next experience study is scheduled to be conducted in 2016.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for each of the individual plans administered by PEBA.

| | SCRS | PORS | GARS | JSRS | SCNG |
|----------------------------------------|---------------------------------------------------|---------------------------------------------------|------------------|------------------|------------------|
| Actuarial cost method | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal |
| Actuarial assumptions: | | | | | |
| Investment rate of return ¹ | 7.5% | 7.5% | 7.5% | 7.5% | 7.5% |
| Projected salary increases | 3.5% to 12.5% (varies by service) ¹ | 4.0% to 10.0% (varies by service) ¹ | None | 3% ¹ | None |
| Benefit adjustments | lesser of 1% or \$500 annually | lesser of 1% or \$500 annually | None | 3% | None |

¹Includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member’s job category and gender. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

| Former Job Class | Males | Females |
|------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|
| Educators and Judges | RP-2000 Males (with White Collar adjustment) multiplied by 110% | RP-2000 Females (with White Collar adjustment) multiplied by 95% |
| General Employees and Members of the General Assembly | RP-2000 Males multiplied by 100% | RP-2000 Females multiplied by 90% |
| Public Safety, Firefighters and members of the South Carolina National Guard | RP-2000 Males (with Blue Collar adjustment) multiplied by 115% | RP-2000 Females (with Blue Collar adjustment) multiplied by 115% |

The long-term expected rate of return on pension plan investments is based upon the 30 year capital market outlook at the end of the fourth quarter 2013. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

| Asset Class | Target Asset Allocation | Expected Arithmetic Real Rate of Return | Long Term Expected Portfolio Real Rate of Return |
|-----------------------------------------|-------------------------|-----------------------------------------|--------------------------------------------------|
| Short Term | 5.0% | | |
| Cash | 2.0% | 0.019 | 0.04% |
| Short Duration | 3.0% | 0.020 | 0.06% |
| Domestic Fixed Income | 13.0% | | |
| Core Fixed Income | 7.0% | 0.027 | 0.19% |
| Mixed Credit | 6.0% | 0.038 | 0.23% |
| Global Fixed Income | 9.0% | | |
| Global Fixed Income | 3.0% | 0.028 | 0.08% |
| Emerging Markets Debt | 6.0% | 0.051 | 0.31% |
| Global Public Equity | 31.0% | 0.071 | 2.20% |
| Global Tactical Asset Allocation | 10.0% | 0.049 | 0.49% |
| Alternatives | 32.0% | | |
| Hedge Funds (Low Beta) | 8.0% | 0.043 | 0.34% |
| Private Debt | 7.0% | 0.099 | 0.69% |
| Private Equity | 9.0% | 0.099 | 0.89% |
| Real Estate (Broad Market) | 5.0% | 0.060 | 0.30% |
| Commodities | 3.0% | 0.059 | 0.18% |
| Total Expected Real Return | 100.0% | | 6.00% |
| Inflation for Actuarial Purposes | | | 2.75% |
| Total Expected Nominal Return | | | 8.75% |

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. The contributions required for JSRS, GARS, and the SCNG are based on PEBA’s current funding policy. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following table presents the net pension liability of the participating employers calculated using the discount rate of 7.50 percent, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

Discount Rate Sensitivity Analysis

(Amounts expressed in thousands)

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|-------------|------------------------|----------------------------------|------------------------|
| SCRS | \$ 23,910,054 | \$ 18,965,482 | \$ 14,821,303 |
| PORS | 2,968,983 | 2,179,496 | 1,473,738 |
| GARS | 47,751 | 41,284 | 35,359 |
| JSRS | 155,815 | 126,271 | 98,926 |
| SCNG | 47,681 | 39,862 | 32,891 |

XI. Death Benefit Program

In addition to monthly pension benefits provided through the Systems, a death benefit program is available to employers. For participating employers, incidental death benefits are provided for both active and retired members. These benefits are funded through separate death benefit programs within SCRS and PORS on a cost-sharing, multiple-employer basis. The assets in the death benefits fund are not held separately in a dedicated trust for the sole purpose of paying death benefits to beneficiaries of deceased members. These benefits are considered allowable within the defined benefit plans and are held within the pension trust funds. Coverage is provided to eligible active and retired working members as well as non-working retirees under the governing statute. Funding for the plans is collected as a percent of covered payroll as determined by the Systems’ actuary and approved

by the governing board. The current employer contribution rates for the programs are 0.15 percent and 0.20 percent of payroll for SCRS and PORS respectively. These contributions fund both the active and retiree death benefits.

Active Death Benefits

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

Retiree Death Benefits

Retired members of SCRS and PORS whose last employer prior to retirement is covered by the program, and who met applicable service credit requirements, are also protected under the state-sponsored death benefit program. Upon the death of a retired member, the beneficiary of a non-working retiree will receive a benefit payment of \$2,000, \$4,000 or \$6,000 based on the member's total creditable service at the time of retirement.

Members who work after retirement by either participating in the TERI program or by returning to covered employment as a working retiree are

XII. Litigation

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

Gail M. Hutto et al. v. The South Carolina Retirement System et al., C/A No. 4:10-cv-02018-JMC, is a putative class action suit that was filed in federal district court in August 2010. In this matter, Plaintiffs asserted that the provisions of Act No. 153 of 2005 of the South Carolina General Assembly requiring working retirees in the South Carolina Retirement System ("SCRS") and the South Carolina Police Officers' Retirement System ("PORS") to make contributions to the systems are unconstitutional and illegal. As of June 30, 2012, the Retirement Systems had collected approximately \$121 million in the form of retirement contributions from members of those retirement systems who retired and returned to work on or after July 1, 2005, and contributions have continued to be collected from those retired

eligible for an increased level of death benefits. Beneficiaries of working retirees are provided with a death benefit equal to the amount of the member's annual earnable compensation in lieu of the standard \$2,000, \$4,000 or \$6,000 retired member benefit.

All benefits provided by the Systems are included in the actuarial valuation, including the incidental death benefit program for SCRS, PORS, GARS and JSRS. The July 1, 2014, actuarial valuations reflect the inclusion of the assets and liabilities of the incidental death benefit program and accidental death benefits for PORS.

members who have returned to covered employment. Defendants filed a motion to dismiss this matter on a number of grounds, including Eleventh Amendment immunity, abstention, and failure to state a claim upon which relief may be granted. By an Order and Decision dated September 27, 2012, the federal district court granted Defendants' motion and dismissed Plaintiffs' suit, finding that Defendants are immune from suit under the Eleventh Amendment. Plaintiffs filed a motion for reconsideration. The district court denied Plaintiffs' motion, and Plaintiffs appealed to the Fourth Circuit Court of Appeals. On December 5, 2014, the Fourth Circuit ruled in favor of the Defendants. No further appeal was taken by Plaintiffs. On March 19, 2015, the same Plaintiffs re-filed their claims in state court, alleging violation of their federal constitutional rights. Defendants have filed a motion to dismiss the action, which is currently pending before the circuit court. PEBA is vigorously contesting this litigation and believes that the likelihood of an unfavorable outcome is remote in light of prior decisions of the South Carolina Supreme Court.

Anderson County v. Joey Preston and the South Carolina Retirement System, Case No. 2009-CP-04-4482, is a civil action that was filed in the Tenth Judicial Circuit Court of Common Pleas. Defendant Joey Preston ("Preston") is a retired member of the

South Carolina Retirement System who was employed by Plaintiff. In its complaint, Plaintiff sought to rescind a severance agreement entered into between Plaintiff and Preston, in which, among other things, Plaintiff agreed to pay, and did pay, approximately \$355,000.00 to the System to purchase retirement service credit on behalf of Preston. Plaintiff named the South Carolina Retirement System as a defendant in this matter as a stakeholder of a portion of the disputed severance funds and sought a return of the \$355,000.00 paid to the System. As a result of the service purchase, Preston was able to retire and begin drawing a retirement benefit. The South Carolina Retirement System is defending this case to ensure that, regardless of the outcome of Plaintiff's claims related to the severance agreement, the System does not suffer any monetary loss as a result of the service purchase. By an Order dated May 3, 2013, the circuit court ruled against Plaintiff Anderson County on all claims, including claims for the return of monies paid to the South Carolina Retirement System. Plaintiff appealed to the South Carolina Court of Appeals. The case has been briefed and argued at

the court of appeals and the parties are awaiting a decision.

Marc S. Kirschner, as Litigation Trustee for the Tribune Litigation Trust v. Dennis J. Fitzsimmons, et al., United States District Court Southern District of New York, Case No. 1:11-cv-02652. This case is a bankruptcy litigation matter filed on December 20, 2011, and has been stayed since shortly after it was filed. The Plaintiff attempted to serve a summons on the South Carolina Retirement System in August 2013. SCRS is a defendant as a result of selling Tribune Company stock in connection with a leveraged buyout of the Tribune Company in 2007. Through this lawsuit the creditors of the Tribune Company are attempting to claw-back funds received by SCRS in connection with the sale of the stock. The plaintiff has asserted a claim of approximately two million dollars against SCRS. The South Carolina Retirement System Investment Commission contests the amount the plaintiff alleges SCRS received, contends that there are persuasive arguments favoring dismissal, and has engaged counsel to represent SCRS in this matter.

South Carolina Retirement Systems Required Supplementary Information

Schedule of Changes in the Employers' Net Pension Liability¹

Years Ended June 30
(Amounts expressed in thousands)

| | SCRS | | PORS | |
|---------------------------------------------------|----------------------|----------------------|---------------------|---------------------|
| | 2015 | 2014 | 2015 | 2014 |
| Total pension liability | | | | |
| Service Cost | \$ 744,197 | \$ 739,021 | \$ 154,102 | \$ 149,606 |
| Interest | 3,148,090 | 3,021,004 | 435,329 | 417,950 |
| Benefit Changes | | | | |
| Difference between actual and expected experience | (44,636) | 638,745 | 6,771 | 64,336 |
| Assumption Changes | | | | |
| Benefit Payments | (2,705,547) | (2,571,049) | (344,410) | (331,783) |
| Net Change in Total Pension Liability | 1,142,104 | 1,827,721 | 251,792 | 300,109 |
| Total Pension Liability - Beginning | 42,955,206 | 41,127,485 | 5,899,529 | 5,599,420 |
| Total Pension Liability - Ending (a) | <u>\$ 44,097,310</u> | <u>\$ 42,955,206</u> | <u>\$ 6,151,321</u> | <u>\$ 5,899,529</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - Employer | \$ 1,022,478 | \$ 962,798 | \$ 166,451 | \$ 155,608 |
| Contributions - Member | 716,107 | 652,631 | 106,854 | 96,004 |
| Refunds of contributions to members | (95,104) | (90,250) | (17,453) | (16,184) |
| Retirement benefits | (2,590,299) | (2,461,559) | (323,252) | (311,593) |
| Death benefits | (20,144) | (19,240) | (3,705) | (4,007) |
| Net Investment Income | 374,152 | 3,517,324 | 58,705 | 538,386 |
| Administrative Expense | (12,554) | (11,765) | (1,938) | (1,820) |
| Net transfers to affiliated systems | (1,329) | (2,470) | 1,061 | 2,260 |
| Net Change in Plan Fiduciary Net Position | (606,693) | 2,547,469 | (13,277) | 458,654 |
| Plan Fiduciary Net Position - Beginning | 25,738,521 | 23,191,052 | 3,985,102 | 3,526,448 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 25,131,828</u> | <u>\$ 25,738,521</u> | <u>\$ 3,971,825</u> | <u>\$ 3,985,102</u> |
| Net Pension Liability - Ending (a) - (b) | <u>\$ 18,965,482</u> | <u>\$ 17,216,685</u> | <u>\$ 2,179,496</u> | <u>\$ 1,914,427</u> |

¹ Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

South Carolina Retirement Systems
Required Supplementary Information (continued)

Schedule of Changes in the Employers' Net Pension Liability¹

Years Ended June 30
(Amounts expressed in thousands)

| | GARS | | JSRS | | SCNG | |
|--------------------------------------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Total pension liability | | | | | | |
| Service Cost | \$ 553 | \$ 572 | \$ 5,760 | \$ 5,571 | \$ 690 | \$ 697 |
| Interest | 5,380 | 5,437 | 19,440 | 18,857 | 4,481 | 4,417 |
| Benefit Changes | | | 666 | | | |
| Difference between actual & expected experience | (294) | (2,585) | (1,138) | (3,240) | 612 | (262) |
| Assumption Changes | | | | | | |
| Benefit Payments | (6,660) | (6,861) | (16,836) | (16,684) | (4,249) | (4,248) |
| Net Change in Total Pension Liability | (1,021) | (3,437) | 7,892 | 4,504 | 1,534 | 604 |
| Total Pension Liability - Beginning | 74,787 | 78,224 | 264,732 | 260,228 | 61,530 | 60,926 |
| Total Pension Liability - Ending (a) | \$ 73,766 | \$ 74,787 | \$ 272,624 | \$ 264,732 | \$ 63,064 | \$ 61,530 |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - Employer | \$ 4,275 | \$ 4,063 | \$ 10,109 | \$ 9,659 | \$ 4,591 | \$ 4,586 |
| Contributions - Member | 369 | 384 | 3,153 | 2,448 | | |
| Refunds of contributions to members | | (41) | | | | |
| Retirement benefits | (6,639) | (6,799) | (16,832) | (16,675) | (4,249) | (4,248) |
| Death benefits | (21) | (20) | (4) | (10) | | |
| Net Investment Income | 500 | 4,545 | 2,216 | 19,962 | 313 | 2,806 |
| Administrative Expense | (18) | (17) | (71) | (68) | (11) | (10) |
| Net transfers to affiliated systems | (18) | 15 | 286 | 195 | | |
| Net Change in Plan Fiduciary Net Position | (1,552) | 2,130 | (1,143) | 15,511 | 644 | 3,134 |
| Plan Fiduciary Net Position - Beginning | 34,034 | 31,904 | 147,496 | 131,985 | 22,558 | 19,424 |
| Plan Fiduciary Net Position - Ending (b) | \$ 32,482 | \$ 34,034 | \$ 146,353 | \$ 147,496 | \$ 23,202 | \$ 22,558 |
| Net Pension Liability - Ending (a) - (b) | \$ 41,284 | \$ 40,753 | \$ 126,271 | \$ 117,236 | \$ 39,862 | \$ 38,972 |

¹ Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

South Carolina Retirement Systems
Required Supplementary Information (continued)

Schedule of Employers' Net Pension Liability¹

(Dollar amounts expressed in thousands)

| | Total Pension Liability | Plan Fiduciary Net Position | Employers' Net Pension Liability (Asset) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | Projected Covered Employee Payroll ² | Net Pension Liability as a Percentage of Covered Employee Payroll |
|-------------|-------------------------|-----------------------------|------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------|
| SCRS | | | | | | |
| 6/30/2015 | \$44,097,310 | \$ 25,131,828 | \$ 18,965,482 | 57.0% | \$ 7,539,996 | 251.5% |
| 6/30/2014 | 42,955,206 | 25,738,521 | 17,216,685 | 59.9% | 7,434,820 | 231.6% |
| PORS | | | | | | |
| 6/30/2015 | 6,151,321 | 3,971,825 | 2,179,496 | 64.6% | 1,076,885 | 202.4% |
| 6/30/2014 | 5,899,529 | 3,985,102 | 1,914,427 | 67.5% | 1,033,189 | 185.3% |
| GARS | | | | | | |
| 6/30/2015 | 73,766 | 32,482 | 41,284 | 44.0% | 2,601 | 1,587.5% |
| 6/30/2014 | 74,787 | 34,034 | 40,753 | 45.5% | 2,688 | 1,516.2% |
| JSRS | | | | | | |
| 6/30/2015 | 272,624 | 146,353 | 126,271 | 53.7% | 20,815 | 606.6% |
| 6/30/2014 | 264,732 | 147,496 | 117,236 | 55.7% | 20,407 | 574.5% |
| SCNG | | | | | | |
| 6/30/2015 | 63,064 | 23,202 | 39,862 | 36.8% | Not Applicable ³ | Not Applicable ³ |
| 6/30/2014 | 61,530 | 22,558 | 38,972 | 36.7% | Not Applicable ³ | Not Applicable ³ |

¹ Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

² Projected covered employee payroll is based on the actuarial valuation associated with the measurement date and includes payroll for members earning but not yet receiving benefits.

³ The contributions and benefits associated with the SCNG are not determined as a function of payroll.

South Carolina Retirement Systems
Required Supplementary Information (continued)

Schedule of Employers' Contributions

(Dollar amounts expressed in thousands)

| | Actuarially Determined Contributions ¹ | Amount of Contributions Recognized | Difference Between Actuarially Determined Contributions ² and Contributions Recognized | Projected Covered- Employee Payroll ³ | Percentage of Contributions to Covered- Employee Payroll |
|-------------------------|---------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------|
| SCRS | | | | | |
| 6/30/2015 | \$ 1,022,478 | \$ 1,022,478 | \$ - | \$ 7,539,996 | 13.6% |
| 6/30/2014 | 962,798 | 962,798 | | 7,434,820 | 12.9% |
| 6/30/2013 | 948,157 | 948,157 | | 7,356,231 | 12.9% |
| 6/30/2012 | 824,652 | 824,652 | | 7,687,558 | 10.7% |
| 6/30/2011 | 808,343 | 808,343 | | 7,769,820 | 10.4% |
| 6/30/2010 | 818,523 | 818,523 | | 7,761,808 | 10.5% |
| 6/30/2009 | 827,502 | 827,502 | | 7,559,172 | 10.9% |
| 6/30/2008 | 774,269 | 774,269 | | 7,093,181 | 10.9% |
| 6/30/2007 | 644,350 | 644,350 | | 6,733,379 | 9.6% |
| 6/30/2006 | 577,468 | 577,468 | | 6,356,489 | 9.1% |
| PORS | | | | | |
| 6/30/2015 | 166,451 | 166,451 | | 1,076,885 | 15.5% |
| 6/30/2014 | 155,608 | 155,608 | | 1,033,189 | 15.1% |
| 6/30/2013 | 143,389 | 143,389 | | 1,019,241 | 14.1% |
| 6/30/2012 | 134,299 | 134,299 | | 1,087,587 | 12.3% |
| 6/30/2011 | 129,314 | 129,314 | | 1,076,467 | 12.0% |
| 6/30/2010 | 123,163 | 123,163 | | 1,084,154 | 11.4% |
| 6/30/2009 | 124,148 | 124,148 | | 1,060,747 | 11.7% |
| 6/30/2008 | 114,095 | 114,095 | | 992,849 | 11.5% |
| 6/30/2007 | 106,753 | 106,753 | | 931,815 | 11.5% |
| 6/30/2006 | 100,281 | 100,281 | | 850,610 | 11.8% |
| GARS⁴ | | | | | |
| 6/30/2015 | 4,275 | 4,275 | | 2,601 | 164.4% |
| 6/30/2014 | 4,063 | 4,063 | | 2,688 | 151.2% |
| 6/30/2013 | 2,831 | 2,831 | | 3,854 | 73.5% |
| 6/30/2012 | 2,532 | 2,532 | | 3,854 | 65.7% |
| 6/30/2011 | 2,414 | 2,414 | | 3,854 | 62.6% |
| 6/30/2010 | 2,598 | 2,598 | | 3,854 | 67.4% |
| 6/30/2009 | 2,495 | 2,495 | | 3,854 | 64.7% |
| 6/30/2008 | 2,440 | 2,440 | | 3,854 | 63.3% |
| 6/30/2007 | 2,358 | 2,358 | | 3,854 | 61.2% |
| 6/30/2006 | 2,171 | 2,171 | | 3,854 | 56.3% |

Schedule of Employers' Contributions continued on next page

South Carolina Retirement Systems
Required Supplementary Information (continued)

Schedule of Employers' Contributions (cont.)

(Dollar amounts expressed in thousands)

| | Actuarially Determined Contributions ¹ | Amount of Contributions Recognized | Difference Between Actuarially Determined Contributions ² and Contributions Recognized | Projected Covered- Employee Payroll ³ | Percentage of Contributions to Covered- Employee Payroll |
|-------------------------|---------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------|
| JSRS | | | | | |
| 6/30/2015 | \$ 10,109 | \$ 10,109 | \$ - | \$ 20,815 | 48.6% |
| 6/30/2014 | 9,659 | 9,659 | | 20,407 | 47.3% |
| 6/30/2013 | 8,667 | 8,667 | | 19,221 | 45.1% |
| 6/30/2012 | 8,414 | 8,414 | | 18,661 | 45.1% |
| 6/30/2011 | 8,414 | 8,414 | | 18,661 | 45.1% |
| 6/30/2010 | 8,414 | 8,414 | | 18,661 | 45.1% |
| 6/30/2009 | 8,414 | 8,414 | | 18,661 | 45.1% |
| 6/30/2008 | 7,613 | 7,613 | | 16,407 | 46.4% |
| 6/30/2007 | 6,706 | 6,706 | | 15,929 | 42.1% |
| 6/30/2006 | 6,511 | 6,511 | | 15,464 | 42.1% |
| SCNG⁵ | | | | | |
| 6/30/2015 | 4,591 | 4,591 | | N/A | N/A |
| 6/30/2014 | 4,586 | 4,586 | | N/A | N/A |
| 6/30/2013 | 4,539 | 4,539 | | N/A | N/A |
| 6/30/2012 | 3,937 | 3,937 | | N/A | N/A |
| 6/30/2011 | 3,905 | 3,905 | | N/A | N/A |
| 6/30/2010 | 3,945 | 3,945 | | N/A | N/A |
| 6/30/2009 | 4,052 | 4,052 | | N/A | N/A |
| 6/30/2008 | 3,923 | 3,923 | | N/A | N/A |
| 6/30/2007 | 3,948 | 3,948 | | N/A | N/A |
| 6/30/2006 | 3,942 | 3,942 | | N/A | N/A |

¹ The actuarially determined contribution rate for SCRS and PORS is determined in accordance with the SC State Code of Laws. The contribution rate for JSRS is based on the funding policy maintained by the SC Public Employee Benefit Authority.

² The actuarially determined contributions are based on the funding policy maintained by the SC Public Employee Benefit Authority.

³ Projected covered employee payroll is based on the actuarial valuation associated with the measurement date and includes payroll for members earning but not yet receiving benefits.

⁴ GARS was closed to new members beginning with the 2012 general election.

⁵ Benefits for members in the SCNG are not a function of pay. For years prior to June 30, 2010, the Annual Pension Cost (APC) for SCNG includes both the Annual Required Contribution (ARC) and the discounted present value of the balance of the Net Pension Obligation (NPO). For fiscal years ended June 30, 2010 forward, the APC was calculated as part of the actuarial valuation and includes on the ARC.

South Carolina Retirement Systems
Required Supplementary Information (continued)

Schedule of Investment Returns¹

| Fiscal Year Ending June 30 | Annual Money Weighted Rate of Return, Net of Investment Expense |
|-------------------------------|--------------------------------------------------------------------|
| 2014 | 15.30% |
| 2015 | 1.59 |

¹Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information

The following table provides a summary of the actuarial methods and significant assumptions used in calculations of the actuarially determined contributions for each of the individual plans administered by PEBA.

Summary of Actuarial Methods and Significant Assumptions

| | SCRS | PORS | GARS | JSRS | SCNG |
|----------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------|---------------------------|---------------------------|
| Valuation date | 07/01/14 | 07/01/14 | 07/01/14 | 07/01/14 | 07/01/14 |
| Actuarial cost method | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal |
| Amortization method | Level percent open | Level percent open | Level dollar closed | Level percent open | Level dollar closed |
| Amortization period | 30 years | 27 years | 13 years | 28 years | 18 years |
| Asset Valuation method | 5-year smoothed market | 5-year smoothed market | 5-year smoothed market | 5-year smoothed market | 5-year smoothed market |
| Actuarial assumptions: | | | | | |
| Inflation rate | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% |
| Projected salary increases | 3.5% to 12.5% (varies by service) ¹ | 4.0% to 10.0% (varies by service) ¹ | None | 3.0% ¹ | None |
| Investment rate of return | 7.5% | 7.5% | 7.5% | 7.5% | 7.5% |
| Benefit adjustments | lesser of 1% or \$500 annually | lesser of 1% or \$500 annually | None | 3.0% | None |

¹Includes inflation at 2.75%.

South Carolina Retirement Systems

Schedule of Changes in Fiduciary Net Position

SCRS Pension Trust Fund
Year Ended June 30, 2015

With comparative totals for the year ended June 30, 2014
(Amounts expressed in thousands)

| | EMPLOYEE FUND | EMPLOYER FUND | DEATH BENEFIT FUND | QEBA FUND | TOTALS | TOTALS 2014 |
|---------------------------------------------------------|--------------------|---------------------|--------------------------|--------------|---------------------|---------------------|
| Additions | | | | | | |
| Employee contributions | | | | | | |
| State department employees | \$ 190,275 | \$ 27,688 | \$ - | \$ - | \$ 217,963 | \$ 197,960 |
| Public school employees | 271,265 | 40,209 | | | 311,474 | 285,804 |
| Other political subdivision employees | 172,463 | 14,207 | | | 186,670 | 168,867 |
| Employer contributions | | | | | | |
| State department employees | | 331,205 | 5,233 | 485 | 336,923 | 313,409 |
| Public school employees | | 430,903 | 6,263 | | 437,166 | 415,643 |
| Other political subdivision employees | | 245,452 | 2,937 | | 248,389 | 233,746 |
| Total contributions | <u>634,003</u> | <u>1,089,664</u> | <u>14,433</u> | <u>485</u> | <u>1,738,585</u> | <u>1,615,429</u> |
| Investment Income | | | | | | |
| Net appreciation in fair value of investments | | 388,792 | 1,950 | | 390,742 | 3,618,445 |
| Interest and dividend income | | 290,167 | 1,452 | | 291,619 | 300,260 |
| Investment expense | | (308,362) | (1,547) | | (309,909) | (402,871) |
| Income from investing activities | | <u>370,597</u> | <u>1,855</u> | | <u>372,452</u> | <u>3,515,834</u> |
| From securities lending activities: | | | | | | |
| Securities lending income | | 143 | 1 | | 144 | 54 |
| Securities lending borrower rebates | | 1,549 | 7 | | 1,556 | 1,436 |
| Net income from securities lending activities | | <u>1,692</u> | <u>8</u> | | <u>1,700</u> | <u>1,490</u> |
| Total net investment income | | <u>372,289</u> | <u>1,863</u> | | <u>374,152</u> | <u>3,517,324</u> |
| Supplemental retirement benefits funded by the State | | 507 | | | 507 | 587 |
| Transfers of contributions from other Systems | 7 | | | | 7 | |
| Total additions | <u>634,010</u> | <u>1,462,460</u> | <u>16,296</u> | <u>485</u> | <u>2,113,251</u> | <u>5,133,340</u> |
| Deductions | | | | | | |
| Refunds of contributions to members | 95,104 | | | | 95,104 | 90,250 |
| Transfers of contributions to other Systems | 925 | 411 | | | 1,336 | 2,470 |
| Regular retirement benefits | | 2,377,832 | | 485 | 2,378,317 | 2,293,335 |
| Deferred retirement benefits | | 211,982 | | | 211,982 | 168,221 |
| Supplemental retirement benefits | | 507 | | | 507 | 590 |
| Death Benefits | | | 20,144 | | 20,144 | 19,240 |
| Depreciation | | 226 | 1 | | 227 | 200 |
| Administrative expenses | | 12,256 | 71 | | 12,327 | 11,565 |
| Total deductions | <u>96,029</u> | <u>2,603,214</u> | <u>20,216</u> | <u>485</u> | <u>2,719,944</u> | <u>2,585,871</u> |
| Interfund transfers according to statutory requirements | | | | | | |
| Contributions by members at retirement | (431,637) | 431,637 | | | | |
| Interest credited to members' accounts | 230,606 | (230,606) | | | | |
| Net interfund transfers | <u>(201,031)</u> | <u>201,031</u> | | | | |
| Net increase (decrease) | 336,950 | (939,723) | (3,920) | - | (606,693) | 2,547,469 |
| Net position restricted for Pensions | | | | | | |
| Beginning of year | <u>6,717,327</u> | <u>18,892,695</u> | <u>128,499</u> | | <u>25,738,521</u> | <u>23,191,052</u> |
| End of year | <u>\$7,054,277</u> | <u>\$17,952,972</u> | <u>\$124,579</u> | <u>\$ -</u> | <u>\$25,131,828</u> | <u>\$25,738,521</u> |

South Carolina Retirement Systems

Schedule of Changes in Fiduciary Net Position

PORS Pension Trust Fund
Year Ended June 30, 2015

With comparative totals for the year ended June 30, 2014
(Amounts expressed in thousands)

| | EMPLOYEE FUND | EMPLOYER FUND | DEATH BENEFIT FUND | ACCIDENTAL DEATH FUND | QEBA FUND | TOTALS | TOTALS 2014 |
|---------------------------------------------------------|-------------------|---------------------|--------------------------|-----------------------------|--------------|---------------------|---------------------|
| Additions | | | | | | | |
| Employee contributions | | | | | | | |
| State department employees | \$ 32,340 | \$ 2,033 | \$ - | \$ - | \$ - | \$ 34,373 | \$ 31,499 |
| Public school employees | 35 | 333 | | | | 368 | 322 |
| Other political subdivision employees | 63,799 | 8,314 | | | | 72,113 | 64,183 |
| Employer contributions | | | | | | | |
| State department employees | | 52,060 | 798 | \$ 799 | 2 | 53,659 | 50,251 |
| Public school employees | | 557 | 9 | 9 | | 575 | 510 |
| Other political subdivision employees | | 109,056 | 1,626 | 1,535 | | 112,217 | 104,847 |
| Total contributions | <u>96,174</u> | <u>172,353</u> | <u>2,433</u> | <u>2,343</u> | <u>2</u> | <u>273,305</u> | <u>251,612</u> |
| Investment Income | | | | | | | |
| Net appreciation in fair value of investments | | 60,441 | 478 | 633 | | 61,552 | 554,222 |
| Interest and dividend income | | 44,638 | 420 | 556 | | 45,614 | 46,097 |
| Investment expense | | (47,674) | (453) | (599) | | (48,726) | (62,162) |
| Income from investing activities | | <u>57,405</u> | <u>445</u> | <u>590</u> | | <u>58,440</u> | <u>538,157</u> |
| From securities lending activities: | | | | | | | |
| Securities lending income | | 22 | | | | 22 | 9 |
| Securities lending borrower rebates | | 238 | 2 | 3 | | 243 | 220 |
| Net income from securities lending activities | | <u>260</u> | <u>2</u> | <u>3</u> | | <u>265</u> | <u>229</u> |
| Total net investment income | | <u>57,665</u> | <u>447</u> | <u>593</u> | | <u>58,705</u> | <u>538,386</u> |
| Supplemental retirement benefits funded by the State | | 22 | | | | 22 | 26 |
| Transfers of contributions from other Systems | 650 | 411 | | | | 1,061 | 2,260 |
| Total additions | <u>96,824</u> | <u>230,451</u> | <u>2,880</u> | <u>2,936</u> | <u>2</u> | <u>333,093</u> | <u>792,284</u> |
| Deductions | | | | | | | |
| Refunds of contributions to members | 17,453 | | | | | 17,453 | 16,184 |
| Regular retirement benefits | | 323,250 | | | 2 | 323,252 | 311,593 |
| Supplemental retirement benefits | | 22 | | | | 22 | 26 |
| Death Benefits | | (6) | 2,156 | | | 2,150 | 2,410 |
| Accidental death benefits | | | | 1,555 | | 1,555 | 1,597 |
| Depreciation | | 29 | | | | 29 | 25 |
| Administrative expenses | | 1,862 | 20 | 27 | | 1,909 | 1,795 |
| Total deductions | <u>17,453</u> | <u>325,157</u> | <u>2,176</u> | <u>1,582</u> | <u>2</u> | <u>346,370</u> | <u>333,630</u> |
| Interfund transfers according to statutory requirements | | | | | | | |
| Contributions by members at retirement | (54,432) | 54,432 | | | | | |
| Interest credited to members' accounts | 30,446 | (30,446) | | | | | |
| Net interfund transfers | <u>(23,986)</u> | <u>23,986</u> | | | | | |
| Net increase (decrease) | 55,385 | (70,720) | 704 | 1,354 | | (13,277) | 458,654 |
| Net position restricted for Pensions | | | | | | | |
| Beginning of year | 850,383 | 3,048,748 | 36,995 | 48,976 | | 3,985,102 | 3,526,448 |
| End of year | <u>\$ 905,768</u> | <u>\$ 2,978,028</u> | <u>\$ 37,699</u> | <u>\$ 50,330</u> | <u>\$ -</u> | <u>\$ 3,971,825</u> | <u>\$ 3,985,102</u> |

South Carolina Retirement Systems

Schedule of Changes in Fiduciary Net Position

GARS Pension Trust Fund
Year Ended June 30, 2015

With comparative totals for the year ended June 30, 2014

(Amounts expressed in thousands)

| | EMPLOYEE FUND | EMPLOYER FUND | TOTAL | TOTAL 2014 |
|---------------------------------------------------------|------------------|------------------|------------------|------------------|
| Additions | | | | |
| Contributions | | | | |
| Employee contributions - State departments | \$ 369 | \$ - | \$ 369 | \$ 384 |
| Employer contributions - State departments | | 4,275 | 4,275 | 4,063 |
| Total contributions | <u>369</u> | <u>4,275</u> | <u>4,644</u> | <u>4,447</u> |
| Investment Income | | | | |
| Net appreciation in fair value of investments | | 503 | 503 | 4,654 |
| Interest and dividend income | | 375 | 375 | 397 |
| Investment expense | | (380) | (380) | (508) |
| Net income from investing activities | | <u>498</u> | <u>498</u> | <u>4,543</u> |
| From securities lending activities: | | | | |
| Securities lending income | | | | |
| Securities lending borrower rebates | | 2 | 2 | 2 |
| Net income from securities lending activities | | <u>2</u> | <u>2</u> | <u>2</u> |
| Total net investment income | | <u>500</u> | <u>500</u> | <u>4,545</u> |
| Transfers of contributions from other Systems | | | | 15 |
| Total additions | <u>369</u> | <u>4,775</u> | <u>5,144</u> | <u>9,007</u> |
| Deductions | | | | |
| Refunds of contributions to members | | | | 41 |
| Transfers of contributions to other systems | 18 | | 18 | |
| Regular retirement benefits | | 6,639 | 6,639 | 6,799 |
| Death benefits | | 21 | 21 | 20 |
| Depreciation | | 1 | 1 | 1 |
| Administrative expenses | | 17 | 17 | 16 |
| Total deductions | <u>18</u> | <u>6,678</u> | <u>6,696</u> | <u>6,877</u> |
| Interfund transfers according to statutory requirements | | | | |
| Contributions by members at retirement | (639) | 639 | | |
| Interest credited to members' accounts | 225 | (225) | | |
| Net interfund transfers | <u>(414)</u> | <u>414</u> | | |
| Net increase (decrease) | (63) | (1,489) | (1,552) | 2,130 |
| Net position Restricted for Pensions | | | | |
| Beginning of year | 7,358 | 26,676 | 34,034 | 31,904 |
| End of year | <u>\$ 7,295</u> | <u>\$ 25,187</u> | <u>\$ 32,482</u> | <u>\$ 34,034</u> |

South Carolina Retirement Systems

Schedule of Changes in Fiduciary Net Position

JSRS Pension Trust Fund
 Year Ended June 30, 2015
 With comparative totals for the year ended June 30, 2014
 (Amounts expressed in thousands)

| | EMPLOYEE FUND | EMPLOYER FUND | QEBA FUND | TOTALS | TOTALS 2014 |
|---------------------------------------------------------|------------------|-------------------|--------------|-------------------|-------------------|
| Additions | | | | | |
| Contributions | | | | | |
| Employee contributions - State departments | \$ 2,893 | \$ 260 | \$ - | \$ 3,153 | \$ 2,448 |
| Employer contributions - State departments | | 9,995 | 114 | 10,109 | 9,659 |
| Total contributions | <u>2,893</u> | <u>10,255</u> | <u>114</u> | <u>13,262</u> | <u>12,107</u> |
| Investment Income | | | | | |
| Net appreciation in fair value of investments | | 2,263 | | 2,263 | 20,491 |
| Interest and dividend income | | 1,713 | | 1,713 | 1,739 |
| Investment expense | | (1,770) | | (1,770) | (2,276) |
| Net income from investing activities | | <u>2,206</u> | | <u>2,206</u> | <u>19,954</u> |
| From securities lending activities: | | | | | |
| Securities lending income | | 1 | | 1 | |
| Securities lending borrower rebates | | 9 | | 9 | 8 |
| Net income from securities lending activities | | <u>10</u> | | <u>10</u> | <u>8</u> |
| Total net investment income | | <u>2,216</u> | | <u>2,216</u> | <u>19,962</u> |
| Transfers of contributions from other Systems | 286 | | | 286 | 195 |
| Total additions | <u>3,179</u> | <u>12,471</u> | <u>114</u> | <u>15,764</u> | <u>32,264</u> |
| Deductions | | | | | |
| Regular retirement benefits | | 16,718 | 114 | 16,832 | 15,897 |
| Deferred retirement benefits | | | | | 778 |
| Death benefits | | 4 | | 4 | 10 |
| Depreciation | | 1 | | 1 | 1 |
| Administrative expenses | | 70 | | 70 | 67 |
| Total deductions | | <u>16,793</u> | <u>114</u> | <u>16,907</u> | <u>16,753</u> |
| Interfund transfers according to statutory requirements | | | | | |
| Contributions by members at retirement | (2,341) | 2,341 | | | |
| Interest credited to members' accounts | 886 | (886) | | | |
| Net interfund transfers | <u>(1,455)</u> | <u>1,455</u> | | | |
| Net increase (decrease) | 1,724 | (2,867) | | (1,143) | 15,511 |
| Net position restricted for Pensions | | | | | |
| Beginning of year | 22,926 | 124,570 | | 147,496 | 131,985 |
| End of year | <u>\$ 24,650</u> | <u>\$ 121,703</u> | <u>\$ -</u> | <u>\$ 146,353</u> | <u>\$ 147,496</u> |

South Carolina Retirement Systems

Schedule of Changes in Fiduciary Net Position

SCNG Pension Trust Fund
Year Ended June 30, 2015

With comparative totals for the year ended June 30, 2014

(Amounts expressed in thousands)

| | Totals 2015 | Totals 2014 |
|-----------------------------------------------|--------------------|--------------------|
| Additions | | |
| Contributions | | |
| State appropriated contributions | \$ 4,591 | \$ 4,586 |
| Total contributions | 4,591 | 4,586 |
| Investment Income | | |
| Net appreciation in fair value of investments | 332 | 2,893 |
| Interest income | 241 | 240 |
| Investment expense | (261) | (328) |
| Income from investing activities | 312 | 2,805 |
| From securities lending activities: | | |
| Securities lending income | | |
| Securities lending borrower rebates | 1 | 1 |
| Net income from securities lending activities | 1 | 1 |
| Total net investment income | 313 | 2,806 |
| Total additions | 4,904 | 7,392 |
| Deductions | | |
| Regular retirement benefits | 4,249 | 4,248 |
| Administrative expenses | 11 | 10 |
| Total deductions | 4,260 | 4,258 |
| Net increase | 644 | 3,134 |
| Net position restricted for Pensions | | |
| Beginning of year | 22,558 | 19,424 |
| End of year | \$ 23,202 | \$ 22,558 |

South Carolina Retirement Systems Schedule of Administrative Expenses

Year Ended June 30, 2015

(Amounts expressed in thousands)

| | <u>SCRS</u> | <u>PORS</u> | <u>GARS</u> | <u>JSRS</u> | <u>SCNG</u> | <u>TOTAL</u> |
|--------------------------------------|------------------|-----------------|--------------|--------------|--------------|------------------|
| Personal Services | | | | | | |
| Salaries and Wages | \$ 7,022 | \$ 1,087 | \$ 10 | \$ 40 | \$ 6 | \$ 8,165 |
| Employee Benefits | 2,326 | 360 | 3 | 13 | 2 | 2,704 |
| Contractual Services | | | | | | |
| Information Technology | 492 | 76 | 1 | 2 | 1 | 572 |
| Medical & Health Services | 310 | 48 | 1 | 2 | | 361 |
| Financial Audit | 138 | 22 | | 1 | 1 | 162 |
| Actuarial Services | 197 | 30 | 1 | 1 | | 229 |
| Other Professional Services | 733 | 113 | 1 | 4 | 1 | 852 |
| Legal Services | 147 | 23 | | 1 | | 171 |
| Operating Expenses | | | | | | |
| Facilities Management | 230 | 36 | | 1 | | 267 |
| Telephone | 116 | 18 | | 1 | | 135 |
| Insurance | 148 | 23 | | 1 | | 172 |
| Postage | 117 | 18 | | 1 | | 136 |
| Supplies | 179 | 28 | | 1 | | 208 |
| Other Miscellaneous Expenses | <u>172</u> | <u>27</u> | | <u>1</u> | | <u>200</u> |
| Total Administrative Expenses | <u>\$ 12,327</u> | <u>\$ 1,909</u> | <u>\$ 17</u> | <u>\$ 70</u> | <u>\$ 11</u> | <u>\$ 14,334</u> |

South Carolina Retirement Systems¹

Schedule of Professional and Consultant Fees

Year Ended June 30, 2015

(Amounts expressed in thousands)

| Professional / Consultant Type | Nature of Service Provided | Amounts Paid |
|--------------------------------------------|--------------------------------------|--------------|
| Information Technology (IT) | | |
| Data Network Solutions | IT Maintenance & Support | \$ 52 |
| Hewlett Packard | IT Maintenance & Support | 23 |
| SHI International | IT Maintenance & Support | 15 |
| Software AG Inc. | IT Enterprise License Maintenance | 85 |
| Spartantec Inc | IT Services Software & License | 16 |
| SunGard Availability Service | IT Disaster Recovery | 45 |
| Tapfin | Application Development Resources | 211 |
| Legal | | |
| Ice Miller | IRC Consulting Services | 27 |
| Poyner Spruill LLP | Legal Services | 113 |
| Sowell Gray Stepp & Lafitte | Legal Services | 31 |
| Management | | |
| CEM Benchmarking, Inc. | Benchmarking Service | 45 |
| CliftonLarsonAllen, LLP | Audit | 162 |
| Funston Advisory Services LLC ² | Fiduciary Audit | 340 |
| Gabriel Roeder Smith & Company | Actuary Services | 229 |
| Linea Solutions Inc. | Operational Consulting Service | 108 |
| Summit Strategies Inc | Optional Retirement Plan Consultants | 130 |
| TeamIA Inc | Imaging Maintenance/Auditing | 134 |
| University Specialty Clinic | Disability Review | 123 |
| Vocational Rehabilitation | Disability Review | 238 |
| | | \$ 2,127 |

¹ A Schedule of Investment Managers and Fees can be found in the Investment Section of this report.

² Payment to Funston Advisory Services LLC was made through the Office of the State Inspector General.

South Carolina Retirement Systems

Schedule of Investment Fees and Expenses

Year Ended June 30, 2015

(Amounts expressed in thousands)

| | SCRS | PORS | GARS | JSRS | SCNG | TOTALS ¹ |
|------------------------------------------------------------|-------------------|-----------------|---------------|---------------|---------------|---------------------|
| Short Term: | \$ 2,145 | \$ 337 | \$ 3 | \$ 12 | \$ 2 | \$ 2,499 |
| Domestic Fixed Income: | | | | | | |
| Core Fixed Income | 2,921 | 458 | 4 | 17 | 2 | 3,402 |
| Mixed Credit | 4,983 | 783 | 6 | 28 | 4 | 5,804 |
| Global Fixed Income: | | | | | | |
| Global Fixed Income | 2,478 | 388 | 3 | 14 | 2 | 2,885 |
| Emerging Market Debt | 2,498 | 393 | 3 | 14 | 2 | 2,910 |
| Domestic Equity: | 7,654 | 1,199 | 9 | 44 | 6 | 8,912 |
| Global Equity: | | | | | | |
| Global Equity | 779 | 122 | 1 | 4 | 1 | 907 |
| Developed International Equity | 3,081 | 484 | 4 | 18 | 2 | 3,589 |
| Emerging Markets Equity | 6,985 | 1,095 | 9 | 40 | 6 | 8,135 |
| Global Tactical Asset Allocation: | 12,332 | 1,938 | 15 | 71 | 11 | 14,367 |
| Alternatives: | | | | | | |
| Hedge Funds (Global Public Equity, Low Beta, Mixed Credit) | 100,672 | 15,845 | 123 | 575 | 85 | 117,300 |
| Private Debt | 30,446 | 4,792 | 37 | 174 | 26 | 35,475 |
| Private Equity | 53,532 | 8,426 | 65 | 306 | 45 | 62,374 |
| Real Estate | 58,343 | 9,182 | 72 | 333 | 49 | 67,979 |
| Strategic Partnerships ² | 9,227 | 1,452 | 11 | 53 | 8 | 10,751 |
| Beta Overlay | 803 | 126 | 1 | 4 | 1 | 935 |
| Total Investment Manager Fees | <u>298,879</u> | <u>47,020</u> | <u>366</u> | <u>1,707</u> | <u>252</u> | <u>348,224</u> |
| Bank Fees and Investment Expenses ³ | <u>11,030</u> | <u>1,706</u> | <u>14</u> | <u>63</u> | <u>9</u> | <u>12,822</u> |
| Total Investment Management Fees | <u>309,909</u> | <u>48,726</u> | <u>380</u> | <u>1,770</u> | <u>261</u> | <u>361,046</u> |
| Securities Lending Expenses: | | | | | | |
| Borrower Rebates | \$ (1,556) | \$ (243) | \$ (2) | \$ (9) | \$ (1) | \$ (1,811) |
| Total Securities Lending Expenses | <u>\$ (1,556)</u> | <u>\$ (243)</u> | <u>\$ (2)</u> | <u>\$ (9)</u> | <u>\$ (1)</u> | <u>\$ (1,811)</u> |

¹ All investment manager fees, whether directly invoiced (\$35,155) or deducted from the fund on a net basis (\$313,069) are classified and reported as Investment Expense. Investment expenses include amounts for investment management fees, performance fees (including carried interest allocations), other expenses such as organizational expenses in limited partnership structures as well as offsets which may have the effect of reducing the total.

² Represents management and other fees at the Strategic Partnership level, not fees at the underlying investment level included in each applicable asset class.

³ Includes miscellaneous investment expenses, commissions on futures, bank fees and RSIC administrative expenses.

This page contains no other content.

Investment Section





November 11, 2015

The Honorable Nikki Haley, Governor
State Fiscal Accountability Authority
Members of the General Assembly of South Carolina

RE: FYE 2015 Report

Dear Governor and Members:

As the investment consultant for the Retirement System Investment Commission (RSIC), Aon Hewitt Investment Consulting (AHIC) is pleased to submit this summary of the investment structure and performance of the South Carolina Retirement System (SCRS) investment portfolio for the fiscal year ended (FYE) June 30, 2015.

The 2014-15 fiscal year was characterized by the continued dominance of U.S. equities as the sharp rally of the U.S. dollar held back local market gains of non-U.S. assets. Numerous factors contributed to the U.S. dollar rally. The sharp fall of both the Euro and the Yen was largely driven by the loosening of monetary policy by the European Central Bank and the Bank of Japan. In contrast, the U.S. Federal Reserve ended its quantitative easing program in October 2014, which was the first step away from its historically loose monetary policy. Other factors driving U.S. dollar gains more broadly included strong relative growth trends in the U.S., attractive U.S. sovereign yields, and country-specific situations such as falling commodity prices and heightened geopolitical risks.

Throughout the fiscal year, the Commission and its staff worked hard to further several long-term initiatives, including:

- Reviewing asset allocation to improve expected portfolio return and mitigate risk
- Refining investment strategy to lower costs, where possible

During the fiscal year ending June 30, 2015, the SCRS investment portfolio returned 1.6% on a net-of-fee basis. This return exceeded that of the Policy Index by 0.4 percentage points. Over the trailing three- and five-year periods ending June 30, 2015, the SCRS portfolio returns were 8.8% and 8.9%, respectively, which also exceeded the returns of the Policy Index. All returns are reported on a time-weighted return basis.

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200 E. Randolph Street, Suite 1500 | Chicago, IL 60601
t +1.312.381.1200 | f +1.312.381.1366 | aonhewitt.com
Investment advice and consulting services provided by Aon Hewitt Investment Consulting, Inc., an Aon Company

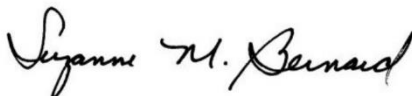
As of June 30, 2015, the SCRS investment portfolio totaled \$29.2 billion. This represented a decrease of \$0.6 billion from its value on June 30, 2014 due to net outflows of \$1.1 billion and investment gains of \$0.5 billion. The portfolio's asset allocation at fiscal year-end was as follows:

| | |
|-------------------------------------------|---------------|
| Global Public Equity | 32.3% |
| GTAA ¹ /Risk Parity | 10.4 |
| Core Fixed Income | 9.6 |
| Low Beta Hedge Funds | 9.0 |
| Private Equity | 8.8 |
| Mixed Credit | 7.4 |
| Private Debt | 5.7 |
| Emerging Market Debt | 5.0 |
| Real Estate | 3.9 |
| Cash and Short Duration (net of overlays) | 3.6 |
| Commodities | 3.0 |
| Global Fixed Income | 1.3 |
| Total | 100.0% |

The investment portfolio's June 30, 2015 asset allocation was within statutory limits and was consistent with the targets and ranges set forth in the Annual Investment Plan and in the Statement of Investment Objectives and Policy. AHIC will continue to work with the RSIC to monitor the structure and portfolio in an effort to optimize the portfolio's risk/return profile.

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

Sincerely,



Suzanne M. Bernard, CFA, CAIA
Partner
Aon Hewitt Investment Consulting

¹ Global Tactical Asset Allocation

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

South Carolina Retirement System Summary of Investment Growth

(Amounts expressed in thousands)

| Year Ended June 30, | Fair Value of Investments ¹ | % Increase/Decrease for Year | Net Income (Loss) from Investments | % Increase/Decrease for Year |
|------------------------|-------------------------------------------|------------------------------------|------------------------------------------|------------------------------------|
| 2015 | \$ 25,707,561 | 0.65% | \$ 372,452 | (89.41%) |
| 2014 | 25,540,648 | 7.48% | 3,515,834 | 59.84% |
| 2013 | 23,762,666 | 7.50% | 2,199,550 | 1,934.60% |
| 2012 | 22,105,265 | (4.85%) | 108,107 | (96.99%) |
| 2011 | 23,232,653 | 17.26% | 3,596,902 | 37.67% |
| 2010 | 19,812,203 | 8.62% | 2,612,663 | 154.95% |
| 2009 | 18,240,380 | (21.05%) | (4,754,668) | (641.53%) |
| 2008 | 23,103,046 | (6.77%) | (641,196) | (121.38%) |
| 2007 | 24,779,857 | 8.97% | 2,999,209 | 164.33% |
| 2006 | 22,741,048 | 0.99% | 1,134,639 | (24.20%) |

Police Officers Retirement System Summary of Investment Growth

(Amounts expressed in thousands)

| Year Ended June 30, | Fair Value of Investments ¹ | % Increase/Decrease for Year | Net Income (Loss) from Investments | % Increase/Decrease for Year |
|------------------------|-------------------------------------------|------------------------------------|------------------------------------------|------------------------------------|
| 2015 | \$ 4,052,870 | 2.69% | \$ 58,440 | (89.14%) |
| 2014 | 3,946,522 | 9.44% | 538,157 | 63.05% |
| 2013 | 3,606,143 | 9.29% | 330,061 | 1,839.14% |
| 2012 | 3,299,647 | (2.58%) | 17,021 | (96.72%) |
| 2011 | 3,386,895 | 19.93% | 519,363 | 43.25% |
| 2010 | 2,824,156 | 11.33% | 362,566 | 156.79% |
| 2009 | 2,536,671 | (18.18%) | (638,389) | (647.40%) |
| 2008 | 3,100,417 | (4.83%) | (85,415) | (122.80%) |
| 2007 | 3,257,632 | 11.66% | 374,623 | 167.99% |
| 2006 | 2,917,468 | 4.31% | 139,785 | (20.51%) |

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

General Assembly Retirement System Summary of Investment Growth

(Amounts expressed in thousands)

| Year Ended June 30, | Fair Value of Investments ¹ | % Increase/Decrease for Year | Net Income (Loss) from Investments | % Increase/Decrease for Year |
|------------------------|-------------------------------------------|------------------------------------|------------------------------------------|------------------------------------|
| 2015 | \$ 33,129 | (1.61%) | \$ 498 | (89.04%) |
| 2014 | 33,671 | 3.56% | 4,543 | 45.75% |
| 2013 | 32,515 | 2.11% | 3,117 | 1,733.53% |
| 2012 | 31,843 | (10.27%) | 170 | (97.01%) |
| 2011 | 35,488 | 8.65% | 5,680 | 22.36% |
| 2010 | 32,662 | 2.79% | 4,642 | 149.34% |
| 2009 | 31,777 | (27.02%) | (9,409) | (728.26%) |
| 2008 | 43,544 | (9.27%) | (1,136) | (119.09%) |
| 2007 | 47,992 | 5.98% | 5,950 | 185.23% |
| 2006 | 45,282 | (2.20%) | 2,086 | (35.58%) |

Judges and Solicitors Retirement System Summary of Investment Growth

(Amounts expressed in thousands)

| Year Ended June 30, | Fair Value of Investments ¹ | % Increase/Decrease for Year | Net Income (Loss) from Investments | % Increase/Decrease for Year |
|------------------------|-------------------------------------------|------------------------------------|------------------------------------------|------------------------------------|
| 2015 | \$ 149,265 | 2.20% | \$ 2,206 | (88.94%) |
| 2014 | 146,095 | 8.25% | 19,954 | 58.03% |
| 2013 | 134,963 | 7.75% | 12,627 | 1,527.19% |
| 2012 | 125,255 | (3.91%) | 776 | (96.14%) |
| 2011 | 130,357 | 17.65% | 20,086 | 37.14% |
| 2010 | 110,798 | 9.44% | 14,646 | 154.77% |
| 2009 | 101,244 | (19.64%) | (26,741) | (693.27%) |
| 2008 | 125,987 | (7.00%) | (3,371) | (121.05%) |
| 2007 | 135,482 | 10.93% | 16,017 | 178.00% |
| 2006 | 122,128 | 3.24% | 5,761 | (29.30%) |

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

South Carolina National Guard Supplemental Retirement Plan Summary of Investment Growth

(Amounts expressed in thousands)

| Year Ended June 30, | Fair Value of Investments ¹ | % Increase/Decrease for Year | Net Income (Loss) from Investments | % Increase/Decrease for Year |
|------------------------|-------------------------------------------|------------------------------------|------------------------------------------|------------------------------------|
| 2015 | \$ 23,701 | 5.73% | \$ 312 | (88.87%) |
| 2014 | 22,417 | 12.63% | 2,805 | 67.46% |
| 2013 | 19,904 | 12.69% | 1,675 | 1,701.08% |
| 2012 | 17,662 | (1.13%) | 93 | (96.33%) |
| 2011 | 17,864 | 19.04% | 2,531 | 35.71% |
| 2010 | 15,007 | 16.25% | 1,865 | 146.39% |
| 2009 | 12,909 | (17.39%) | (4,020) | (1,055.17%) |
| 2008 | 15,627 | (0.55%) | (348) | (117.38%) |
| 2007 | 15,714 | 23.83% | 2,002 | 2,149.44% |
| 2006 ² | 12,690 | | 89 | |

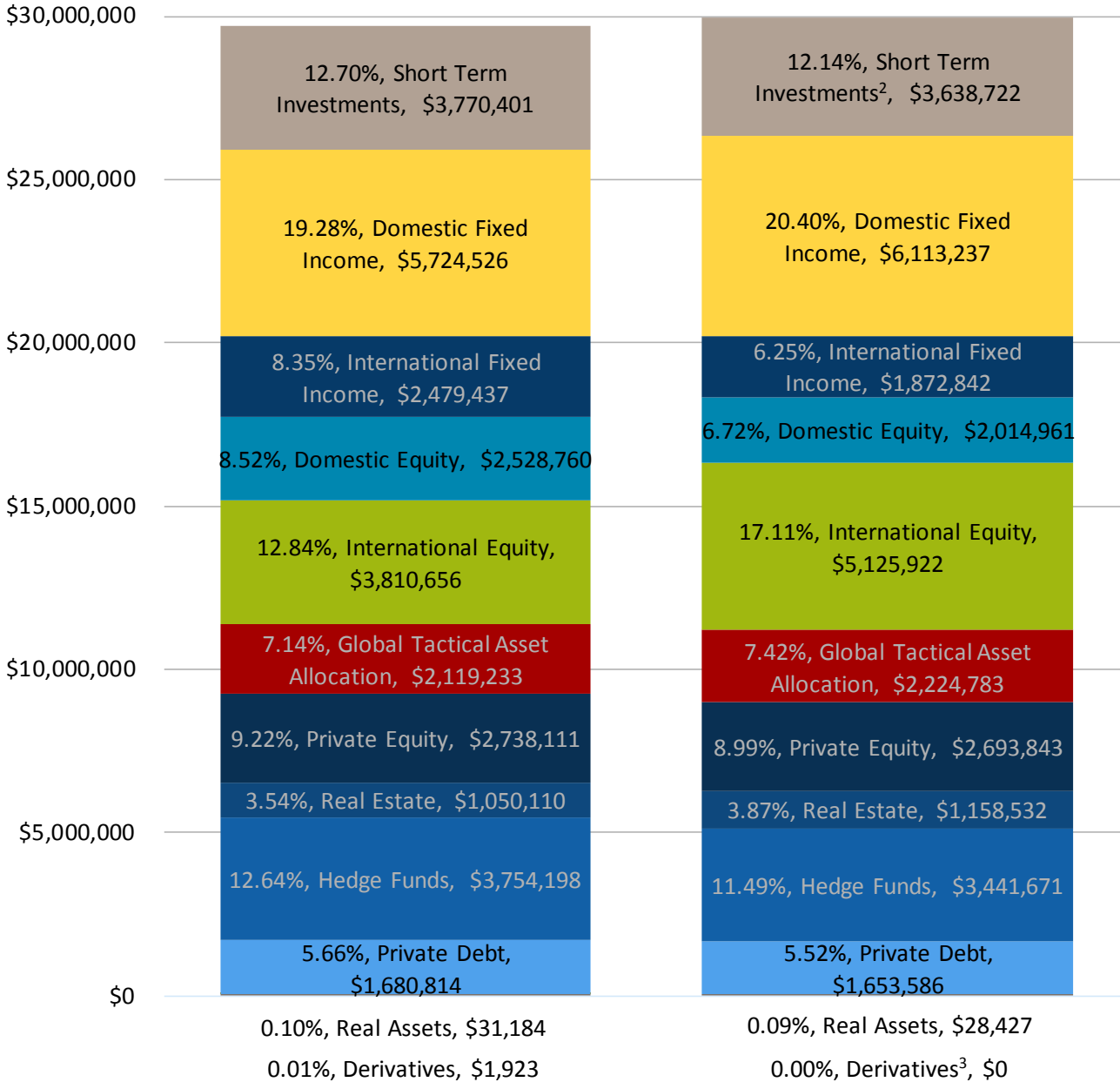
¹ Fair Value also includes investment categories classified as cash equivalents for financial statement purposes. Investments made with cash collateral received in the securities lending program are excluded.

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

South Carolina Retirement Systems Schedule of Investment Allocation¹

Fair Value of Investments as of June 30, 2015

(Dollar amounts expressed in thousands)



FY 2014

FY 2015

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

²Short-term investments with an original maturity of three months or less were classified as cash equivalents for financial statement purposes. The short-term total includes cash of \$945,660 (in thousands). Investments made with cash collateral received in the securities lending program are excluded.

³For accounting purposes, derivatives such as futures, options and swaps are reflected in the asset class to which they pertain.

South Carolina Retirement System Summary of Fair Value of Investments¹

(Amounts expressed in thousands)

| | Fair Value | | % of Fair Value at 06/30/15 |
|-----------------------------------------|----------------------|----------------------|-----------------------------------|
| | 06/30/2014 | 06/30/2015 | |
| Short-term Investments | \$ 3,236,054 | \$ 3,111,836 | 12.10% |
| Debt | | | |
| Domestic Fixed Income | 4,926,250 | 5,246,660 | 20.41% |
| International Fixed Income | 2,133,683 | 1,607,359 | 6.25% |
| Public Equity | | | |
| Domestic Equity | 2,176,128 | 1,729,331 | 6.73% |
| International Equity | 3,279,266 | 4,399,301 | 17.11% |
| Global Tactical Asset Allocation | 1,823,709 | 1,909,410 | 7.43% |
| Alternatives | 7,965,558 | 7,703,664 | 29.97% |
| Total Investments | <u>\$ 25,540,648</u> | <u>\$ 25,707,561</u> | <u>100.00%</u> |

Police Officers Retirement System Summary of Fair Value of Investments¹

(Amounts expressed in thousands)

| | Fair Value | | % of Fair Value at 06/30/15 |
|-----------------------------------------|---------------------|---------------------|-----------------------------------|
| | 06/30/2014 | 06/30/2015 | |
| Short-term Investments | \$ 504,129 | \$ 496,462 | 12.25% |
| Debt | | | |
| Domestic Fixed Income | 760,296 | 825,787 | 20.37% |
| International Fixed Income | 329,303 | 252,987 | 6.24% |
| Public Equity | | | |
| Domestic Equity | 335,854 | 272,185 | 6.72% |
| International Equity | 506,108 | 692,419 | 17.08% |
| Global Tactical Asset Allocation | 281,463 | 300,528 | 7.42% |
| Alternatives | 1,229,369 | 1,212,502 | 29.92% |
| Total Investments | <u>\$ 3,946,522</u> | <u>\$ 4,052,870</u> | <u>100.00%</u> |

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

General Assembly Retirement System Summary of Fair Value of Investments¹

(Amounts expressed in thousands)

| | Fair Value | | % of Fair Value at 06/30/15 |
|-----------------------------------------|------------------|------------------|-----------------------------------|
| | 06/30/2014 | 06/30/2015 | |
| Short-term Investments | \$ 5,716 | \$ 5,491 | 16.58% |
| Debt | | | |
| Domestic Fixed Income | 6,174 | 6,417 | 19.37% |
| International Fixed Income | 2,675 | 1,966 | 5.93% |
| Public Equity | | | |
| Domestic Equity | 2,727 | 2,115 | 6.39% |
| International Equity | 4,110 | 5,381 | 16.24% |
| Global Tactical Asset Allocation | 2,286 | 2,336 | 7.05% |
| Alternatives | 9,983 | 9,423 | 28.44% |
| Total Investments | <u>\$ 33,671</u> | <u>\$ 33,129</u> | <u>100.00%</u> |

Judges and Solicitors Retirement System Summary of Fair Value of Investments¹

(Amounts expressed in thousands)

| | Fair Value | | % of Fair Value at 06/30/15 |
|-----------------------------------------|-------------------|-------------------|-----------------------------------|
| | 06/30/2014 | 06/30/2015 | |
| Short-term Investments | \$ 20,206 | \$ 20,315 | 13.61% |
| Debt | | | |
| Domestic Fixed Income | 27,804 | 29,942 | 20.06% |
| International Fixed Income | 12,043 | 9,173 | 6.15% |
| Public Equity | | | |
| Domestic Equity | 12,283 | 9,869 | 6.61% |
| International Equity | 18,508 | 25,106 | 16.82% |
| Global Tactical Asset Allocation | 10,293 | 10,896 | 7.30% |
| Alternatives | 44,958 | 43,964 | 29.45% |
| Total Investments | <u>\$ 146,095</u> | <u>\$ 149,265</u> | <u>100.00%</u> |

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

South Carolina National Guard Supplemental Retirement Plan

Summary of Fair Value of Investments¹

(Amounts expressed in thousands)

| | Fair Value | | % of Fair Value at 06/30/15 |
|-----------------------------------------|------------------|------------------|-----------------------------------|
| | 06/30/2014 | 06/30/2015 | |
| Short-term Investments | \$ 4,296 | \$ 4,618 | 19.48% |
| Debt | | | |
| Domestic Fixed Income | 4,002 | 4,431 | 18.70% |
| International Fixed Income | 1,733 | 1,357 | 5.73% |
| Public Equity | | | |
| Domestic Equity | 1,768 | 1,461 | 6.16% |
| International Equity | 2,664 | 3,715 | 15.67% |
| Global Tactical Asset Allocation | 1,482 | 1,613 | 6.81% |
| Alternatives | 6,472 | 6,506 | 27.45% |
| Total Investments | <u>\$ 22,417</u> | <u>\$ 23,701</u> | <u>100.00%</u> |

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

South Carolina Retirement Systems

List of Largest Assets Held

As of June 30, 2015

SCRS held units in the following index funds:

| Units | Description | SCRS | PORS | GARS | JSRS | SCNG | Fair Value |
|-------------|--------------------------------|-----------------|---------------|-------------|--------------|-------------|-------------------------|
| 128,309,554 | Blackrock MSCI World Index | \$1,760,710,872 | \$277,123,432 | \$2,153,537 | \$10,048,117 | \$1,487,031 | \$ 2,051,522,989 |
| 22,921,176 | Daily MSCI USA Index NL Fund | 526,088,346 | 82,802,583 | 643,462 | 3,002,308 | 444,315 | 612,981,014 |
| 4,910,972 | MSCI EAFE Index NL Fund (FD12) | 353,100,864 | 55,575,577 | 431,880 | 2,015,094 | 298,216 | 411,421,631 |
| 463,573 | MSCI CAD Index NL Fund (CA-12) | 33,121,835 | 5,213,142 | 40,512 | 189,021 | 27,973 | 38,592,483 |
| | Total | | | | | | \$ 3,114,518,117 |

Top Ten Equity Holdings

| Units | Description | SCRS | PORS | GARS | JSRS | SCNG | Fair Value |
|---------|-----------------------------|---------------|--------------|-----------|------------|-----------|-----------------------|
| 222,937 | Apple Inc | \$ 23,998,159 | \$ 3,777,140 | \$ 29,352 | \$ 136,954 | \$ 20,268 | \$ 27,961,873 |
| 155,537 | CVS Health Corp | 14,000,323 | 2,203,552 | 17,124 | 79,898 | 11,824 | 16,312,721 |
| 127,097 | UnitedHealth Group Inc | 13,307,816 | 2,094,556 | 16,277 | 75,946 | 11,239 | 15,505,834 |
| 124,683 | Gilead Sciences Inc | 12,528,573 | 1,971,909 | 15,324 | 71,499 | 10,581 | 14,597,886 |
| 285,174 | Altria Group Inc | 11,970,692 | 1,884,102 | 14,641 | 68,315 | 10,110 | 13,947,860 |
| 238,579 | Wells Fargo & Co | 11,515,669 | 1,812,485 | 14,085 | 65,718 | 9,726 | 13,417,683 |
| 64,500 | Costar Group Inc | 11,141,120 | 1,753,533 | 13,627 | 63,581 | 9,409 | 12,981,270 |
| 281,811 | Microsoft Corp | 10,678,256 | 1,680,682 | 13,061 | 60,939 | 9,018 | 12,441,956 |
| 111,199 | Home Depot Inc | 10,605,811 | 1,669,279 | 12,972 | 60,526 | 8,957 | 12,357,545 |
| 188,000 | Jack Henry & Associates Inc | 10,439,358 | 1,643,081 | 12,768 | 59,576 | 8,817 | 12,163,600 |
| | Total | | | | | | \$ 151,688,228 |

Top Ten Fixed Income Holdings

| Par Value | Description | SCRS | PORS | GARS | JSRS | SCNG | Fair Value |
|--------------|---------------------------------------------------|----------------|---------------|------------|--------------|------------|-----------------------|
| \$ 5,600,000 | iShares Emerging Markets Local Currency Bond ETF | \$ 210,029,898 | \$ 33,057,220 | \$ 256,889 | \$ 1,198,610 | \$ 177,383 | \$ 244,720,000 |
| 1,200,000 | iShares JP Morgan USD Emerging Market Bond ETF | 113,206,046 | 17,817,831 | 138,463 | 646,050 | 95,610 | 131,904,000 |
| 122,950,000 | Commit To Purchase FNMA 4.000% due 07/01/2045 | 111,797,722 | 17,596,170 | 136,741 | 638,013 | 94,420 | 130,263,066 |
| 103,400,000 | US Treasury Note 2.750% due 02/15/2024 | 92,132,578 | 14,501,016 | 112,688 | 525,787 | 77,812 | 107,349,881 |
| 75,000,000 | US Treasury Note 1.000% due 08/31/2016 | 64,831,240 | 10,203,978 | 79,296 | 369,982 | 54,754 | 75,539,250 |
| 84,915,000 | US Treasury Bond 2.500% due 02/15/2045 | 64,138,415 | 10,094,933 | 78,448 | 366,028 | 54,169 | 74,731,993 |
| 68,000,000 | US Treasury Note 1.000% due 09/15/2017 | 58,698,036 | 9,238,655 | 71,794 | 334,981 | 49,574 | 68,393,040 |
| 56,500,000 | Federal Farm Credit Bank 1.125% due 12/18/2017 | 48,683,877 | 7,662,498 | 59,546 | 277,832 | 41,117 | 56,724,870 |
| 46,231,568 | US Treasury - CPI Inflation 0.125% due 07/15/2024 | 38,695,221 | 6,090,354 | 47,328 | 220,828 | 32,681 | 45,086,412 |
| 44,730,000 | US Treasury Note 2.125% due 06/30/2022 | 38,551,336 | 6,067,707 | 47,152 | 220,007 | 32,559 | 44,918,761 |
| | Total | | | | | | \$ 979,631,273 |

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

South Carolina Retirement Systems

Schedule of Investment Results

Combined Investment Portfolio

| Schedule of Investments | FYE 2015 | 3 Years | 5 Years |
|-------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| South Carolina Plan Return (Net of Fees)¹ | 1.60% | 8.81% | 8.87% |
| South Carolina Policy Benchmark² | 1.21% | 7.74% | 8.05% |
| Global Public Equity | 1.91% | 14.94% | 13.03% |
| <i>MSCI All-Country World Index Net</i> | 0.71% | 13.01% | 11.93% |
| Private Equity | 9.71% | 15.82% | 14.39% |
| <i>80% Russell 3000 / 20% MSCI EAFE + 300 Bps on a 3-month lag</i> | 12.63% | 17.98% | 16.02% |
| Commodity^{1,3} | n/a | n/a | n/a |
| <i>Bloomberg Commodity Index</i> | -23.71% | -8.76% | -3.91% |
| Real Estate | 19.32% | 18.97% | 12.81% |
| <i>NCREIF Open-end Diversified Core (ODCE) Index 75 Bps</i> | 14.20% | 13.41% | 15.27% |
| HF (Low Beta) | 8.62% | n/a | n/a |
| <i>HFRI Fund weighted Composite Index</i> | 2.31% | 6.38% | 5.13% |
| GTAA | -1.72% | 5.62% | 8.62% |
| <i>50% MSCI World / 50% S&P/Citi WGBI</i> | -3.85% | 5.69% | 7.12% |
| Private Debt | 4.87% | 11.86% | 9.78% |
| <i>S&P/LSTA Leveraged Loan + 150 Bps on a 3-month lag</i> | 4.04% | 6.41% | 6.56% |
| Mixed Credit | -1.88% | 5.65% | 6.74% |
| <i>1/3 Barclays U.S. High Yield - 2% Issuer Cap, 1/3 S&P/LSTA Leveraged Loan and 1/3 Barclays MBS Indices</i> | 1.25% | 4.54% | 5.67% |
| EM Debt | -7.88% | 0.16% | 3.20% |
| <i>50% JPM EMBI USD / 50% JPM GBIEM Local</i> | -7.72% | 0.22% | 3.89% |
| Core Fixed Income | 1.62% | 2.05% | 3.64% |
| <i>Barclays US Aggregate Bond Index</i> | 1.86% | 1.83% | 3.35% |
| Global Fixed Income | -3.41% | 2.28% | 4.29% |
| <i>Barclays Global Aggregate Bond Index (Hedged)</i> | 2.96% | 3.27% | 3.71% |
| Short Duration | 1.12% | 1.40% | 1.72% |
| <i>Barclays 1-3 Year Government/Credit Index</i> | 0.93% | 0.94% | 1.17% |
| Cash⁴ | 0.02% | 0.06% | 0.08% |
| <i>Merrill Lynch 3-Month T-Bill</i> | 0.02% | 0.06% | 0.08% |

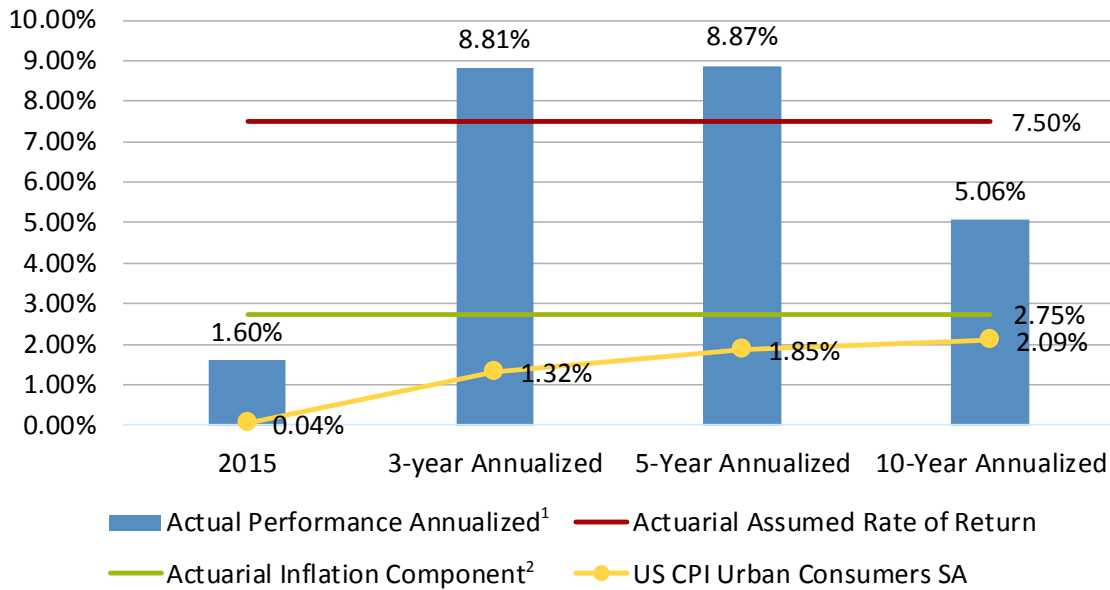
¹ Plan returns are from BNY Mellon and are time-weighted, total return calculations, net of fees and expenses. All returns are expressed in U.S. Dollars. Periods greater than one year are annualized. Returns generated from synthetic exposure through the Overlay Program are reflected in the total Plan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

² The South Carolina Policy Benchmark is set annually by the RSIC and has changed over time. The presented returns are a blend of these past policies.

³ Commodity exposure is captured in the overlay program synthetically.

⁴ Cash returns are estimated using the Merrill Lynch 3-Month T-Bill.

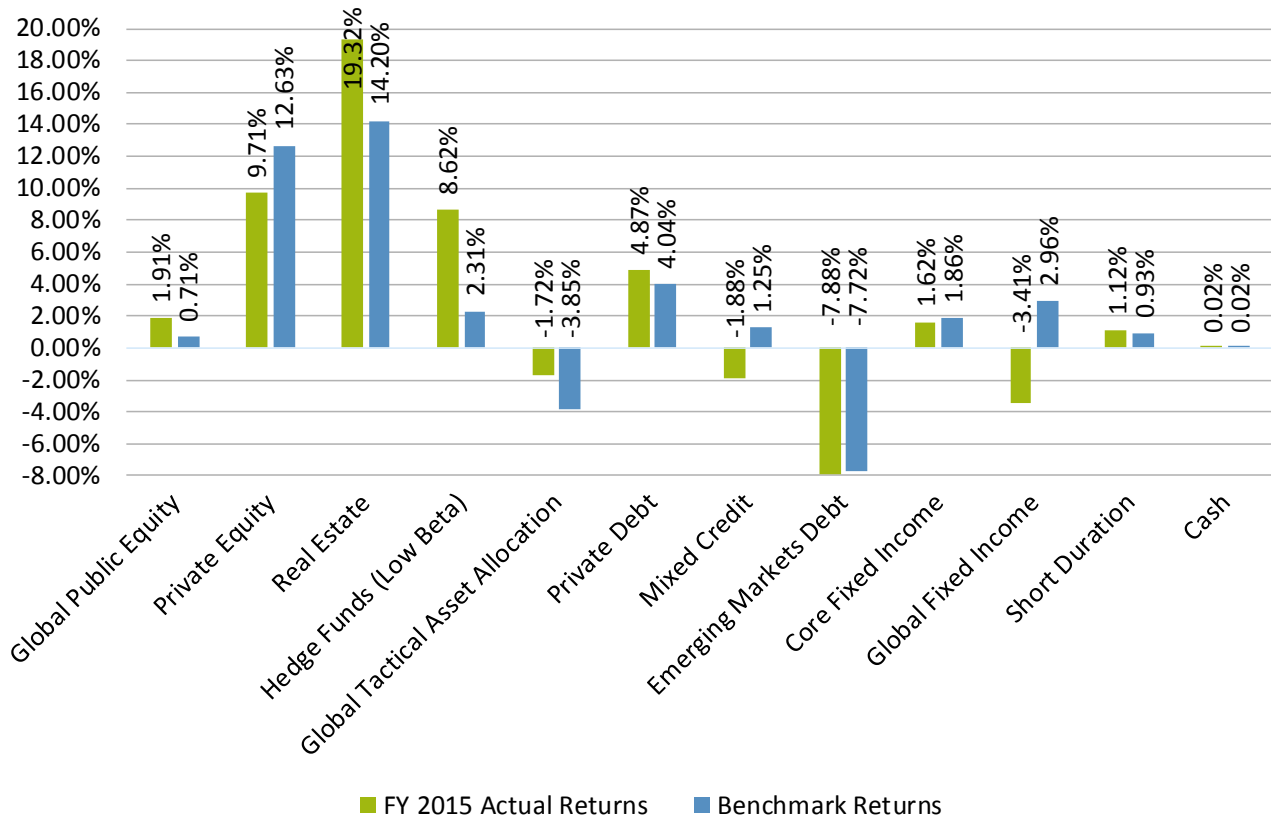
South Carolina Retirement Systems Investment Performance Summary



¹Plan returns are from BNY Mellon and are time-weighted, total return calculations, net of fees and expenses. All returns are expressed in U.S. Dollars. Periods greater than one year are annualized.

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

Fiscal Year 2015 Investment Performance by Market Segment



South Carolina Retirement Systems Schedule of Investment Fees and Commissions

For the Year Ended June 30, 2015

| | Fair Value of Assets Under Management at June 30, 2015 ¹ | Reported Fees ² |
|--------------------------------------|---------------------------------------------------------------------------|----------------------------|
| Investment Managers' Fees | \$ 29,925,776,151 | \$ 348,224,409 |
| Other Investment Service Fees | | |
| Bank Fees and Investment Expenses | | 12,821,969 |
| | | \$ 361,046,377 |

| Brokerage Firm | Number of Shares Traded | Commissions ³ | Average Commissions per Share |
|----------------------------------------|----------------------------|--------------------------|----------------------------------|
| Goldman Sachs & Co. | 8,211,164 | \$ 1,349,428 | 0.1643 |
| Instinet Europe Limited | 29,380,731 | 281,002 | 0.0096 |
| Pershing LLC | 26,269,307,281 | 264,612 | 0.0000 |
| Merrill Lynch Pierce Fenner Smith Inc. | 14,498,130 | 239,051 | 0.0165 |
| Investment Technology Group | 15,911,154 | 207,551 | 0.0130 |
| UBS Securities LLC | 12,202,521 | 202,100 | 0.0166 |
| Morgan Stanley & Co., Inc. | 24,778,505 | 148,307 | 0.0060 |
| Credit Suisse | 12,002,242 | 115,780 | 0.0097 |
| Deutsche Bank International Equities | 12,123,296 | 101,395 | 0.0084 |
| UBS Warburg | 10,798,148 | 86,771 | 0.0080 |
| Deutsche Bank Securities Inc. | 2,668,202 | 83,812 | 0.0314 |
| RCB Capital Markets LLC | 3,252,254 | 71,347 | 0.0219 |
| Merrill Lynch Gilts LTD | 7,142,039 | 63,933 | 0.0090 |
| Knight Equity Markets LP | 1,152,700 | 57,262 | 0.0497 |
| Jefferies & Co., Inc. | 2,725,540 | 56,150 | 0.0206 |
| BNY Convergenx | 1,364,118 | 54,862 | 0.0402 |
| Stifel Nicolaus | 1,371,858 | 53,610 | 0.0391 |
| All others ⁴ | 87,686,729 | 993,955 | 0.0113 |
| | 26,516,576,612 | \$ 4,430,928 | 0.0002 |

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

² A portion of investment expenses are directly invoiced by the manager; however, a significant number of investment managers provide account valuations on a net of fee basis. The RSIC makes a good faith attempt to account for fees that are not necessarily readily separable. Conifer Financial Services, administrator for the RSIC, provides support to the RSIC for the collection, aggregation and reasonability testing so that the RSIC can provide the Retirement Division of PEBA with investment fees and expenses that would not be disclosed otherwise. These amounts include management fees, performance fees (carried interest) and other expenses such as organizational expenses in limited partnership structures.

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

⁴ Other brokers include 102 additional brokers each receiving less than \$50,000 in total commissions.

South Carolina Retirement Systems

Schedule of Investment Managers and Fees

For the Year Ended June 30, 2015

(Amounts expressed in thousands)

| Style | Investment Manager | Fair Value of Assets Under Management at 6/30/2015 ¹ | Manager Fees Directly Invoiced | Manager Fees Deducted on a Net of Fee Basis ² | | | Total Investment Manager Fees |
|---------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------|--------------------------------|----------------------------------------------------------|------------------|------------|-------------------------------|
| | | | | Management Fees | Performance Fees | Other Fees | |
| Short Duration | | | | | | | |
| | Apollo Partnership Short Duration | \$ 190,028 | | \$ 502 | | \$ 448 | \$ 950 |
| | Goldman Sachs Partnership Short Duration | 395,143 | | | | | |
| | Penn Limited Term HY | 425,071 | 1,549 | | | | 1,549 |
| Domestic Fixed Income | | | | | | | |
| Core Fixed Income | | | | | | | |
| | Blackrock Financial Management, Inc. | 1,407,385 | 1,332 | | | | 1,332 |
| | Jamison, Eaton & Wood | | 316 | | | | 316 |
| | Pacific Investment Management Co. | 1,211,277 | 1,754 | | | | 1,754 |
| | Russell IG Transition | 165,579 | | | | | |
| Mixed Credit | | | | | | | |
| | Apollo Partnership Mixed Credit | 279,673 | | 2,489 | | 648 | 3,137 |
| | GSO Partnership Mixed Credit | 8,014 | | | | 106 | 106 |
| | Guggenheim | 449,014 | 276 | | | | 276 |
| | Loomis Sayles HY | 214,942 | 1,057 | | | | 1,057 |
| | Penn HY | 265,402 | 1,228 | | | | 1,228 |
| | Pinebridge | 396,190 | | | | | |
| Global Fixed Income | | | | | | | |
| Global Fixed Income | | | | | | | |
| | Loomis Sayles GFI | 369,114 | 1,146 | | | | 1,146 |
| | Mondrian GFI | | 674 | | | | 674 |
| | WAMCO GFI | | 1,065 | | | | 1,065 |
| Emerging Market Debt | | | | | | | |
| | Goldman Sachs Partnership Emerging Market Debt | 255,972 | | 1,122 | | | 1,122 |
| | Mondrian Investment Group, Inc. | 214,956 | 1,257 | | | | 1,257 |
| | Russell EMD Transition | 552,355 | 509 | | | | 509 |
| | Russell EMD Transition Local | 51,096 | 22 | | | | 22 |
| Domestic Equity: | | | | | | | |
| | Integrity Small V | 336,094 | 1,886 | | | | 1,886 |
| | Pyramis Small C | 315,856 | 2,013 | | | (81) | 1,932 |
| | Russell - Large Cap Transitions | 56 | 845 | | | | 845 |
| | TimesSquare SMID G | 561,263 | 4,249 | | | | 4,249 |
| Global Equity | | | | | | | |
| Global Equity | | | | | | | |
| | AQR | 685,992 | 138 | | | | 138 |
| | Blackrock Global Equity | 2,051,523 | 404 | | | | 404 |
| | Intech | 690,479 | 254 | | | | 254 |
| | State Street Global Equity | 1,062,995 | 111 | | | | 111 |
| Developed International Equity | | | | | | | |
| | Johnston Fund | | 590 | | | | 590 |
| | Lighthouse Partnership Developed International Equity | 464,569 | | 2,749 | | 195 | 2,944 |
| | Russell Global Equity Transition | 2,907 | 55 | | | | 55 |

South Carolina Retirement Systems

Schedule of Investment Managers and Fees (cont.)

For the Year Ended June 30, 2015

(Amounts expressed in thousands)

| Style | Investment Manager | Fair Value of Assets Under Management at 6/30/2015 ¹ | Manager Fees Directly Invoiced | Manager Fees Deducted on a Net of Fee Basis ² | | | Total Investment Manager Fees |
|-------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------|--------------------------------|----------------------------------------------------------|------------------|------------|-------------------------------|
| | | | | Management Fees | Performance Fees | Other Fees | |
| Emerging Market Equity | | | | | | | |
| | Aberdeen | 236,781 | 1,975 | | | | 1,975 |
| | LSV Asset Management | 249,155 | | 2,584 | | | 2,584 |
| | Schroders | 246,650 | 1,878 | | | | 1,878 |
| | William Blair | 268,151 | 1,698 | | | | 1,698 |
| Global Tactical Asset Allocation | | | | | | | |
| | Bridgewater Associates, Inc. | 1,009,390 | | 2,970 | | 439 | 3,409 |
| | Grantham, Mayo, Van Otterloo & Co. LLC | 973,268 | 5,493 | 3,370 | | | 8,863 |
| | Entrust Partnership Global Tactical Asset Allocation | 242,125 | | 1,017 | (378) | 1,456 | 2,095 |
| Alternatives: | | | | | | | |
| Hedge Funds (Global Public Equity, Low Beta, Mixed Credit) | | | | | | | |
| | Apollo Partnership Hedge Funds | 6,539 | | | | 162 | 162 |
| | Blackstone Partnership Hedge Funds | 101 | | | | | |
| | Blackstone SAF II | 188,143 | | 1,434 | | | 1,434 |
| | Bridgewater Associates, Inc. | 443,575 | | 10,402 | 10,784 | 428 | 21,614 |
| | Bridgewater Associates, Inc. | 108,384 | | 2,390 | 4,491 | 124 | 7,005 |
| | Caspian SC Holdings LP | 221,730 | | 2,273 | (1,566) | | 707 |
| | DE Shaw - DE Shaw Composite | 392,443 | | 9,240 | 16,473 | | 25,713 |
| | GAM PA | 9,365 | | | | 29 | 29 |
| | Goldman Sachs Partnership Hedge Funds | 77,147 | | 1,080 | | 245 | 1,325 |
| | Grosvenor Partnership Hedge Funds | 376,735 | | 3,245 | 84 | 554 | 3,883 |
| | GSO Partnership Hedge Funds | 93,383 | | 1,230 | (1,009) | 265 | 486 |
| | Lighthouse Partnership Hedge Funds | 1,384,174 | | 25,900 | 23,059 | 3,655 | 52,614 |
| | Loomis Sayles Credit L/S | | | 86 | (160) | | (74) |
| | Morgan Stanley Partnership Hedge Funds | 139,953 | | 1,066 | (65) | 180 | 1,181 |
| | Reservoir Strategic Partners Fund L.P. | 81,184 | | 956 | 85 | 180 | 1,221 |
| Private Debt | | | | | | | |
| | Angelo Gordon VI | 9,392 | | 179 | (1,805) | 38 | (1,588) |
| | Apollo Partnership Private Debt | 67,488 | | 1,347 | 3,828 | 667 | 5,842 |
| | Avenue Europe I (Parallel II) | 3,340 | | | 315 | 84 | 399 |
| | Avenue Europe II | 55,685 | | 1,038 | 1,465 | 285 | 2,788 |
| | Avenue Spec VI | 74,704 | | 448 | (8,116) | 256 | (7,412) |
| | Crescent Mezz V | 29,942 | | 287 | 1,404 | | 1,691 |
| | Crescent Mezz VI | 65,943 | | 1,166 | 707 | 463 | 2,336 |
| | DE Shaw Direct Capital | 24,088 | | 299 | | | 299 |
| | Gateway Energy | 28,020 | | 28 | 66 | 384 | 478 |
| | Goldman Sachs Mezz V | 12,962 | | 780 | 886 | | 1,666 |
| | Goldman Sachs Partnership Private Debt | 164,226 | | 1,616 | 1,461 | 1,668 | 4,745 |
| | Golub PEARLS | 77,891 | | 480 | 357 | 190 | 1,027 |
| | GSO Partnership Private Debt | 634,271 | | 4,093 | 3,267 | 2,786 | 10,146 |
| | KKR Lending Partners II | 43,384 | | | 502 | 693 | 1,195 |

South Carolina Retirement Systems

Schedule of Investment Managers and Fees (cont.)

For the Year Ended June 30, 2015

(Amounts expressed in thousands)

| Style | Investment Manager | Fair Value of Assets Under Management at 6/30/2015 ¹ | Manager Fees Directly Invoiced | Manager Fees Deducted on a Net of Fee Basis ² | | | Total Investment Manager Fees |
|-----------------------|-------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|---------------------|---------------|----------------------------------------|
| | | | | Management Fees | Performance Fees | Other Fees | |
| | Morgan Stanley Partnership Private Debt | 43,531 | | 503 | 508 | 186 | 1,197 |
| | Northstar Mezz V | 28,420 | | 498 | | 15 | 513 |
| | Sankaty COP IV | 42,660 | | 1,077 | 51 | 61 | 1,189 |
| | Sankaty COP V | 40,464 | | 361 | (32) | 94 | 423 |
| | Selene I | 1,723 | | 156 | 1,200 | 489 | 1,845 |
| | Selene II | 72,632 | | 1,154 | 520 | 2,058 | 3,732 |
| | SJC DL II | 32,460 | | | 481 | 68 | 549 |
| | WL Ross - WLR Whole Loans | 65,324 | | 167 | 2,121 | 127 | 2,415 |
| | WL Ross Partnership Private Debt | 35,035 | | | | | |
| Private Equity | | | | | | | |
| | Advent - Advent International GPE VII | 36,091 | | 615 | | | 615 |
| | Apax Europe VII | 28,248 | | 25 | 5,981 | 30 | 6,036 |
| | Apax Europe VIII | 25,353 | | 908 | 1,054 | 456 | 2,418 |
| | Apollo Partnership Private Equity | 212,651 | | 2,141 | (5,345) | 1,368 | (1,836) |
| | Aquiline Financial Services I | 71,163 | | 639 | (1,008) | (14) | (383) |
| | Aquiline Financial Services II | 132,776 | | 1,587 | 2,938 | 138 | 4,663 |
| | Azalea Co-Investment | 23 | | | | | |
| | BC European Cap IX | 19,662 | | 391 | 943 | 58 | 1,392 |
| | Bridgepoint Europe IV | 48,462 | | 375 | | 138 | 513 |
| | Bridgepoint Europe V | (343) | | | | | |
| | Brookfield Capital IV | (161) | | | | | |
| | Carousel Capital III | 6,832 | | 18 | 695 | | 713 |
| | Carousel Capital IV | 21,252 | | 233 | 1,433 | 1 | 1,667 |
| | CD&R VIII | 86,704 | | | | | |
| | Crestview II | 85,254 | | 340 | 1,142 | 59 | 1,541 |
| | Crestview III | 9,071 | | 481 | | 721 | 1,202 |
| | Goldman Sachs Partnership Private Equity | 63,218 | | 863 | 944 | 242 | 2,049 |
| | Industry Ventures V | 51,915 | | 2,101 | 4,961 | | 7,062 |
| | Industry Ventures VI | 31,109 | | 312 | | | 312 |
| | Industry Ventures VII | 17,372 | | 500 | 304 | 163 | 967 |
| | Lexington Capital VII | 60,679 | | 1,265 | 567 | 118 | 1,950 |
| | Lexington Middle Market II | 32,812 | | 420 | 185 | 23 | 628 |
| | Morgan Stanley Partnership Private Equity | 341,057 | | 3,186 | 2,215 | 611 | 6,012 |
| | Neuberger Berman II | 24,642 | | 349 | 154 | 50 | 553 |
| | Oaktree EOF III | 34,769 | | 585 | 1,754 | | 2,339 |
| | Pantheon Europe V | 41,434 | | 514 | | 34 | 548 |
| | Pantheon USA VII | 101,960 | | 937 | | 1 | 938 |
| | Paul Capital IX | 29,692 | | 831 | | | 831 |
| | Reservoir Capital Partners (Cayman) L.P. | 58,642 | | 521 | 1,543 | 23 | 2,087 |
| | Square 1 Venture 1 | 35,682 | | 254 | 351 | 41 | 646 |
| | Truebridge Capital I | 52,023 | | 340 | 633 | 63 | 1,036 |
| | Truebridge Capital II | 62,766 | | 444 | 763 | 107 | 1,314 |

South Carolina Retirement Systems

Schedule of Investment Managers and Fees (cont.)

For the Year Ended June 30, 2015

(Amounts expressed in thousands)

| Style | Investment Manager | Fair Value of Assets Under Management at 6/30/2015 ¹ | Manager Fees Directly Invoiced | Manager Fees Deducted on a Net of Fee Basis ² | | | Total Investment Manager Fees |
|-------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|--------------------------------|----------------------------------------------------------|------------------|------------|-------------------------------|
| | | | | Management Fees | Performance Fees | Other Fees | |
| | Warburg Pincus X | 76,496 | | 2,054 | 216 | 213 | 2,483 |
| | Warburg Pincus XI | 38,625 | | 1,113 | 1,820 | 274 | 3,207 |
| | Welsh Carson Anderson & Stowe XI | 43,579 | | 299 | 1,881 | 77 | 2,257 |
| | WL Ross Partnership Private Equity | 195,744 | | 119 | 4,541 | 78 | 4,738 |
| | Various Private Equity Managers ³ | 436,707 | | 979 | 834 | 63 | 1,876 |
| Real Estate | | | | | | | |
| | American Timberlands Fund | 27,936 | | 450 | (598) | | (148) |
| | Apollo Partnership Real Estate | 91,465 | | 1,317 | 2,449 | 971 | 4,737 |
| | Blackstone Real Estate VII | 139,223 | | 4,232 | 6,147 | | 10,379 |
| | Brookfield REF III | 24,367 | | 613 | | | 613 |
| | Brookfield REF IV | 9,097 | | 45 | | 42 | 87 |
| | Brookfield SREP LP | 74,313 | | 2,561 | 1,934 | | 4,495 |
| | Brookfield SREP II LP | (49) | | | | | |
| | Carlyle VI | 74,156 | | 681 | 5,060 | | 5,741 |
| | Goldman Sachs Partnership Real Estate | 10,748 | | 349 | 677 | 1,342 | 2,368 |
| | Greystar VII | 192,752 | | 832 | 8,771 | (3) | 9,600 |
| | Lone Star II | 13,611 | | 652 | 2,261 | 73 | 2,986 |
| | Morgan Stanley Partnership Real Estate | 97,645 | | 1,061 | 1,968 | 585 | 3,614 |
| | Oaktree ROF V | 64,558 | | 921 | 2,981 | | 3,902 |
| | Oaktree ROF VI | 83,853 | | 1,123 | 3,508 | | 4,631 |
| | Och-Ziff II | 40,121 | 446 | | 2,293 | 266 | 3,005 |
| | Pembrook Capital Management - PCI Investors Fund II | 23,569 | | 427 | 581 | 2,529 | 3,537 |
| | TA Realty X | 81,073 | | 923 | 1,342 | | 2,265 |
| | Torchlight III | 13,295 | | 268 | 1,662 | 197 | 2,127 |
| | Torchlight IV | 64,882 | | 695 | 1,713 | 608 | 3,016 |
| | U. S. REIF | 12,068 | | | | | |
| | WL Ross Partnership Real Estate | 48,276 | | 928 | (5) | 101 | 1,024 |
| Strategic Partnerships⁴ | | | | | | | |
| | Apollo | 89,616 | | | | 360 | 360 |
| | Entrust | 50,228 | | | | | |
| | Goldman Sachs | 173,409 | | 538 | | 1,449 | 1,987 |
| | Grosvenor | 71,137 | | | | 98 | 98 |
| | GSO | 37,844 | | | | | |
| | Lighthouse | 252,586 | | 4,708 | | 1,390 | 6,098 |
| | Morgan Stanley | 49,958 | | 48 | | 633 | 681 |
| | WL Ross | 114,989 | | 1,014 | | 513 | 1,527 |
| Beta Overlay | | | | | | | |
| | Russell Investment Group | 641,339 | 935 | | | | 935 |

South Carolina Retirement Systems Schedule of Investment Managers and Fees (cont.)

For the Year Ended June 30, 2015

(Amounts expressed in thousands)

| Style | Investment Manager | Fair Value of Assets Under Management at 6/30/2015 ¹ | Manager Fees Directly Invoiced | Manager Fees Deducted on a Net of Fee Basis ² | | | Total Investment Manager Fees |
|----------------------------------|---------------------------------------------------|-----------------------------------------------------------------|--------------------------------|----------------------------------------------------------|-------------------|------------------|-------------------------------|
| | | | | Management Fees | Performance Fees | Other Fees | |
| Internally Managed Assets | | | | | | | |
| | Core Fixed Income | 496,157 | | | | | |
| | Short Duration | 1,280,224 | | | | | |
| | SCRS Liquidity | 348,022 | | | | | |
| | Cash Accounts | 715,544 | | | | | |
| | SCRS Emerging Markets Debt ETF | 376,624 | | | | | |
| | SCRS Distribution In Kind | 2,273 | | | | | |
| | Total Fair Value of Assets and Manager Fees | <u>\$ 29,925,776</u> | <u>\$ 35,155</u> | <u>\$ 141,907</u> | <u>\$ 135,227</u> | <u>\$ 35,935</u> | <u>\$ 348,224</u> |
| | Adjustments, Cash, Receivables and Payables | <u>(736,238)</u> | | | | | |
| | Net Asset Value as reported by the Custodial Bank | <u>\$ 29,189,538</u> | | | | | |

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

²Investment manager fees, whether directly invoiced (\$35,155,508) or deducted from the fund on a net basis (\$313,068,901) are classified and reported as Investment Expense. The RSIC makes a good faith attempt to account for fees that are not necessarily readily separable. Conifer Financial Services, administrator for the RSIC, provides support to the RSIC for the collection, aggregation and reasonability testing so that the RSIC can provide the Retirement Division of PEBA with investment fees and expenses that would not be disclosed otherwise. These amounts include management fees, performance fees (carried interest) and other expenses such as organizational expenses in limited partnership structures.

³Represents the aggregation of five managers, each with total investment manager fees of less than \$250,000, and one manager that has a non-disclosure agreement.

⁴Represents management and other fees at the Strategic Partnership level, and not fees at the underlying investment level which are included in each applicable asset class. Fair Value represents cash balances at the Strategic Partnership level.

Actuarial Section



November 4, 2015

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

Subject: Statement of Certification for the Actuarial Valuation as of July 1, 2014

Dear Members of the Board:

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

Financing Objectives and Funding Policy

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

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

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

To accomplish this, the employer contribution rate will be at least equal to the sum of the employer normal cost rate (which pays the current year's cost) and an amortization rate which results in the UAAL being funded over a period that does not exceed 30 years in installments. These installments increase at the assumed rate of growth in payroll for each System.

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

Progress toward Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches at least 100%. For all systems on a combined basis, the funded ratio slightly increased from 63.2% in 2013 to 63.5% in 2014.

Assumptions and Methods

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. South Carolina State Code requires the Board to have the actuary perform an experience study every five years. The last experience study was performed in 2011. The recommended assumptions as a result of this experience study were adopted by the Budget and Control Board in November 2011. All the assumptions and methods adopted by the Budget and Control Board satisfy the requirements in the Actuarial Standards of Practice that are applicable for actuarial valuations of public retirement systems. The next experience study will be conducted using the plan's experience for the five-year period ending June 30, 2015, and presented to the Board in early 2016.

It is our opinion that the actuarial assumptions used to perform this valuation are internally consistent and reasonably reflect the anticipated future experience of the System.

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

The benefit structure is outlined in this section of the annual report. GRS prepared the following schedules in the actuarial section: *Actuarial Balance Sheet, Results of the Valuation as of July 1, 2014, Summary of Actuarial Assumptions and Methods, Development of the Actuarial Value of Assets, Solvency Test, and the Reconciliation of the UAAL*. GRS also prepared the following trend information in the actuarial section for years on and after July 1, 2011: *Summary of Historical Active Membership, Schedule of Retirants Added to and Removed from Rolls, and the Schedule of Funding Progress*.

South Carolina PEBA relied upon the data prepared by GRS and included in the actuarial valuations for each system to prepare the following schedules and graphs found in the actuarial section: *Summary of Active Membership Data, Summary of Membership Data and Funding Progress and Funding Ratios*. In addition, GRS prepared the following schedules in the financial section in accordance with GASB Statement No. 67: *Net Pension Liability Schedule, Discount Rate Sensitivity Analysis, Schedule of Changes in the Employers' Net Pension Liability, Schedule of Employers' Net Pension Liability, and the Schedule of Employers' Contributions*.

Data

Member data for retired, active and inactive members was supplied as of July 1, 2014, by the PEBA staff. The staff also supplied asset information as of July 1, 2014 (and as of June 30, 2015 for purposes of calculating information in accordance with GASB Statement No. 67). We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. GRS is not responsible for the accuracy or completeness of the information provided to us by the Systems.

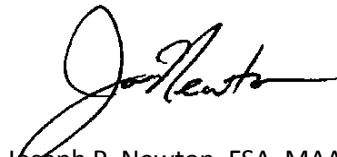
Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of the Retirement Systems as of July 1, 2014. All of our work conforms with generally accepted actuarial principles and practices, and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of South Carolina Code of Laws and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

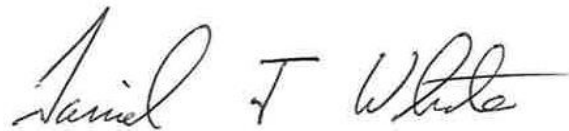
The undersigned are independent actuaries and consultants. Mr. Newton and Mr. White are Enrolled Actuaries and Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries. Both are experienced in performing valuations for large public retirement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

Sincerely,

Gabriel, Roeder, Smith & Co.



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



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

South Carolina Retirement System

Actuarial Balance Sheet

(Amounts expressed in thousands)

| | July 1, 2014 | July 1, 2013 |
|---------------------------------------------------------------------|---------------|---------------|
| 1. Assets | | |
| a. Current assets (actuarial value) | | |
| i. Employee annuity savings fund | \$ 6,717,327 | \$ 6,491,895 |
| ii. Employer annuity accumulation fund | 20,193,413 | 19,261,173 |
| iii. Total current assets | \$ 26,910,740 | \$ 25,753,068 |
| b. Present value of future member contributions | \$ 5,040,382 | \$ 4,970,944 |
| c. Present value of future employer contributions | | |
| i. Normal contributions | \$ 818,004 | \$ 906,655 |
| ii. Accrued liability contributions | 15,978,874 | 15,442,994 |
| iii. Total future employer contributions | \$ 16,796,878 | \$ 16,349,649 |
| d. Total assets | \$ 48,748,000 | \$ 47,073,661 |
| 2. Liabilities | | |
| a. Employee annuity savings fund | | |
| i. Past member contributions | \$ 6,717,327 | \$ 6,491,895 |
| ii. Present value of future member contributions | 5,040,382 | 4,970,944 |
| iii. Total contributions to employee annuity savings fund | \$ 11,757,709 | \$ 11,462,839 |
| b. Employer annuity accumulation fund | | |
| i. Benefits currently in payment | \$ 27,942,644 | \$ 26,548,472 |
| ii. Benefits to be provided to other members | 9,047,647 | 9,062,350 |
| iii. Total benefits payable from employer annuity accumulation fund | \$ 36,990,291 | \$ 35,610,822 |
| c. Total liabilities | \$ 48,748,000 | \$ 47,073,661 |

Police Officers Retirement System

Actuarial Balance Sheet

(Amounts expressed in thousands)

| | July 1, 2014 | July 1, 2013 |
|---------------------------------------------------------------------|--------------|--------------|
| 1. Assets | | |
| a. Current assets (actuarial value) | | |
| i. Employee annuity savings fund | \$ 850,383 | \$ 793,414 |
| ii. Employer annuity accumulation fund | 3,254,925 | 3,128,627 |
| iii. Total current assets | \$ 4,105,308 | \$ 3,922,041 |
| b. Present value of future member contributions | \$ 702,264 | \$ 696,270 |
| c. Present value of future employer contributions | | |
| i. Normal contributions | \$ 436,423 | \$ 411,046 |
| ii. Accrued liability contributions | 1,800,520 | 1,741,715 |
| iii. Total future employer contributions | \$ 2,236,943 | \$ 2,152,761 |
| d. Total assets | \$ 7,044,515 | \$ 6,771,072 |
| 2. Liabilities | | |
| a. Employee annuity savings fund | | |
| i. Past member contributions | \$ 850,383 | \$ 793,414 |
| ii. Present value of future member contributions | 702,264 | 696,270 |
| iii. Total contributions to employee annuity savings fund | \$ 1,552,647 | \$ 1,489,684 |
| b. Employer annuity accumulation fund | | |
| i. Benefits currently in payment | \$ 3,490,161 | \$ 3,385,496 |
| ii. Benefits to be provided to other members | 2,001,707 | 1,895,892 |
| iii. Total benefits payable from employer annuity accumulation fund | \$ 5,491,868 | \$ 5,281,388 |
| c. Total liabilities | \$ 7,044,515 | \$ 6,771,072 |

General Assembly Retirement System

Actuarial Balance Sheet

(Amounts expressed in thousands)

| | July 1, 2014 | July 1, 2013 |
|---------------------------------------------------------------------|--------------|--------------|
| 1. Assets | | |
| a. Current Assets (Actuarial Value) | | |
| i. Employee annuity savings fund | \$ 7,358 | \$ 7,164 |
| ii. Employer annuity accumulation fund | 30,288 | 30,869 |
| iii. Total current assets | \$ 37,646 | \$ 38,033 |
| b. Present Value of Future Member Contributions ¹ | \$ 1,841 | \$ 1,957 |
| c. Present Value of Future Employer Contributions | | |
| i. Normal contributions | \$ 1,350 | \$ 1,477 |
| ii. Accrued liability contributions | 36,868 | 37,606 |
| iii. Total future employer contributions | \$ 38,218 | \$ 39,083 |
| d. Total Assets | \$ 77,705 | \$ 79,073 |
| 2. Liabilities | | |
| a. Employee Annuity Savings Fund | | |
| i. Past member contributions | \$ 7,358 | \$ 7,164 |
| ii. Present value of future member contributions ¹ | 1,841 | 1,957 |
| iii. Total contributions to employee annuity savings fund | \$ 9,199 | \$ 9,121 |
| b. Employer Annuity Accumulation Fund | | |
| i. Benefits currently in payment | \$ 58,099 | \$ 59,592 |
| ii. Benefits to be provided to other members | 10,407 | 10,360 |
| iii. Total benefits payable from employer annuity accumulation fund | \$ 68,506 | \$ 69,952 |
| c. Total Liabilities | \$ 77,705 | \$ 79,073 |

¹ Includes expected contributions from special contributors.

Judges and Solicitors Retirement System

Actuarial Balance Sheet

(Amounts expressed in thousands)

| | July 1, 2014 | July 1, 2013 |
|---------------------------------------------------------------------|--------------|--------------|
| 1. Assets | | |
| a. Current Assets (Actuarial Value) | | |
| i. Employee annuity savings fund | \$ 22,926 | \$ 21,369 |
| ii. Employer annuity accumulation fund | 129,913 | 126,279 |
| iii. Total current assets | \$ 152,839 | \$ 147,648 |
| b. Present Value of Future Member Contributions | \$ 14,257 | \$ 13,640 |
| c. Present Value of Future Employer Contributions | | |
| i. Normal contributions | \$ 24,043 | \$ 22,411 |
| ii. Accrued liability contributions | 111,454 | 109,340 |
| iii. Total future employer contributions | \$ 135,497 | \$ 131,751 |
| d. Total Assets | \$ 302,593 | \$ 293,039 |
| 2. Liabilities | | |
| a. Employee Annuity Savings Fund | | |
| i. Past member contributions | \$ 22,926 | \$ 21,369 |
| ii. Present value of future member contributions | 14,257 | 13,640 |
| iii. Total contributions to employee annuity savings fund | \$ 37,183 | \$ 35,009 |
| b. Employer Annuity Accumulation Fund | | |
| i. Benefits currently in payment | \$ 184,625 | \$ 178,526 |
| ii. Benefits to be provided to other members | 80,785 | 79,504 |
| iii. Total benefits payable from employer annuity accumulation fund | \$ 265,410 | \$ 258,030 |
| c. Total Liabilities | \$ 302,593 | \$ 293,039 |

South Carolina National Guard Supplemental Retirement Plan Actuarial Balance Sheet

(Amounts expressed in thousands)

| | July 1, 2014 | July 1, 2013 |
|---------------------------------------------------------------------------|--------------|--------------|
| 1. Assets | | |
| a. Current Assets (Actuarial Value) | \$ 24,029 | \$ 22,208 |
| b. Present Value of Future Member Contributions | 0 | 0 |
| c. Present Value of Future Employer Contributions | | |
| i. Normal contributions | \$ 6,160 | \$ 6,100 |
| ii. Accrued liability contributions | 38,071 | 39,368 |
| iii. Total future employer contributions | \$ 44,231 | \$ 45,468 |
| d. Total Assets | \$ 68,260 | \$ 67,676 |
| 2. Liabilities | | |
| a. Benefits to be Paid to Retired Members | \$ 33,739 | \$ 33,590 |
| b. Benefits to be Paid to Former Members Entitled to Deferred Pensions | 11,158 | 11,742 |
| c. Benefits to be Paid to Current Active Members | 23,363 | 22,344 |
| d. Total Liabilities | \$ 68,260 | \$ 67,676 |

South Carolina Retirement System

Results of the Valuation as of July 1, 2014

(Amounts expressed in thousands)

| | <u>July 1, 2014</u> |
|------------------------------------------------------------------------------------------------|---------------------|
| 1. Actuarial Present Value of Future Benefits | |
| a. Present retired members and beneficiaries | \$ 27,942,644 |
| b. Present active and inactive members | 20,805,356 |
| c. Total actuarial present value | \$ 48,748,000 |
| 2. Present Value of Future Normal Contributions | |
| a. Employee | \$ 5,040,382 |
| b. Employer | 818,004 |
| c. Total future normal contributions | \$ 5,858,386 |
| 3. Actuarial Liability | \$ 42,889,614 |
| 4. Current Actuarial Value of Assets | \$ 26,910,740 |
| 5. Unfunded Actuarial Liability | \$ 15,978,874 |
| 6. UAAL Amortization Rates Based on an Employer Contribution Rate of 11.06%¹ | |
| a. Active members | 9.35% |
| b. TERI members (including employee contributions) | 19.22% |
| c. ORP members | 6.06% |
| d. Re-employed members (including employee contributions) | 19.22% |
| 7. Unfunded Actuarial Liability Liquidation Period | 30 years |

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

Police Officers Retirement System

Results of the Valuation as of July 1, 2014

(Amounts expressed in thousands)

| | July 1, 2014 |
|-------------------------------------------------------------------------------|---------------------|
| 1. Actuarial Present Value of Future Benefits | |
| a. Present retired members and beneficiaries | \$ 3,490,161 |
| b. Present active and inactive members | 3,554,354 |
| c. Total actuarial present value | \$ 7,044,515 |
| 2. Present Value of Future Normal Contributions | |
| a. Member | \$ 702,264 |
| b. Employer | 436,423 |
| c. Total future normal contributions | \$ 1,138,687 |
| 3. Actuarial Liability | \$ 5,905,828 |
| 4. Current Actuarial Value of Assets | \$ 4,105,308 |
| 5. Unfunded Actuarial Liability | \$ 1,800,520 |
| 6. Unfunded Actuarial Liability Rate in Effect for FY 2017¹ | 8.17% |
| 7. Unfunded Actuarial Liability Liquidation Period | 27 years |

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

General Assembly Retirement System

Results of the Valuation as of July 1, 2014

(Amounts expressed in thousands)

| | July 1, 2014 |
|---------------------------------------------------------------------------------------|---------------------|
| 1. Actuarial Present Value of Future Benefits | |
| a. Present retired members and beneficiaries | \$ 58,099 |
| b. Present active and inactive members | 19,606 |
| c. Total actuarial present value | \$ 77,705 |
| 2. Present Value of Future Normal Contributions | |
| a. Employee | \$ 1,841 |
| b. Employer | 1,350 |
| c. Total future normal contributions | \$ 3,191 |
| 3. Actuarial Liability | \$ 74,514 |
| 4. Current Actuarial Value of Assets | \$ 37,646 |
| 5. Unfunded Actuarial Liability | \$ 36,868 |
| 6. Unfunded Actuarial Liability Liquidation Period from the Valuation Date | 13 years |

Judges and Solicitors Retirement System

Results of the Valuation as of July 1, 2014

(Amounts expressed in thousands)

| | July 1, 2014 |
|--------------------------------------------------------------------------------------------|---------------------|
| 1. Actuarial Present Value of Future Benefits | |
| a. Present retired members and beneficiaries | \$ 184,625 |
| b. Present active and inactive members | 117,968 |
| c. Total actuarial present value | \$ 302,593 |
| 2. Present Value of Future Normal Contributions | |
| a. Employee | \$ 14,257 |
| b. Employer | 24,043 |
| c. Total future normal contributions | \$ 38,300 |
| 3. Actuarial Liability | \$ 264,293 |
| 4. Current Actuarial Value of Assets | \$ 152,839 |
| 5. Unfunded Actuarial Liability | \$ 111,454 |
| 6. UAAL Amortization Rates Based on a 47.97% Employer Contribution Rate¹ | |
| a. Active members | 30.30% |
| b. DROP and Retired-in-Place Members (including employee contributions) | 57.97% |
| 7. Unfunded Actuarial Liability Liquidation Period | 28 Years |

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

South Carolina National Guard Supplemental Retirement Plan

Results of the Valuation as of July 1, 2014

(Amounts expressed in thousands)

| | July 1, 2014 |
|---------------------------------------------------------------------|---------------------|
| 1. Actuarial Present Value of Future Benefits | |
| a. Present Retired Members and Beneficiaries | \$ 33,739 |
| b. Present Active and Inactive Members | 34,521 |
| c. Total Actuarial Present Value | \$ 68,260 |
| 2. Present Value of Future Normal Contributions | |
| a. Employee | \$ 0 |
| b. Employer | 6,160 |
| c. Total Future Normal Contributions | \$ 6,160 |
| 3. Actuarial Liability | \$ 62,100 |
| 4. Current Actuarial Value of Assets | \$ 24,029 |
| 5. Unfunded Actuarial Liability | \$ 38,071 |
| 6. Unfunded Actuarial Liability Liquidation Period (blended) | 18 years |

South Carolina Retirement System

Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the Budget and Control Board and the PEBA Board are responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the investment rate of return. Retirement reform legislation enacted in 2012 set the rate at 7.5 percent effective July 1, 2012 and requires that the assumed annual rate of return on investments be established by the General Assembly. South Carolina State Statute also requires that an experience analysis that reviews the economic and demographic assumptions be performed every five years. As a result of the most recently completed experience analysis for the five year period ended June 30, 2010, the Boards adopted a number of changes in the actuarial assumptions which were adopted and utilized beginning with the July 1, 2011 annual valuations. In addition, the rates of retirement and disability incidence were subsequently modified as of July 1, 2012 to better model expected future mortality experience as a result of the pension reform bill enacted in 2012.

The following presents a summary of the actuarial assumptions and methods used in the valuation of the South Carolina Retirement System for funding purposes and financial reporting purposes.

Investment Rate of Return

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

Rates of Annual Salary Increase

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

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

Active Male and Female Salary Increase Rate

| Years of Service | General Employees | | Teachers | |
|------------------|------------------------------------------------|-------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------|
| | Annual Promotional/Longevity Rates of Increase | Total Annual Rate of Increase Including 3.5% Wage Inflation | Annual Promotional/Longevity Rates of Increase | Total Annual Rate of Increase Including 3.5% Wage Inflation |
| 0 | 2.50% | 6.00% | 4.00% | 7.50% |
| 1 | 2.50% | 6.00% | 9.00% | 12.50% |
| 2 | 2.00% | 5.50% | 3.00% | 6.50% |
| 3 | 1.50% | 5.00% | 2.75% | 6.25% |
| 4 | 1.25% | 4.75% | 2.50% | 6.00% |
| 5 | 1.00% | 4.50% | 2.25% | 5.75% |
| 6 | 0.75% | 4.25% | 2.00% | 5.50% |
| 7 | 0.50% | 4.00% | 1.75% | 5.25% |
| 8 | 0.50% | 4.00% | 1.75% | 5.25% |
| 9 | 0.25% | 3.75% | 1.50% | 5.00% |
| 10 | 0.25% | 3.75% | 1.50% | 5.00% |
| 11 | 0.25% | 3.75% | 1.50% | 5.00% |
| 12 | 0.25% | 3.75% | 1.25% | 4.75% |
| 13 | 0.25% | 3.75% | 1.00% | 4.50% |
| 14 | 0.00% | 3.50% | 1.00% | 4.50% |
| 15 | 0.00% | 3.50% | 1.00% | 4.50% |
| 16 | 0.00% | 3.50% | 0.75% | 4.25% |
| 17 | 0.00% | 3.50% | 0.50% | 4.00% |
| 18 | 0.00% | 3.50% | 0.25% | 3.75% |
| 19 | 0.00% | 3.50% | 0.25% | 3.75% |
| 20+ | 0.00% | 3.50% | 0.00% | 3.50% |

Active Member Decrement Rates

- a. Assumed rate of Service Retirement or TERI entry are shown in the following tables. The first table is for members who attain age 65 before attaining 28 years of service. The second table is based on service and is for Class Two members who attain 28 years of service before age 65. The retirement rates shown in the table below for Class Two members commencing a reduced retirement are also applicable to Class Three members who are at least age 60, but have not satisfied the age and service requirements for an unreduced benefit.

Annual Age Based Retirement Rates

| Members Age | Class Two | | | | | | | | Class Three Rule of 90 |
|----------------|-------------------|--------|---------------------|--------|----------|--------|---------------------|--------|---------------------------------|
| | General Employees | | | | Teachers | | | | |
| | Reduced | | Normal ¹ | | Reduced | | Normal ¹ | | |
| | Male | Female | Male | Female | Male | Female | Male | Female | |
| 55 | 4% | 4% | 0% | 0% | 2% | 2% | 0% | 0% | 20% |
| 56 | 4% | 4% | 0% | 0% | 2% | 2% | 0% | 0% | 20% |
| 57 | 4% | 4% | 0% | 0% | 2% | 2% | 0% | 0% | 20% |
| 58 | 4% | 4% | 0% | 0% | 2% | 2% | 0% | 0% | 20% |
| 59 | 4% | 4% | 0% | 0% | 2% | 2% | 0% | 0% | 20% |
| 60 | 5% | 7% | 0% | 0% | 5% | 6% | 0% | 0% | 20% |
| 61 | 5% | 7% | 0% | 0% | 6% | 6% | 0% | 0% | 20% |
| 62 | 14% | 13% | 0% | 0% | 12% | 11% | 0% | 0% | 20% |
| 63 | 10% | 13% | 0% | 0% | 12% | 10% | 0% | 0% | 20% |
| 64 | 10% | 13% | 0% | 0% | 9% | 10% | 0% | 0% | 20% |
| 65 | 0% | 0% | 20% | 22% | 0% | 0% | 20% | 25% | 20% |
| 66 | 0% | 0% | 20% | 22% | 0% | 0% | 20% | 25% | 20% |
| 67 | 0% | 0% | 17% | 19% | 0% | 0% | 20% | 20% | 20% |
| 68 | 0% | 0% | 17% | 19% | 0% | 0% | 20% | 20% | 20% |
| 69 | 0% | 0% | 17% | 19% | 0% | 0% | 20% | 20% | 20% |
| 70 | 0% | 0% | 17% | 19% | 0% | 0% | 20% | 20% | 20% |
| 71 | 0% | 0% | 17% | 19% | 0% | 0% | 20% | 20% | 20% |
| 72 | 0% | 0% | 17% | 19% | 0% | 0% | 20% | 20% | 20% |
| 73 | 0% | 0% | 17% | 19% | 0% | 0% | 20% | 20% | 20% |
| 74 | 0% | 0% | 17% | 19% | 0% | 0% | 20% | 20% | 20% |
| 75 | 0% | 0% | 100% | 100% | 0% | 0% | 100% | 100% | 100% |

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

Annual Service Based Retirement Rates¹

| Class Two Members | | | | |
|-------------------|-------------------|--------|----------|--------|
| Years of Service | General Employees | | Teachers | |
| | Male | Female | Male | Female |
| 28 | 15% | 18% | 8% | 5% |
| 29 | 10% | 10% | 7% | 8% |
| 30 | 10% | 10% | 8% | 9% |
| 31 | 10% | 10% | 8% | 9% |
| 32 | 10% | 10% | 9% | 10% |
| 33 | 18% | 20% | 10% | 11% |
| 34 | 18% | 20% | 11% | 12% |
| 35 | 18% | 20% | 12% | 18% |
| 36 | 20% | 20% | 13% | 18% |
| 37 | 20% | 20% | 14% | 18% |
| 38 | 20% | 20% | 18% | 18% |
| 39 | 20% | 20% | 17% | 19% |
| 40 | 100% | 100% | 17% | 20% |
| 41 | 100% | 100% | 100% | 100% |
| 42 | 100% | 100% | 100% | 100% |
| 43 | 100% | 100% | 100% | 100% |
| 44 | 100% | 100% | 100% | 100% |
| 45 | 100% | 100% | 100% | 100% |
| 46 | 100% | 100% | 100% | 100% |
| 47 | 100% | 100% | 100% | 100% |
| 48 | 100% | 100% | 100% | 100% |

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

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

Disability Rates

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

c. Active Member Mortality

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

Active Mortality Rates (Multiplier Applied)

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

d. Rates of Withdrawal

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

Withdrawal Rates - Male General Employees

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

Withdrawal Rates - Female General Employees

| Age | Years of Service | | | | | | | | | | | | | | |
|-----|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 25 | 0.298 | 0.246 | 0.206 | 0.177 | 0.156 | 0.128 | 0.125 | 0.116 | 0.109 | 0.103 | 0.094 | 0.000 | 0.000 | 0.000 | 0.000 |
| 30 | 0.271 | 0.224 | 0.186 | 0.159 | 0.140 | 0.125 | 0.115 | 0.106 | 0.097 | 0.085 | 0.069 | 0.052 | 0.049 | 0.045 | 0.042 |
| 35 | 0.251 | 0.202 | 0.166 | 0.141 | 0.124 | 0.113 | 0.104 | 0.096 | 0.086 | 0.071 | 0.051 | 0.052 | 0.049 | 0.045 | 0.042 |
| 40 | 0.233 | 0.180 | 0.145 | 0.123 | 0.110 | 0.101 | 0.093 | 0.085 | 0.075 | 0.059 | 0.037 | 0.045 | 0.045 | 0.045 | 0.042 |
| 45 | 0.217 | 0.162 | 0.127 | 0.108 | 0.097 | 0.089 | 0.082 | 0.075 | 0.064 | 0.049 | 0.028 | 0.042 | 0.039 | 0.036 | 0.033 |
| 50 | 0.204 | 0.149 | 0.115 | 0.097 | 0.086 | 0.079 | 0.071 | 0.064 | 0.054 | 0.041 | 0.023 | 0.030 | 0.030 | 0.030 | 0.030 |
| 55 | 0.195 | 0.143 | 0.109 | 0.089 | 0.078 | 0.069 | 0.061 | 0.053 | 0.044 | 0.035 | 0.024 | 0.020 | 0.020 | 0.020 | 0.020 |
| 60 | 0.187 | 0.141 | 0.108 | 0.085 | 0.070 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Age | Years of Service (Continued) | | | | | | | | | | | | | | |
| | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28+ | |
| 25 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 30 | 0.039 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 35 | 0.039 | 0.036 | 0.033 | 0.030 | 0.028 | 0.025 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 40 | 0.039 | 0.036 | 0.033 | 0.030 | 0.028 | 0.025 | 0.023 | 0.022 | 0.020 | 0.018 | 0.017 | 0.000 | 0.000 | 0.000 | 0.000 |
| 45 | 0.030 | 0.030 | 0.030 | 0.030 | 0.028 | 0.025 | 0.023 | 0.022 | 0.020 | 0.018 | 0.017 | 0.016 | 0.015 | 0.000 | 0.000 |
| 50 | 0.030 | 0.028 | 0.025 | 0.023 | 0.022 | 0.020 | 0.020 | 0.020 | 0.020 | 0.018 | 0.017 | 0.016 | 0.015 | 0.000 | 0.000 |
| 55 | 0.020 | 0.020 | 0.020 | 0.020 | 0.020 | 0.020 | 0.018 | 0.017 | 0.016 | 0.015 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 60 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

Withdrawal Rates - Male Teachers

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

Withdrawal Rates – Female Teachers

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

Post Retirement Mortality

a. Healthy Retirees and Beneficiaries

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

Nondisabled Annuitant Mortality Rates before Projection (Multiplier Applied)

| Age | General Employees | | Teachers | |
|------------|-------------------|----------|----------|----------|
| | Males | Females | Males | Females |
| 50 | 0.2138% | 0.1508% | 0.2176% | 0.1510% |
| 55 | 0.3624% | 0.2445% | 0.3632% | 0.2457% |
| 60 | 0.6747% | 0.4550% | 0.6141% | 0.4443% |
| 65 | 1.2737% | 0.8735% | 1.2167% | 0.8218% |
| 70 | 2.2206% | 1.5068% | 2.1203% | 1.4426% |
| 75 | 3.7834% | 2.5295% | 3.6997% | 2.4431% |
| 80 | 6.4368% | 4.1291% | 6.5353% | 4.0926% |
| 85 | 11.0757% | 6.9701% | 11.5132% | 7.0483% |
| 90 | 18.3408% | 11.8514% | 19.6100% | 11.9843% |
| Multiplier | 100% | 90% | 110% | 95% |

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

Life Expectancy for an Age 65 Retiree in Years

| Employee type | Year of retirement | | | |
|---------------------------|--------------------|------|------|------|
| | 2015 | 2020 | 2025 | 2030 |
| General Employee - Male | 19.6 | 20.0 | 20.4 | 20.7 |
| General Employee - Female | 22.3 | 22.5 | 22.7 | 22.9 |
| Teacher - Male | 19.5 | 19.9 | 20.3 | 20.6 |
| Teacher - Female | 22.4 | 22.6 | 22.8 | 22.9 |

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

Disabled Annuitant Mortality Rates (Multiplier Applied)

| Age | General Employees | | Teachers | |
|------------|-------------------|----------|----------|----------|
| | Males | Females | Males | Females |
| 50 | 2.4629% | 1.2689% | 2.1731% | 1.2689% |
| 55 | 3.0126% | 1.8198% | 2.6581% | 1.8198% |
| 60 | 3.5736% | 2.4023% | 3.1531% | 2.4023% |
| 65 | 4.2648% | 3.0829% | 3.7631% | 3.0829% |
| 70 | 5.3196% | 4.1398% | 4.6937% | 4.1398% |
| 75 | 6.9757% | 5.7453% | 6.1550% | 5.7453% |
| 80 | 9.2966% | 7.9543% | 8.2029% | 7.9543% |
| 85 | 12.0363% | 11.0223% | 10.6202% | 11.0223% |
| 90 | 15.5897% | 15.4054% | 13.7556% | 15.4054% |
| Multiplier | 85% | 110% | 75% | 110% |

Asset Valuation Method

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

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

Actuarial Cost Method

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

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

liability with the expected amount of employer contributions in excess of the employers' portion of the normal cost.

The calculation of the amortization period takes into account scheduled increases to contribution rates applicable to future years and payroll growth. Also, the calculation of the amortization period reflects additional contributions the System receives with respect to post July 1, 2005, TERI participants, ORP participants and return to work retirees. These contributions are assumed to grow at the same payroll growth rate as for active SCRS employees. It is assumed that amortization payments are made monthly at the end of the month.

Unused Annual Leave

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

Unused Sick Leave

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

Future Post-Retirement Benefit Adjustments

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

Payroll Growth Rate

The total annual payroll of active members (also applies to TERI, ORP and rehired retiree participants) is assumed to increase at an annual rate of 3.5 percent. This rate represents the underlying expected annual rate of wage inflation and does not anticipate increases in the number of members.

Other Assumptions

1. Valuation payroll (used for determining the amortization contribution rate): Prior fiscal year payroll projected forward one year using the overall payroll growth rate. This was determined separately for TERI, and return to work employees by dividing the actual member contributions received during the prior fiscal year by the member contribution rate in effect for that year, and then projecting that amount forward one year.
2. Individual salaries used to project benefits: Actual salaries from the past fiscal year are used to determine the final average salary as of the valuation date. For future salaries, the salary from the last fiscal year is projected forward with one year's salary scale.
3. Pay increase timing: Beginning of (fiscal) year. This is equivalent to assuming that reported salaries represent amounts paid to members during the year ended on the valuation date.
4. Percent married: 100 percent of male and 100 percent of female employees are assumed to be married.
5. Age difference: Males are assumed to be three years older than their spouses.
6. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
7. Inactive Population: All non-vested members are assumed to take an immediate refund. Members with a vested benefit are assumed to elect a refund or a deferred benefit commencing at age 65, whichever is more valuable at the valuation date.
8. There will be no recoveries once disabled.

9. Decrement timing: Decrements of all types are assumed to occur mid-year.
10. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
11. Decrement relativity: Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
12. Incidence of Contributions: Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
13. Benefit Service: All members are assumed to accrue one year of eligibility service each year.
14. All calculations were performed without regard to the compensation limit in IRC Section 401(a)(17) and the benefit limit under IRC Section 415.

Participant Data

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

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

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

South Carolina Retirement System

Development of Actuarial Value of Assets

(Amounts expressed in thousands)

| | July 1, 2014 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1. Actuarial Value of Assets at the Prior Valuation Date | \$ 25,753,068 |
| 2. Market Value of Assets at the Prior Valuation Date | \$ 22,791,322 |
| 3. Net External Cash Flow During the Year | |
| a. Contributions | \$ 1,616,016 |
| b. Disbursements | (2,574,106) |
| c. Subtotal | \$ (958,090) |
| 4. Expected Net Investment Income at 7.50% Earned on: | |
| a. Actuarial value of assets at the prior valuation date | \$ 1,931,480 |
| b. Contributions | 60,601 |
| c. Disbursements | (96,529) |
| d. Subtotal | \$ 1,895,552 |
| 5. Expected Actuarial Value of Assets, End of Year (Item 1 + Item 3c + Item 4d) | \$ 26,690,530 |
| 6. Market Value of Assets as of the Current Valuation Date Based on the Prior Year's Accounting Method for TERI | \$ 25,225,256 |
| 7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6 - Item 5) | \$ (1,465,274) |
| 8. Excess (Shortfall) Recognized (20% of Item 7) | \$ (293,055) |
| 9. Actuarial Value of Plan Assets, End of Year, Before Reflecting Asset Accounting Change to Conform with GASB No. 67 (Item 5 + Item 8) | \$ 26,397,475 |
| <i>Adjustment to Reflect Asset Accounting Change to Conform with GASB No. 67</i> | |
| 10. Change in plan assets due to the change in asset accounting method for TERI to conform with GASB No. 67 | \$ 513,265 |
| 11. Final Actuarial Value of Assets (Item 9 + Item 10) | \$ 26,910,740 |
| 12. Ratio of AVA to MVA | 104.6% |

Police Officers Retirement System

Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the Budget and Control Board and the PEBA Board are responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the investment rate of return. Retirement reform legislation enacted in 2012 set the rate at 7.5 percent effective July 1, 2012 and requires that the assumed annual rate of return on investments be established by the General Assembly. South Carolina State Statute also requires that an experience analysis that reviews the economic and demographic assumptions be performed every five years. As a result of the most recently completed experience analysis for the five year period ended June 30, 2010, the Boards adopted a number of changes in the actuarial assumptions which were adopted and utilized beginning with the July 1, 2011 annual valuations. In addition, the rates of retirement and disability incidence were subsequently modified as of July 1, 2012 to better model expected future mortality experience as a result of the pension reform bill enacted in 2012.

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

Investment Rate of Return

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

Rates of Annual Salary Increase

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

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

Active Male and Female Salary Increase Rate

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

Active Member Decrement Rates

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

| Age | Annual Age Based Retirement Rates | | Annual Service Based Retirement Rates ¹ | | | |
|-----------------|-----------------------------------|--------|----------------------------------------------------|-------------|------|--------|
| | PORS | | Years of Service | | PORS | |
| | Male | Female | Class Two | Class Three | Male | Female |
| 55 | 20% | 20% | 25 | 27 | 18% | 18% |
| 56 | 14% | 14% | 26 | 28 | 13% | 13% |
| 57 ² | 50% | 50% | 27 | 29 | 11% | 11% |
| 58 | 12% | 12% | 28 | 30 | 11% | 11% |
| 59 | 12% | 12% | 29 | 31 | 11% | 11% |
| 60 | 12% | 12% | 30 | 32 | 11% | 11% |
| 61 | 12% | 12% | 31 | 33 | 11% | 11% |
| 62 | 35% | 35% | 32 | 34 | 11% | 11% |
| 63 | 25% | 25% | 33 | 35 | 11% | 11% |
| 64 | 25% | 25% | 34 | 36 | 11% | 11% |
| 65 | 30% | 30% | 35 | 37 | 11% | 11% |
| 66 | 30% | 30% | 36 | 38 | 11% | 11% |
| 67 | 30% | 30% | 37 | 39 | 11% | 11% |
| 68 | 30% | 30% | 38 | 40 | 11% | 11% |
| 69 | 30% | 30% | 39 | 41 | 11% | 11% |
| 70 | 100% | 100% | 40 | 42 | 100% | 100% |
| 71 | 100% | 100% | | | | |
| 72 | 100% | 100% | | | | |
| 73 | 100% | 100% | | | | |
| 74 | 100% | 100% | | | | |
| 75 | 100% | 100% | | | | |

¹Retirement rate is 50% at age 57, the first age the member is eligible to concurrently commence benefits and continue employment.

²Age first eligible to concurrently commence benefits and continue employment.

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

Disability Rates

| Age | PORS | |
|-----|---------|---------|
| | Male | Female |
| 25 | 0.1376% | 0.1376% |
| 30 | 0.1835% | 0.1835% |
| 35 | 0.3441% | 0.3441% |
| 40 | 0.4588% | 0.4588% |
| 45 | 0.6882% | 0.6882% |
| 50 | 0.8603% | 0.8603% |
| 55 | 0.0000% | 0.0000% |
| 60 | 0.0000% | 0.0000% |
| 64 | 0.0000% | 0.0000% |

c. Active Member Mortality

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

Active Mortality Rates (Multiplier Applied)

| Age | PORS | |
|------------|---------|---------|
| | Male | Female |
| 25 | 0.0338% | 0.0186% |
| 30 | 0.0653% | 0.0264% |
| 35 | 0.0978% | 0.0467% |
| 40 | 0.1234% | 0.0790% |
| 45 | 0.1614% | 0.1248% |
| 50 | 0.2171% | 0.1767% |
| 55 | 0.3776% | 0.2516% |
| 60 | 0.7443% | 0.4454% |
| 64 | 1.2430% | 0.8222% |
| Multiplier | 90% | 90% |

d. Rates of Withdrawal

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

Annual Withdrawal Rate

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

e. Post Retirement Mortality

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

Nondisabled Annuitant Mortality Rates Before Projection (Multiplier applied)

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

Life Expectancy for an Age 65 Retiree in Years

| Member | Year of Retirement | | | |
|--------|--------------------|------|------|------|
| | 2015 | 2020 | 2025 | 2030 |
| Male | 17.8 | 18.2 | 18.6 | 19.0 |
| Female | 19.7 | 19.9 | 20.1 | 20.4 |

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

Disabled Annuitant Mortality Rates (Multiplier applied)

| Age | PORS | |
|------------|----------|---------|
| | Male | Female |
| 50 | 1.7385% | 0.6921% |
| 55 | 2.1265% | 0.9926% |
| 60 | 2.5225% | 1.3103% |
| 65 | 3.0104% | 1.6816% |
| 70 | 3.7550% | 2.2581% |
| 75 | 4.9240% | 3.1338% |
| 80 | 6.5623% | 4.3387% |
| 85 | 8.4962% | 6.0122% |
| 90 | 11.0045% | 8.4029% |
| Multiplier | 60% | 60% |

Asset Valuation Method

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

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

Actuarial Cost Method

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

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

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

Unused Annual Leave

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

Unused Sick Leave

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

Future Post-Retirement Benefit Adjustments

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

Payroll Growth Rate

The total annual payroll of active members (also applies to rehired retiree participants) is assumed to increase at an annual rate of 3.5 percent.

Other Assumptions

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

Participant Data

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

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

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

Police Officers Retirement System

Development of Actuarial Value of Assets

(Amounts expressed in thousands)

| | July 1, 2014 |
|-----------------------------------------------------------------------------------------------------|---------------------|
| 1. Actuarial Value of Assets at the Prior Valuation Date | \$ 3,922,041 |
| 2. Market Value of Assets at the Prior Valuation Date | \$ 3,526,448 |
| 3. Net External Cash Flow During the Year | |
| a. Contributions | \$ 251,638 |
| b. Disbursements | (329,550) |
| c. Subtotal | \$ (77,912) |
| 4. Expected Net Investment Income at 7.50% Earned on: | |
| a. Actuarial value of assets at the prior valuation date | \$ 294,153 |
| b. Contributions | 9,436 |
| c. Disbursements | (12,358) |
| d. Subtotal | \$ 291,231 |
| 5. Expected Actuarial Value of Assets, End of Year (Item 1 + Item 3c + Item 4d) | \$ 4,135,360 |
| 6. Market Value of Assets as of the Current Valuation Date | \$ 3,985,102 |
| 7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6 - Item 5) | \$ (150,258) |
| 8. Excess/(Shortfall) Recognized (20% of Item 7) | \$ (30,052) |
| 9. Actuarial Value of Plan Assets, End of Year (Item 5 + Item 8) | \$ 4,105,308 |
| 10. Asset Gain (Loss) for Year (Item 9 - Item 5) | \$ (30,052) |
| 11. Asset gain (loss) as % of the actuarial value of assets | (0.73%) |
| 12. Ratio of AVA to MVA | 103.0% |

General Assembly Retirement System

Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the Budget and Control Board and the PEBA Board are responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the investment rate of return. Retirement reform legislation enacted in 2012 set the rate at 7.5 percent effective July 1, 2012 and requires that the assumed annual rate of return on investments be established by the General Assembly. South Carolina State Statute also requires that an experience analysis that reviews the economic and demographic assumptions be performed every five years. As a result of the most recently completed experience analysis for the five year period ended June 30, 2010, the Boards adopted a number of changes in the actuarial assumptions which were adopted and utilized beginning with the July 1, 2011 annual valuations. In addition, the rates of retirement and disability incidence were subsequently modified as of July 1, 2012 to better model expected future mortality experience as a result of the pension reform bill enacted in 2012.

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

Investment Rate of Return

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

Rates of Annual Salary Increase

No increases in salary are assumed.

Active Member Decrement Rates

- a. Assumed rates of service retirement are shown in the following table. In addition to the rates in the table below, members with 30 years of service are assumed to immediately commence their retirement benefit. Special contributors are assumed to retire at the earlier of attaining age 60 or attaining 22 years of service.

Age Based Retirement Rates

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

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

Disability Rates Pre-Retirement Mortality

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

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

Post Retirement Mortality

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

Healthy Annuitant Mortality Rates Before Projection

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

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

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

Life Expectancy for an Age 65 Retiree in Years

| Gender | Year of Retirement | | | |
|--------|--------------------|------|------|------|
| | 2015 | 2020 | 2025 | 2030 |
| Male | 19.6 | 20.0 | 20.4 | 20.7 |
| Female | 22.3 | 22.5 | 22.7 | 22.9 |

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

Disabled Annuitant Mortality Rates

| Age | Male | Female |
|------------|----------|----------|
| 50 | 2.4629% | 1.2689% |
| 55 | 3.0126% | 1.8198% |
| 60 | 3.5736% | 2.4023% |
| 65 | 4.2648% | 3.0829% |
| 70 | 5.3196% | 4.1398% |
| 75 | 6.9757% | 5.7453% |
| 80 | 9.2966% | 7.9543% |
| 85 | 12.0363% | 11.0223% |
| 90 | 15.5897% | 15.4054% |
| Multiplier | 85% | 110% |

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

Asset Valuation Method

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

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

Actuarial Cost Method

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

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

Future Cost-of-living Increases

No increases are assumed.

Payroll Growth Rate

None assumed.

Other Assumptions

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

Participant Data

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

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

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

General Assembly Retirement System

Development of Actuarial Value of Assets

(Amounts expressed in thousands)

| | July 1, 2014 |
|-----------------------------------------------------------------------------------------------------|---------------------|
| 1. Actuarial Value of Assets at the Prior Valuation Date | \$ 38,033 |
| 2. Market Value of Assets at the Prior Valuation Date | \$ 31,904 |
| 3. Net External Cash Flow During the Year | |
| a. Contributions | \$ 4,447 |
| b. Disbursements | (6,845) |
| c. Subtotal | \$ (2,398) |
| 4. Expected Net Investment Income at 7.50% Earned on: | |
| a. Actuarial value of assets at the prior valuation date | \$ 2,852 |
| b. Contributions | 319 |
| c. Disbursements | (257) |
| d. Subtotal | \$ 2,914 |
| 5. Expected Actuarial Value of Assets, End of Year (Item 1 + Item 3c + Item 4d) | \$ 38,549 |
| 6. Market Value of Assets as of the Current Valuation Date | \$ 34,034 |
| 7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6 - Item 5) | \$ (4,515) |
| 8. Excess/(Shortfall) Recognized (20% of Item 7) | \$ (903) |
| 9. Actuarial Value of Plan Assets, End of Year (Item 5 + Item 8) | \$ 37,646 |
| 10. Asset Gain (Loss) for Year (Item 9 - Item 5) | \$ (903) |
| 11. Asset Gain (Loss) as % of Actual Actuarial Assets | (2.4%) |
| 12. Ratio of AVA to MVA | 110.6% |

Judges and Solicitors Retirement System

Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the Budget and Control Board and the PEBA Board are responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the investment rate of return. Retirement reform legislation enacted in 2012 set the rate at 7.5 percent effective July 1, 2012 and requires that the assumed annual rate of return on investments be established by the General Assembly. South Carolina State Statute also requires that an experience analysis that reviews the economic and demographic assumptions be performed every five years. As a result of the most recently completed experience analysis for the five year period ended June 30, 2010, the Boards adopted a number of changes in the actuarial assumptions which were adopted and utilized beginning with the July 1, 2011 annual valuations. In addition, the rates of retirement and disability incidence were subsequently modified as of July 1, 2012 to better model expected future experience as a result of the pension reform bill enacted in 2012.

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

Investment Rate of Return

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

Rates of Annual Salary Increase

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

Active Member Decrement Rates

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

Assumed Rates of Retirement

| Solicitors and Public Defenders | | | | Judges | | | |
|---------------------------------|----------|--------------|------------------|----------|----------|--------------|------------------|
| Age | Service | RIP Eligible | Not RIP Eligible | Age | Service | RIP Eligible | Not RIP Eligible |
| 70 to 72 | 15 to 23 | 12% | 12% | 70 to 72 | 15 to 24 | 12% | 12% |
| 65 to 69 | 20 to 23 | 40% | 40% | 65 to 69 | 20 to 24 | 40% | 40% |
| Any | 24 | 20% | 40% | Any | 25 | 15% | 25% |
| Any | 25 | 15% | 25% | Any | 26 | 10% | 15% |
| Any | 26 | 10% | 12% | Any | 27 | 10% | 15% |
| Any | 27 | 10% | 12% | Any | 28 | 10% | 15% |
| Any | 28 | 10% | 12% | Any | 29 | 10% | 15% |
| Any | 29 | 5% | 12% | Any | 30 | 5% | 15% |
| Any | 30 | 5% | 12% | Any | 31 | 5% | 15% |
| Any | 31+ | 100% | N/A | Any | 32+ | 100% | N/A |

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

Disability Rates Pre-Retirement Mortality

| Age | Disability Rates | | Pre-Retirement Mortality | |
|------------|------------------|---------|--------------------------|---------|
| | Male | Female | Male | Female |
| 25 | 0.0400% | 0.0520% | 0.0432% | 0.0145% |
| 30 | 0.0600% | 0.0700% | 0.0511% | 0.0185% |
| 35 | 0.0800% | 0.0700% | 0.0889% | 0.0333% |
| 40 | 0.1500% | 0.1220% | 0.1241% | 0.0494% |
| 45 | 0.2500% | 0.2500% | 0.1734% | 0.0787% |
| 50 | 0.4000% | 0.4000% | 0.2459% | 0.1173% |
| 55 | 0.6500% | 0.6500% | 0.3483% | 0.1768% |
| 60 | 1.0000% | 1.0000% | 0.5610% | 0.2752% |
| 65 | 1.2500% | 1.2500% | 0.8082% | 0.3800% |
| Multiplier | N/A | N/A | 115% | 70% |

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

Post Retirement Mortality

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

Healthy Annuitant Mortality Rates Before Projection

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

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

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

Life Expectancy for an Age 65 Retiree in Years

| Gender | Year of Retirement | | | |
|--------|--------------------|------|------|------|
| | 2015 | 2020 | 2025 | 2030 |
| Male | 19.5 | 19.9 | 20.3 | 20.6 |
| Female | 22.4 | 22.6 | 22.8 | 22.9 |

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

Disabled Annuitant Mortality Rates

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

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

Asset Valuation Method

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

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

Actuarial Cost Method

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

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

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

Future Cost-of-living Increases

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

Payroll Growth Rate

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

Other Assumptions

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

Participant Data

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

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

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

Judges and Solicitors Retirement System

Development of Actuarial Value of Assets

(Amounts expressed in thousands)

| | July 1, 2014 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1. Actuarial Value of Assets at the Prior Valuation Date | \$ 147,648 |
| 2. Market Value of Assets at the Prior Valuation Date | \$ 131,278 |
| 3. Net External Cash Flow During the Year | |
| a. Contributions | \$ 12,107 |
| b. Disbursements | (16,490) |
| c. Subtotal | \$ (4,383) |
| 4. Expected Net Investment Income at 7.50% Earned on: | |
| a. Actuarial value of assets at the prior valuation date | \$ 11,074 |
| b. Contributions | 454 |
| c. Disbursements | (618) |
| d. Subtotal | \$ 10,910 |
| 5. Expected Actuarial Value of Assets, End of Year (Item 1 + Item 3c + Item 4d) | \$ 154,175 |
| 6. Market Value of Assets as of the Current Valuation Date¹ | \$ 147,496 |
| 7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6 - Item 5) | \$ (6,679) |
| 8. Excess/(Shortfall) Recognized (20% of Item 7) | \$ (1,336) |
| 9. Actuarial Value of Plan Assets, End of Year, Before Reflection of Restatement of the Market Value (Item 5 + Item 8) | \$ 152,839 |
| 10. Asset Gain (Loss) for Year (Item 9 - Item 5) | \$ (1,336) |
| 11. Asset Gain (Loss) as % of the Actuarial Value of Assets | (0.87%) |
| 12. Adjustment to the Market and Actuarial Value of Assets Due to the Restatement of the Market Value of Assets to Reflect TERI to Conform with GASB No. 67 | \$ 0 |
| 13. Market Value of Assets as of the Current Valuation Date² (Item 6 + Item 12) | \$ 147,496 |
| 14. Final Actuarial Value of Assets (Item 9 + Item 12) | \$ 152,839 |
| 15. Ratio of AVA to MVA | 103.6% |

¹ Market value of assets prior to restatement for conformity with GASB No. 67.

² Market value of assets restated to include outstanding balance of TERI to conform with GASB No. 67.

South Carolina National Guard Supplemental Retirement Plan

Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the Budget and Control Board and the PEBA Board are responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the investment rate of return. Retirement reform legislation enacted in 2012 set the rate at 7.5 percent effective July 1, 2012 and requires that the assumed annual rate of return on investments be established by the General Assembly. South Carolina State Statute also requires that an experience analysis that reviews the economic and demographic assumptions be performed every five years. As a result of the most recently completed experience analysis for the five year period ended June 30, 2010, the Boards adopted a number of changes in the actuarial assumptions which were adopted and utilized beginning with the July 1, 2011 annual valuations. In addition, the rates of retirement and disability incidence were subsequently modified as of July 1, 2012 to better model expected future experience as a result of the pension reform bill enacted in 2012.

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

Investment Rate of Return

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

Rates of Annual Salary Increase

No increases in salary are assumed. The benefit is not related to pay.

Active Member Decrement Rates

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

Age Based Retirement Rates

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

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

Disability Rates Pre-Retirement Mortality

| Age | Disability Rates | | Pre-Retirement Mortality | |
|------------|------------------|---------|--------------------------|---------|
| | Male | Female | Male | Female |
| 25 | 0.0854% | 0.0854% | 0.0338% | 0.0186% |
| 30 | 0.1100% | 0.1100% | 0.0653% | 0.0264% |
| 35 | 0.1474% | 0.1474% | 0.0978% | 0.0467% |
| 40 | 0.2201% | 0.2201% | 0.1234% | 0.0790% |
| 45 | 0.3595% | 0.3595% | 0.1614% | 0.1248% |
| 50 | 0.6059% | 0.6059% | 0.2171% | 0.1767% |
| 55 | 1.0089% | 1.0089% | 0.3776% | 0.2516% |
| 60 | 1.6269% | 1.6269% | 0.7443% | 0.4454% |
| Multiplier | | | 90.0% | 90.0% |

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

Post Retirement Mortality

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

Annuitant Mortality Rates Before Projection (Multiplier Applied)

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

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

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

Life Expectancy for an Age 65 Retiree in Years

| Gender | Year of Retirement | | | |
|--------|--------------------|------|------|------|
| | 2015 | 2020 | 2025 | 2030 |
| Male | 17.8 | 18.2 | 18.6 | 19.0 |
| Female | 19.7 | 19.9 | 20.1 | 20.4 |

Asset Valuation Method

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

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

Actuarial Cost Method

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

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

Future Cost-of-Living Increases

No increases are assumed.

Payroll Growth Rate

None assumed.

Other Assumptions

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

Participant Data

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

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

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

South Carolina National Guard Supplemental Retirement Plan

Development of Actuarial Value of Assets

(Amounts expressed in thousands)

| | July 1, 2014 |
|-----------------------------------------------------------------------------------------------------|---------------------|
| 1. Actuarial Value of Assets at the Prior Valuation Date | \$ 22,208 |
| 2. Market Value of Assets at the Prior Valuation Date | \$ 19,424 |
| 3. Net External Cash Flow During the Year | |
| a. Contributions | \$ 4,586 |
| b. Disbursements | (4,248) |
| c. Subtotal | \$ 338 |
| 4. Expected Net Investment Income at 7.50% Earned on: | |
| a. Actuarial value of assets at the prior valuation date | \$ 1,666 |
| b. Contributions | 344 |
| c. Disbursements | (159) |
| d. Subtotal | \$ 1,851 |
| 5. Expected Actuarial Value of Assets, End of Year (Item 1 + Item 3c + Item 4d) | \$ 24,397 |
| 6. Market Value of Assets as of the Current Valuation Date | \$ 22,558 |
| 7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6 - Item 5) | \$ (1,839) |
| 8. Excess/(Shortfall) Recognized (20% of Item 7) | \$ (368) |
| 9. Actuarial Value of Plan Assets, End of Year (Item 5 + Item 8) | \$ 24,029 |
| 10. Asset Gain (Loss) for Year (Item 9 - Item 5) | \$ (368) |
| 11. Asset Gain (Loss) as % of Actual Actuarial Assets | (1.5%) |
| 12. Ratio of AVA to MVA | 106.5% |

South Carolina Retirement System Summary of Historical Active Membership

As of July 1, 2014

| July 1 | Number of Employers ² | Active Members | | Covered Payroll ¹ | | Average Annual Pay | | Average Age | Average Service |
|--------|----------------------------------|----------------|---------------------------|------------------------------|---------------------------|--------------------|---------------------------|-------------|-----------------|
| | | Number | Percent Increase/Decrease | Amount in Thousands | Percent Increase/Decrease | Amount | Percent Increase/Decrease | | |
| 2014 | 810 | 185,265 | 0.3% | \$7,539,996 | 1.4% | \$40,698 | 1.10% | 45 | 10.2 |
| 2013 | 808 | 184,690 | (0.6%) | 7,434,820 | 1.1% | 40,256 | 1.65% | 45 | 10.2 |
| 2012 | 806 | 185,748 | (1.0%) | 7,356,231 | (4.3%) | 39,603 | (3.35%) | 45 | 10.4 |
| 2011 | 803 | 187,611 | (1.4%) | 7,687,558 | (1.1%) | 40,976 | 0.33% | 45 | 10.5 |
| 2010 | 800 | 190,239 | (1.1%) | 7,769,820 | (4.7%) | 40,842 | 1.20% | 45 | 10.2 |
| 2009 | 781 | 192,319 | (0.3%) | 7,761,808 | 2.7% | 40,359 | 2.95% | 45 | 10.0 |
| 2008 | 776 | 192,820 | 2.6% | 7,559,172 | 6.6% | 39,203 | 3.89% | 45 | 9.7 |
| 2007 | 777 | 187,968 | 2.0% | 7,093,181 | 5.3% | 37,736 | 3.28% | 45 | 9.8 |
| 2006 | 763 | 184,282 | 1.8% | 6,733,379 | 5.9% | 36,538 | 4.06% | 45 | 9.9 |
| 2005 | 768 | 181,022 | (0.4%) | 6,356,489 | 2.8% | 35,114 | 3.30% | 44 | 9.6 |

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

²Number of employers that cover employees eligible for SCRS benefits and that contributed to the system during the last fiscal year. Although the state is considered the primary government and includes all state agencies as a single employer, for purposes of this schedule, each state agency is reported separately and counted as an employer.

Police Officers Retirement System Summary of Historical Active Membership

As of July 1, 2014

| July 1 | Number of Employers ² | Active Members | | Covered Payroll ¹ | | Average Annual Pay | | Average Age | Average Service |
|--------|----------------------------------|----------------|---------------------------|------------------------------|---------------------------|--------------------|---------------------------|-------------|-----------------|
| | | Number | Percent Increase/Decrease | Amount in Thousands | Percent Increase/Decrease | Amount | Percent Increase/Decrease | | |
| 2014 | 310 | 26,697 | 1.9% | \$1,076,885 | 4.2% | \$40,337 | 2.27% | 40 | 9.5 |
| 2013 | 356 | 26,194 | 0.1% | 1,033,189 | 1.4% | 39,444 | 1.31% | 40 | 9.4 |
| 2012 | 325 | 26,179 | (1.8%) | 1,019,241 | (6.3%) | 38,934 | (4.60%) | 40 | 9.5 |
| 2011 | 356 | 26,650 | 0.3% | 1,087,587 | 1.0% | 40,810 | 0.72% | 40 | 9.6 |
| 2010 | 322 | 26,568 | (0.1%) | 1,076,467 | (0.7%) | 40,517 | (0.60%) | 40 | 8.7 |
| 2009 | 318 | 26,598 | 0.6% | 1,084,154 | 2.2% | 40,761 | 1.55% | 40 | 8.4 |
| 2008 | 313 | 26,427 | 3.0% | 1,060,747 | 6.8% | 40,139 | 3.68% | 39 | 8.2 |
| 2007 | 313 | 25,645 | 3.4% | 992,849 | 6.6% | 38,715 | 3.09% | 39 | 8.3 |
| 2006 | 314 | 24,813 | 4.3% | 931,815 | 9.5% | 37,554 | 5.05% | 40 | 8.3 |
| 2005 | 314 | 23,795 | 0.3% | 850,610 | 3.4% | 35,747 | 3.16% | 39 | 8.2 |

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

²Number of employers that cover employees eligible for PORS benefits and that contributed to the system during the last fiscal year. Although the state is considered the primary government and includes all state agencies as a single employer, for purposes of this schedule, each state agency is reported separately and counted as an employer.

General Assembly Retirement System Summary of Historical Active Membership

As of July 1, 2014

| July 1 | Number of Employers ² | Active Members ¹ | | Covered Payroll | | Average Annual Pay | | Average Age | Average Service |
|--------|-------------------------------------|-----------------------------|----------------------------------|------------------------|----------------------------------|--------------------|----------------------------------|----------------|--------------------|
| | | Number ¹ | Percent Increase/ Decrease | Amount in Thousands | Percent Increase/ Decrease | Amount | Percent Increase/ Decrease | | |
| 2014 | 2 | 115 | (3.4%) | \$ 2,601 | (3.2%) | \$22,617 | 0.13% | 55 | 12.4 |
| 2013 | 2 | 119 | (30.0%) | 2,688 | (30.3%) | 22,588 | (.37%) | 54 | 11.8 |
| 2012 | 2 | 170 | 0.0% | 3,854 | 0.0% | 22,671 | 0.00% | 53 | 10.8 |
| 2011 | 2 | 170 | 0.0% | 3,854 | 0.0% | 22,671 | 0.00% | 53 | 9.8 |
| 2010 | 2 | 170 | 0.0% | 3,854 | 0.0% | 22,671 | 0.00% | 52 | 10.2 |
| 2009 | 2 | 170 | 0.0% | 3,854 | 0.0% | 22,671 | 0.00% | 51 | 9.0 |
| 2008 | 2 | 170 | 0.0% | 3,854 | 0.0% | 22,671 | 0.00% | 52 | 10.4 |
| 2007 | 2 | 170 | 0.0% | 3,854 | 0.0% | 22,671 | 0.00% | 52 | 10.8 |
| 2006 | 2 | 170 | 0.0% | 3,854 | 0.0% | 22,671 | 0.01% | 51 | 10.6 |
| 2005 | 2 | 170 | 0.0% | 3,853 | 0.4% | 22,668 | 0.38% | 51 | 10.2 |

¹For valuations prior to 2013 the annual covered payroll included the payroll of filled and unfilled positions.

²Number of employers that cover employees eligible for GARS benefits and that contributed to the system during the last fiscal year. Although the state is considered the primary government and includes all state agencies as a single employer, for purposes of this schedule, each state agency is reported separately and counted as an employer.

Judges and Solicitors Retirement System Summary of Historical Active Membership

As of July 1, 2014

| July 1 | Number of Employers ² | Active Members ¹ | | Covered Payroll | | Average Annual Pay | | Average Age | Average Service |
|--------|-------------------------------------|-----------------------------|----------------------------------|-------------------------------------|----------------------------------|--------------------|----------------------------------|----------------|--------------------|
| | | Number ¹ | Percent Increase/ Decrease | Amount in Thousands ¹ | Percent Increase/ Decrease | Amount | Percent Increase/ Decrease | | |
| 2014 | 3 | 153 | | \$ 20,815 | | \$136,048 | 2.00% | 56 | 15.1 |
| 2013 | 3 | 153 | | 20,407 | | 133,381 | (0.07%) | 56 | 15.5 |
| 2012 | 3 | 144 | | 19,221 | | 133,476 | 3.00% | 56 | 15.1 |
| 2011 | 3 | 144 | | 18,661 | | 129,590 | 0.00% | 55 | 14.3 |
| 2010 | 3 | 144 | | 18,661 | | 129,590 | 0.00% | 55 | 15.0 |
| 2009 | 3 | 144 | | 18,661 | | 129,590 | 0.00% | 55 | 15.4 |
| 2008 | 3 | 144 | | 18,661 | | 129,590 | 1.10% | 54 | 15.7 |
| 2007 | 2 | 128 | | 16,407 | | 128,176 | 3.00% | 55 | 19.4 |
| 2006 | 2 | 128 | | 15,929 | | 124,445 | 3.00% | 55 | 20.1 |
| 2005 | 2 | 128 | | 15,465 | | 120,820 | 4.00% | 55 | 19.5 |

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

²Number of employers that cover employees eligible for JSRS benefits and that contributed to the system during the last fiscal year. Although the state is considered the primary government and includes all state agencies as a single employer, for purposes of this schedule, each state agency is reported separately and counted as an employer.

South Carolina National Guard Supplemental Retirement Plan Summary of Historical Active Membership

As of July 1, 2014

| July 1 | Number of Employers | Number of Members | Annual Payroll ¹ | Average Pay ¹ | Percent Increase in Average Pay ¹ | Average Age | Average Service |
|-------------------|------------------------|----------------------|--------------------------------|--------------------------|-------------------------------------------------------|----------------|--------------------|
| 2014 | 1 | 12,221 | N/A | N/A | N/A | 32 | 9.7 |
| 2013 | 1 | 11,997 | N/A | N/A | N/A | 32 | 9.5 |
| 2012 | 1 | 12,041 | N/A | N/A | N/A | 32 | 9.2 |
| 2011 | 1 | 12,271 | N/A | N/A | N/A | 32 | 9.3 |
| 2010 | 1 | 12,445 | N/A | N/A | N/A | 32 | 9.0 |
| 2009 | 1 | 12,599 | N/A | N/A | N/A | 32 | 8.7 |
| 2008 | 1 | 12,559 | N/A | N/A | N/A | 31 | 8.0 |
| 2007 ² | 1 | 11,076 | N/A | N/A | N/A | 32 | 10.0 |
| 2006 | 1 | 2,502 | N/A | N/A | N/A | 45 | 23.0 |
| 2005 | 1 | 2,864 | N/A | N/A | N/A | 45 | 23.0 |

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

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

South Carolina Retirement System Summary of Active Membership Data

As of July 1, 2014

(Dollar amounts expressed in thousands)

| Group | Number¹ | Annual Compensation² |
|-------------------------|---------------------------|--------------------------------------------|
| State employees | 49,260 | \$ 2,094,856 |
| Public school employees | 82,739 | 3,157,166 |
| Other agency employees | 53,266 | 1,950,599 |
| Total | 185,265 | \$ 7,202,621 |

¹In addition, there are 159,908 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

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

Police Officers Retirement System Summary of Active Membership Data

As of July 1, 2014

(Dollar amounts expressed in thousands)

| Group | Number¹ | Annual Compensation² |
|-------------------------|---------------------------|--------------------------------------------|
| State employees | 9,652 | \$ 343,901 |
| Public school employees | 0 | 0 |
| Other agency employees | 17,045 | 681,790 |
| Total | 26,697 | \$ 1,025,691 |

¹In addition, there are 13,185 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

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

General Assembly Retirement System Summary of Active Membership Data

As of July 1, 2014

(Dollar amounts expressed in thousands)

| <u>Number¹</u> | <u>Annual Compensation</u> |
|---------------------------|--------------------------------|
| 115 | \$ 2,601 |

¹There are 36 inactive members with contributions still in the system, and there are 16 special contributors. The results of the valuation were adjusted to take these members into account. Numbers shown above include members receiving retirement benefits while continuing in office.

Judges and Solicitors Retirement System Summary of Active Membership Data

As of July 1, 2014

(Dollar amounts expressed in thousands)

| <u>Number¹</u> | <u>Annual Compensation</u> |
|---------------------------|--------------------------------|
| 153 | \$ 20,815 |

¹The number of active members reflects the number of seats, including 19 participants who are either in the DROP or have retired in place and are receiving retirement benefits while continuing in office. There are two inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

South Carolina Retirement System Summary of Membership Data

| | <u>July 1, 2014</u> | <u>July 1, 2013</u> |
|--------------------------------------|---------------------|---------------------|
| 1. Service retirees | | |
| a. Number | 109,150 | 105,813 |
| b. Total annual benefits | \$ 2,315,655,082 | \$ 2,227,337,459 |
| c. Average annual benefits | \$ 21,215 | \$ 21,050 |
| d. Average age at the valuation date | 69.2 | 68.9 |
| 2. Disabled retirees | | |
| a. Number | 13,584 | 13,329 |
| b. Total annual benefits | \$ 185,574,607 | \$ 180,095,624 |
| c. Average annual benefits | \$ 13,661 | \$ 13,512 |
| d. Average age at the valuation date | 62.8 | 62.4 |
| 3. Beneficiaries | | |
| a. Number | 8,776 | 8,554 |
| b. Total annual benefits | \$ 103,486,720 | \$ 99,194,071 |
| c. Average annual benefits | \$ 11,792 | \$ 11,596 |
| d. Average age at the valuation date | 67.6 | 67.5 |

Police Officers Retirement System Summary of Membership Data

| | <u>July 1, 2014</u> | <u>July 1, 2013</u> |
|--------------------------------------|---------------------|---------------------|
| 1. Service retirees | | |
| a. Number | 12,485 | 12,153 |
| b. Total annual benefits | \$ 254,520,214 | \$ 247,127,574 |
| c. Average annual benefits | \$ 20,386 | \$ 20,335 |
| d. Average age at the valuation date | 64.2 | 63.7 |
| 2. Disabled retirees | | |
| a. Number | 2,380 | 2,259 |
| b. Total annual benefits | \$ 48,179,102 | \$ 44,953,501 |
| c. Average annual benefits | \$ 20,243 | \$ 19,900 |
| d. Average age at the valuation date | 54.1 | 53.9 |
| 3. Beneficiaries | | |
| a. Number | 1,238 | 1,205 |
| b. Total annual benefits | \$ 14,938,347 | \$ 14,325,696 |
| c. Average annual benefits | \$ 12,067 | \$ 11,889 |
| d. Average age at the valuation date | 67.8 | 67.9 |

General Assembly Retirement System Summary of Membership Data

| | July 1, 2014 | July 1, 2013 |
|--------------------------------------|--------------|--------------|
| 1. Service retirees | | |
| a. Number | 275 | 285 |
| b. Total annual benefits | \$ 5,425,601 | \$ 5,609,504 |
| c. Average annual benefits | \$ 19,729 | \$ 19,682 |
| d. Average age at the valuation date | 72.1 | 71.9 |
| 2. Disabled retirees | | |
| a. Number | 0 | 0 |
| b. Total annual benefits | \$ 0 | \$ 0 |
| c. Average annual benefits | \$ 0 | \$ 0 |
| d. Average age at the valuation date | N/A | N/A |
| 3. Beneficiaries | | |
| a. Number | 80 | 78 |
| b. Total annual benefits | \$ 1,170,797 | \$ 1,144,515 |
| c. Average annual benefits | \$ 14,635 | \$ 14,673 |
| d. Average age at the valuation date | 77.6 | 78.3 |

Judges and Solicitors Retirement System Summary of Membership Data

| | July 1, 2014 | July 1, 2013 |
|--------------------------------------|---------------|---------------|
| 1. Service retirees | | |
| a. Number | 148 | 147 |
| b. Total annual benefits | \$ 14,784,469 | \$ 14,359,793 |
| c. Average annual benefits | \$ 99,895 | \$ 97,686 |
| d. Average age at the valuation date | 70.3 | 70.2 |
| 2. Disabled retirees | | |
| a. Number ¹ | 0 | 1 |
| b. Total annual benefits | \$ 0 | \$ 95,702 |
| c. Average annual benefits | \$ 0 | \$ 95,702 |
| d. Average age at the valuation date | N/A | 78.7 |
| 3. Beneficiaries | | |
| a. Number | 56 | 53 |
| b. Total annual benefits | \$ 1,617,934 | \$ 1,501,885 |
| c. Average annual benefits | \$ 28,892 | \$ 28,337 |
| d. Average age at the valuation date | 69.5 | 69.6 |

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

South Carolina National Guard Supplemental Retirement Plan Summary of Membership Data

| | July 1, 2014 | July 1, 2013 |
|---------------------------------------|--------------|--------------|
| 1. Active members | | |
| a. Males | 10,075 | 9,958 |
| b. Females | 2,146 | 2,039 |
| c. Total members | 12,221 | 11,997 |
| d. Average age | 32.1 | 32.0 |
| e. Average service | 9.7 | 9.5 |
| 2. Vested inactive members | | |
| a. Number | 2,130 | 2,292 |
| b. Total annual deferred benefits | \$ 1,670,520 | \$ 1,801,320 |
| c. Average annual deferred benefits | \$ 784 | \$ 786 |
| 3. Service retirees | | |
| a. Number | 4,628 | 4,541 |
| b. Total annual benefits | \$ 4,229,880 | \$ 4,167,540 |
| c. Average annual benefit | \$ 914 | \$ 918 |
| d. Average age | 69.7 | 69.3 |

South Carolina Retirement System

Schedule of Retirants Added to and Removed from Rolls¹

(Amounts except average allowance expressed in thousands)

| July 1 | Added to Rolls ² | | Removed from Rolls ³ | | Rolls End of the Year | | Percent Increase in Annual Benefits | Average Annual Benefits |
|--------|-----------------------------|-----------------|---------------------------------|-----------------|-----------------------|-----------------|-------------------------------------|-------------------------|
| | Number | Annual Benefits | Number | Annual Benefits | Number | Annual Benefits | | |
| 2014 | 7,084 | \$148,060 | 3,270 | \$49,971 | 131,510 | \$2,604,716 | 3.9% | \$19,806 |
| 2013 | 9,088 | 204,581 | 3,319 | 50,142 | 127,696 | 2,506,627 | 6.6% | 19,630 |
| 2012 | 9,523 | 205,050 | 2,968 | 44,099 | 121,927 | 2,352,188 | 7.3% | 19,292 |
| 2011 | 6,336 | 141,242 | 2,358 | 31,382 | 115,372 | 2,191,236 | 5.3% | 18,993 |
| 2010 | 6,596 | 151,348 | 3,216 | 44,049 | 111,394 | 2,081,376 | 5.4% | 18,685 |
| 2009 | 6,190 | 101,813 | 2,698 | 36,834 | 108,014 | 1,974,077 | 3.4% | 18,276 |
| 2008 | 6,021 | 132,856 | 2,396 | 30,178 | 104,522 | 1,909,098 | 5.7% | 18,265 |
| 2007 | 5,944 | 130,286 | 2,252 | 28,455 | 100,897 | 1,806,420 | 6.0% | 17,904 |
| 2006 | 4,621 | 118,271 | 2,083 | 24,099 | 97,205 | 1,704,589 | 5.8% | 17,536 |
| 2005 | 7,203 | 167,748 | 2,143 | 23,537 | 94,667 | 1,610,417 | 9.8% | 17,011 |

Police Officers Retirement System

Schedule of Retirants Added to and Removed from Rolls

(Amounts except average allowance expressed in thousands)

| July 1 | Added to Rolls ² | | Removed from Rolls ³ | | Rolls End of the Year | | Percent Increase in Annual Benefits | Average Annual Benefits |
|--------|-----------------------------|-----------------|---------------------------------|-----------------|-----------------------|-----------------|-------------------------------------|-------------------------|
| | Number | Annual Benefits | Number | Annual Benefits | Number | Annual Benefits | | |
| 2014 | 818 | \$ 16,881 | 332 | \$ 5,650 | 16,103 | \$ 317,638 | 3.7% | \$19,725 |
| 2013 | 1,278 | 27,584 | 314 | 5,106 | 15,617 | 306,407 | 7.9% | 19,620 |
| 2012 | 1,566 | 34,086 | 271 | 4,143 | 14,653 | 283,929 | 11.8% | 19,377 |
| 2011 | 1,042 | 22,580 | 250 | 2,970 | 13,358 | 253,986 | 8.4% | 19,014 |
| 2010 | 943 | 21,877 | 327 | 5,000 | 12,566 | 234,376 | 7.8% | 18,652 |
| 2009 | 931 | 17,937 | 267 | 3,879 | 11,950 | 217,499 | 6.9% | 18,201 |
| 2008 | 779 | 17,458 | 194 | 2,691 | 11,286 | 203,441 | 7.8% | 18,026 |
| 2007 | 772 | 16,474 | 205 | 2,745 | 10,701 | 188,674 | 7.8% | 17,631 |
| 2006 | 678 | 16,880 | 205 | 2,691 | 10,134 | 174,945 | 8.8% | 17,263 |
| 2005 | 778 | 12,576 | 173 | 2,147 | 9,661 | 160,756 | 9.8% | 16,640 |

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

² Annual benefits added to rolls includes the benefit adjustments provided to continuing retirees.

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

General Assembly Retirement System

Schedule of Retirants Added to and Removed from Rolls

(Amounts except average allowance expressed in thousands)

| July 1 | Added to Rolls ² | | Removed from Rolls ³ | | Rolls End of the Year | | Percent Increase in Annual Benefits | Average Annual Benefits |
|--------|-----------------------------|-----------------|---------------------------------|-----------------|-----------------------|-----------------|-------------------------------------|-------------------------|
| | Number | Annual Benefits | Number | Annual Benefits | Number | Annual Benefits | | |
| 2014 | 12 | \$ 200 | 20 | \$ 358 | 355 | \$ 6,596 | -2.3% | \$18,581 |
| 2013 | 22 | 444 | 17 | 353 | 363 | 6,754 | 1.4% | 18,606 |
| 2012 | 16 | 251 | 11 | 130 | 358 | 6,663 | 1.8% | 18,611 |
| 2011 | 12 | 238 | 5 | 108 | 353 | 6,542 | 2.0% | 18,534 |
| 2010 | 7 | 148 | 14 | 261 | 346 | 6,412 | -1.7% | 18,532 |
| 2009 | 26 | 505 | 15 | 266 | 353 | 6,525 | 3.8% | 18,484 |
| 2008 | 19 | 337 | 10 | 134 | 342 | 6,286 | 3.3% | 18,380 |
| 2007 | 18 | 321 | 2 | 13 | 333 | 6,083 | 5.3% | 18,267 |
| 2006 | 13 | 238 | 8 | 179 | 317 | 5,775 | 1.0% | 18,218 |
| 2005 | 22 | 486 | 7 | 125 | 312 | 5,716 | 6.8% | 18,321 |

Judges and Solicitors Retirement System

Schedule of Retirants Added to and Removed from Rolls¹

(Amounts except average allowance expressed in thousands)

| July 1 | Added to Rolls ² | | Removed from Rolls ³ | | Rolls End of the Year | | Percent Increase in Annual Benefits | Average Annual Benefits |
|--------|-----------------------------|-----------------|---------------------------------|-----------------|-----------------------|-----------------|-------------------------------------|-------------------------|
| | Number | Annual Benefits | Number | Annual Benefits | Number | Annual Benefits | | |
| 2014 | 7 | \$ 637 | 4 | \$ 192 | 204 | \$ 16,402 | 2.8% | \$80,402 |
| 2013 | 10 | 279 | 9 | 42 | 201 | 15,957 | 1.5% | 79,388 |
| 2012 | 6 | 912 | 4 | 184 | 200 | 15,720 | 4.9% | 78,600 |
| 2011 | 9 | 827 | 5 | 196 | 198 | 14,992 | 4.4% | 75,717 |
| 2010 | 18 | 1,210 | 8 | 593 | 194 | 14,361 | 4.5% | 74,025 |
| 2009 | 10 | 903 | 4 | 259 | 184 | 13,744 | 4.9% | 74,696 |
| 2008 | 6 | 545 | 3 | 156 | 178 | 13,100 | 3.1% | 73,596 |
| 2007 | 32 | 2,690 | 1 | 30 | 175 | 12,711 | 26.5% | 72,634 |
| 2006 | 4 | 464 | 1 | 28 | 144 | 10,051 | 4.5% | 69,799 |
| 2005 | 3 | 581 | 1 | 27 | 141 | 9,615 | 6.1% | 68,191 |

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

²Annual benefits added to rolls includes benefit adjustments for continuing retirees.

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

South Carolina National Guard Supplemental Retirement Plan Schedule of Retirants Added to and Removed from Rolls

(Amounts except average allowance expressed in thousands)

| July 1 | Added to Rolls | | Removed from Rolls | | Rolls End of the Year | | Percent Increase in Annual Benefits | Average Annual Benefits |
|--------|----------------|-----------------|--------------------|-----------------|-----------------------|-----------------|-------------------------------------|-------------------------|
| | Number | Annual Benefits | Number | Annual Benefits | Number | Annual Benefits | | |
| 2014 | 195 | \$ 165 | 108 | \$ 103 | 4,628 | \$ 4,230 | 3.9% | \$ 914 |
| 2013 | 244 | 211 | 122 | 116 | 4,541 | 4,168 | 2.3% | 918 |
| 2012 | 259 | 228 | 92 | 87 | 4,419 | 4,073 | 3.6% | 922 |
| 2011 | 399 | 351 | 98 | 93 | 4,252 | 3,932 | 7.0% | 925 |
| 2010 | 267 | 237 | 101 | 99 | 3,951 | 3,674 | 3.9% | 930 |
| 2009 | 378 | 335 | 85 | 83 | 3,785 | 3,536 | 7.7% | 934 |
| 2008 | 364 | 331 | 76 | 75 | 3,492 | 3,284 | 8.5% | 940 |
| 2007 | 362 | 329 | 61 | 58 | 3,204 | 3,028 | 9.8% | 945 |
| 2006 | 303 | 276 | 90 | 91 | 2,903 | 2,757 | 7.2% | 950 |
| 2005 | 244 | 214 | 89 | 81 | 2,690 | 2,572 | 5.5% | 956 |

Schedule of Funding Progress¹

(Amounts expressed in thousands)

| SCRS | Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Annual Covered Payroll ² | UAAL as % of Payroll |
|------|----------------|---------------------------------|-----------------------------------|---------------------------------------------|--------------|-------------------------------------|----------------------|
| | 2014 | \$26,910,740 | \$ 42,889,614 | \$ 15,978,874 | 62.7% | \$7,539,996 | 211.9% |
| | 2013 | 25,753,068 | 41,196,062 | 15,442,994 | 62.5% | 7,434,820 | 207.7% |
| | 2012 | 25,540,749 | 39,457,708 | 13,916,959 | 64.7% | 7,356,231 | 189.2% |
| | 2011 | 25,604,823 | 38,011,610 | 12,406,787 | 67.4% | 7,687,558 | 161.4% |
| | 2010 | 25,400,331 | 38,774,029 | 13,373,698 | 65.5% | 7,769,820 | 172.1% |
| | 2009 | 25,183,062 | 37,150,315 | 11,967,253 | 67.8% | 7,761,808 | 154.2% |
| | 2008 | 24,699,678 | 35,663,419 | 10,963,741 | 69.3% | 7,559,172 | 145.0% |
| | 2007 | 23,541,438 | 33,766,678 | 10,225,240 | 69.7% | 7,093,181 | 144.2% |
| | 2006 | 22,293,446 | 32,018,519 | 9,725,073 | 69.6% | 6,733,379 | 144.4% |
| | 2005 | 21,625,510 | 30,217,471 | 8,591,961 | 71.6% | 6,356,489 | 135.2% |

| PORS | Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Annual Covered Payroll ² | UAAL as % of Payroll |
|------|----------------|---------------------------------|-----------------------------------|---------------------------------------------|--------------|-------------------------------------|----------------------|
| | 2014 | \$ 4,105,308 | \$ 5,905,828 | \$ 1,800,520 | 69.5% | \$1,076,885 | 167.2% |
| | 2013 | 3,922,041 | 5,663,756 | 1,741,715 | 69.2% | 1,033,189 | 168.6% |
| | 2012 | 3,808,934 | 5,357,492 | 1,548,558 | 71.1% | 1,019,241 | 151.9% |
| | 2011 | 3,728,241 | 5,122,501 | 1,394,260 | 72.8% | 1,087,587 | 128.2% |
| | 2010 | 3,612,700 | 4,850,457 | 1,237,757 | 74.5% | 1,076,467 | 115.0% |
| | 2009 | 3,482,220 | 4,564,111 | 1,081,891 | 76.3% | 1,084,154 | 99.8% |
| | 2008 | 3,363,136 | 4,318,955 | 955,819 | 77.9% | 1,060,747 | 90.1% |
| | 2007 | 3,160,240 | 3,730,544 | 570,304 | 84.7% | 992,849 | 57.4% |
| | 2006 | 2,935,841 | 3,466,281 | 530,440 | 84.7% | 931,815 | 56.9% |
| | 2005 | 2,774,606 | 3,173,930 | 399,324 | 87.4% | 850,610 | 46.9% |

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

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

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

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

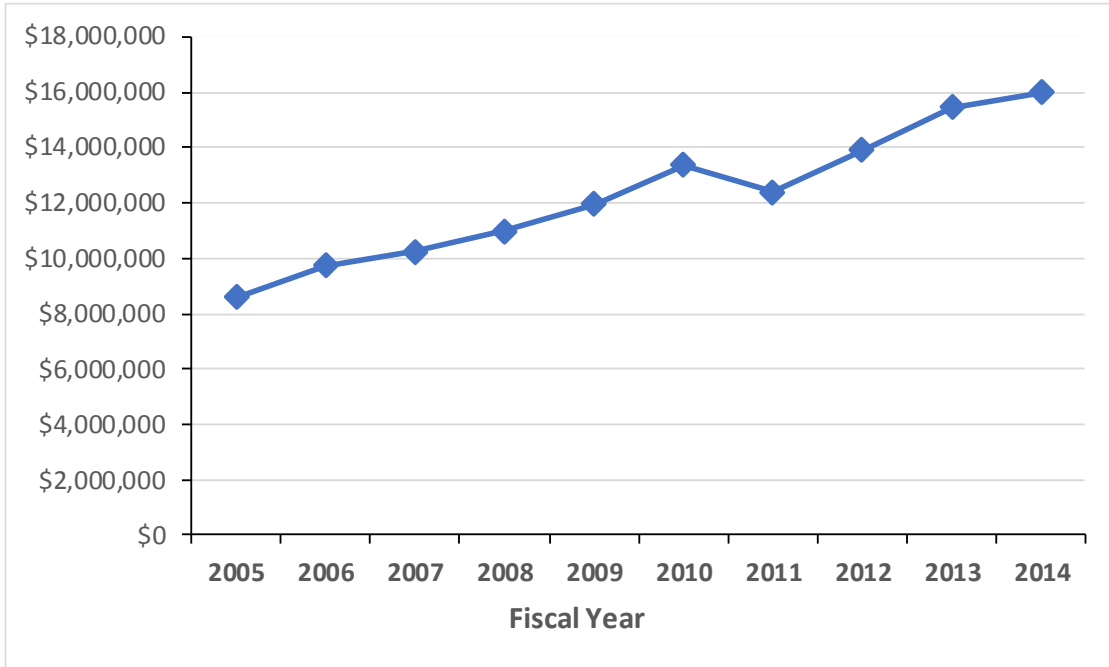
Effective 7-1-2011, actuarial assumptions were changed as a result of a 5 year experience study. The investment return assumption, inflation assumption, rate of salary increases, payroll growth assumption, post-retirement mortality assumption for all groups, retirement rates and termination rates were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

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

South Carolina Retirement System Funding Progress with Funded Ratios¹

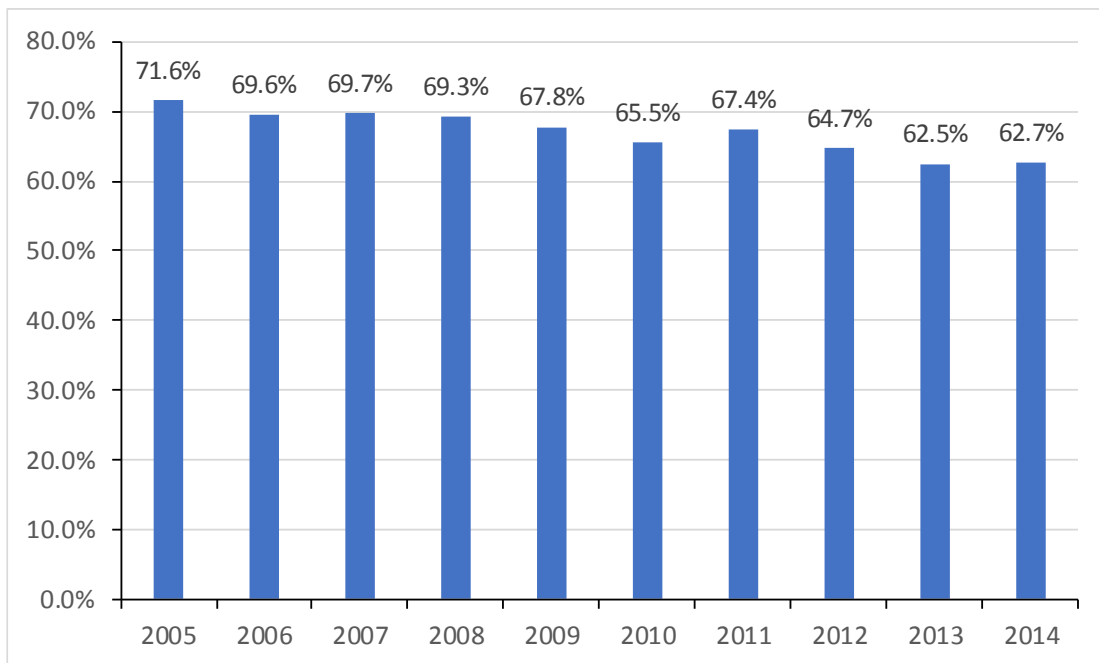
Unfunded Accrued Liabilities

(Amounts expressed in thousands)



Funded Ratios

(Actuarial assets as a percentage of actuarial accrued liabilities)

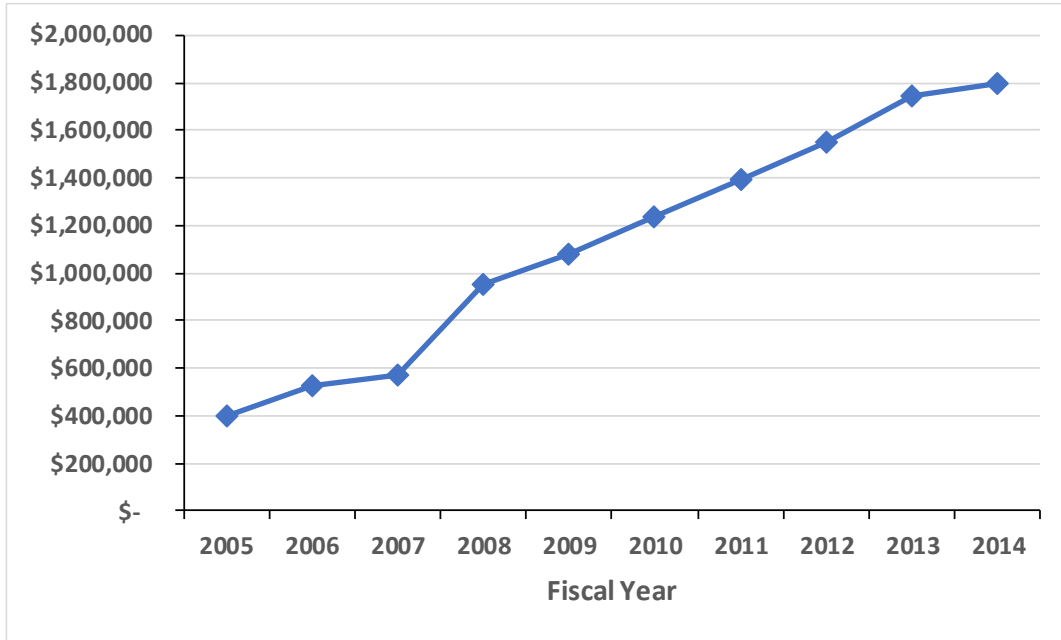


¹A 10-year schedule of actuarially determined and actual contributions can be found in the Required Supplementary Information portion of the Financial Section as part of the Schedule of Employers' Contributions.

Police Officers Retirement System Funding Progress with Funded Ratios¹

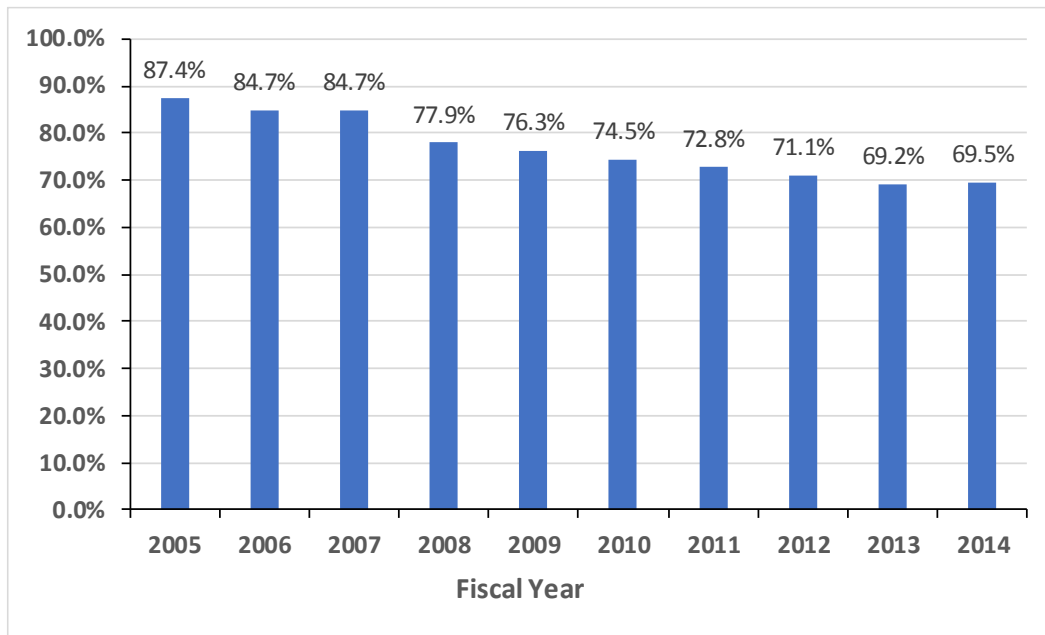
Unfunded Accrued Liabilities

(Amounts expressed in thousands)



Funded Ratios

(Actuarial assets as a percentage of actuarial accrued liabilities)



¹A 10-year schedule of actuarially determined and actual contributions can be found in the Required Supplementary Information portion of the Financial Section as part of the Schedule of Employers' Contributions.

Schedule of Funding Progress

(Amounts expressed in thousands)

| GARS | Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Annual Covered Payroll ¹ | UAAL as % of Payroll |
|------|----------------|---------------------------------|-----------------------------------|---------------------------------------------|--------------|-------------------------------------|----------------------|
| | 2014 | \$ 37,646 | \$ 74,514 | \$ 36,868 | 50.5% | \$ 2,601 | 1,417.5% |
| | 2013 | 38,033 | 75,639 | 37,606 | 50.3% | 2,688 | 1,399.0% |
| | 2012 | 39,233 | 74,332 | 35,099 | 52.8% | 3,854 | 910.7% |
| | 2011 | 41,484 | 74,604 | 33,120 | 55.6% | 3,854 | 859.4% |
| | 2010 | 43,712 | 68,671 | 24,959 | 63.7% | 3,854 | 647.6% |
| | 2009 | 45,891 | 68,491 | 22,600 | 67.0% | 3,854 | 586.4% |
| | 2008 | 47,189 | 69,122 | 21,933 | 68.3% | 3,854 | 569.1% |
| | 2007 | 46,925 | 71,014 | 24,089 | 66.1% | 3,854 | 625.0% |
| | 2006 | 46,075 | 69,734 | 23,659 | 66.1% | 3,854 | 613.9% |
| | 2005 | 46,316 | 69,161 | 22,845 | 67.0% | 3,853 | 592.9% |

¹For valuations prior to 2013, the annual covered payroll included the payroll of filled and unfilled positions.

| JSRS | Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as % of Payroll |
|------|----------------|---------------------------------|-----------------------------------|---------------------------------------------|--------------|------------------------|----------------------|
| | 2014 | \$ 152,839 | \$ 264,293 | \$ 111,454 | 57.8% | \$ 20,815 | 535.4% |
| | 2013 | 147,648 | 256,988 | 109,340 | 57.5% | 20,407 | 535.8% |
| | 2012 | 145,604 | 251,729 | 106,125 | 57.8% | 19,221 | 552.1% |
| | 2011 | 144,927 | 243,514 | 98,587 | 59.5% | 18,661 | 528.3% |
| | 2010 | 142,871 | 215,823 | 72,952 | 66.2% | 18,661 | 390.9% |
| | 2009 | 141,797 | 214,363 | 72,566 | 66.1% | 18,661 | 388.9% |
| | 2008 | 138,323 | 213,406 | 75,083 | 64.8% | 18,661 | 402.4% |
| | 2007 | 132,990 | 229,388 | 96,398 | 58.0% | 16,407 | 587.5% |
| | 2006 | 124,837 | 211,384 | 86,547 | 59.1% | 15,929 | 543.3% |
| | 2005 | 118,888 | 204,847 | 85,959 | 58.0% | 15,465 | 555.8% |

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

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

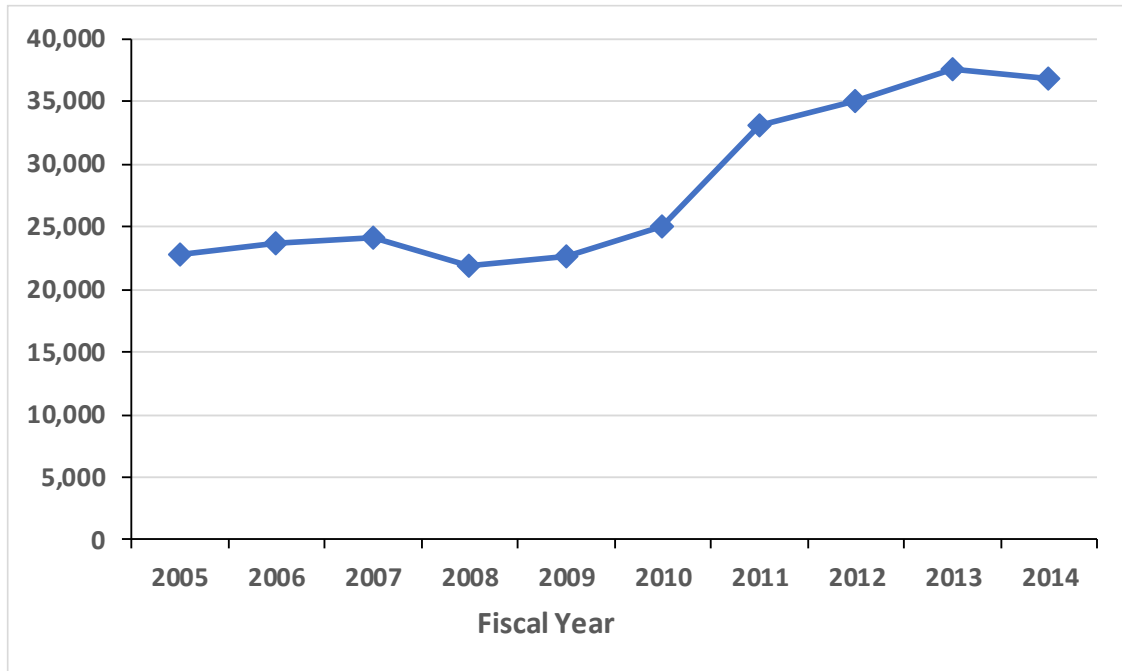
Effective 7-1-2011, actuarial assumptions were changed as a result of a 5 year experience study. The investment return assumption, inflation assumption and the mortality assumption were revised for both GARS and JSRS. The actuarial valuation of asset method was changed from one that recognized the difference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

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

General Assembly Retirement System Funding Progress with Funded Ratios¹

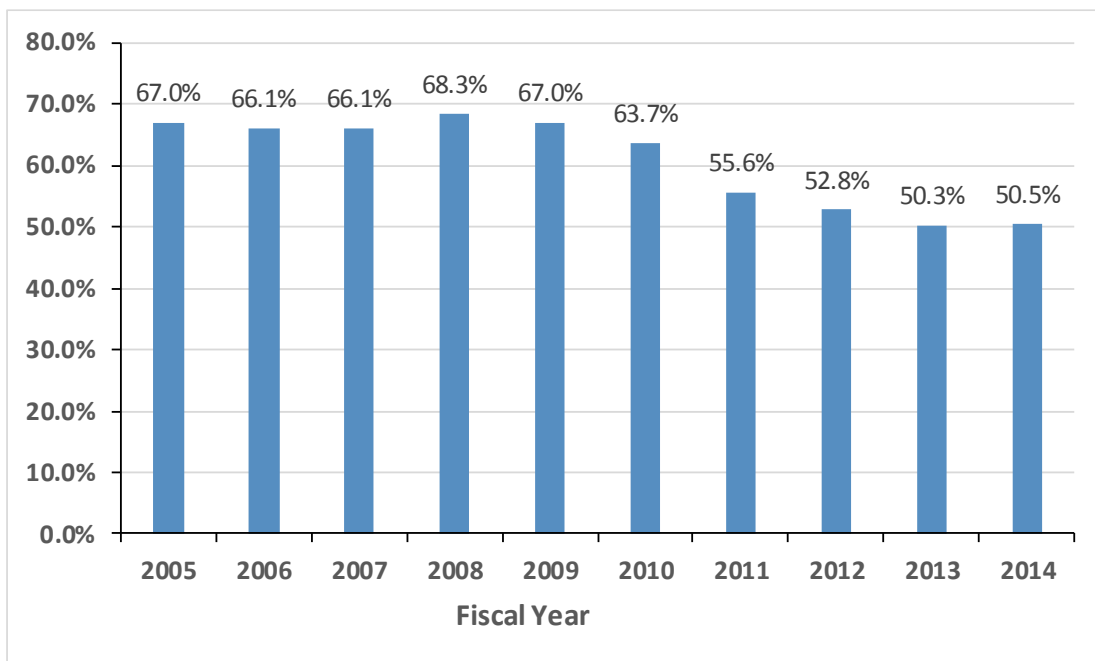
Unfunded Accrued Liabilities

(Amounts expressed in thousands)



Funded Ratios

(Actuarial assets as a percentage of actuarial accrued liabilities)

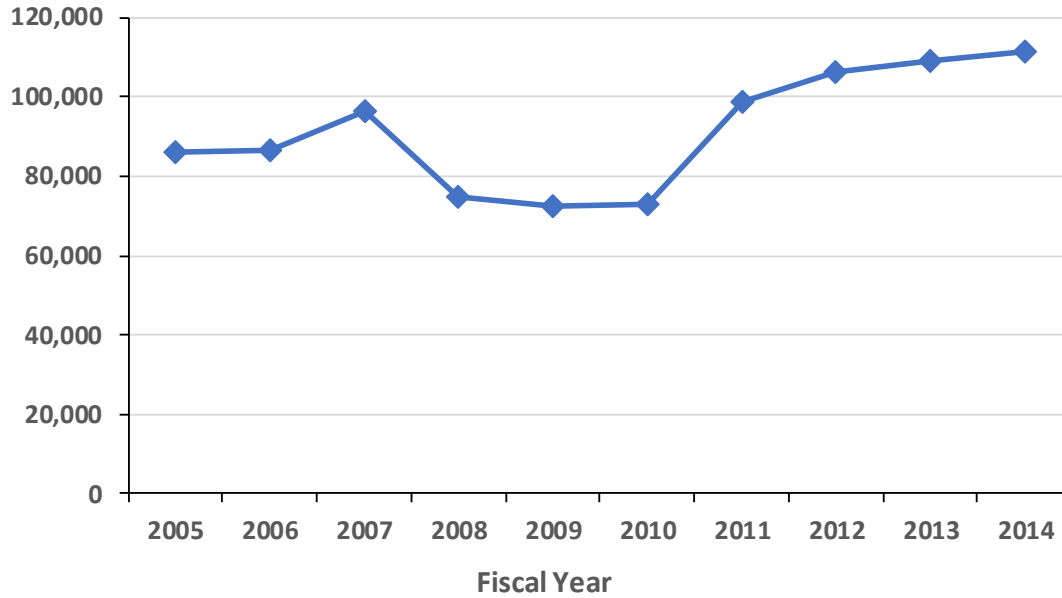


¹ A 10-year schedule of actuarially determined and actual contributions can be found in the Required Supplementary Information portion of the Financial Section as part of the Schedule of Employers' Contributions.

Judges and Solicitors Retirement System Funding Progress with Funded Ratios¹

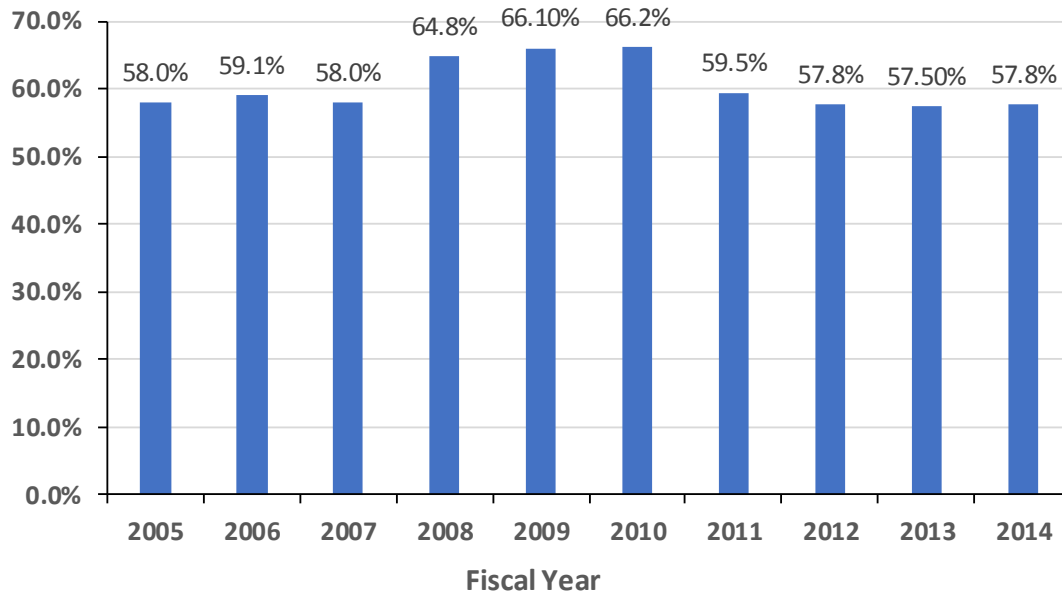
Unfunded Accrued Liabilities

(Amounts expressed in thousands)



Funded Ratios

(Actuarial assets as a percentage of actuarial accrued liabilities)



¹A 10-year schedule of actuarially determined and actual contributions can be found in the Required Supplementary Information portion of the Financial Section as part of the Schedule of Employers' Contributions.

Schedule of Funding Progress

(Amounts expressed in thousands)

| SCNG | Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as % of Payroll |
|------|----------------|---------------------------------|-----------------------------------|---------------------------------------------|--------------|------------------------|----------------------|
| | 2014 | \$ 24,029 | \$ 62,100 | \$ 38,071 | 38.7% | N/A | N/A |
| | 2013 | 22,208 | 61,576 | 39,368 | 36.1% | N/A | N/A |
| | 2012 | 20,814 | 60,942 | 40,128 | 34.2% | N/A | N/A |
| | 2011 | 20,138 | 60,388 | 40,250 | 33.3% | N/A | N/A |
| | 2010 | 19,458 | 54,153 | 34,695 | 35.9% | N/A | N/A |
| | 2009 | 18,600 | 53,421 | 34,821 | 34.8% | N/A | N/A |
| | 2008 | 17,426 | 53,534 | 36,108 | 32.6% | N/A | N/A |
| | 2007 | 15,937 | 55,917 | 39,980 | 28.5% | N/A | N/A |
| | 2006 | 14,046 | 48,755 | 34,709 | 28.8% | N/A | N/A |
| | 2005 | 12,151 | 46,985 | 34,835 | 25.9% | N/A | N/A |

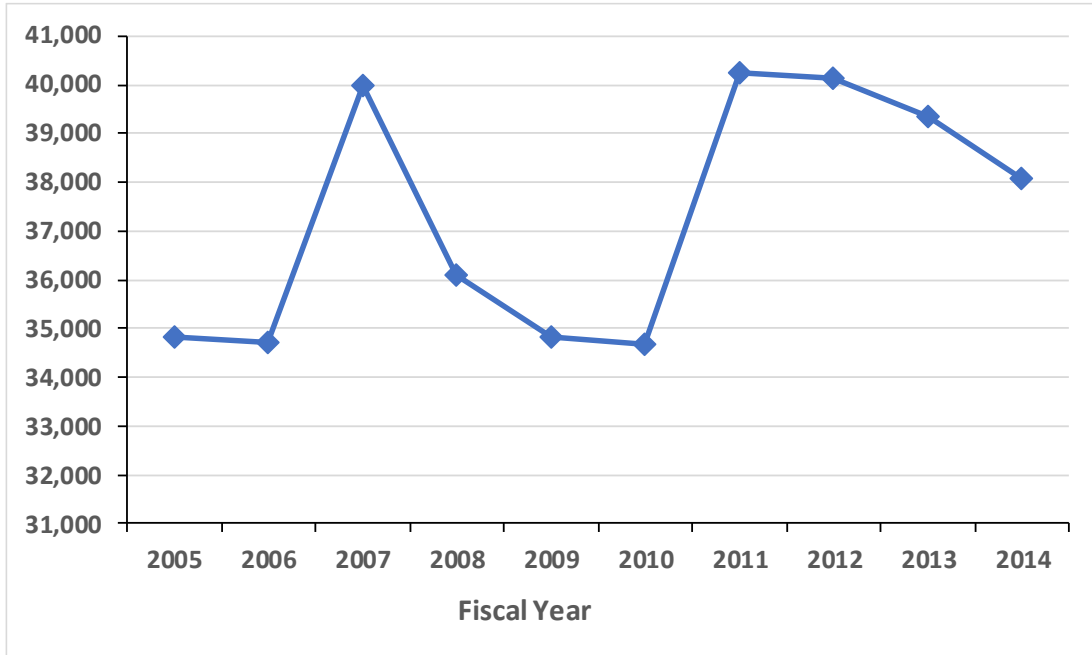
Note: Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

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

South Carolina National Guard Supplemental Retirement Plan Funding Progress with Funded Ratios¹

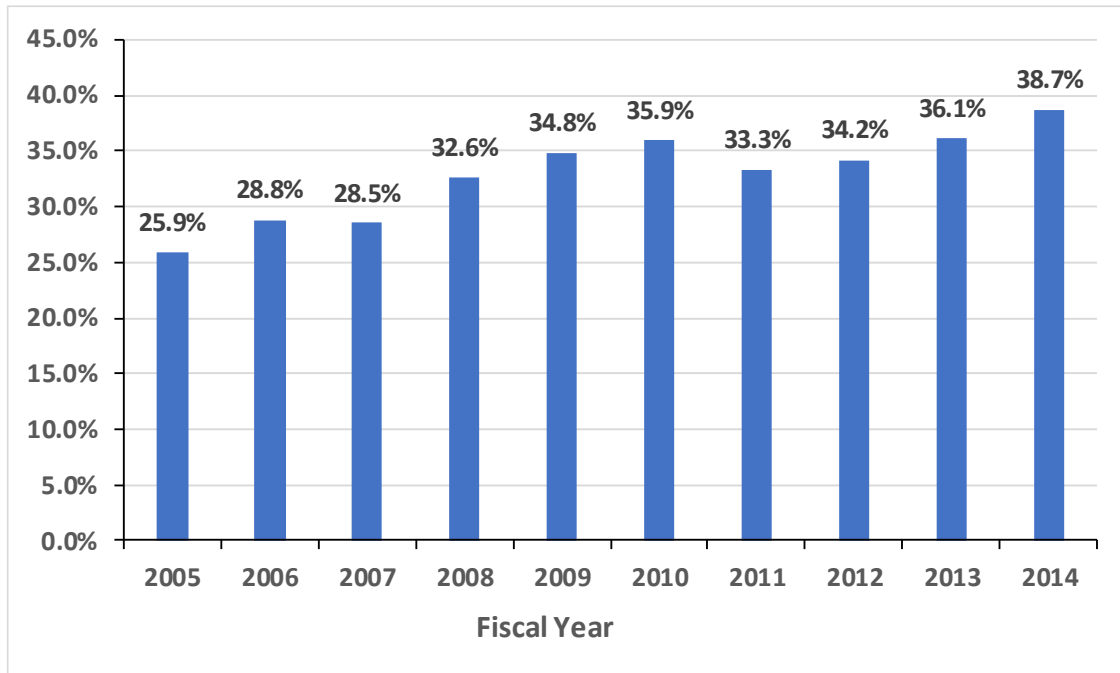
Unfunded Accrued Liabilities

(Amounts expressed in thousands)



Funded Ratios

(Actuarial assets as a percentage of actuarial accrued liabilities)



¹A 10-year schedule of actuarially determined and actual contributions can be found in the Required Supplementary Information portion of the Financial Section as part of the Schedule of Employers' Contributions.

South Carolina Retirement System Reconciliation of UAAL

As of July 1, 2014
(Amounts expressed in thousands)

| Item | Amount of Increase/Decrease |
|----------------------------|----------------------------------------|
| Beginning of year UAAL | \$ 15,442,994 |
| Interest on UAAL | 1,158,225 |
| Amortization payment | (909,882) |
| Assumption/method changes | 0 |
| Asset experience | 293,055 |
| Salary experience | (73,873) |
| Other liability experience | 68,355 |
| Legislative changes | 0 |
| End of year UAAL | <u>\$ 15,978,874</u> |

Police Officers Retirement System Reconciliation of UAAL

As of July 1, 2014
(Amounts expressed in thousands)

| Item | Amount of Increase/Decrease |
|----------------------------|----------------------------------------|
| Beginning of year UAAL | \$ 1,741,715 |
| Interest on UAAL | 130,629 |
| Amortization payment | (96,422) |
| Assumption/method changes | 0 |
| Asset experience | 30,052 |
| Salary experience | (8,808) |
| Other liability experience | 3,354 |
| Legislative changes | 0 |
| End of year UAAL | <u>\$ 1,800,520</u> |

General Assembly Retirement System Reconciliation of UAAL

As of July 1, 2014
(Amounts expressed in thousands)

| Item | <u>Amount of Increase/Decrease</u> |
|------------------------|----------------------------------------|
| Beginning of year UAAL | \$ 37,606 |
| Interest on UAAL | 2,820 |
| Amortization payment | (3,884) |
| Assumption change | 0 |
| Asset experience | 903 |
| Liability experience | (577) |
| Legislative changes | 0 |
| End of year UAAL | <u>\$ 36,868</u> |

Judges and Solicitors Retirement System Reconciliation of UAAL

As of July 1, 2014
(Amounts expressed in thousands)

| Item | <u>Amount of Increase/Decrease</u> |
|----------------------------|----------------------------------------|
| Beginning of year UAAL | \$ 109,340 |
| Interest on UAAL | 8,201 |
| Amortization payment | (6,227) |
| Assumption/method changes | 0 |
| Asset experience | 1,336 |
| COLA | (1,733) |
| Salary experience | (2,323) |
| Other liability experience | 2,860 |
| Legislative changes | 0 |
| End of year UAAL | <u>\$ 111,454</u> |

South Carolina National Guard Supplemental Retirement Plan

Reconciliation of UAAL

As of July 1, 2014
(Amounts expressed in thousands)

| Item: | Amount of |
|------------------------|---------------------------------|
| | <u>Increase/Decrease</u> |
| Beginning of year UAAL | \$ 39,368 |
| Interest on UAAL | 2,953 |
| Amortization payment | (4,200) |
| Assumption change | 0 |
| Asset experience | 368 |
| Liability experience | (418) |
| Legislative changes | 0 |
| End of year UAAL | <u>\$ 38,071</u> |

Solvency Test

(Amounts expressed in thousands)

| SCRS | Actuarial Accrued Liability | | | | Portion of Aggregate Accrued Liabilities Covered by Assets | | | |
|-------------|-----------------------------|-----------------------------|---------------------------|-----------------------------------------------|------------------------------------------------------------|--------|-----------|-------------|
| | July 1 | Active Member Contributions | Retirants & Beneficiaries | Active & Inactive Members (Employer Financed) | Valuation Assets | Active | Retirants | ER Financed |
| | 2014 | \$ 6,717,327 | \$ 27,942,644 | \$ 8,229,643 | \$ 26,910,740 | 100% | 72.3% | 0% |
| | 2013 | 6,491,895 | 26,548,472 | 8,155,695 | 25,753,068 | 100% | 72.6% | 0% |
| | 2012 | 6,459,192 | 24,732,406 | 8,266,110 | 25,540,749 | 100% | 77.2% | 0% |
| | 2011 | 6,472,646 | 23,160,658 | 8,378,306 | 25,604,823 | 100% | 82.6% | 0% |
| | 2010 | 6,222,854 | 22,585,243 | 9,965,932 | 25,400,331 | 100% | 84.9% | 0% |
| | 2009 | 5,980,022 | 21,381,561 | 9,788,732 | 25,183,062 | 100% | 89.8% | 0% |
| | 2008 | 5,708,022 | 20,624,862 | 9,329,937 | 24,699,678 | 100% | 92.1% | 0% |
| | 2007 | 5,464,756 | 19,084,672 | 9,217,250 | 23,541,438 | 100% | 94.7% | 0% |
| | 2006 | 5,229,175 | 17,800,254 | 8,989,090 | 22,293,446 | 100% | 95.9% | 0% |
| | 2005 | 4,915,423 | 16,891,954 | 8,410,094 | 21,625,510 | 100% | 98.9% | 0% |
| PORS | 2014 | \$ 850,383 | \$ 3,490,161 | \$ 1,565,284 | \$ 4,105,308 | 100% | 93.3% | 0.0% |
| | 2013 | 793,414 | 3,385,496 | 1,484,846 | 3,922,041 | 100% | 92.4% | 0.0% |
| | 2012 | 773,710 | 3,118,016 | 1,465,766 | 3,808,934 | 100% | 97.3% | 0.0% |
| | 2011 | 786,724 | 2,784,144 | 1,551,633 | 3,728,241 | 100% | 100.0% | 10.1% |
| | 2010 | 758,695 | 2,577,772 | 1,513,990 | 3,612,700 | 100% | 100.0% | 18.2% |
| | 2009 | 726,214 | 2,348,685 | 1,489,212 | 3,482,220 | 100% | 100.0% | 27.4% |
| | 2008 | 697,423 | 2,183,645 | 1,437,887 | 3,363,136 | 100% | 100.0% | 33.5% |
| | 2007 | 658,023 | 1,818,914 | 1,253,607 | 3,160,240 | 100% | 100.0% | 54.5% |
| | 2006 | 622,008 | 1,668,449 | 1,175,824 | 2,935,841 | 100% | 100.0% | 54.9% |
| | 2005 | 585,701 | 1,530,199 | 1,058,030 | 2,774,606 | 100% | 100.0% | 62.0% |

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

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

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

Solvency Test

(Amounts expressed in thousands)

| GARS | July 1 | Actuarial Accrued Liability | | | | Portion of Aggregate Accrued Liabilities Covered by Assets | | | |
|-------------|--------|-----------------------------|---------------------------|-----------------------------------------------|------------------|------------------------------------------------------------|-----------|-------------|--|
| | | Active Member Contributions | Retirants & Beneficiaries | Active & Inactive Members (Employer Financed) | Valuation Assets | Active | Retirants | ER Financed | |
| | 2014 | \$ 7,358 | \$ 58,098 | \$ 9,058 | \$ 37,646 | 100% | 52.1% | 0% | |
| | 2013 | 7,164 | 59,592 | 8,883 | 38,033 | 100% | 51.8% | 0% | |
| | 2012 | 7,267 | 58,213 | 8,852 | 39,233 | 100% | 54.9% | 0% | |
| | 2011 | 7,100 | 58,291 | 9,213 | 41,484 | 100% | 59.0% | 0% | |
| | 2010 | 7,265 | 53,486 | 7,920 | 43,712 | 100% | 68.1% | 0% | |
| | 2009 | 6,822 | 54,586 | 7,083 | 45,891 | 100% | 71.6% | 0% | |
| | 2008 | 7,265 | 53,240 | 8,617 | 47,189 | 100% | 75.0% | 0% | |
| | 2007 | 7,735 | 54,115 | 9,164 | 46,925 | 100% | 72.4% | 0% | |
| | 2006 | 8,094 | 51,870 | 9,770 | 46,075 | 100% | 73.2% | 0% | |
| | 2005 | 8,024 | 51,353 | 9,784 | 46,316 | 100% | 74.6% | 0% | |
| JSRS | 2014 | \$ 22,926 | \$ 184,625 | \$ 56,742 | \$ 152,839 | 100% | 70.4% | 0% | |
| | 2013 | 21,369 | 178,526 | 57,093 | 147,648 | 100% | 70.7% | 0% | |
| | 2012 | 20,005 | 177,483 | 54,241 | 145,604 | 100% | 70.8% | 0% | |
| | 2011 | 18,864 | 169,841 | 54,809 | 144,927 | 100% | 74.2% | 0% | |
| | 2010 | 17,816 | 150,696 | 47,311 | 142,871 | 100% | 83.0% | 0% | |
| | 2009 | 18,431 | 144,464 | 51,468 | 141,797 | 100% | 85.4% | 0% | |
| | 2008 | 17,367 | 141,510 | 54,529 | 138,323 | 100% | 85.5% | 0% | |
| | 2007 | 18,999 | 149,435 | 60,954 | 132,990 | 100% | 76.3% | 0% | |
| | 2006 | 21,857 | 112,823 | 76,704 | 124,837 | 100% | 91.3% | 0% | |
| | 2005 | 20,005 | 110,876 | 73,966 | 118,888 | 100% | 89.2% | 0% | |

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

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

Solvency Test

(Amounts expressed in thousands)

| SCNG | Actuarial Accrued Liability | | | | | Portion of Aggregate Accrued Liabilities Covered by Assets | | | |
|------|-----------------------------|-----------------------------|---------------------------|-----------------------------------------------|------------------|------------------------------------------------------------|-----------|-------------|--|
| | July 1 | Active Member Contributions | Retirants & Beneficiaries | Active & Inactive Members (Employer Financed) | Valuation Assets | Active | Retirants | ER Financed | |
| 2014 | \$ | 0 | \$ 33,739 | \$ 28,361 | \$ 24,029 | N/A | 71.2% | 0% | |
| 2013 | | 0 | 33,590 | 27,986 | 22,208 | N/A | 66.1% | 0% | |
| 2012 | | 0 | 32,989 | 27,953 | 20,814 | N/A | 63.1% | 0% | |
| 2011 | | 0 | 32,038 | 28,350 | 20,138 | N/A | 62.9% | 0% | |
| 2010 | | 0 | 28,492 | 25,661 | 19,458 | N/A | 68.3% | 0% | |
| 2009 | | 0 | 27,558 | 25,863 | 18,600 | N/A | 67.5% | 0% | |
| 2008 | | 0 | 25,554 | 27,980 | 17,426 | N/A | 68.2% | 0% | |
| 2007 | | 0 | 24,627 | 31,290 | 15,937 | N/A | 64.7% | 0% | |
| 2006 | | 0 | 22,366 | 26,389 | 14,046 | N/A | 62.8% | 0% | |
| 2005 | | 0 | 20,804 | 26,181 | 12,151 | N/A | 58.4% | 0% | |

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

Summary of Basic Provisions

As of June 30, 2014

| SCRS | PORS | GARS | JSRS | SCNG |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| 1. Membership | | | | |
| <p>All permanent, full-time and part-time employees of covered employers must join unless specifically exempted by statute or are eligible and elect to participate in the State ORP.</p> <p>Individuals first elected to serve in the General Assembly in the general election in November 2012 or after must elect membership in either SCRS or State ORP or elect to be a nonmember.</p> | <p>To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner or deputy coroner in a full-time permanent position; or be a peace officer employed by the SC Department of Corrections, the SC Department of Juvenile Justice, or the SC Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.</p> | <p>Generally all persons are required to participate upon taking office as a member of the General Assembly unless exempted by Statute.</p> <p>Closed to new members. Individuals first elected to serve in the General Assembly in the general election in November 2012 or after must elect membership in either SCRS or State ORP or elect to be a nonmember.</p> | <p>All solicitors, circuit public defenders, judges of a Circuit or Family Court, and justices of the Court of Appeals and Supreme Court are required to participate upon taking office unless exempted by statute.</p> <p>Effective July 1, 2014, the definition of judge is expanded to include administrative law judges. Administrative law judges who have not retired are allowed to become members.</p> | <p>Individuals serving in the South Carolina National Guard.</p> |
| 2. Employee Contributions | | | | |
| <p>Class II 8.0% of earnable compensation</p> <p>Class III 8.0% of earnable compensation</p> <p>Effective January 1, 2013, earnable compensation does not include pay for non-mandatory overtime.</p> | <p>Class I \$21 per month</p> <p>Class II 8.41% of earnable compensation</p> <p>Class III 8.41% of earnable compensation</p> | <p>11% of earnable compensation</p> | <p>10% of earnable compensation</p> | <p>Not applicable as this is a non-contributory plan</p> |

| SCRS | PORS | GARS | JSRS | SCNG |
|------|------|------|------|------|
|------|------|------|------|------|

3. Employer Contributions

| | | | | |
|----------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------|
| Class II & III 10.75% of earnable compensation | Class I 7.8% of earnable compensation | Annual lump-sum appropriation | 47.52% of earnable compensation | Annual lump-sum appropriation |
| Death Benefit Program 0.15% of earnable compensation | Class II& III 13.01% of earnable compensation | Death Benefit Program Included within annual lump-sum appropriation | Death Benefit Program 0.45% of earnable compensation | Death Benefit Program Not applicable |
| Accidental Death Program Not applicable | Death Benefit Program 0.2% of earnable compensation | Accidental Death Program Not applicable | Accidental Death Program Not applicable | Accidental Death Program Not applicable |
| | Accidental Death Program 0.2% of earnable compensation | | | |

4. Requirements for Service Annuity

| | | | | |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Class II 5 years earned service The member is entitled to a deferred reduced annuity at age 60. | Class II 5 years earned service The member is entitled to a deferred annuity at age 55. | 8 years of service The member is entitled to a deferred annuity at age 60. | Members are vested in the system with 10 years earned service in position of judge; 8 years earned service in position of solicitor or circuit public defender. For vested members who joined prior to 7/1/2004, member is eligible for a deferred annuity at age 55. For members who joined after 6/30/2004, member is eligible for a deferred annuity at age 65. | 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. |
| Class III 8 years earned service The member is entitled to a deferred reduced annuity at age 60. | Class III 8 years earned service | | | |

5. Normal Retirement Age

| | | | | |
|----------------|----------------|----------------|--------|----------------|
| Not applicable | Not applicable | Not applicable | Age 60 | Not applicable |
|----------------|----------------|----------------|--------|----------------|

6. Requirements for Full Service Retirement

| | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Class II Age 65 or 28 years of credited service. The member must have a minimum of five years of earned service to qualify for retirement. | Class II 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 or circuit public defender regardless of age | 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. |
| Class III Age 65 or meet the rule of 90 requirement. This means that the member's age plus the years of service must add up to a total of at least 90. The member must have a minimum of 8 years of earned service to qualify for retirement. | Class III Age 55 or 27 years of credited service. The member must have a minimum of 8 years of earned service to qualify for retirement. | | 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. | |

| SCRS | PORS | GARS | JSRS | SCNG |
|------|------|------|------|------|
|------|------|------|------|------|

7. Early Retirement

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

8. Formula for Normal Service Retirement

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Class I 1.45% of Average Final Compensation times years of credited service</p> <p>Class II 1.82% of Average Final Compensation (AFC) times years of credited service (annual benefit amount). AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave.</p> <p>Class III 1.82% of Average Final Compensation times years of credited service. AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included.</p> | <p>Class I \$10.97 per month for each year of service</p> <p>Class II 2.14% of Average Final Compensation (AFC) times years of credited service (annual benefit amount). AFC is the average annual compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay for unused annual leave.</p> <p>Class III 2.14% of Average Final Compensation times years of credited service. AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included.</p> | 4.82% of earnable compensation times years of credited service | <p>Annual allowance of 71.3% of the current active salary of the member's position. Benefit formula increases by 2.67% for each year of active service over 25 years for judges or over 24 years for solicitors or circuit public defenders. The monthly retirement allowance may not exceed 90% of the current active salary for the member's position. Upon retirement, a member will receive an additional benefit equal to employee contributions and accumulated interest remitted after reaching the maximum 90% benefit.</p> | For 20 years of service, retirees receive a \$50 monthly benefit. For each year of service beyond the 20 years, up to 30 years of service, the retiree receives an additional \$5. The maximum monthly benefit a retiree can receive is \$100. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| SCRS | PORS | GARS | JSRS | SCNG |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------|
| 9. Requirements for Disability Retirement | | | | |
| <p>Class II Permanent incapacity to perform regular duties of the member's job; 5 years of earned service, unless injury is job related.</p> <p>Class III Permanent incapacity to perform the regular duties of the member's job; 8 years of earned service, unless injury is job related</p> <p>For applications received after 12/31/2013, a member of SCRS will have to be approved for disability benefits from the Social Security Administration in order to be eligible for SCRS disability retirement benefits.</p> | <p>Class II Permanent incapacity to perform regular duties of the member's job; 5 years of earned service, unless injury is job related.</p> <p>Class III Permanent incapacity to perform regular duties of the member's job; 8 years of earned service, unless injury is job related</p> | <p>5 years of credited service. Must be disabled based on job specific standard.</p> | <p>5 years of credited service. Must be disabled based on job specific standard.</p> | <p>Not applicable</p> |

| | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------|
| 10. Formula for Disability Retirement | | | | |
| <p>The disability retirement benefit based on a projection of service credit to age 65 with an actuarial reduction. Minimum benefit of 15% of AFC at any age.</p> <p>For applications received after 12/31/2013, the calculation of disability retirement benefits changed to eliminate the projection of service credit used in the benefit calculation.</p> | <p>The disability retirement benefit is based on a projection of service credit to age 55. Minimum benefit of 15% of AFC at any age.</p> <p>For applications received after 12/31/2013, the calculation of disability retirement benefits was changed to limit the projection of service credit used in the benefit calculation to the service necessary to reach age 55 or 25 years of service credit, whichever is less.</p> | <p>The disability retirement benefit is based on the greater of the following options:</p> <ol style="list-style-type: none"> Service benefit based upon actual credited service or 50% of service benefit based on projection of service to earlier of age 60 or 35 years of service. | <p>The disability retirement benefit is based on the service retirement formula.</p> | <p>Not applicable</p> |

| SCRS | PORS | GARS | JSRS | SCNG |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| 11. Benefit Options | | | | |
| <p>Option A (Maximum/Retiree Only) Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.</p> <p>Option B (100% - 100% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary. This option is subject to non-spousal beneficiary limitations based on state statute and an Internal Revenue Code formula.</p> <p>Option C (100% - 50% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity.</p> <p>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.</p> | <p>Option A (Maximum/Retiree Only) Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.</p> <p>Option B (100% - 100% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary. This option is subject to non-spousal beneficiary limitations based on state statute and an Internal Revenue Code formula.</p> <p>Option C (100% - 50% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity.</p> <p>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.</p> | <p>Maximum Benefit (Retiree Only) Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.</p> <p>Option 1 Provides a reduced (from the Maximum Benefit) lifetime benefit that upon retiree's death continues to retiree's beneficiary. Benefit will not revert to Maximum if all of the retiree's beneficiaries predecease the retiree.</p> <p>Option 2 Provides a reduced (from the Maximum Benefit) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity. Benefit will not revert to Maximum if all of the retiree's beneficiaries predecease the retiree.</p> <p>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.</p> | <p>Maximum Benefit (Retiree/One-Third Spouse) Formula as calculated in item 8. Continued annuity of one-third of member's benefit to a spouse beneficiary upon death of retiree or return of contributions to a designated non-spouse beneficiary.</p> <p>Optional Allowance Provides a reduced (from the Maximum Benefit) lifetime annuity that upon the retiree's death will continue at one-third of the retiree's annuity to a non-spouse beneficiary (or in equal shares to multiple beneficiaries).</p> | <p>Formula benefit as calculated in item 8.</p> |

| SCRS | PORS | GARS | JSRS | SCNG |
|------|------|------|------|------|
|------|------|------|------|------|

12. Deferred Retirement Option Programs

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

TERI is a deferred retirement option program (DROP). Upon meeting normal retirement eligibility, a member can elect to retire and continue working under the TERI program for a maximum of five years, after which employment will cease. During the TERI participation, the retirement annuity is not paid to the TERI retirees, but monthly benefits are accumulated in TERI accounts and are distributed to the members upon termination of employment. For members retiring after June 30, 2005, a payment for annual leave is not included in calculating benefits. Upon termination, however, benefits are increased prospectively to include payment for up to 45 days annual leave paid at termination of employment. No interest is credited to the TERI account. TERI participants who entered the program after June 30, 2005, must continue to contribute at the same rate as active members. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits. The TERI program will end effective June 30, 2018. New enrollees in the TERI program after June 30, 2012, must end their participation within 5 years after their retirement date or June 30, 2018, whichever is earlier.

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

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

Class III

TERI program is not available.

| SCRS | PORS | GARS | JSRS | SCNG |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 13. Return to Work Provisions | | | | |
| <p>There is no earning limitation for members who retired prior to 1/1/2013. For members retiring after 1/1/2013, in order to return to work for a covered employer after retirement, the member must first have a complete, bona fide severance or termination of employment. After 30 days of retirement, he may be hired by an employer covered by one of the retirement systems administered by PEBA Retirement Benefits. If the member is under age 62 at retirement and returns to covered employment, he will be subject to a \$10,000 per year earnings limitation. A member can earn up to \$10,000 per year and continue to receive his monthly annuity. If wages earned exceed \$10,000 in a calendar year, the monthly annuity will be suspended for the remainder of that year. The \$10,000 earnings limitation does not apply to a retired member who receives compensation for service as an elected official, service as an appointee of the Governor with confirmation by the Senate, or service by appointment or election by the General Assembly. A retired member may return to covered employment without affecting his monthly annuity if he is a certified teacher and is employed by a school district to teach in the classroom in his area of certification. The \$10,000 earnings limitation does not apply if the State Department of Education determines that no qualified, non-retired member is available for employment in the position, and 1) that a certified teacher is teaching in</p> <p>Continued on Next Page</p> | <p>There is no earning limitation for members who retired prior to 1/1/2013. For members retiring after 1/1/2013, in order to return to work for a covered employer after retirement, the member must first have a complete, bona fide severance or termination of employment. After 30 days of retirement, he may be hired by an employer covered by one of the retirement systems administered by PEBA Retirement Benefits. If the member is under age 57 at retirement and returns to covered employment, he will be subject to a \$10,000 per year earnings limitation. A member can earn up to \$10,000 per year and continue to receive his monthly annuity. If wages earned exceed \$10,000 in a calendar year, the monthly annuity will be suspended for the remainder of that year. The \$10,000 earnings limitation does not apply to a retired member who receives compensation for service as an elected official, service as an appointee of the Governor with confirmation by the Senate, or service by appointment or election by the General Assembly.</p> | <p>An active GARS member who has reached age 70 or has 30 years of service credit may retire and begin receiving a GARS retirement annuity while continuing to serve in office. The retired GARS member will receive a retirement annuity in lieu of a per diem salary and additional line item pay for certain positions. Generally, a retired member of GARS may return to work after retirement with no limit on the dollar amount that may be earned as compensation; however, certain conditions and restrictions may apply to employers covered by SCRS, PORS, GARS and JSRS.</p> | <p>A member who is age 60 and eligible to receive the maximum monthly benefit, may retire and receive a retirement benefit while continuing to serve as a judge, solicitor, or circuit public defender until the end of the calendar year in which the member reaches age 72. Employee and employer contributions must continue to be paid as if the retiree was an active contributing member, but no additional service credit accrues and no additional interest is credited to their retirement account. Prior to July 1, 2014, a retired judge may continue to receive a retirement benefit while employed by a public institution of education, provided the judge does not contribute to or receive service credit in SCRS. This exemption was repealed effective July 1, 2014. Effective July 1, 2014, a retired member who has been retired for 30 days may be rehired by an SCRS or PORS employer and earn up to \$10,000 per year. The earnings limit does not apply to members who retired prior to July 1, 2014, were at least 62 at retirement or are serving as appointed or elected official. Employee and employer contributions must continue to be paid as if the member were active in SCRS or PORS; however, the member cannot be an active member and does not accrue service credit.</p> | <p>Not applicable</p> |

Return to Work Provisions (continued)

a critical academic need area or a geographic need area as defined by the State Board of Education, or 2) that a retired certified school teacher or certified employee is employed in a school or school district that has received a "below average" or "unsatisfactory" academic performance rating pursuant to the Education Accountability Act. After approval is received from the Department of Education, school districts must notify PEBA Retirement Benefits of the member's exemption from the earnings limitation.

14. Post Retirement Increase

| | | | | |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------|
| Eligible annuitant payees receive an annual benefit adjustment equal to the lesser of 1% or \$500. | Eligible annuitant payees receive an annual benefit adjustment equal to the lesser of 1% or \$500. | Retired member receives benefit based on current salary for member's position. | Retired member receives benefit based on current salary for member's position. | Post retirement increases are not provided. |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------|

15. Accidental Death Program

| | | | | |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| Not applicable | Provides 50% of earnable compensation at time of accidental death in the line of duty as an annuity to either the surviving spouse, children, or parents. The annuity to surviving children ends upon each child's 18th birthday. | Not applicable | Not applicable | Not applicable |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|

| SCRS | PORS | GARS | JSRS | SCNG |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| 16. Death Benefit Program | | | | |
| <p>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.</p> <p>No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.</p> <p>Lump-sum payment to retiree's beneficiary of up to \$6,000 based upon years of service at retirement. TERI participants and working retired contributing members are eligible for an increased death benefit payment equal to their annual salary in lieu of the standard retired member benefit.</p> | <p>Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member or working retired contributing member with at least one year of service.</p> <p>No service requirements for death resulting from an injury arising out of the actual performance of duties for an active member.</p> <p>Lump-sum payment to retiree's beneficiary of up to \$6,000 based upon years of service at retirement. Retired contributing members are eligible for an increased death benefit payment equal to their annual salary in lieu of the standard retired member benefit.</p> | <p>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.</p> <p>No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.</p> <p>Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.</p> | <p>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.</p> <p>No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.</p> <p>Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.</p> | Not applicable |
| 17. Withdrawal of Employee Contributions | | | | |
| <p>Accumulated contributions, plus interest, payable upon request 90 days after termination of all covered employment.</p> <p>Effective July 1, 2012, no interest is accrued on inactive accounts.</p> | <p>Accumulated contributions, plus interest, payable upon request 90 days after termination of all covered employment.</p> <p>Effective July 1, 2012, no interest is accrued on inactive accounts.</p> | <p>Accumulated contributions, plus interest, paid as promptly as feasible upon request after termination of all covered employment.</p> <p>Effective July 1, 2012, no interest is accrued on inactive accounts.</p> | <p>Accumulated contributions, plus interest, paid as promptly as feasible upon request after termination of all covered employment.</p> <p>Effective July 1, 2012, no interest is accrued on inactive accounts.</p> | Not applicable as this is a non-contributory plan. |

18. Actuarial Cost Method

The individual Entry Age Normal cost method is used for the actuarial valuation of the retirement systems for funding purposes. Under this cost method, the cost of each member's projected pension benefit is allocated on a level percent of payroll over the member's projected service with the Retirement System. Employers also finance the unfunded actuarial accrued liability as a level percentage of pay over a funding period that does not exceed 30 years. This method was selected because it is the method that will produce the most level contributions as a percentage of payroll from year to year. It is also the method that most equitably allocates pension costs among various generations of taxpayers.

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The individual Entry Age Normal cost method is also the actuarial cost method used for financial reporting purposes.

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19. Funding Policy

Legislative reform was enacted in 2012 and as a result, SC State Statute now establishes the base funding policy for SCRS. Additionally, the State Fiscal Accountability Authority (SFAA) and PEBA Board as trustees and fiduciaries of the plans, have the authority to maintain or adopt further policy changes above the floor, if they should choose to do so.

Legislative reform was enacted in 2012 and as a result, SC State Statute now establishes the base funding policy for PORS. Additionally, the State Fiscal Accountability Authority (SFAA) and PEBA Board as trustees and fiduciaries of the plans, have the authority to maintain or adopt further policy changes above the floor, if they should choose to do so.

The State Fiscal Accountability Authority (SFAA) and PEBA Board as trustees and fiduciaries of the plan are responsible for establishing and maintaining funding policy. The funding policy currently in place was adopted by the Budget and Control Board in April 1996 in an effort to establish and set forth the essential funding goals and methods by which to measure progress toward those goals.

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Statistical Section



Statistical Section Summary

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

Financial Trends Information

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Demographic and Economic Information

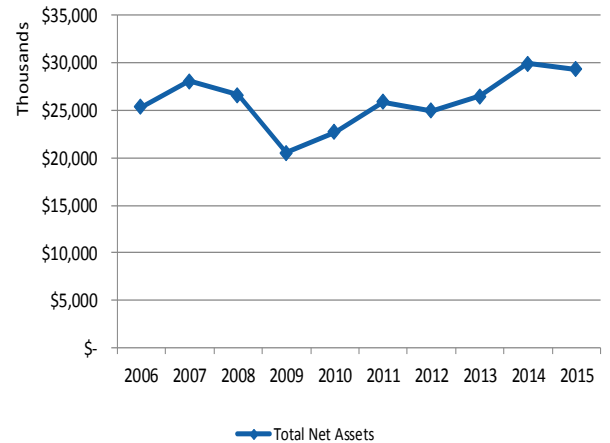
- Participating Employers - SCRS and PORS223

Financial Trends Information

Financial Trends Information is intended to assist users in understanding and assessing how the Systems' financial position has changed over time. The 10 year summary of fiduciary net position and 10 year schedules of changes in fiduciary net position as well as the additions by source, deductions by type, and benefit expenses by type for the last 10 fiscal years may be considered useful in determining financial trends.

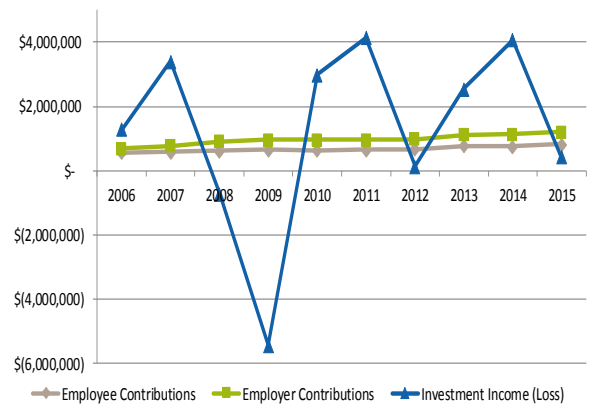
Trend of Total Fiduciary Net Position Values

A trend of the total fiduciary net position over the past 10 years reflects an overall increase; however, negative investment returns realized during fiscal year 2008 and 2009 caused a significant decline in the net position of the portfolio. The decrease in the value of the fiduciary net position during fiscal years 2012 and 2015 resulted from negative cash flows in that while investment performance was relatively flat and contributions remained steady, the plan experienced an increase in benefit payments.



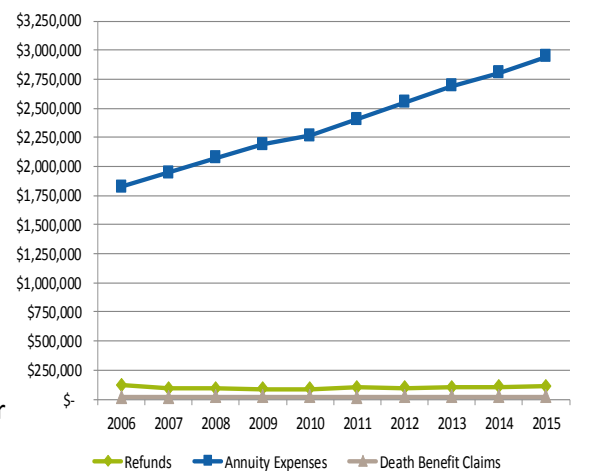
Trend of Total Pension Trust Funds Additions by Source

The overall trend in the dollar amount of employee and employer contributions has gradually increased primarily due to increases in contribution rates although changes in the amount of covered payroll have also had an impact. During fiscal year 2015, the amount of employer contributions increased as a result of retirement reform legislation. During fiscal year 2013, employee contributions were inflated due to an influx of members purchasing service, therefore employee contributions collected in 2014 decreased. Investment income is much more volatile due to its dependence on the market.



Trend of Total Pension Trust Funds Deductions by Type

The combined impact of more retired members and benefit adjustments granted to annuitant payees has resulted in a rise in the number of annuitant payees and benefit adjustments that were granted to retirees. Refund expenses spiked during fiscal year 2006 as a result of a negative ruling on litigation in which contributions were required to be refunded to retired participants in the Teacher and Employee Retention Incentive (TERI) program. In addition, slight growth in death benefit claims has occurred over the past couple of years because beneficiaries of working retirees are now eligible for an increased level of benefits.



South Carolina Retirement Systems

10 Year Summary of Fiduciary Net Position

As of June 30

(Amounts expressed in thousands)

| | 2015 | 2014 | 2013 ¹ | 2012 ² | 2011 |
|--------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assets | | | | | |
| Cash and cash equivalents, receivables, and prepaid expenses | \$ 3,622,210 | \$ 4,063,173 | \$ 4,023,274 | \$ 3,416,972 | \$ 3,977,880 |
| Total Investments, at fair value | 27,093,961 | 26,754,819 | 24,587,950 | 23,157,144 | 23,870,891 |
| Securities lending cash collateral invested | 70,177 | 72,645 | 106,633 | 184,025 | 229,161 |
| Property, net of accumulated depreciation | 3,005 | 2,912 | 3,083 | 2,984 | 3,103 |
| Total Assets | <u>30,789,353</u> | <u>30,893,549</u> | <u>28,720,940</u> | <u>26,761,125</u> | <u>28,081,035</u> |
| Liabilities | | | | | |
| Deferred retirement benefits | 68,104 | 56,901 | 68,344 | 386,302 | 364,005 |
| Obligations under securities lending | 70,177 | 72,645 | 106,633 | 184,025 | 229,161 |
| Other liabilities | 1,345,382 | 836,292 | 1,645,150 | 1,211,693 | 1,596,020 |
| Total Liabilities | <u>1,483,663</u> | <u>965,838</u> | <u>1,820,127</u> | <u>1,782,020</u> | <u>2,189,186</u> |
| Total Net Position | <u>\$ 29,305,690</u> | <u>\$ 29,927,711</u> | <u>\$ 26,900,813</u> | <u>\$ 24,979,105</u> | <u>\$ 25,891,849</u> |

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|--------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assets | | | | | |
| Cash and cash equivalents, receivables, and prepaid expenses | \$ 5,298,443 | \$ 3,403,752 | \$ 2,835,196 | \$ 6,855,459 | \$ 2,078,394 |
| Total Investments, at fair value | 18,829,568 | 17,915,982 | 24,697,700 | 22,188,448 | 24,114,946 |
| Securities lending cash collateral invested | 324,593 | 1,845,862 | 3,796,183 | 5,085,506 | 4,372,175 |
| Property, net of accumulated depreciation | 3,221 | 3,340 | 3,459 | 3,577 | 3,696 |
| Total Assets | <u>24,455,825</u> | <u>23,168,936</u> | <u>31,332,538</u> | <u>34,132,990</u> | <u>30,569,211</u> |
| Liabilities | | | | | |
| Deferred retirement benefits | 323,093 | 431,503 | 552,260 | 641,750 | 670,527 |
| Obligations under securities lending | 324,593 | 1,845,862 | 3,796,183 | 5,085,506 | 4,372,175 |
| Other liabilities | 1,116,479 | 399,193 | 351,050 | 356,954 | 144,561 |
| Total Liabilities | <u>1,764,165</u> | <u>2,676,558</u> | <u>4,699,493</u> | <u>6,084,210</u> | <u>5,187,263</u> |
| Total Net Position | <u>\$ 22,691,660</u> | <u>\$ 20,492,378</u> | <u>\$ 26,633,045</u> | <u>\$ 28,048,780</u> | <u>\$ 25,381,948</u> |

¹As a result of the implementation of GASB 67, financial statements for fiscal year 2013 have been restated to report a liability only for benefits due but not yet distributed to members who had ended their participation in the DROP program at June 30. Also, in an effort to more closely align with RSIC and HEK, Global asset allocation and certain derivative investments such as swaps, options and futures were reclassified for fiscal year 2013 to conform to the presentation in 2014.

²Certain assets held in strategic partnerships were reclassified for fiscal year 2012 to conform to the change in presentation for fiscal year 2013. In an effort to conform to investment reporting by the RSIC; cash, short duration and high yield investments held in the strategic partnerships that were previously classified as alternatives are now presented in the respective categories of cash and cash equivalents, short term securities and domestic fixed income.

South Carolina Retirement System

10 Year Schedule of Changes in Fiduciary Net Position

Year Ended June 30
(Amounts expressed in thousands)

| | 2015 | 2014 | 2013 ¹ | 2012 | 2011 |
|------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Additions | | | | | |
| Employee contributions | \$ 716,107 | \$ 652,631 | \$ 674,783 | \$ 586,818 | \$ 562,170 |
| Employer contributions | 1,022,478 | 962,798 | 948,157 | 824,652 | 808,343 |
| Investment income (loss) | 374,152 | 3,517,324 | 2,195,648 | 109,307 | 3,598,069 |
| Other income | 514 | 587 | 657 | 733 | 884 |
| Total Additions | <u>2,113,251</u> | <u>5,133,340</u> | <u>3,819,245</u> | <u>1,521,510</u> | <u>4,969,466</u> |
| Deductions | | | | | |
| Annuities | 2,590,806 | 2,462,146 | 2,368,510 | 2,256,519 | 2,134,031 |
| Refunds | 95,104 | 90,250 | 87,212 | 83,134 | 84,591 |
| Death Benefit Claims | 20,144 | 19,240 | 19,133 | 18,295 | 16,485 |
| Administrative & other expenses | 13,890 | 14,235 | 16,629 | 21,683 | 20,467 |
| Total Deductions | <u>2,719,944</u> | <u>2,585,871</u> | <u>2,491,484</u> | <u>2,379,631</u> | <u>2,255,574</u> |
| Increase (Decrease) in Fiduciary Net Position | <u>(606,693)</u> | <u>2,547,469</u> | <u>1,327,761</u> | <u>(858,121)</u> | <u>2,713,892</u> |
| Beginning Fiduciary Net Position | <u>25,738,521</u> | <u>23,191,052</u> | <u>21,863,291</u> | <u>22,395,029</u> | <u>19,681,137</u> |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 25,131,828</u> | <u>\$ 25,738,521</u> | <u>\$ 23,191,052</u> | <u>\$ 21,536,908</u> | <u>\$ 22,395,029</u> |
| 2010 | | | | | |
| Additions | | | | | |
| Employee contributions | \$ 561,261 | \$ 564,872 | \$ 540,872 | \$ 505,122 | \$ 498,458 |
| Employer contributions | 818,523 | 827,502 | 774,269 | 644,350 | 577,468 |
| Investment income (loss) | 2,612,663 | (4,754,668) | (641,196) | 2,999,209 | 1,134,639 |
| Other income | 957 | 1,233 | 1,321 | 1,532 | 1,741 |
| Total Additions | <u>3,993,404</u> | <u>(3,361,061)</u> | <u>675,266</u> | <u>4,150,213</u> | <u>2,212,306</u> |
| Deductions | | | | | |
| Annuities | 2,014,418 | 1,956,446 | 1,853,892 | 1,747,192 | 1,639,238 |
| Refunds | 75,814 | 73,882 | 79,027 | 77,212 | 108,569 |
| Death Benefit Claims | 19,921 | 17,908 | 17,617 | 15,948 | 14,875 |
| Administrative & other expenses | 19,593 | 20,371 | 20,752 | 18,254 | 18,545 |
| Total Deductions | <u>2,129,746</u> | <u>2,068,607</u> | <u>1,971,288</u> | <u>1,858,606</u> | <u>1,781,227</u> |
| Increase (Decrease) in Fiduciary Net Position | <u>1,863,658</u> | <u>(5,429,668)</u> | <u>(1,296,022)</u> | <u>2,291,607</u> | <u>431,079</u> |
| Beginning Fiduciary Net Position | <u>17,817,479</u> | <u>23,247,147</u> | <u>24,543,169</u> | <u>22,251,562</u> | <u>21,820,483</u> |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 19,681,137</u> | <u>\$ 17,817,479</u> | <u>\$ 23,247,147</u> | <u>\$ 24,543,169</u> | <u>\$ 22,251,562</u> |

¹As a result of the implementation of GASB 67, Annuities reported in fiscal year 2013 have been restated to include only DROP amounts actually distributed to participants as well as amounts due but not yet distributed. Also as a result of the implementation of GASB 67, RSIC administrative expenses previously classified as administrative expenses have been reclassified as investment expenses for fiscal year 2013 to conform to the presentation for fiscal year 2014.

Police Officers Retirement System

10 Year Schedule of Changes in Fiduciary Net Position

Year Ended June 30
(Amounts expressed in thousands)

| | 2015 | 2014 | 2013 ¹ | 2012 | 2011 |
|------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Additions | | | | | |
| Employee contributions | \$ 106,854 | \$ 96,004 | \$ 97,164 | \$ 84,470 | \$ 79,334 |
| Employer contributions | 166,451 | 155,608 | 143,389 | 134,299 | 129,314 |
| Investment income (loss) | 58,705 | 538,386 | 329,467 | 17,198 | 519,531 |
| Other income | 1,083 | 2,286 | 3,043 | 1,957 | 1,944 |
| Total Additions | <u>333,093</u> | <u>792,284</u> | <u>573,063</u> | <u>237,924</u> | <u>730,123</u> |
| Deductions | | | | | |
| Annuities | 324,829 | 313,216 | 297,631 | 265,582 | 244,443 |
| Refunds | 17,453 | 16,184 | 14,983 | 15,162 | 14,902 |
| Death Benefit Claims | 2,150 | 2,410 | 1,985 | 1,851 | 1,984 |
| Administrative & other expenses | 1,938 | 1,820 | 2,006 | 2,872 | 2,735 |
| Total Deductions | <u>346,370</u> | <u>333,630</u> | <u>316,605</u> | <u>285,467</u> | <u>264,064</u> |
| Increase (Decrease) in Fiduciary Net Position | <u>(13,277)</u> | <u>458,654</u> | <u>256,458</u> | <u>(47,543)</u> | <u>466,059</u> |
| Beginning Fiduciary Net Position | 3,985,102 | 3,526,448 | 3,269,990 | 3,317,533 | 2,851,474 |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 3,971,825</u> | <u>\$ 3,985,102</u> | <u>\$ 3,526,448</u> | <u>\$ 3,269,990</u> | <u>\$ 3,317,533</u> |
| | | | | | |
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Additions | | | | | |
| Employee contributions | \$ 77,051 | \$ 77,014 | \$ 76,907 | \$ 71,676 | \$ 69,254 |
| Employer contributions | 123,163 | 124,148 | 114,862 | 107,332 | 101,447 |
| Investment income (loss) | 362,566 | (638,389) | (85,415) | 374,623 | 139,785 |
| Other income | 1,308 | 1,671 | 52 | 55 | 60 |
| Total Additions | <u>564,088</u> | <u>(435,556)</u> | <u>106,406</u> | <u>553,686</u> | <u>310,546</u> |
| Deductions | | | | | |
| Annuities | 224,977 | 211,873 | 195,989 | 181,388 | 167,077 |
| Refunds | 13,673 | 13,753 | 13,754 | 12,543 | 13,248 |
| Death Benefit Claims | 2,019 | 1,720 | 2,068 | 1,919 | 1,821 |
| Administrative & other expenses | 2,577 | 2,537 | 2,505 | 2,179 | 1,968 |
| Total Deductions | <u>243,246</u> | <u>229,883</u> | <u>214,316</u> | <u>198,029</u> | <u>184,114</u> |
| Increase (Decrease) in Fiduciary Net Position | <u>320,842</u> | <u>(665,439)</u> | <u>(107,910)</u> | <u>355,657</u> | <u>126,432</u> |
| Beginning Fiduciary Net Position | 2,530,632 | 3,196,071 | 3,303,981 | 2,948,324 | 2,821,892 |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 2,851,474</u> | <u>\$ 2,530,632</u> | <u>\$ 3,196,071</u> | <u>\$ 3,303,981</u> | <u>\$ 2,948,324</u> |

¹As a result of the implementation of GASB 67, RSIC administrative expenses previously classified as administrative expenses have been reclassified as investment expenses for fiscal year 2013 to conform to the presentation for fiscal year 2014.

General Assembly Retirement System

10 Year Schedule of Changes in Fiduciary Net Position

Year Ended June 30
(Amounts expressed in thousands)

| | 2015 | 2014 | 2013 ¹ | 2012 | 2011 |
|------------------------------------------------------|------------------|------------------|-------------------|------------------|------------------|
| Additions | | | | | |
| Employee contributions | \$ 369 | \$ 384 | \$ 1,091 | \$ 724 | \$ 624 |
| Employer contributions | 4,275 | 4,063 | 2,831 | 2,532 | 2,414 |
| Investment income (loss) | 500 | 4,545 | 3,111 | 172 | 5,682 |
| Other income | - | 15 | 199 | | 1 |
| Total Additions | <u>5,144</u> | <u>9,007</u> | <u>7,232</u> | <u>3,428</u> | <u>8,721</u> |
| Deductions | | | | | |
| Annuities | 6,639 | 6,799 | 6,720 | 6,570 | 6,528 |
| Refunds | | 41 | 3 | 31 | 57 |
| Death Benefit Claims | 21 | 20 | 16 | 35 | 58 |
| Administrative & other expenses | 36 | 17 | 20 | 30 | 179 |
| Total Deductions | <u>6,696</u> | <u>6,877</u> | <u>6,759</u> | <u>6,666</u> | <u>6,822</u> |
| Increase (Decrease) in Fiduciary Net Position | <u>(1,552)</u> | <u>2,130</u> | <u>473</u> | <u>(3,238)</u> | <u>1,899</u> |
| Beginning Fiduciary Net Position | <u>34,034</u> | <u>31,904</u> | <u>31,431</u> | <u>34,669</u> | <u>32,770</u> |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 32,482</u> | <u>\$ 34,034</u> | <u>\$ 31,904</u> | <u>\$ 31,431</u> | <u>\$ 34,669</u> |
| <hr/> | | | | | |
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Additions | | | | | |
| Employee contributions | \$ 544 | \$ 706 | \$ 733 | \$ 603 | \$ 584 |
| Employer contributions | 2,598 | 2,495 | 2,440 | 2,358 | 2,171 |
| Investment income (loss) | 4,642 | (9,409) | (1,136) | 5,950 | 2,086 |
| Other income | 36 | 84 | | | |
| Total Additions | <u>7,820</u> | <u>(6,124)</u> | <u>2,037</u> | <u>8,911</u> | <u>4,841</u> |
| Deductions | | | | | |
| Annuities | 6,512 | 6,416 | 6,181 | 5,935 | 5,726 |
| Refunds | 4 | 33 | 102 | 70 | |
| Death Benefit Claims | 6 | 14 | 28 | 5 | 17 |
| Administrative & other expenses | 33 | 116 | 64 | 34 | 98 |
| Total Deductions | <u>6,555</u> | <u>6,579</u> | <u>6,375</u> | <u>6,044</u> | <u>5,841</u> |
| Increase (Decrease) in Fiduciary Net Position | <u>1,265</u> | <u>(12,703)</u> | <u>(4,338)</u> | <u>2,867</u> | <u>(1,000)</u> |
| Beginning Fiduciary Net Position | <u>31,505</u> | <u>44,208</u> | <u>48,546</u> | <u>45,679</u> | <u>46,679</u> |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 32,770</u> | <u>\$ 31,505</u> | <u>\$ 44,208</u> | <u>\$ 48,546</u> | <u>\$ 45,679</u> |

¹As a result of the implementation of GASB 67, RSIC administrative expenses previously classified as administrative expenses have been reclassified as investment expenses for fiscal year 2013 to conform to the presentation for fiscal year 2014.

Judges and Solicitors Retirement System

10 Year Schedule of Changes in Fiduciary Net Position

Year Ended June 30
(Amounts expressed in thousands)

| | 2015 | 2014 | 2013 ¹ | 2012 | 2011 |
|------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Additions | | | | | |
| Employee contributions | \$ 3,153 | \$ 2,448 | \$ 2,596 | \$ 2,299 | \$ 2,209 |
| Employer contributions | 10,109 | 9,659 | 8,667 | 8,414 | 8,414 |
| Investment income (loss) | 2,216 | 19,962 | 12,605 | 783 | 20,092 |
| Other income | 286 | 195 | 184 | 261 | 193 |
| Total Additions | <u>15,764</u> | <u>32,264</u> | <u>24,052</u> | <u>11,757</u> | <u>30,908</u> |
| Deductions | | | | | |
| Annuities | 16,832 | 16,675 | 15,745 | 15,171 | 14,750 |
| Refunds | | | 57 | 134 | |
| Death Benefit Claims | 4 | 10 | 134 | 134 | 128 |
| Administrative & other expenses | 71 | 68 | 76 | 111 | 104 |
| Total Deductions | <u>16,907</u> | <u>16,753</u> | <u>16,012</u> | <u>15,550</u> | <u>14,982</u> |
| Increase (Decrease) in Fiduciary Net Position | <u>(1,143)</u> | <u>15,511</u> | <u>8,040</u> | <u>(3,793)</u> | <u>15,926</u> |
| Beginning Fiduciary Net Position | <u>147,496</u> | <u>131,985</u> | <u>123,945</u> | <u>127,152</u> | <u>111,226</u> |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 146,353</u> | <u>\$ 147,496</u> | <u>\$ 131,985</u> | <u>\$ 123,359</u> | <u>\$ 127,152</u> |
| 2010 | | | | | |
| Additions | | | | | |
| Employee contributions | \$ 2,343 | \$ 2,524 | \$ 1,416 | \$ 1,784 | \$ 1,744 |
| Employer contributions | 8,414 | 8,414 | 7,613 | 6,706 | 6,511 |
| Investment income (loss) | 14,646 | (26,741) | (3,371) | 16,017 | 5,761 |
| Other income | 114 | 83 | | | |
| Total Additions | <u>25,517</u> | <u>(15,720)</u> | <u>5,658</u> | <u>24,507</u> | <u>14,016</u> |
| Deductions | | | | | |
| Annuities | 14,168 | 13,484 | 12,848 | 10,348 | 9,677 |
| Refunds | | | 211 | | 20 |
| Death Benefit Claims | 11 | 134 | 256 | 381 | 124 |
| Administrative & other expenses | 101 | 104 | 103 | 92 | 83 |
| Total Deductions | <u>14,280</u> | <u>13,722</u> | <u>13,418</u> | <u>10,821</u> | <u>9,904</u> |
| Increase (Decrease) in Fiduciary Net Position | <u>11,237</u> | <u>(29,442)</u> | <u>(7,760)</u> | <u>13,686</u> | <u>4,112</u> |
| Beginning Fiduciary Net Position | <u>99,989</u> | <u>129,431</u> | <u>137,191</u> | <u>123,505</u> | <u>119,393</u> |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 111,226</u> | <u>\$ 99,989</u> | <u>\$ 129,431</u> | <u>\$ 137,191</u> | <u>\$ 123,505</u> |

¹As a result of the implementation of GASB 67, Annuities reported in fiscal year 2013 have been restated to include only DROP amounts actually distributed to participants as well as amounts due but not yet distributed. Also as a result of the implementation of GASB 67, RSIC administrative expenses previously classified as administrative expenses have been reclassified as investment expenses for fiscal year 2013 to conform to the presentation for fiscal year 2014.

South Carolina National Guard Supplemental Retirement Plan

10 Year Schedule of Changes in Fiduciary Net Position¹

Year Ended June 30
(Amounts expressed in thousands)

| | 2015 | 2014 | 2013 ² | 2012 | 2011 |
|------------------------------------------------------------|------------------|------------------|-------------------|------------------|------------------|
| Additions | | | | | |
| State-appropriated contributions | \$ 4,591 | \$ 4,586 | \$ 4,539 | \$ 3,937 | \$ 3,904 |
| Investment income (loss) | 313 | 2,806 | 1,671 | 94 | 2,533 |
| Other income | | | | | |
| Total Additions | <u>4,904</u> | <u>7,392</u> | <u>6,210</u> | <u>4,031</u> | <u>6,437</u> |
| Deductions | | | | | |
| Annuities | 4,249 | 4,248 | 4,193 | 4,065 | 4,011 |
| Administrative & other expenses | 11 | 10 | 10 | 15 | 13 |
| Total Deductions | <u>4,260</u> | <u>4,258</u> | <u>4,203</u> | <u>4,080</u> | <u>4,024</u> |
| Increase (Decrease) in Fiduciary Net Position | 644 | 3,134 | 2,007 | (49) | 2,413 |
| Total Increase (Decrease) in Fiduciary Net Position | 644 | 3,134 | 2,007 | (49) | 2,413 |
| Beginning Fiduciary Net Position | <u>22,558</u> | <u>19,424</u> | <u>17,417</u> | <u>17,466</u> | <u>15,053</u> |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 23,202</u> | <u>\$ 22,558</u> | <u>\$ 19,424</u> | <u>\$ 17,417</u> | <u>\$ 17,466</u> |
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Additions | | | | | |
| State-appropriated contributions | \$ 4,052 | \$ 4,052 | \$ 3,948 | \$ 3,948 | \$ - |
| Investment income (loss) | 1,865 | (4,020) | (348) | 2,002 | 89 |
| Other income | | | 50 | 50 | 300 |
| Total Additions | <u>5,917</u> | <u>32</u> | <u>3,650</u> | <u>6,000</u> | <u>389</u> |
| Deductions | | | | | |
| Annuities | 3,624 | 3,432 | 3,199 | 2,926 | 1,371 |
| Administrative & other expenses | 13 | 15 | 156 | 59 | 204 |
| Total Deductions | <u>3,637</u> | <u>3,447</u> | <u>3,355</u> | <u>2,985</u> | <u>1,575</u> |
| Increase (Decrease) in Fiduciary Net Position | 2,280 | (3,415) | 295 | 3,015 | (1,186) |
| Transfer from State Adjutant General's Office | | | | | 14,064 |
| Total Increase (Decrease) in Fiduciary Net Position | 2,280 | (3,415) | 295 | 3,015 | 12,878 |
| Beginning Fiduciary Net Position | <u>12,773</u> | <u>16,188</u> | <u>15,893</u> | <u>12,878</u> | |
| Ending Fiduciary Net Position | | | | | |
| Restricted for Pensions | <u>\$ 15,053</u> | <u>\$ 12,773</u> | <u>\$ 16,188</u> | <u>\$ 15,893</u> | <u>\$ 12,878</u> |

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

²As a result of the implementation of GASB 67, RSIC administrative expenses previously classified as administrative expenses have been reclassified as investment expenses for fiscal year 2013 to conform to the presentation for fiscal year 2014.

Pension Trust Funds Additions by Source

(Amounts expressed in thousands)

| Year Ended June 30, | Employee Contributions ¹ | Employer Contributions ¹ | Investment Income(Loss) ² | Other | Total |
|--------------------------------------------------------------------------|----------------------------------------|----------------------------------------|-----------------------------------------|--------|--------------|
| South Carolina Retirement System (SCRS) | | | | | |
| 2015 | \$ 716,114 | \$ 1,022,478 | \$ 374,152 | \$ 507 | \$ 2,113,251 |
| 2014 | 652,631 | 962,798 | 3,517,324 | 587 | 5,133,340 |
| 2013 | 674,783 | 948,157 | 2,195,648 | 657 | 3,819,245 |
| 2012 | 586,818 | 824,652 | 109,307 | 733 | 1,521,510 |
| 2011 | 562,222 | 808,343 | 3,598,069 | 832 | 4,969,466 |
| 2010 | 561,261 | 818,523 | 2,612,663 | 957 | 3,993,404 |
| 2009 | 564,953 | 827,502 | (4,754,668) | 1,152 | (3,361,061) |
| 2008 | 540,872 | 774,269 | (641,196) | 1,321 | 675,266 |
| 2007 | 505,122 | 644,350 | 2,999,209 | 1,532 | 4,150,213 |
| 2006 | 498,458 | 577,468 | 1,134,639 | 1,741 | 2,212,306 |
| Police Officer's Retirement System (PORS) | | | | | |
| 2015 | \$ 107,504 | \$ 166,862 | \$ 58,705 | \$ 22 | \$ 333,093 |
| 2014 | 97,418 | 156,454 | 538,386 | 26 | 792,284 |
| 2013 | 99,106 | 144,460 | 329,467 | 30 | 573,063 |
| 2012 | 85,701 | 134,991 | 17,198 | 34 | 237,924 |
| 2011 | 80,582 | 129,973 | 519,531 | 37 | 730,123 |
| 2010 | 77,844 | 123,636 | 362,566 | 42 | 564,088 |
| 2009 | 78,018 | 124,769 | (638,389) | 46 | (435,556) |
| 2008 | 76,907 | 114,862 | (85,415) | 52 | 106,406 |
| 2007 | 71,676 | 107,332 | 374,623 | 55 | 553,686 |
| 2006 | 69,254 | 101,447 | 139,785 | 60 | 310,546 |
| General Assembly Retirement System (GARS) | | | | | |
| 2015 | \$ 369 | \$ 4,275 | \$ 500 | \$ - | \$ 5,144 |
| 2014 | 399 | 4,063 | 4,545 | | 9,007 |
| 2013 | 1,286 | 2,835 | 3,111 | | 7,232 |
| 2012 | 724 | 2,532 | 172 | | 3,428 |
| 2011 | 625 | 2,414 | 5,682 | | 8,721 |
| 2010 | 580 | 2,598 | 4,642 | | 7,820 |
| 2009 | 790 | 2,495 | (9,409) | | (6,124) |
| 2008 | 733 | 2,440 | (1,136) | | 2,037 |
| 2007 | 603 | 2,358 | 5,950 | | 8,911 |
| 2006 | 584 | 2,171 | 2,086 | | 4,841 |
| Judges and Solicitors Retirement System (JSRS) | | | | | |
| 2015 | \$ 3,439 | \$ 10,109 | \$ 2,216 | \$ - | \$ 15,764 |
| 2014 | 2,632 | 9,670 | 19,962 | | 32,264 |
| 2013 | 2,780 | 8,667 | 12,605 | | 24,052 |
| 2012 | 2,560 | 8,414 | 783 | | 11,757 |
| 2011 | 2,402 | 8,414 | 20,092 | | 30,908 |
| 2010 | 2,457 | 8,414 | 14,646 | | 25,517 |
| 2009 | 2,607 | 8,414 | (26,741) | | (15,720) |
| 2008 | 1,416 | 7,613 | (3,371) | | 5,658 |
| 2007 | 1,784 | 6,706 | 16,017 | | 24,507 |
| 2006 | 1,744 | 6,511 | 5,761 | | 14,016 |
| South Carolina National Guard Supplemental Retirement Plan (SCNG) | | | | | |
| 2015 | \$ - | \$ 4,591 | \$ 313 | \$ - | \$ 4,904 |
| 2014 | | 4,586 | 2,806 | | 7,392 |
| 2013 | | 4,539 | 1,671 | | 6,210 |
| 2012 | | 3,937 | 94 | | 4,031 |
| 2011 | | 3,904 | 2,533 | | 6,437 |
| 2010 | | 4,052 | 1,865 | | 5,917 |
| 2009 | | 4,052 | (4,020) | | 32 |
| 2008 | | 3,948 | (348) | 50 | 3,650 |
| 2007 | | 3,948 | 2,002 | 50 | 6,000 |
| 2006 ³ | | | 89 | 300 | 389 |

¹Includes transfers between systems.

²Includes unrealized gains and losses in accordance with GASB Statement 67. As a result of the implementation of GASB 67, RSIC administrative expenses previously classified as administrative expenses have been reclassified as investment expenses for fiscal year 2013 to conform to the presentation for fiscal year 2014. This resulted in a decrease to Total Net Investment Income.

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

Pension Trust Funds Deductions by Type

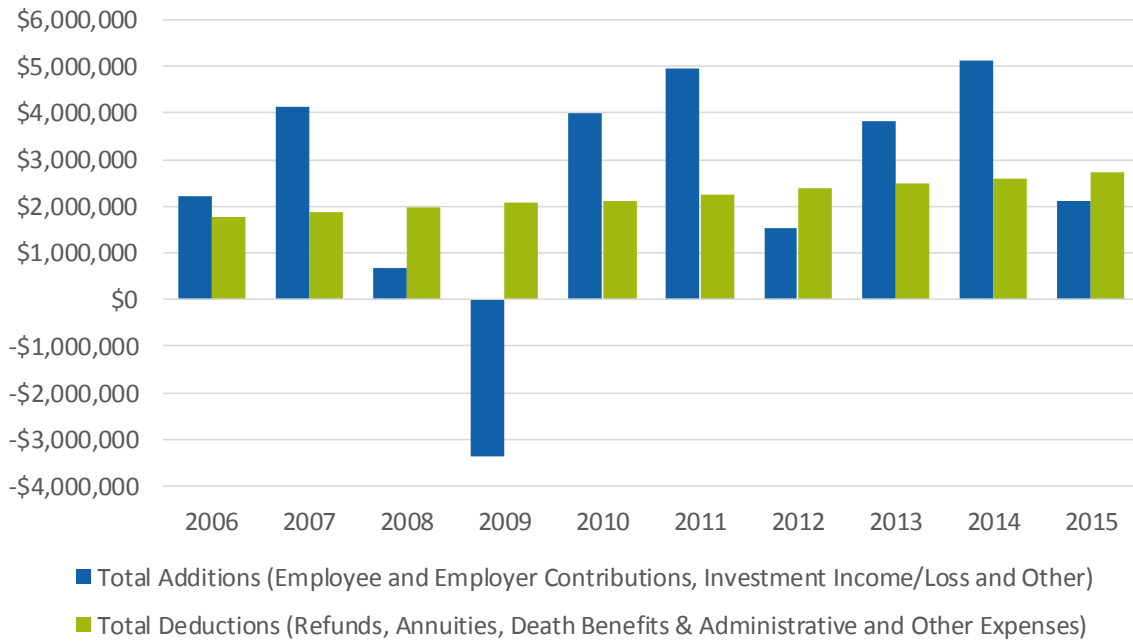
(Amounts expressed in thousands)

| Year Ended June 30, | Refunds | Annuity Expenses | Death Benefit Claims | Administrative and Other Expenses ¹ | Total |
|--------------------------------------------------------------------------|-----------|------------------|-------------------------|---------------------------------------------------|--------------|
| South Carolina Retirement System (SCRS) | | | | | |
| 2015 | \$ 95,104 | \$ 2,590,806 | \$ 20,144 | \$ 13,890 | \$ 2,719,944 |
| 2014 | 90,250 | 2,462,146 | 19,240 | 14,235 | 2,585,871 |
| 2013 | 87,212 | 2,368,510 | 19,133 | 16,629 | 2,491,484 |
| 2012 | 83,134 | 2,256,519 | 18,295 | 21,683 | 2,379,631 |
| 2011 | 84,591 | 2,134,031 | 16,485 | 20,467 | 2,255,574 |
| 2010 | 75,814 | 2,014,418 | 19,921 | 19,593 | 2,129,746 |
| 2009 | 73,882 | 1,956,446 | 17,908 | 20,371 | 2,068,607 |
| 2008 | 79,027 | 1,853,892 | 17,617 | 20,752 | 1,971,288 |
| 2007 | 77,212 | 1,747,192 | 15,948 | 18,254 | 1,858,606 |
| 2006 | 108,569 | 1,639,238 | 14,875 | 18,545 | 1,781,227 |
| Police Officer's Retirement System (PORS) | | | | | |
| 2015 | \$ 17,453 | \$ 324,829 | \$ 2,150 | \$ 1,938 | \$ 346,370 |
| 2014 | 16,184 | 313,216 | 2,410 | 1,820 | 333,630 |
| 2013 | 14,983 | 297,631 | 1,985 | 2,006 | 316,605 |
| 2012 | 15,162 | 265,582 | 1,851 | 2,872 | 285,467 |
| 2011 | 14,902 | 244,443 | 1,984 | 2,735 | 264,064 |
| 2010 | 13,673 | 224,977 | 2,019 | 2,577 | 243,246 |
| 2009 | 13,753 | 211,873 | 1,720 | 2,537 | 229,883 |
| 2008 | 13,754 | 195,989 | 2,068 | 2,505 | 214,316 |
| 2007 | 12,543 | 181,388 | 1,919 | 2,179 | 198,029 |
| 2006 | 13,248 | 167,077 | 1,821 | 1,968 | 184,114 |
| General Assembly Retirement System (GARS) | | | | | |
| 2015 | \$ - | \$ 6,639 | \$ 21 | \$ 36 | \$ 6,696 |
| 2014 | 41 | 6,799 | 20 | 17 | 6,877 |
| 2013 | 3 | 6,720 | 16 | 20 | 6,759 |
| 2012 | 31 | 6,570 | 35 | 30 | 6,666 |
| 2011 | 57 | 6,528 | 58 | 179 | 6,822 |
| 2010 | 4 | 6,512 | 6 | 33 | 6,555 |
| 2009 | 33 | 6,416 | 14 | 116 | 6,579 |
| 2008 | 102 | 6,181 | 28 | 64 | 6,375 |
| 2007 | 70 | 5,935 | 5 | 34 | 6,044 |
| 2006 | | 5,726 | 17 | 98 | 5,841 |
| Judges and Solicitors Retirement System (JSRS) | | | | | |
| 2015 | \$ - | \$ 16,832 | \$ 4 | \$ 71 | \$ 16,907 |
| 2014 | | 16,675 | 10 | 68 | 16,753 |
| 2013 | 57 | 15,745 | 134 | 76 | 16,012 |
| 2012 | 134 | 15,171 | 134 | 111 | 15,550 |
| 2011 | | 14,750 | 128 | 104 | 14,982 |
| 2010 | | 14,168 | 11 | 101 | 14,280 |
| 2009 | | 13,484 | 134 | 104 | 13,722 |
| 2008 | 211 | 12,848 | 256 | 103 | 13,418 |
| 2007 | | 10,348 | 381 | 92 | 10,821 |
| 2006 | 20 | 9,677 | 124 | 83 | 9,904 |
| South Carolina National Guard Supplemental Retirement Plan (SCNG) | | | | | |
| 2015 | \$ - | \$ 4,249 | \$ - | \$ 11 | \$ 4,260 |
| 2014 | | 4,248 | | 10 | 4,258 |
| 2013 | | 4,193 | | 10 | 4,203 |
| 2012 | | 4,065 | | 15 | 4,080 |
| 2011 | | 4,011 | | 13 | 4,024 |
| 2010 | | 3,624 | | 13 | 3,637 |
| 2009 | | 3,432 | | 15 | 3,447 |
| 2008 | | 3,199 | | 156 | 3,355 |
| 2007 | | 2,926 | | 59 | 2,985 |
| 2006 | | 1,371 | | 204 | 1,575 |

¹As a result of the implementation of GASB 67, RSIC administrative expenses previously classified as administrative expenses have been reclassified as investment expenses for fiscal year 2013 to conform to the presentation for fiscal year 2014.

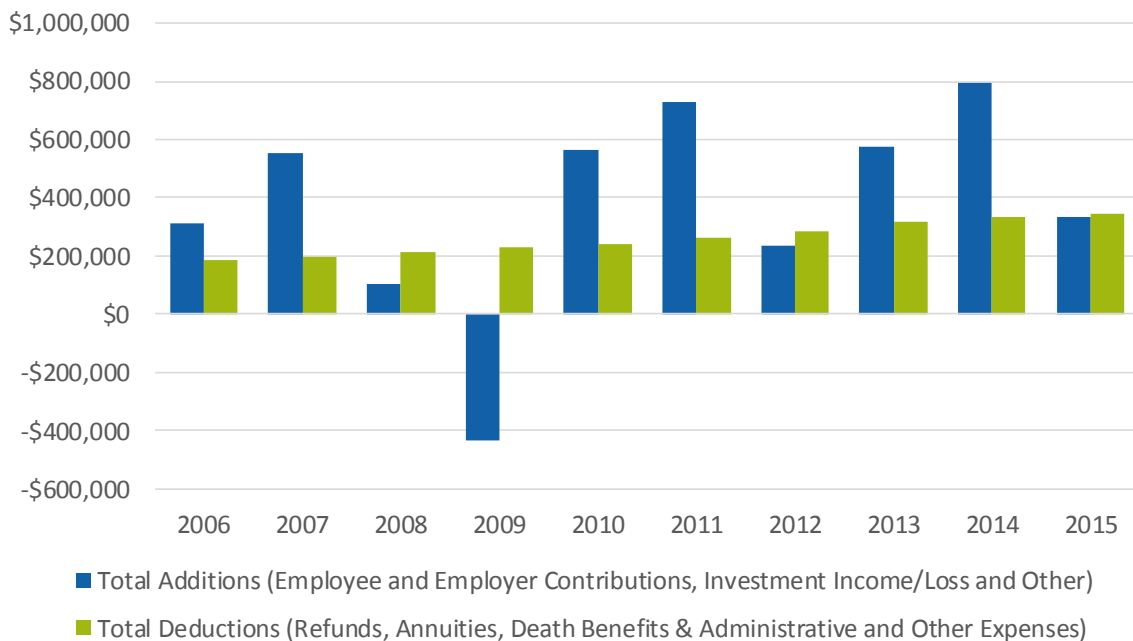
South Carolina Retirement System Pension Trust Funds Additions and Deductions

(Amounts expressed in thousands)



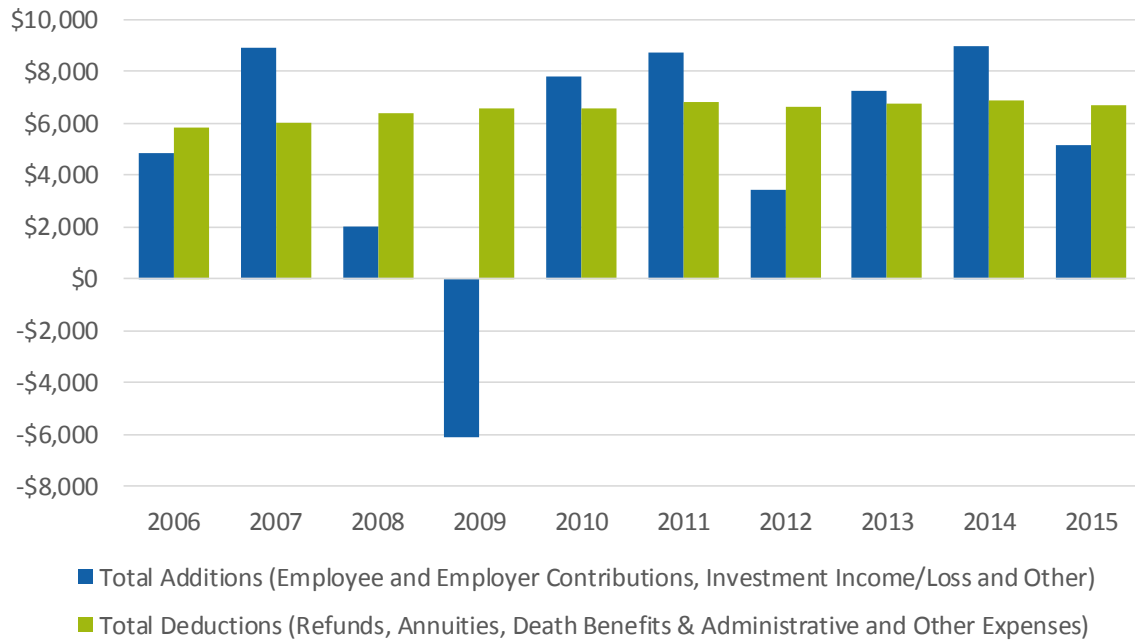
Police Officers Retirement System Pension Trust Funds Additions and Deductions

(Amounts expressed in thousands)



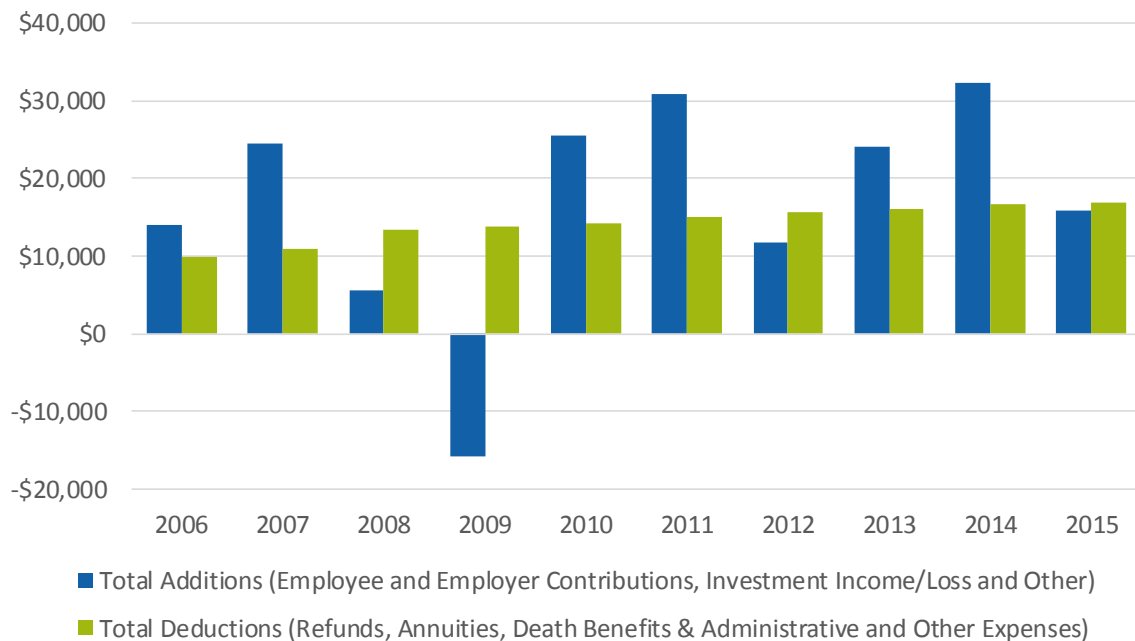
General Assembly Retirement System Pension Trust Funds Additions and Deductions

(Amounts expressed in thousands)



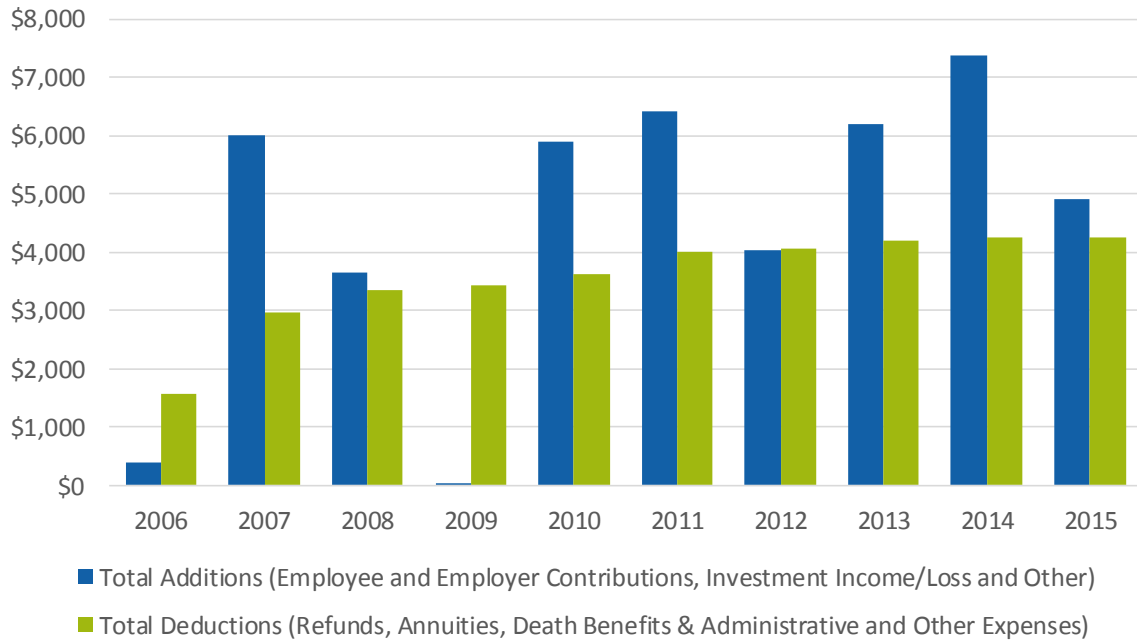
Judges and Solicitors Retirement System Pension Trust Funds Additions and Deductions

(Amounts expressed in thousands)



South Carolina National Guard Supplemental Retirement Plan Pension Trust Funds Additions and Deductions

(Amounts expressed in thousands)



Pension Trust Funds Benefit Expenses by Type

(Amounts expressed in thousands)

| Year Ended June 30, | Refunds | | Annuity Expenses | | Death Benefit Claims | | Total |
|--------------------------------------------------------------------------|-----------|----------------|------------------|----------------|----------------------|-----------|--------------|
| | Member | Survivor/Other | Member | Survivor/Other | Active | Retired | |
| South Carolina Retirement System (SCRS) | | | | | | | |
| 2015 | \$ 88,952 | \$ 6,152 | \$ 2,480,965 | \$ 109,841 | \$ 8,427 | \$ 11,717 | \$ 2,706,054 |
| 2014 | 84,678 | 5,572 | 2,356,997 | 105,149 | 8,452 | 10,788 | 2,571,636 |
| 2013 ¹ | 81,754 | 5,458 | 2,267,657 | 100,853 | 8,245 | 10,888 | 2,474,855 |
| 2012 | 77,707 | 5,427 | 2,160,393 | 96,126 | 8,469 | 9,826 | 2,357,948 |
| 2011 | 79,238 | 5,353 | 2,043,662 | 90,369 | 7,815 | 8,670 | 2,235,107 |
| 2010 | 70,917 | 4,897 | 1,929,281 | 85,137 | 7,495 | 12,426 | 2,110,153 |
| 2009 | 68,762 | 5,120 | 1,873,998 | 82,448 | 8,063 | 9,845 | 2,048,236 |
| 2008 | 74,233 | 4,794 | 1,776,592 | 77,300 | 7,791 | 9,826 | 1,950,536 |
| 2007 | 71,778 | 5,434 | 1,674,534 | 72,658 | 7,509 | 8,439 | 1,840,352 |
| 2006 | 104,728 | 3,841 | 1,570,938 | 68,300 | 6,823 | 8,052 | 1,762,682 |
| Police Officer's Retirement System (PORS) | | | | | | | |
| 2015 | \$ 16,603 | \$ 850 | \$ 306,383 | \$ 18,446 | \$ 976 | \$ 1,174 | \$ 344,432 |
| 2014 | 15,551 | 633 | 295,566 | 17,650 | 1,192 | 1,218 | 331,810 |
| 2013 | 14,246 | 737 | 280,699 | 16,932 | 1,020 | 965 | 314,599 |
| 2012 | 14,618 | 544 | 249,123 | 16,459 | 872 | 979 | 282,595 |
| 2011 | 14,518 | 384 | 228,739 | 15,704 | 912 | 1,072 | 261,329 |
| 2010 | 13,300 | 373 | 210,242 | 14,735 | 1,086 | 933 | 240,669 |
| 2009 | 13,243 | 510 | 197,529 | 14,344 | 936 | 784 | 227,346 |
| 2008 | 13,438 | 316 | 182,229 | 13,760 | 1,174 | 894 | 211,811 |
| 2007 | 12,063 | 480 | 168,785 | 12,603 | 1,178 | 741 | 195,850 |
| 2006 | 12,613 | 639 | 155,241 | 11,832 | 1,015 | 806 | 182,146 |
| General Assembly Retirement System (GARS) | | | | | | | |
| 2015 | \$ - | \$ - | \$ 5,443 | \$ 1,196 | \$ - | \$ 21 | \$ 6,660 |
| 2014 | 41 | | 5,587 | 1,212 | | 20 | 6,860 |
| 2013 | | 3 | 5,554 | 1,166 | | 16 | 6,739 |
| 2012 | 7 | 24 | 5,389 | 1,181 | 22 | 13 | 6,636 |
| 2011 | 45 | 12 | 5,359 | 1,169 | 45 | 13 | 6,643 |
| 2010 | | 4 | 5,296 | 1,216 | | 6 | 6,522 |
| 2009 | 33 | | 5,187 | 1,229 | | 14 | 6,463 |
| 2008 | 55 | 47 | 5,016 | 1,165 | 22 | 6 | 6,311 |
| 2007 | 70 | | 4,767 | 1,168 | | 5 | 6,010 |
| 2006 | | | 4,598 | 1,128 | | 17 | 5,743 |
| Judges and Solicitors Retirement System (JSRS) | | | | | | | |
| 2015 | \$ - | \$ - | \$ 14,996 | \$ 1,836 | \$ - | \$ 4 | \$ 16,836 |
| 2014 | | | 14,839 | 1,836 | | 10 | 16,685 |
| 2013 ¹ | 57 | | 13,997 | 1,748 | 131 | 3 | 15,936 |
| 2012 | 83 | 51 | 13,322 | 1,849 | 130 | 4 | 15,439 |
| 2011 | | | 12,864 | 1,886 | 127 | 1 | 14,878 |
| 2010 | | | 12,213 | 1,955 | - | 11 | 14,179 |
| 2009 | | | 11,668 | 1,816 | 130 | 4 | 13,618 |
| 2008 | | 211 | 11,094 | 1,754 | 252 | 4 | 13,315 |
| 2007 | | | 8,747 | 1,601 | 371 | 10 | 10,729 |
| 2006 | | 20 | 8,311 | 1,366 | 122 | 2 | 9,821 |
| South Carolina National Guard Supplemental Retirement Plan (SCNG) | | | | | | | |
| 2015 | \$ - | \$ - | \$ 4,248 | \$ 1 | \$ - | \$ - | \$ 4,249 |
| 2014 | | | 4,247 | 1 | | | 4,248 |
| 2013 | | | 4,192 | 1 | | | 4,193 |
| 2012 | | | 4,064 | 1 | | | 4,065 |
| 2011 | | | 4,010 | 1 | | | 4,011 |
| 2010 | | | 3,623 | 1 | | | 3,624 |
| 2009 | | | 3,431 | 1 | | | 3,432 |
| 2008 | | | 3,198 | 1 | | | 3,199 |
| 2007 | | | 2,925 | 1 | | | 2,926 |
| 2006 ² | | | 1,370 | 1 | | | 1,371 |

¹As a result of the implementation of GASB 67, Annuities reported in fiscal year 2013 have been restated to include only DROP amounts actually distributed to participants as well as amounts due but not yet distributed.

²The South Carolina Retirement Systems assumed administration of the South Carolina National Guard Supplemental Retirement Plan effective January 1, 2006; therefore, comparative totals for prior fiscal years are not presented.

Operating Information

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

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

From fiscal year 2006 to fiscal year 2015, there was an overall increase in both the number of participating employers and the total number of covered employees for both SCRS and PORS; however, there was actually a decrease in the number of covered employees for some specific employers. This decrease stemmed from the economic recession experienced in the US between 2007 and 2009 which resulted in a reduction in hiring and an increase in retirements due to various incentives offered. Additionally, the Retirement Systems' TERI program and previous liberal return to work provisions, caused more working retired members to fill positions that were previously occupied by active employees. Retirement reform legislation tightened return to work provisions prospectively by closing the TERI program to all members effective June 30, 2018 and implementing an earnings limit for certain members retiring after January 1, 2013.

South Carolina Retirement System Retired Members by Type of Benefit

As of June 30, 2015

| Monthly Benefit ¹ | Number of | | | | | | | | | | | | |
|------------------------------|----------------|----------------|--------------|--------------|---------------|--------------|---------------|------------|--------------|--------------|--------------|---------------|---------------|
| | Payees | Type 1 | Type 2 | Type 3 | Type 4 | Type 5 | Opt 0 | Opt 1 | Opt 2 | Opt 3 | Opt 4 | Opt 5 | Opt 6 |
| \$ 1 - \$ 500 | 26,197 | 19,683 | 237 | 2,492 | 2,772 | 1,013 | 18,154 | 134 | 1,552 | 509 | 289 | 3,995 | 1,564 |
| \$ 501 - \$1,000 | 24,823 | 17,008 | 750 | 1,862 | 4,507 | 696 | 17,272 | 115 | 1,097 | 399 | 562 | 3,523 | 1,855 |
| \$1,001 - \$1,500 | 19,006 | 13,670 | 1,185 | 1,101 | 2,758 | 292 | 12,276 | 87 | 671 | 220 | 1,020 | 2,902 | 1,830 |
| \$1,501 - \$2,000 | 16,360 | 12,871 | 1,121 | 698 | 1,527 | 143 | 9,535 | 70 | 430 | 194 | 1,602 | 2,756 | 1,773 |
| \$2,001 - \$2,500 | 18,042 | 15,770 | 865 | 413 | 941 | 53 | 10,502 | 76 | 246 | 148 | 1,552 | 3,238 | 2,280 |
| \$2,501 - \$3,000 | 14,582 | 13,455 | 364 | 224 | 514 | 25 | 9,923 | 43 | 201 | 97 | 595 | 2,086 | 1,637 |
| \$3,001 - \$3,500 | 6,787 | 6,278 | 125 | 151 | 220 | 13 | 4,273 | 28 | 141 | 81 | 306 | 1,105 | 853 |
| \$3,501 - \$4,000 | 3,751 | 3,500 | 62 | 91 | 96 | 2 | 2,273 | 8 | 102 | 57 | 170 | 588 | 553 |
| \$4,001 - \$4,500 | 2,167 | 2,043 | 29 | 54 | 39 | 2 | 1,305 | 11 | 53 | 49 | 81 | 363 | 305 |
| \$4,501 - \$5,000 | 1,167 | 1,102 | 20 | 24 | 19 | 2 | 632 | 8 | 39 | 29 | 28 | 225 | 206 |
| Over \$5,000 | 2,132 | 2,038 | 19 | 56 | 18 | 1 | 981 | 10 | 90 | 76 | 26 | 498 | 451 |
| Totals | 135,014 | 107,418 | 4,777 | 7,166 | 13,411 | 2,242 | 87,126 | 590 | 4,622 | 1,859 | 6,231 | 21,279 | 13,307 |

Type 1: Normal Retirement for Age and Service

Type 2: Early Retirement

Type 3: Beneficiary Payment²

Type 4: Disability Payment

Type 5: Beneficiary Payment, Disability Payment

Option 0: Maximum Benefit

Option 1: 10 Year Beneficiary Protection

Option 2: Survivor Benefit, Full Payment

Option 3: Survivor Benefit, Half Payment

Option 4: Social Security Option

Option 5: Survivor Benefit, Full Payment, Revert to Maximum

Option 6: Survivor Benefit, Half Payment, Revert to Maximum

Police Officers Retirement System Retired Members by Type of Benefit

As of June 30, 2015

| Monthly Benefit ¹ | Number of | | | | | | | | | | | | |
|------------------------------|---------------|---------------|--------------|--------------|--------------|------------|---------------|------------|------------|------------|-------|--------------|--------------|
| | Payees | Type 1 | Type 2 | Type 3 | Type 4 | Type 5 | Opt 0 | Opt 1 | Opt 2 | Opt 3 | Opt 4 | Opt 5 | Opt 6 |
| \$ 1 - \$ 500 | 2,675 | 1,740 | 344 | 385 | 126 | 80 | 1,567 | 140 | 68 | 119 | | 577 | 204 |
| \$ 501 - \$1,000 | 3,072 | 1,937 | 217 | 374 | 441 | 103 | 1,849 | 171 | 60 | 142 | | 565 | 285 |
| \$1,001 - \$1,500 | 2,689 | 1,625 | 213 | 259 | 542 | 50 | 1,514 | 104 | 65 | 185 | | 505 | 316 |
| \$1,501 - \$2,000 | 2,708 | 1,771 | 223 | 137 | 556 | 21 | 1,541 | 66 | 34 | 229 | | 492 | 346 |
| \$2,001 - \$2,500 | 2,344 | 1,720 | 116 | 73 | 425 | 10 | 1,405 | 40 | 16 | 139 | | 409 | 335 |
| \$2,501 - \$3,000 | 1,560 | 1,240 | 55 | 36 | 226 | 3 | 956 | 22 | 18 | 92 | | 258 | 214 |
| \$3,001 - \$3,500 | 799 | 665 | 17 | 20 | 95 | 2 | 535 | 12 | 14 | 28 | | 106 | 104 |
| \$3,501 - \$4,000 | 465 | 406 | 7 | 3 | 49 | | 331 | 4 | 7 | 11 | | 47 | 65 |
| \$4,001 - \$4,500 | 240 | 218 | 1 | 6 | 15 | | 155 | 6 | 1 | 4 | | 33 | 41 |
| \$4,501 - \$5,000 | 128 | 123 | 1 | | 4 | | 81 | | 8 | 6 | | 8 | 25 |
| Over \$5,000 | 171 | 166 | | 3 | 2 | | 118 | 4 | 4 | 3 | | 7 | 35 |
| Totals | 16,851 | 11,611 | 1,194 | 1,296 | 2,481 | 269 | 10,052 | 569 | 295 | 958 | | 3,007 | 1,970 |

Type 1: Normal Retirement for Age and Service

Type 2: Early Retirement

Type 3: Beneficiary Payment²

Type 4: Disability Payment

Type 5: Beneficiary Payment, Disability Payment

Option 0: Maximum Benefit

Option 1: Survivor Benefit, Full Payment

Option 2: Survivor Benefit, Half Payment

Option 3: Social Security Option

Option 4: Accidental Death Survivor Benefit

Option 5: Survivor Benefit, Full Payment, Revert to Maximum

Option 6: Survivor Benefit, Half Payment, Revert to Maximum

¹Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable benefit adjustments.

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

General Assembly Retirement System Retired Members by Type of Benefit

As of June 30, 2015

| Monthly Benefit ¹ | Number of Annuitant Payees | Number of Annuitant Payees | | | | | | | | | | | |
|------------------------------|----------------------------|----------------------------|-----------|-----------|--------|--------|------------|------------|-----------|-------|-------|-----------|-----------|
| | | Type 1 | Type 2 | Type 3 | Type 4 | Type 5 | Opt 0 | Opt 1 | Opt 2 | Opt 3 | Opt 4 | Opt 5 | Opt 6 |
| \$ 1 - \$ 500 | 30 | 8 | 4 | 18 | | | 8 | 8 | 5 | | | 4 | 5 |
| \$ 501 - \$1,000 | 71 | 41 | 5 | 25 | | | 26 | 19 | 5 | | | 14 | 7 |
| \$1,001 - \$1,500 | 71 | 44 | 6 | 21 | | | 21 | 23 | 10 | | | 7 | 10 |
| \$1,501 - \$2,000 | 105 | 74 | 23 | 8 | | | 43 | 29 | 12 | | | 14 | 7 |
| \$2,001 - \$2,500 | 44 | 30 | 6 | 8 | | | 18 | 11 | 4 | | | 9 | 2 |
| \$2,501 - \$3,000 | 25 | 22 | 1 | 2 | | | 10 | 5 | 2 | | | 6 | 2 |
| \$3,001 - \$3,500 | 11 | 7 | 1 | 3 | | | 5 | 4 | 1 | | | 1 | |
| \$3,501 - \$4,000 | 3 | 2 | | 1 | | | | 3 | | | | | |
| \$4,001 - \$4,500 | 2 | 2 | | | | | 2 | | | | | | |
| \$4,501 - \$5,000 | | | | | | | | | | | | | |
| Over \$5,000 | | | | | | | | | | | | | |
| Totals | 362 | 230 | 46 | 86 | | | 133 | 102 | 39 | | | 55 | 33 |

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

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

Judges and Solicitors Retirement System Retired Members by Type of Benefit

As of June 30, 2015

| Monthly Benefit ¹ | Number of Annuitant Payees | Number of Annuitant Payees | | | | | | | | | | | |
|------------------------------|----------------------------|----------------------------|--------|-----------|--------|--------|------------|-----------|-------|-------|-------|-------|-------|
| | | Type 1 | Type 2 | Type 3 | Type 4 | Type 5 | Opt 0 | Opt 1 | Opt 2 | Opt 3 | Opt 4 | Opt 5 | Opt 6 |
| \$ 1 - \$ 500 | 1 | 1 | | | | | 1 | | | | | | |
| \$ 501 - \$1,000 | 10 | | | 10 | | | | 10 | | | | | |
| \$1,001 - \$1,500 | | | | | | | | | | | | | |
| \$1,501 - \$2,000 | 4 | | | 4 | | | 2 | 2 | | | | | |
| \$2,001 - \$2,500 | 2 | | | 2 | | | 2 | | | | | | |
| \$2,501 - \$3,000 | 29 | | | 28 | | 1 | 28 | 1 | | | | | |
| \$3,001 - \$3,500 | 15 | 1 | | 14 | | | 14 | 1 | | | | | |
| \$3,501 - \$4,000 | 3 | 2 | | 1 | | | 2 | 1 | | | | | |
| \$4,001 - \$4,500 | 3 | 3 | | | | | 3 | | | | | | |
| \$4,501 - \$5,000 | 2 | 2 | | | | | 2 | | | | | | |
| Over \$5,000 | 138 | 137 | | 1 | | | 133 | 5 | | | | | |
| Totals | 207 | 146 | | 60 | | | 187 | 20 | | | | | |

Type 1: Normal Retirement for Age and Service
Type 3: Beneficiary Payment²
Type 5: Beneficiary Payment, Disability Payment

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

¹Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable benefit adjustments.

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

South Carolina National Guard Supplemental Retirement Plan

Retired Members by Type of Benefit

As of June 30, 2015

| <u>Monthly Benefit¹</u> | <u>Number of Annuitant Payees</u> | | | | | | | | | | | | |
|------------------------------------|-----------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | <u>Type 1</u> | <u>Type 2</u> | <u>Type 3</u> | <u>Type 4</u> | <u>Type 5</u> | <u>Opt 0</u> | <u>Opt 1</u> | <u>Opt 2</u> | <u>Opt 3</u> | <u>Opt 4</u> | <u>Opt 5</u> | <u>Opt 6</u> | |
| \$ 1 - \$ 500 | 4,664 | 4,664 | | | | | 4,664 | | | | | | |
| \$ 501 - \$1,000 | | | | | | | | | | | | | |
| \$1,001 - \$1,500 | | | | | | | | | | | | | |
| \$1,501 - \$2,000 | | | | | | | | | | | | | |
| \$2,001 - \$2,500 | | | | | | | | | | | | | |
| \$2,501 - \$3,000 | | | | | | | | | | | | | |
| \$3,001 - \$3,500 | | | | | | | | | | | | | |
| \$3,501 - \$4,000 | | | | | | | | | | | | | |
| \$4,001 - \$4,500 | | | | | | | | | | | | | |
| \$4,501 - \$5,000 | | | | | | | | | | | | | |
| Over \$5,000 | | | | | | | | | | | | | |
| Totals | 4,664 | 4,664 | | | | | 4,664 | | | | | | |

Type 1: Normal Retirement for Age and Service

Option 0: Maximum Benefit

¹Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable benefit adjustments.

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 | |
| Period 07/01/2005 to 06/30/2006 | | | | | | | | |
| Average Monthly benefit | \$ 201.50 | \$ 340.24 | \$ 554.41 | \$ 869.84 | \$ 1,223.86 | \$ 1,857.70 | \$ 2,252.11 | \$ 1,195.93 |
| Average AFC | \$27,567.45 | \$26,822.05 | \$29,713.99 | \$34,233.90 | \$38,519.83 | \$45,527.08 | \$48,203.82 | \$37,566.13 |
| Number of Retired members | 85 | 705 | 694 | 642 | 447 | 1,692 | 199 | 4,464 |
| Period 07/01/2006 to 06/30/2007 | | | | | | | | |
| Average Monthly benefit | \$ 197.53 | \$ 338.01 | \$ 614.32 | \$ 889.42 | \$ 1,180.29 | \$ 1,981.95 | \$ 2,516.61 | \$ 1,332.17 |
| Average AFC | \$27,519.51 | \$28,298.57 | \$34,062.55 | \$36,554.81 | \$38,276.60 | \$48,965.20 | \$54,061.35 | \$41,167.19 |
| Number of Retired members | 108 | 841 | 847 | 702 | 554 | 2,483 | 294 | 5,829 |
| Period 07/01/2007 to 06/30/2008 | | | | | | | | |
| Average Monthly benefit | \$ 176.70 | \$ 363.63 | \$ 595.88 | \$ 909.11 | \$ 1,245.15 | \$ 2,043.38 | \$ 2,679.92 | \$ 1,402.77 |
| Average AFC | \$31,761.84 | \$30,201.39 | \$33,050.24 | \$36,763.05 | \$40,219.11 | \$50,516.64 | \$58,801.46 | \$42,826.60 |
| Number of Retired members | 120 | 794 | 878 | 675 | 568 | 2,478 | 404 | 5,917 |
| Period 07/01/2008 to 06/30/2009 | | | | | | | | |
| Average Monthly benefit | \$ 185.70 | \$ 367.45 | \$ 618.21 | \$ 945.25 | \$ 1,302.51 | \$ 2,164.92 | \$ 2,970.18 | \$ 1,461.68 |
| Average AFC | \$28,729.29 | \$30,154.09 | \$34,626.66 | \$38,205.49 | \$42,049.14 | \$53,625.28 | \$65,133.55 | \$44,749.97 |
| Number of Retired members | 121 | 786 | 892 | 689 | 645 | 2,197 | 451 | 5,781 |
| Period 07/01/2009 to 06/30/2010 | | | | | | | | |
| Average Monthly benefit | \$ 208.16 | \$ 383.06 | \$ 644.85 | \$ 980.66 | \$ 1,343.64 | \$ 2,220.44 | \$ 2,908.79 | \$ 1,485.54 |
| Average AFC | \$31,836.52 | \$30,557.99 | \$35,746.52 | \$40,111.25 | \$43,257.40 | \$55,240.76 | \$63,116.06 | \$45,746.23 |
| Number of Retired members | 123 | 826 | 1,023 | 750 | 729 | 2,123 | 597 | 6,171 |
| Period 07/01/2010 to 06/30/2011 | | | | | | | | |
| Average Monthly benefit | \$ 194.32 | \$ 377.33 | \$ 657.18 | \$ 1,009.75 | \$ 1,368.15 | \$ 2,282.23 | \$ 2,887.04 | \$ 1,444.24 |
| Average AFC | \$30,558.57 | \$31,038.09 | \$35,787.73 | \$40,245.04 | \$43,924.56 | \$56,695.69 | \$62,604.36 | \$45,455.16 |
| Number of Retired members | 147 | 905 | 1,102 | 845 | 757 | 1,901 | 588 | 6,245 |
| Period 07/01/2011 to 06/30/2012 | | | | | | | | |
| Average Monthly benefit | \$ 157.11 | \$ 383.45 | \$ 676.15 | \$ 1,059.57 | \$ 1,355.92 | \$ 2,311.64 | \$ 2,876.79 | \$ 1,635.31 |
| Average AFC | \$33,826.07 | \$33,007.00 | \$37,627.88 | \$43,407.96 | \$44,127.54 | \$57,444.81 | \$61,458.63 | \$48,726.24 |
| Number of Retired members | 170 | 1,027 | 1,369 | 1,006 | 1,047 | 3,291 | 1,205 | 9,115 |
| Period 07/01/2012 to 06/30/2013 | | | | | | | | |
| Average Monthly benefit | \$ 163.89 | \$ 374.60 | \$ 667.84 | \$ 1,018.66 | \$ 1,401.96 | \$ 2,306.58 | \$ 2,939.66 | \$ 1,669.04 |
| Average AFC | \$33,379.05 | \$32,996.08 | \$36,694.21 | \$41,770.64 | \$45,076.25 | \$56,821.68 | \$62,171.33 | \$48,723.46 |
| Number of Retired members | 126 | 1,058 | 1,206 | 937 | 832 | 3,366 | 1,143 | 8,668 |
| Period 07/01/2013 to 06/30/2014 | | | | | | | | |
| Average Monthly benefit | \$ 171.09 | \$ 412.03 | \$ 698.81 | \$ 1,044.34 | \$ 1,434.34 | \$ 2,189.74 | \$ 3,086.40 | \$ 1,468.98 |
| Average AFC | \$38,653.04 | \$37,681.60 | \$39,284.66 | \$43,487.99 | \$46,299.67 | \$54,634.21 | \$65,080.05 | \$47,624.77 |
| Number of Retired members | 109 | 962 | 1,044 | 1,005 | 753 | 2,157 | 532 | 6,562 |
| Period 07/01/2014 to 06/30/2015 | | | | | | | | |
| Average Monthly benefit | \$ 106.08 | \$ 348.64 | \$ 616.18 | \$ 950.86 | \$ 1,383.17 | \$ 2,166.72 | \$ 2,875.69 | \$ 1,368.92 |
| Average AFC | \$32,703.47 | \$34,991.00 | \$37,361.07 | \$41,671.72 | \$46,806.79 | \$54,194.32 | \$59,892.09 | \$45,746.15 |
| Number of Retired members | 107 | 903 | 1,004 | 873 | 781 | 2,003 | 377 | 6,048 |
| Ten year Averages | | | | | | | | |
| Average Monthly benefit | \$ 175.71 | \$ 370.26 | \$ 640.51 | \$ 976.93 | \$ 1,336.97 | \$ 2,168.40 | \$ 2,866.51 | \$ 1,471.18 |
| Average AFC | \$31,809.40 | \$31,835.92 | \$35,756.91 | \$40,099.11 | \$43,343.67 | \$53,749.68 | \$61,387.48 | \$45,395.43 |
| Number of Retired members | 1,216 | 8,807 | 10,059 | 8,124 | 7,113 | 23,691 | 5,790 | 64,800 |

Note: Benefit amounts represent original monthly benefit at retirement for all retirees who retired during the referenced period and, for comparison purposes, do not include benefit adjustments. Although a member's retirement eligibility and AFC may include service from other correlated Systems, the Years of Credited Service in this schedule represents only service credit used for calculating the monthly benefit under this respective System.

Police Officers Retirement System

Retired Members by Years of Service

| | Years of Credited Service | | | | | | | Avg/Tot |
|----------------------------------------|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 0 to 5 | 5+ to 10 | 10+ to 15 | 15+ to 20 | 20+ to 25 | 25+ to 30 | 30 Plus | |
| Period 07/01/2005 to 06/30/2006 | | | | | | | | |
| Average Monthly benefit | \$ 416.55 | \$ 581.55 | \$ 998.87 | \$ 1,264.32 | \$ 1,815.41 | \$ 2,324.16 | \$ 3,413.99 | \$ 1,518.28 |
| Average AFC | \$35,369.28 | \$36,920.26 | \$37,807.18 | \$38,735.81 | \$44,103.36 | \$51,285.81 | \$62,552.57 | \$43,414.36 |
| Number of Retired members | 42 | 117 | 110 | 111 | 65 | 193 | 35 | 673 |
| Period 07/01/2006 to 06/30/2007 | | | | | | | | |
| Average Monthly benefit | \$ 314.01 | \$ 585.23 | \$ 921.84 | \$ 1,314.16 | \$ 1,834.59 | \$ 2,371.87 | \$ 3,793.93 | \$ 1,464.49 |
| Average AFC | \$33,829.80 | \$35,953.69 | \$38,076.76 | \$41,295.87 | \$45,193.83 | \$53,041.40 | \$69,279.13 | \$43,737.72 |
| Number of Retired members | 70 | 131 | 119 | 112 | 98 | 191 | 29 | 750 |
| Period 07/01/2007 to 06/30/2008 | | | | | | | | |
| Average Monthly benefit | \$ 339.75 | \$ 672.20 | \$ 1,029.33 | \$ 1,338.21 | \$ 1,913.22 | \$ 2,437.16 | \$ 3,760.37 | \$ 1,561.75 |
| Average AFC | \$38,746.31 | \$36,996.15 | \$39,502.53 | \$41,671.69 | \$47,970.26 | \$54,925.42 | \$69,695.78 | \$45,930.96 |
| Number of Retired members | 72 | 132 | 119 | 97 | 98 | 197 | 38 | 753 |
| Period 07/01/2008 to 06/30/2009 | | | | | | | | |
| Average Monthly benefit | \$ 359.33 | \$ 666.06 | \$ 1,060.74 | \$ 1,460.31 | \$ 1,945.86 | \$ 2,546.98 | \$ 3,777.66 | \$ 1,760.07 |
| Average AFC | \$41,358.25 | \$40,388.45 | \$41,602.78 | \$43,217.29 | \$49,476.87 | \$56,365.99 | \$67,110.63 | \$49,026.40 |
| Number of Retired members | 67 | 133 | 136 | 88 | 106 | 272 | 63 | 865 |
| Period 07/01/2009 to 06/30/2010 | | | | | | | | |
| Average Monthly benefit | \$ 417.61 | \$ 699.54 | \$ 984.23 | \$ 1,357.38 | \$ 1,975.74 | \$ 2,447.52 | \$ 3,581.54 | \$ 1,633.07 |
| Average AFC | \$40,722.91 | \$39,473.83 | \$40,088.38 | \$42,712.24 | \$48,826.52 | \$55,428.90 | \$63,527.80 | \$47,202.77 |
| Number of Retired members | 80 | 121 | 127 | 129 | 120 | 240 | 47 | 864 |
| Period 07/01/2010 to 06/30/2011 | | | | | | | | |
| Average Monthly benefit | \$ 247.37 | \$ 708.00 | \$ 1,020.85 | \$ 1,474.19 | \$ 1,929.16 | \$ 2,482.99 | \$ 3,569.41 | \$ 1,584.50 |
| Average AFC | \$37,600.27 | \$39,952.37 | \$40,400.70 | \$44,622.87 | \$47,089.42 | \$55,621.41 | \$65,042.40 | \$46,655.15 |
| Number of Retired members | 92 | 157 | 181 | 117 | 145 | 274 | 40 | 1,006 |
| Period 07/01/2011 to 06/30/2012 | | | | | | | | |
| Average Monthly benefit | \$ 297.63 | \$ 714.18 | \$ 1,052.50 | \$ 1,427.66 | \$ 2,045.53 | \$ 2,498.86 | \$ 3,623.72 | \$ 1,773.79 |
| Average AFC | \$44,507.30 | \$39,975.77 | \$42,779.30 | \$43,692.98 | \$51,113.91 | \$56,323.82 | \$66,397.34 | \$49,884.84 |
| Number of Retired members | 125 | 200 | 184 | 156 | 217 | 552 | 67 | 1,501 |
| Period 07/01/2012 to 06/30/2013 | | | | | | | | |
| Average Monthly benefit | \$ 225.26 | \$ 644.56 | \$ 1,061.28 | \$ 1,543.78 | \$ 1,919.73 | \$ 2,419.31 | \$ 3,640.68 | \$ 1,670.72 |
| Average AFC | \$45,104.35 | \$38,218.81 | \$41,442.32 | \$47,487.15 | \$48,466.15 | \$54,611.27 | \$68,020.52 | \$48,263.36 |
| Number of Retired members | 80 | 170 | 164 | 161 | 185 | 421 | 25 | 1,206 |
| Period 07/01/2013 to 06/30/2014 | | | | | | | | |
| Average Monthly benefit | \$ 271.80 | \$ 867.88 | \$ 1,200.86 | \$ 1,448.09 | \$ 2,050.60 | \$ 2,363.73 | \$ 4,282.03 | \$ 1,482.36 |
| Average AFC | \$43,919.11 | \$40,503.31 | \$43,476.29 | \$45,089.53 | \$50,405.24 | \$52,417.06 | \$76,060.04 | \$46,682.61 |
| Number of Retired members | 86 | 144 | 147 | 125 | 86 | 145 | 22 | 755 |
| Period 07/01/2014 to 06/30/2015 | | | | | | | | |
| Average Monthly benefit | 225.27 | 710.98 | 992.08 | 1356.11 | 1906.63 | 2519.65 | 3380.62 | 1485.39 |
| Average AFC | \$36,908.71 | \$39,390.51 | \$41,657.05 | \$43,058.60 | \$49,292.62 | \$56,078.78 | \$65,214.74 | \$46,070.19 |
| Number of Retired members | 59 | 174 | 131 | 151 | 145 | 175 | 27 | 862 |
| Ten year Averages | | | | | | | | |
| Average Monthly benefit | \$ 305.39 | \$ 688.92 | \$ 1,036.88 | \$ 1,403.75 | \$ 1,944.83 | \$ 2,452.56 | \$ 3,666.15 | \$ 1,613.49 |
| Average AFC | \$40,437.49 | \$38,886.50 | \$40,880.95 | \$43,384.95 | \$48,592.36 | \$54,970.59 | \$66,783.18 | \$47,079.42 |
| Number of Retired members | 773 | 1,479 | 1,418 | 1,247 | 1,265 | 2,660 | 393 | 9,235 |

Note: Benefit amounts represent original monthly benefit at retirement for all retirees who retired during the referenced period and, for comparison purposes, do not include benefit adjustments. Although a member's retirement eligibility and AFC may include service from other correlated Systems, the Years of Credited Service in this schedule represents only service credit used for calculating the monthly benefit under this respective System

General Assembly Retirement System Retired Members by Years of Service

| | Years of Credited Service | | | | | | | Avg/Tot |
|----------------------------------------|---------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 0 to 5 | 5+ to 10 | 10+ to 15 | 15+ to 20 | 20+ to 25 | 25+ to 30 | 30 Plus | |
| Period 07/01/2005 to 06/30/2006 | | | | | | | | |
| Average Monthly benefit | | | \$ 1,192.02 | \$ 1,398.49 | \$ 1,900.02 | \$ 1,953.73 | \$ 2,691.46 | \$ 1,750.70 |
| Average AFC | | | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 |
| Number of Retired members | | | 3 | 2 | 2 | 1 | 2 | 10 |
| Period 07/01/2006 to 06/30/2007 | | | | | | | | |
| Average Monthly benefit | | \$ 899.73 | \$ 914.61 | \$ 1,348.59 | \$ 1,843.28 | | \$ 2,619.33 | \$ 1,778.87 |
| Average AFC | | \$22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | | \$ 22,400.00 | \$ 22,400.00 |
| Number of Retired members | | 1 | 1 | 3 | 8 | | 3 | 16 |
| Period 07/01/2007 to 06/30/2008 | | | | | | | | |
| Average Monthly benefit | \$ 319.69 | | \$ 969.43 | \$ 1,649.07 | \$ 1,684.61 | \$ 2,095.51 | \$ 2,555.55 | \$ 1,687.41 |
| Average AFC | \$ 22,400.00 | | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 |
| Number of Retired members | 1 | | 2 | 5 | 5 | 1 | 3 | 17 |
| Period 07/01/2008 to 06/30/2009 | | | | | | | | |
| Average Monthly benefit | | \$ 683.40 | \$ 971.68 | \$ 1,324.67 | \$ 1,738.19 | \$ 2,416.04 | \$ 2,590.37 | \$ 1,587.90 |
| Average AFC | | \$22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 |
| Number of Retired members | | 2 | 3 | 4 | 7 | 2 | 2 | 20 |
| Period 07/01/2009 to 06/30/2010 | | | | | | | | |
| Average Monthly benefit | | | | \$ 1,298.78 | | \$ 2,476.92 | | \$ 1,887.50 |
| Average AFC | | | | \$ 22,400.00 | | \$ 22,400.00 | | \$ 22,400.00 |
| Number of Retired members | | | | 2 | | 2 | | 4 |
| Period 07/01/2010 to 06/30/2011 | | | | | | | | |
| Average Monthly benefit | \$ 132.70 | | \$ 1,068.00 | \$ 1,142.12 | \$ 1,901.69 | \$ 2,838.65 | \$ 3,207.33 | \$ 1,852.00 |
| Average AFC | \$ 22,400.00 | | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 24,200.00 | \$ 27,900.00 | \$ 23,727.27 |
| Number of Retired members | 1 | | 3 | 1 | 2 | 2 | 2 | 11 |
| Period 07/01/2011 to 06/30/2012 | | | | | | | | |
| Average Monthly benefit | | \$ 719.79 | \$ 1,097.69 | \$ 1,541.77 | \$ 1,945.10 | | \$ 2,092.90 | \$ 1,468.33 |
| Average AFC | | \$22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | | \$ 22,400.00 | \$ 22,400.00 |
| Number of Retired members | | 1 | 5 | 1 | 4 | | 1 | 12 |
| Period 07/01/2012 to 06/30/2013 | | | | | | | | |
| Average Monthly benefit | | \$ 831.73 | \$ 1,039.12 | \$ 1,448.99 | \$ 1,898.75 | \$ 1,886.18 | \$ 2,305.65 | \$ 1,652.52 |
| Average AFC | | \$22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 |
| Number of Retired members | | 1 | 5 | 2 | 4 | 3 | 4 | 19 |
| Period 07/01/2013 to 06/30/2014 | | | | | | | | |
| Average Monthly benefit | 152.97 | 539.84 | | | 2313.46 | | 2547.4 | 1387.75 |
| Average AFC | \$ 22,400.00 | \$22,400.00 | | | \$ 26,000.00 | | \$ 22,400.00 | \$ 23,300.00 |
| Number of Retired members | 1 | 1 | | | 1 | | 1 | 4 |
| Period 07/01/2014 to 06/30/2015 | | | | | | | | |
| Average Monthly benefit | | | \$ 997.75 | \$ 1,281.62 | \$ 1,822.57 | | | \$ 1,358.60 |
| Average AFC | | | \$ 22,400.00 | \$ 22,400.00 | \$ 22,400.00 | | | \$ 22,400.00 |
| Number of Retired members | | | 3 | 4 | 3 | | | 10 |
| Ten year Averages | | | | | | | | |
| Average Monthly benefit | \$ 201.78 | \$ 726.31 | \$ 1,049.03 | \$ 1,403.86 | \$ 1,836.02 | \$ 2,288.27 | \$ 2,575.88 | \$ 1,646.46 |
| Average AFC | \$ 22,400.00 | \$22,400.00 | \$ 22,400.00 | \$ 22,400.00 | \$ 22,500.00 | \$ 22,727.27 | \$ 23,011.11 | \$ 22,547.96 |
| Number of Retired members | 3 | 6 | 25 | 24 | 36 | 11 | 18 | 123 |

Note: Benefit amounts represent original monthly benefit at retirement for all retirees who retired during the referenced period and, for comparison purposes, do not include benefit adjustments. Although a member's retirement eligibility and AFC may include service from other correlated Systems, the Years of Credited Service in this schedule represents only service credit used for calculating the monthly benefit under this respective System.

Judges and Solicitors Retirement System Retired Members by Years of Service

| | Years of Credited Service | | | | | | Avg/Tot | |
|----------------------------------------|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 0 to 5 | 5+ to 10 | 10+ to 15 | 15+ to 20 | 20+ to 25 | 25+ to 30 | | 30 Plus |
| Period 07/01/2005 to 06/30/2006 | | | | | | | | |
| Average Monthly benefit | | | | \$ 7,226.08 | | \$ 8,198.72 | \$ 9,097.69 | \$ 8,173.66 |
| Average AFC | | | | \$ 121,617.00 | | \$ 121,617.00 | \$ 121,316.00 | \$ 121,516.66 |
| Number of Retired members | | | | 1 | | 1 | 1 | 3 |
| Period 07/01/2006 to 06/30/2007 | | | | | | | | |
| Average Monthly benefit | | \$ 4,430.37 | \$ 5,184.19 | \$ 7,456.84 | \$ 8,433.08 | \$ 9,227.51 | \$ 8,697.00 | |
| Average AFC | | \$ 125,265.00 | \$ 124,955.00 | \$ 124,955.00 | \$ 121,968.00 | \$ 126,312.05 | \$ 125,770.78 | |
| Number of Retired members | | 1 | 1 | 1 | 2 | 18 | 23 | |
| Period 07/01/2007 to 06/30/2008 | | | | | | | | |
| Average Monthly benefit | | \$ 4,079.72 | \$ 7,867.78 | | \$ 8,215.93 | \$ 9,343.57 | \$ 8,030.20 | |
| Average AFC | | \$ 127,165.50 | \$ 132,417.00 | | \$ 125,627.00 | \$ 127,890.33 | \$ 127,971.70 | |
| Number of Retired members | | 2 | 1 | | 1 | 6 | 10 | |
| Period 07/01/2008 to 06/30/2009 | | | | | | | | |
| Average Monthly benefit | | \$ 7,742.70 | | \$ 6,985.17 | \$ 8,743.82 | \$ 9,446.04 | \$ 8,358.22 | |
| Average AFC | | \$ 130,312.00 | | \$ 128,026.00 | \$ 130,312.00 | \$ 128,597.50 | \$ 128,788.00 | |
| Number of Retired members | | 1 | | 3 | 1 | 4 | 9 | |
| Period 07/01/2009 to 06/30/2010 | | | | | | | | |
| Average Monthly benefit | | | | \$ 7,538.96 | \$ 8,092.11 | \$ 9,773.78 | \$ 8,822.10 | |
| Average AFC | | | | \$ 126,883.00 | \$ 128,026.00 | \$ 131,683.80 | \$ 129,626.30 | |
| Number of Retired members | | | | 2 | 3 | 5 | 10 | |
| Period 07/01/2010 to 06/30/2011 | | | | | | | | |
| Average Monthly benefit | | | | \$ 7,730.82 | \$ 8,138.15 | \$ 9,378.37 | \$ 8,508.22 | |
| Average AFC | | | | \$ 129,454.75 | \$ 130,312.00 | \$ 127,740.25 | \$ 128,788.00 | |
| Number of Retired members | | | | 4 | 1 | 4 | 9 | |
| Period 07/01/2011 to 06/30/2012 | | | | | | | | |
| Average Monthly benefit | | | \$ 5,654.22 | | \$ 7,647.17 | \$ 9,687.67 | \$ 8,335.16 | |
| Average AFC | | | \$ 126,883.00 | | \$ 126,883.00 | \$ 129,169.00 | \$ 128,026.00 | |
| Number of Retired members | | | 1 | | 2 | 3 | 6 | |
| Period 07/01/2012 to 06/30/2013 | | | | | | | | |
| Average Monthly benefit | | \$ 4,309.38 | \$ 7,974.96 | \$ 7,905.00 | | \$ 10,490.48 | \$ 7,256.71 | |
| Average AFC | | \$ 130,689.00 | \$ 134,221.00 | \$ 133,043.66 | | \$ 139,873.00 | \$ 133,514.71 | |
| Number of Retired members | | 2 | 1 | 3 | | 1 | 7 | |
| Period 07/01/2013 to 06/30/2014 | | | | | | | | |
| Average Monthly benefit | | | \$ 6,962.75 | \$ 7,765.10 | \$ 9,405.95 | \$ 10,066.58 | \$ 8,538.00 | |
| Average AFC | | | \$ 132,455.00 | \$ 130,689.00 | \$ 134,221.00 | \$ 134,221.00 | \$ 133,043.66 | |
| Number of Retired members | | | 2 | 1 | 1 | 2 | 6 | |
| Period 07/01/2014 to 06/30/2015 | | | | | | | | |
| Average Monthly benefit | | | \$ 7,920.42 | \$ 7,931.71 | \$ 8,891.35 | \$ 10,808.40 | \$ 8,615.00 | |
| Average AFC | | | \$ 133,303.00 | \$ 135,705.00 | \$ 136,905.50 | \$ 144,112.00 | \$ 136,905.85 | |
| Number of Retired members | | | 1 | 3 | 2 | 1 | 7 | |
| Ten year Averages | | | | | | | | |
| Average Monthly benefit | | \$ 4,825.21 | \$ 6,969.14 | \$ 7,628.75 | \$ 8,351.58 | \$ 9,464.79 | \$ 8,413.68 | |
| Average AFC | | \$ 128,547.66 | \$ 129,788.25 | \$ 130,444.29 | \$ 128,405.71 | \$ 128,577.31 | \$ 129,008.93 | |
| Number of Retired members | | 6 | 8 | 17 | 14 | 45 | 90 | |

Note: Benefit amounts represent original monthly benefit at retirement for all retirees who retired during the referenced period and, for comparison purposes, do not include benefit adjustments.

South Carolina National Guard Supplemental Retirement Plan Retired Members by Years of Service

| | Years of Credited Service | | | | | | Avg/Tot | |
|----------------------------------------|---------------------------|----------|-----------|-----------|-----------|-----------|-----------|----------|
| | 0 to 5 | 5+ to 10 | 10+ to 15 | 15+ to 20 | 20+ to 25 | 25+ to 30 | | 30 Plus |
| Period 07/01/2005 to 06/30/2006 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 62.64 | \$ 90.48 | \$ 100.00 | \$ 75.01 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 45 | 138 | 62 | 75 | 320 |
| Period 07/01/2006 to 06/30/2007 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 61.86 | \$ 89.47 | \$ 100.00 | \$ 74.62 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 64 | 174 | 95 | 94 | 427 |
| Period 07/01/2007 to 06/30/2008 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 61.76 | \$ 90.06 | \$ 100.00 | \$ 74.19 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 60 | 170 | 75 | 92 | 397 |
| Period 07/01/2008 to 06/30/2009 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 60.90 | \$ 90.77 | \$ 100.00 | \$ 73.28 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 60 | 143 | 71 | 72 | 346 |
| Period 07/01/2009 to 06/30/2010 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 61.55 | \$ 90.29 | \$ 100.00 | \$ 73.43 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 59 | 135 | 51 | 80 | 325 |
| Period 07/01/2010 to 06/30/2011 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 61.34 | \$ 88.15 | \$ 100.00 | \$ 76.19 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 39 | 115 | 65 | 82 | 301 |
| Period 07/01/2011 to 06/30/2012 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 62.47 | \$ 90.78 | \$ 100.00 | \$ 73.55 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 49 | 103 | 38 | 62 | 252 |
| Period 07/01/2012 to 06/30/2013 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 61.66 | \$ 88.22 | \$ 100.00 | \$ 72.70 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 47 | 105 | 45 | 56 | 253 |
| Period 07/01/2013 to 06/30/2014 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 62.17 | \$ 90.19 | \$ 100.00 | \$ 71.75 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 34 | 76 | 26 | 35 | 171 |
| Period 07/01/2014 to 06/30/2015 | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 62.58 | \$ 90.93 | \$ 100.00 | \$ 76.58 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 20 | 60 | 32 | 39 | 151 |
| Ten year Averages | | | | | | | | |
| Average Monthly benefit | | | | \$ 50.00 | \$ 61.83 | \$ 89.85 | \$ 100.00 | \$ 74.15 |
| Average AFC | | | | | | | | |
| Number of Retired members | | | | 477 | 1,219 | 560 | 687 | 2,943 |

Note: Benefit amounts represent original monthly benefit at retirement for all retirees who retired during the referenced period.

South Carolina Retirement System

Principal Participating Employers in Fiscal Year 2015 and Ten Years Prior Fiscal Year 2006

| | Fiscal Year 2015 | | | | | | Fiscal Year 2006 | | | | |
|--------------------------------------|------------------------------------------------|-------------|-------------------------------------------------------|-------------------------------------------------|---------------------------------------------------|------------------------------------------------|------------------|-------------------------------------------------------|-------------------------------------------------|---------------------------------------------------|--|
| | <u>Covered</u> <u>Employees¹</u> | <u>Rank</u> | <u>Percentage</u> <u>of Total</u> <u>System</u> | <u>Total</u> <u>Active</u> <u>Members</u> | <u>Total</u> <u>Working</u> <u>Retirees</u> | <u>Covered</u> <u>Employees¹</u> | <u>Rank</u> | <u>Percentage</u> <u>of Total</u> <u>System</u> | <u>Total</u> <u>Active</u> <u>Members</u> | <u>Total</u> <u>Working</u> <u>Retirees</u> | |
| <u>Participating Government</u> | | | | | | | | | | | |
| State Agency ² | 32,365 | 1 | 14.25% | 27,643 | 4,722 | 37,181 | 1 | 16.87% | 31,559 | 5,622 | |
| School District of Greenville County | 8,888 | 2 | 3.91% | 7,681 | 1,207 | 8,700 | 2 | 3.94% | 7,476 | 1,224 | |
| Lexington Medical Center | 5,550 | 3 | 2.44% | 5,340 | 210 | | | | | | |
| Horry County School District | 5,518 | 4 | 2.43% | 4,793 | 725 | 4,508 | 5 | 2.04% | 4,072 | 436 | |
| University of South Carolina | 5,409 | 5 | 2.38% | 4,351 | 1,058 | 5,381 | 4 | 2.44% | 4,312 | 1,069 | |
| Charleston County School District | 5,267 | 6 | 2.32% | 4,670 | 597 | 5,808 | 3 | 2.63% | 5,087 | 721 | |
| MUSC Hospital | 5,139 | 7 | 2.26% | 4,818 | 321 | 4,213 | 8 | 1.91% | 4,023 | 190 | |
| Spartanburg Regional Medical Center | 4,939 | 8 | 2.17% | 4,618 | 321 | 4,356 | 6 | 1.97% | 4,173 | 183 | |
| Richland County School District 1 | 4,406 | 9 | 1.94% | 3,594 | 812 | 4,288 | 7 | 1.94% | 3,604 | 684 | |
| Berkeley Co Department of Education | 3,980 | 10 | 1.75% | 3,520 | 460 | 3,593 | 10 | 1.63% | 3,165 | 428 | |
| Clemson University | | | | | | 3,710 | 9 | 1.68% | 3,054 | 656 | |
| All Other | 145,521 | | 64.15% | 126,791 | 18,730 | 138,529 | | 62.95% | 123,497 | 15,032 | |
| Total ³ | 226,982 | | 100.00% | 197,819 | 29,163 | 220,267 | | 100.00% | 194,022 | 26,245 | |

In 2015, "All Other" consisted of:

| <u>Type</u> | <u>Number</u> | <u>Employees</u> |
|-----------------------|---------------|------------------|
| Quasi-State\Higher Ed | 32 | 18,658 |
| City/County | 574 | 53,608 |
| Public Schools | 112 | 73,255 |
| Total | 718 | 145,521 |

In 2006, "All Other" consisted of:

| <u>Type</u> | <u>Number</u> | <u>Employees</u> |
|-----------------------|---------------|------------------|
| Quasi-State\Higher Ed | 30 | 14,509 |
| City/County | 571 | 52,738 |
| Public Schools | 94 | 71,282 |
| Total | 695 | 138,529 |

¹Employers are considered to be participating employers if they submit contributions for an active member or working retiree during the fiscal year. The number of covered employees represents the total number of employees reported by the employer throughout the fiscal year which includes working retirees and TERI participants.

²Although each state agency reports separately, the State is considered the primary government and therefore, all state agencies are included as a single employer. Quasi-State Agencies and Institutions of Higher Education are counted as separate employers and included within the "State" category.

³Fiscal Year 2015 total includes 728 governmental entities and 2006 total includes 705 governmental entities.

Police Officers Retirement System

Principal Participating Employers in Fiscal Year 2015 and Ten Years Prior Fiscal Year 2006

| <u>Participating Government</u> | <u>Fiscal Year 2015</u> | | | | | <u>Fiscal Year 2006</u> | | | | |
|-----------------------------------|--------------------------------------|-------------|-----------------------------------|-----------------------------|-------------------------------|--------------------------------------|-------------|-----------------------------------|-----------------------------|-------------------------------|
| | <u>Covered Employees¹</u> | <u>Rank</u> | <u>Percentage of Total System</u> | <u>Total Active Members</u> | <u>Total Working Retirees</u> | <u>Covered Employees¹</u> | <u>Rank</u> | <u>Percentage of Total System</u> | <u>Total Active Members</u> | <u>Total Working Retirees</u> |
| State Agency ² | 10,475 | 1 | 4.61% | 9,545 | 930 | 10,808 | 1 | 37.95% | 10,064 | 744 |
| County Council of Richland County | 1,048 | 2 | 0.46% | 854 | 194 | 890 | 2 | 3.12% | 809 | 81 |
| Horry Co Council | 984 | 3 | 0.43% | 882 | 102 | 738 | 4 | 2.59% | 709 | 29 |
| Greenville County Council | 864 | 4 | 0.38% | 713 | 151 | 705 | 5 | 2.47% | 628 | 77 |
| City of Columbia | 859 | 5 | 0.37% | 785 | 74 | 775 | 3 | 2.72% | 725 | 50 |
| City of Charleston | 825 | 6 | 0.36% | 792 | 33 | 612 | 7 | 2.14% | 562 | 50 |
| County of Charleston | 797 | 7 | 0.35% | 658 | 139 | 697 | 6 | 2.44% | 622 | 75 |
| Co Council of Lexington | 687 | 8 | 0.30% | 612 | 75 | 485 | 10 | 1.70% | 432 | 53 |
| City of North Charleston | 623 | 9 | 0.27% | 593 | 30 | 509 | 8 | 1.78% | 492 | 17 |
| Spartanburg County Council | 575 | 10 | 0.25% | 449 | 126 | 500 | 9 | 1.75% | 438 | 62 |
| All Other | 14,454 | | 92.22% | 12,395 | 2,059 | 11,754 | | 41.34% | 10,767 | 987 |
| Total ³ | 32,191 | | 100.00% | 28,278 | 3,913 | 28,473 | | 100.00% | 26,248 | 2,225 |

In 2015, "All Other" consisted of:

| <u>Type</u> | <u>Number</u> | <u>Employees</u> |
|-----------------------|---------------|------------------|
| Quasi-State\Higher Ed | 29 | 649 |
| City/County | 316 | 13,634 |
| Public Schools | 57 | 171 |
| Total | 402 | 14,454 |

In 2006, "All Other" consisted of:

| <u>Type</u> | <u>Number</u> | <u>Employees</u> |
|-----------------------|---------------|------------------|
| Quasi-State\Higher Ed | 26 | 477 |
| City/County | 279 | 11,201 |
| Public Schools | 35 | 76 |
| Total | 340 | 11,754 |

¹The number of covered employees represents the total number of employees reported by the employer throughout the fiscal year which includes working retirees.

²Although each state agency reports separately, the State is considered the primary government and therefore, all state agencies are included as a single employer. Quasi-State Agencies and Institutions of Higher Education are counted as separate employers and included within the "State" category.

³Fiscal Year 2015 total includes 412 governmental entities and 2006 total includes 350 governmental entities.

Revenue Capacity Information

Revenue Capacity Information is intended to assist users in realizing and reviewing the factors that affect the Systems' ability to generate revenues. Employee and employer contribution rates for the most recent ten fiscal years are presented to aid in this category.

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

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

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

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

Employee Contribution Rates¹

Most Recent 10 Fiscal Years

| Fiscal Year Ended | SCRS | PORS | GARS ² | JSRS |
|-------------------|----------------|----------------|-------------------|--------|
| | Class II & III | Class II & III | | |
| June 30, | | | | |
| 2015 | 8.00% | 8.41% | 11.00% | 10.00% |
| 2014 | 7.50% | 7.84% | 11.00% | 10.00% |
| 2013 | 7.00% | 7.00% | 11.00% | 10.00% |
| 2012 | 6.50% | 6.50% | 10.00% | 10.00% |
| 2011 | 6.50% | 6.50% | 10.00% | 10.00% |
| 2010 | 6.50% | 6.50% | 10.00% | 10.00% |
| 2009 | 6.50% | 6.50% | 10.00% | 10.00% |
| 2008 | 6.50% | 6.50% | 10.00% | 10.00% |
| 2007 | 6.50% | 6.50% | 10.00% | 10.00% |
| 2006 | 6.25% | 6.50% | 10.00% | 9.00% |

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

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

Employer Contribution Rates¹

Most Recent 10 Fiscal Years

| Fiscal Year Ended June 30, | SCRS - Class II & III ² | | | PORS - Class II & III ² | | | JSRS | |
|----------------------------|------------------------------------|------------------|---------------|------------------------------------|---------------|------------------|---------------|---------------|
| | State Dept & Public Schools | Local Government | Death Benefit | All Employers | Death Benefit | Accidental Death | All Employers | Death Benefit |
| 2015 | 10.750% | 10.750% | 0.15% | 13.010% | 0.20% | 0.20% | 47.52% | 0.45% |
| 2014 | 10.450% | 10.450% | 0.15% | 12.440% | 0.20% | 0.20% | 46.88% | 0.45% |
| 2013 | 10.450% | 10.450% | 0.15% | 11.900% | 0.20% | 0.20% | 44.64% | 0.45% |
| 2012 | 9.385% | 9.385% | 0.15% | 11.363% | 0.20% | 0.20% | 44.64% | 0.45% |
| 2011 | 9.240% | 9.240% | 0.15% | 11.130% | 0.20% | 0.20% | 44.64% | 0.45% |
| 2010 | 9.240% | 9.240% | 0.15% | 10.650% | 0.20% | 0.20% | 44.64% | 0.45% |
| 2009 | 9.240% | 9.240% | 0.15% | 10.650% | 0.20% | 0.20% | 44.64% | 0.45% |
| 2008 | 9.060% | 9.060% | 0.15% | 10.300% | 0.20% | 0.20% | 44.64% | 0.45% |
| 2007 | 8.050% | 8.050% | 0.15% | 10.300% | 0.20% | 0.20% | 41.65% | 0.45% |
| 2006 | 7.550% | 7.550% | 0.15% | 10.300% | 0.20% | 0.20% | 41.65% | 0.45% |

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

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

Demographic and Economic Information

Demographic and Economic Information is intended to assist users in evaluating the socioeconomic environment within which the Systems operate and to provide information that facilitates comparisons of financial statement information over time and among pension plans. Active and retired member data for the past ten fiscal years can be found in the Actuarial Section on Pages 158-160 and 166-168.

A list of the number of employers currently participating in the SCRS and PORS systems is presented in this section. State agencies, institutions of higher education, and public school districts are covered by Statute. The list of participating employers includes a directory of employers covered by separate agreement. This list includes employers who submitted contributions during the quarter ending June 30, 2015, for active members and working retirees.

Participating Employers

As of June 30, 2015

| Participating Employers Covered by Statute | <u>SCRS</u> | <u>PORS</u> |
|---------------------------------------------------|--------------------|--------------------|
| State Agencies & Institutions of Higher Education | 34 | 30 |
| Public School Districts | 117 | 57 |

| Name | <u>SCRS</u> | <u>PORS</u> |
|-------------------------------------------------------|--------------------|--------------------|
| Participating Employers Covered by Separate Agreement | 577 | 325 |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|------------------------------------------|--------------------|--------------------|
| ABBEVILLE COUNTY COUNCIL | Y | Y |
| ABBEVILLE GREENWOOD REGIONAL LIBRARY BD | Y | Y |
| AIKEN BAMBERG BRNWELL EDGEFLD REG LIB BD | Y | Y |
| AIKEN COUNTY COMM ON ALCOHOL&DRUG ABUSE | Y | Y |
| ALLENDALE COUNTY COUNCIL | Y | Y |
| ALLENDALE COUNTY OFFICE ON AGING | Y | Y |
| ALLENDALE HAMPTON JASPER REG LIBRARY | Y | Y |
| ALLENDALE-BARNWELL DIS & SPEC NEEDS BD | Y | Y |
| ALLIGATOR RURAL WATER & SEWER CO | Y | Y |
| ANDERSON CO COMM ON ALCOHOL & DRUG ABUSE | Y | Y |
| ANDERSON CO COUNCIL-FINANCE OFFICE | Y | Y |
| ANDERSON CO DISABILITIES & SPEC NEEDS BD | Y | Y |
| ANDERSON CO FIRE PROTECTION COMMISSION | Y | |
| ANDERSON COUNTY LIBRARY BOARD | Y | Y |
| ANDERSON REGIONAL JOINT WATER SYSTEM | Y | Y |
| ASHLEY RIVER FIRE DISTRICT | Y | |
| AXIS I CENTER OF BARNWELL | Y | Y |
| BAMBERG BOARD OF PUBLIC WORKS | Y | Y |
| BAMBERG CO DISBILITIES & SPEC NEEDS BD | Y | Y |
| BAMBERG COUNTY COUNCIL | Y | Y |
| BAMBERG COUNTY OFFICE ON AGING | Y | Y |
| BARNWELL COUNTY COUNCIL | Y | Y |
| BDST SERVICES, INC. | Y | |
| BEAUFORT MEMORIAL HOSPITAL | Y | Y |
| BEAUFORT SOIL & WATER CONSERVATION DIST | Y | Y |
| BEAUFORT-JASPER CO WATER AUTHORITY | Y | Y |
| BEECH ISLAND RURAL COMMUNITY WATER DIST | Y | Y |
| BELMONT FIRE & SANITATION DIST COMM | Y | Y |
| BELTON-HONEA PATH WATER AUTHORITY | Y | Y |
| BEREA PUBLIC SERVICE DISTRICT COMMISSION | Y | Y |
| BERKELEY CHARLESTON DORCHESTER COUNCIL | Y | Y |
| BERKELEY CHARLESTON DORCHESTER RTMA | Y | Y |
| BERKELEY COUNTY GOVT-ATTN:FINANCE DEPT | Y | Y |
| BERKELEY COUNTY WATER & SANITATION | Y | Y |
| BETHUNE RURAL WATER COMPANY INC | | Y |
| BIG CREEK WATER AND SEWERAGE DISTRICT | Y | Y |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|------------------------------------------|-------------|-------------|
| BLUE RIDGE RURAL WATER COMPANY, INC. | Y | Y |
| BLUFFTON TOWNSHIP FIRE DISTRICT | Y | Y |
| BOILING SPRINGS FIRE DEPARTMENT | Y | |
| BOILING SPRINGS FIRE DISTRICT | Y | |
| BROADWAY WATER AND SEWER DISTRICT | Y | Y |
| BUCKSPORT WATER SYSTEM,INC. | | Y |
| BURTON CNTR FOR DIS & SPC ND | Y | Y |
| BURTON FIRE DISTRICT | Y | |
| CALHOUN CO DISABILITIES & SPEC NEEDS BD | Y | Y |
| CALHOUN COUNTY COUNCIL | Y | Y |
| CALHOUN COUNTY COUNCIL ON AGING | Y | Y |
| CAROMI VILLAGE VOLUNTEER FIRE DEPARTMENT | Y | |
| CATAWBA AREA AGENCY ON AGING | Y | |
| CATAWBA REGIONAL COUNCIL OF GOVERNMENTS | Y | |
| CCHS DBA PALMETTO COMMUNITY ACTION PRS | Y | Y |
| CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS | Y | |
| CENTRAL MIDLANDS REGIONAL TRANSIT AUTHOR | Y | |
| CHARLESTON AREA TRANSPORTATION AUTHORITY | Y | Y |
| CHARLESTON CO HOUSING & REDEV AUTHORITY | Y | Y |
| CHARLESTON CO PARK AND RECREATION COMM | Y | Y |
| CHARLESTON COMMISSIONERS OF PUBLIC WORKS | Y | Y |
| CHARLESTON COUNTY AIRPORT DISTRICT | Y | Y |
| CHARLESTON COUNTY LIBRARY | Y | Y |
| CHARLESTON NAVAL COMPLEX REDEVELOPMENT | Y | Y |
| CHEROKEE CO COMM ON ALCOHOL & DRUG ABUSE | Y | Y |
| CHEROKEE CO DISABILITIES & SPEC NEEDS BD | Y | Y |
| CHEROKEE COUNTY COUNCIL | Y | Y |
| CHEROKEE COUNTY DEVELOPMENT BOARD | Y | Y |
| CHEROKEE COUNTY PUBLIC LIBRARY | Y | Y |
| CHEROKEE COUNTY RECREATION DIST | Y | Y |
| CHEROKEE SPRINGS FIRE DISTRICT | Y | |
| CHESCO SERVICES | Y | Y |
| CHESTER CO BD OF DIRECTORS | Y | Y |
| CHESTER COUNTY LIBRARY | Y | Y |
| CHESTER METRO DISTRICT | Y | Y |
| CHESTER SEWER DISTRICT | Y | Y |
| CHESTER/LANCASTER CO DSN BOARD, INC. | Y | |
| CHESTERFIELD CO RURAL WATER CO INC | Y | Y |
| CHESTERFIELD COUNTY COUNCIL | Y | Y |
| CHESTERFIELD SOIL & WATER CONS DISTRICT | Y | Y |
| CITY OF ABBEVILLE | Y | Y |
| CITY OF AIKEN | Y | |
| CITY OF ANDERSON | Y | |
| CITY OF BAMBERG | Y | Y |
| CITY OF BARNWELL | Y | Y |
| CITY OF BEAUFORT | Y | Y |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|--------------------------------------|-------------|-------------|
| CITY OF BELTON | Y | Y |
| CITY OF BENNETTSVILLE | Y | |
| CITY OF CAMDEN & MUNICIPAL UTILITIES | | Y |
| CITY OF CAYCE | Y | |
| CITY OF CHARLESTON | Y | Y |
| CITY OF CHESTER | Y | Y |
| CITY OF CLEMSON | Y | |
| CITY OF CLINTON | Y | |
| CITY OF COLUMBIA | Y | |
| CITY OF CONWAY | | Y |
| CITY OF DARLINGTON | Y | Y |
| CITY OF DENMARK | Y | Y |
| CITY OF DILLON | Y | Y |
| CITY OF EASLEY | Y | |
| CITY OF FLORENCE | Y | Y |
| CITY OF FOLLY BEACH | Y | |
| CITY OF FOREST ACRES | Y | |
| CITY OF FOUNTAIN INN | Y | Y |
| CITY OF GAFFNEY | Y | Y |
| CITY OF GEORGETOWN | Y | Y |
| CITY OF GOOSE CREEK | 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 |
| CITY OF HARTSVILLE | Y | Y |
| CITY OF INMAN | Y | |
| CITY OF ISLE OF PALMS | Y | Y |
| CITY OF JOHNSONVILLE | Y | Y |
| CITY OF LAKE CITY | Y | Y |
| CITY OF LANCASTER | Y | |
| CITY OF LAURENS | Y | |
| CITY OF LIBERTY | Y | |
| CITY OF LORIS | | Y |
| CITY OF MANNING | Y | Y |
| CITY OF MARION | Y | |
| CITY OF MAULDIN | Y | Y |
| CITY OF MULLINS | Y | |
| CITY OF MYRTLE BEACH | | Y |
| CITY OF NEW ELLENTON | Y | Y |
| CITY OF NEWBERRY | Y | |
| CITY OF NORTH AUGUSTA | Y | Y |
| CITY OF NORTH CHARLESTON | Y | Y |
| CITY OF NORTH MYRTLE BEACH | Y | |
| CITY OF ORANGEBURG | Y | |
| CITY OF PICKENS | Y | |
| CITY OF ROCK HILL | Y | |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|------------------------------------------|-------------|-------------|
| CITY OF SENECA | Y | |
| CITY OF SIMPSONVILLE | Y | |
| CITY OF SPARTANBURG | Y | |
| CITY OF SUMTER | Y | |
| CITY OF TEGA CAY | Y | |
| CITY OF TRAVELERS REST | Y | Y |
| CITY OF UNION | Y | |
| CITY OF WALHALLA | Y | |
| CITY OF WALTERBORO | Y | Y |
| CITY OF WEST COLUMBIA | Y | |
| CITY OF WOODRUFF | Y | |
| CITY OF YORK | Y | |
| CLARENDON CO COMM ON ALCOHOL & DRUG ABUS | Y | Y |
| CLARENDON CO DISB & SPECIAL NEEDS BOARD | Y | Y |
| CLARENDON COUNTY | Y | Y |
| CLEAR SPRING FIRE-RESCUE | Y | Y |
| CLINTON NEWBERRY NATURAL GAS AUTHORITY | Y | |
| CO COUNCIL OF LEXINGTON | Y | |
| COLLETON CO DISABILITIES & SPEC NEED BD | Y | Y |
| COLUMBIA HOUSING AUTHORITY | Y | |
| COLUMBIA MUSEUM OF ART | Y | |
| COMBINED UTILITY SYSTEM | Y | |
| COMM OF PUBLIC WORKS MUNICIPAL UTILITIES | Y | Y |
| COMMISSION ON PUBLIC WORKS | Y | 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 | |
| COUNTY COUNCIL OF PICKENS COUNTY | Y | |
| COUNTY COUNCIL OF RICHLAND COUNTY | 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 | |
| COUNTY OF MARLBORO | Y | |
| COUNTY OF MCCORMICK | Y | |
| CROFT FIRE DISTRICT | Y | |
| CULTURAL & HERITAGE COMM OF YORK COUNTY | Y | |
| DARLINGTON CO COMMUNITY ACTION AGENCY | Y | Y |
| DARLINGTON CO DISAB & SPECIAL NEEDS BD | Y | Y |
| DARLINGTON CO SOIL & WATER CONS DISTRICT | Y | Y |
| DARLINGTON CO WATER & SEWER COMMISSION | Y | Y |
| DARLINGTON COUNTY COUNCIL | Y | Y |
| DARLINGTON COUNTY COUNCIL ON AGING | Y | Y |
| DARLINGTON COURT LIBRARY COMM | Y | Y |
| DAUFUSKIE ISLAND FIRE DISTRICT | Y | |
| DILLON COUNTY COUNCIL | Y | Y |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|------------------------------------------|-------------|-------------|
| DILLON SOIL & WATER CONSERVATION DIST | Y | Y |
| DONALDS-DUE WEST WATER & SEWER AUTHORITY | Y | Y |
| DONALDSON FIRE SERVICE AREA | Y | Y |
| DORCHESTER CO BD OF DIS & SPECIAL NEEDS | Y | Y |
| DORCHESTER CO COMM ON ALCOHOL&DRUG ABUSE | Y | Y |
| DORCHESTER COUNTY LIBRARY | Y | Y |
| DORCHESTER COUNTY WATER AUTHORITY | Y | Y |
| DORCHESTER SENIORS, INC | Y | Y |
| DUNCAN CHAPEL FIRE DISTRICT | Y | Y |
| EASLEY CENTRAL WATER DISTRICT | Y | |
| EAST RICHLAND CO PUBLIC SERVICE DIST | Y | |
| EDGEFIELD COUNTY COUNCIL | Y | Y |
| EDGEFIELD COUNTY WATER & SEWER AUTHORITY | Y | Y |
| ELLOREE COMMISSION OF PUBLIC WORKS | Y | |
| FAIRFIELD CO DISAB & SPECIAL NEEDS BD | Y | Y |
| FAIRFIELD CO SUBSTANCE ABUSE COMMISSION | Y | Y |
| FAIRFIELD COUNTY COUNCIL | Y | Y |
| FAIRFIELD COUNTY COUNCIL ON AGING | Y | Y |
| FAIRFIELD COUNTY LIBRARY | Y | Y |
| FAIRFIELD MEMORIAL HOSPITAL | Y | Y |
| FLINT HILL FIRE DISTRICT | Y | |
| FLORENCE CO COMM ON ALCOHOL & DRUG ABUSE | Y | Y |
| FLORENCE CO DISABILITIES & SPEC NEEDS BD | Y | Y |
| FLORENCE COUNTY COUNCIL | Y | Y |
| FLORENCE REGIONAL AIRPORT | Y | Y |
| FRIPP ISLAND PUBLIC SERVICE DISTRICT | Y | Y |
| GAFFNEY BOARD OF PUBLIC WORKS | Y | Y |
| GANTT FIRE SEWER AND POLICE DISTRICT | Y | Y |
| GASTON RURAL COMMUNITY WATER DISTRICT | Y | |
| GATEWAY COUNSELING CENTER | Y | |
| GENERATIONS UNLIMITED | Y | Y |
| GEORGETOWN CO ALCOHOL & DRUG ABUSE COMM | Y | Y |
| GEORGETOWN CO DISAB & SPECIAL NEED BD | Y | Y |
| GEORGETOWN COUNTY COUNCIL | Y | Y |
| GEORGETOWN COUNTY WATER AND SEWER DIST | Y | Y |
| GEORGETOWN SOIL & WATER CONSERVATION DIS | Y | Y |
| GILBERT-SUMMIT RURAL WATER DISTRICT | Y | |
| GLASSY MOUNTAIN FIRE SERVICE AREA | Y | Y |
| GLEAMNS HUMAN RESOURCES COMMISSION | Y | Y |
| GLENDALE FIRE DISTRICT | Y | |
| GLENN SPRINGS-PAULINE FIRE DEPT | Y | |
| GRAND STRAND WATER & SEWER AUTHORITY | | Y |
| GRASSY POND WATER CO.INC. | Y | Y |
| GREATER GREENVILLE SANITATION COMM | Y | Y |
| GREENVILLE AIRPORT COMMISSION | Y | Y |
| GREENVILLE AREA DEVELOPMENT CORPORATION | Y | Y |
| GREENVILLE CO COM ON ALCOHOL-DRUG ABUSE | Y | Y |
| GREENVILLE CO DISAB & SPECIAL NEEDS BD | Y | Y |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|------------------------------------------|-------------|-------------|
| GREENVILLE CO MUSEUM COMMISSION | Y | Y |
| GREENVILLE COMM OF PUBLIC WORKS | Y | Y |
| GREENVILLE COUNTY COUNCIL | Y | Y |
| GREENVILLE COUNTY LIBRARY | Y | Y |
| GREENVILLE REDEVELOPMENT AUTHORITY | Y | Y |
| GREENVILLE-SPARTANBURG AIRPORT DISTRICT | Y | Y |
| GREENWOOD CO COUNCIL-ADM & FIN OFFICE | Y | Y |
| GREENWOOD COMM OF PUBLIC WORKS | Y | Y |
| GREENWOOD METROPOLITAN DISTRICT COMM | Y | Y |
| GREENWOOD SOIL & WATER CONSERVATON DIST | Y | Y |
| GREER COMMISSION OF PUBLIC WORKS | Y | Y |
| GREER DEVELOPMENT CORP | Y | Y |
| HAMPTON CO DISABILITIES & SPEC NEEDS BD | Y | Y |
| HARTSVILLE COMMUNITY CENTER BLDG COMM | Y | Y |
| HARVIN CLARENDON COUNTY LIBRARY | Y | Y |
| HAZEL PITTMAN CENTER | Y | Y |
| HIGH HILLS RURAL WATER CO., INC. | Y | |
| HILLTOP FIRE DISTRICT | Y | |
| HILTON HEAD NO 1 PUBLIC SERVICE DISTRICT | Y | Y |
| HOLLY SPRINGS VOLUNTEER FIRE DISTRICT | Y | |
| HOMELAND PARK WATER DISTRICT | Y | Y |
| HORRY CO COUNCIL | | Y |
| HORRY CO DISABILITIES & SPECIAL NEEDS BD | | Y |
| HORRY COUNTY SOLID WASTE AUTHORITY, INC | | Y |
| HORRY SOIL CONSERVATION DISTRICT | | Y |
| HOUSING AUTH OF THE CITY OF CHARLESTON | Y | Y |
| HOUSING AUTH OF THE CITY OF EASLEY | Y | |
| HOUSING AUTH OF THE CITY OF GREENWOOD | Y | Y |
| HOUSING AUTH OF THE CITY OF MYRTLE BEACH | | Y |
| HOUSING AUTH OF THE CITY OF NO CHAS | Y | Y |
| HOUSING AUTHORITY OF CITY OF NEWBERRY | Y | |
| HOUSING AUTHORITY OF CITY OF UNION | Y | |
| HOUSING AUTHORITY OF DARLINGTON | Y | Y |
| HOUSING AUTHORITY OF FLORENCE | Y | Y |
| HOUSING AUTHORITY OF FORT MILL | Y | |
| HOUSING AUTHORITY OF LANCASTER | Y | |
| HOUSING AUTHORITY OF THE CITY OF AIKEN | Y | Y |
| HOUSING AUTHORITY OF THE CITY OF CHESTER | Y | Y |
| HOUSING AUTHORITY OF THE CITY OF CONWAY | | Y |
| HOUSING AUTHORITY OF THE CITY OF GAFFNEY | Y | Y |
| HOUSING AUTHORITY OF TOWN OF WOODRUFF | Y | |
| HOUSING AUTY OF CITY OF SUMTER | Y | |
| HOWE SPRINGS FIRE DISTRICT | Y | |
| INMAN COMMUNITY FIRE DEPARTMENT | Y | |
| INMAN-CAMPOBELLO WATER DISTRICT | Y | |
| IRMO CHAPIN RECREATION DISTRICT | Y | |
| IRMO FIRE DISTRICT | Y | |
| ISLE OF PALMS WATER & SEWER COMMISSION | Y | Y |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|------------------------------------------|-------------|-------------|
| JAMES ISLAND PUBLIC SERVICE DIST COMM | Y | Y |
| JASPER CO BD OF DIS & SPECIAL NEEDS | | Y |
| JASPER COUNTY COUNCIL | | Y |
| JOHNSONVILLE FIRE DEPARTMENT | Y | |
| JOINT MUNICIPAL WATER & SEWER COMMISSION | Y | |
| KEOWEE FIRE TAX DISTRICT | Y | |
| KERSHAW CO BD DOF DIS & SPECIAL NEEDS | | Y |
| KERSHAW CO COMM ON ALCOHOL & DRUG ABUSE | | Y |
| KERSHAW COUNTY COUNCIL | | Y |
| KINGSTREE HOUSING AUTHORITY | Y | |
| LADYS ISLAND - ST HELENA FIRE DISTRICT | Y | |
| LAKE CITY HOUSING AUTHORITY | Y | 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 |
| LANCASTER COUNTY COUNCIL ON AGING | Y | |
| LANCASTER COUNTY LIBRARY | Y | |
| LANCASTER COUNTY NATURAL GAS AUTHORITY | Y | |
| LANCASTER SOIL & WATER CONSERVATION DIST | Y | |
| LAURENS CO DISABILITIES & SPEC NEEDS BD | Y | |
| LAURENS COMMISSIONERS OF PUBLIC WORKS | Y | |
| LAURENS COUNTY WATER & SEWER COMMISSION | Y | |
| LEE CO DISABILITIES & SPECIAL NEEDS BD | Y | |
| LEE COUNTY COUNCIL | Y | |
| LEXINGTON MEDICAL CENTER | 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 | Y |
| LOWCOUNTRY REGIONAL EMS COUNCIL | Y | Y |
| LOWCOUNTRY REGIONAL TRANSPORTATION AUTH | Y | Y |
| LOWCOUNTRY REGIONAL WATER SYSTEM | | Y |
| LOWER SAVANNAH COUNCIL OF GOVERNMENTS | Y | Y |
| LUGOFF FIRE DISTRICT | Y | |
| LUGOFF WATER DISTRICT OF KERSHAW COUNTY | | Y |
| MARCO RURAL WATER CO., INC. | Y | |
| MARION CO COM ON ALCOHOL & DRUG ABUSE | Y | |
| MARION COUNTY COUNCIL | Y | |
| MARION COUNTY LIBRARY | Y | |
| MARION-DILLON CO DISAB & SPEC NEEDS BD | Y | |
| MARLBORO CO DISABILITIES & SPEC NEEDS BD | Y | |
| MARLBORO WATER COMPANY | Y | |
| MCCORMICK COMM OF PUBLIC WORKS | Y | |
| MCCORMICK COUNTY COUNCIL ON AGING | Y | |
| MCCORMICK COUNTY WATER & SEWER AUTHORITY | Y | |
| METROPOLITAN SEWER SUB-DISTRICT | Y | Y |
| METROPOLITAN SUBDISTRICT B WATER & SEWER | Y | |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|------------------------------------------|-------------|-------------|
| MID COUNTY WATER COMPANY, INC | Y | Y |
| MONCKS CORNER WATER WORKS COMMISSION | Y | Y |
| MT PLEASANT WATER & SEWER COMM | Y | Y |
| MUNICIPAL ASSOCIATION OF SOUTH CAROLINA | Y | |
| MURRELLS INLET-GARDEN CITY FIRE DIST | Y | |
| N SPARTANBURG AREA FIRE & RESCUE DIST | Y | |
| NEW ELLENTON COMM OF PUBLIC WORKS | Y | Y |
| NEW LIFE CENTER | | Y |
| NEWBERRY CO DISABILITIES & SP ND BD | 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 | |
| OCONEE DISABILITIES & SPEC NEEDS BD | Y | |
| OCONEE JOINT REGIONAL SEWER AUTHORITY | Y | |
| OLANTA RURAL FIRE DEPARTMENT | Y | |
| OLD FORT FIRE DISTRICT | Y | |
| OLD NINETY SIX TOURISM COMMISSION | Y | Y |
| OLD TOWN FIRE AND RESCUE DEPARTMENT | Y | |
| OLDE ENGLISH DISTRICT TOURISM COMMISSION | Y | Y |
| ORANGEBURG CO DISAB & SPECIAL NEEDS BD | Y | |
| ORANGEBURG COUNTY COUNCIL | Y | |
| ORANGEBURG DEPT OF PUBLIC UTILITIES | Y | |
| PALMETTO STATE TEACHERS ASSOCIATION | Y | |
| PARKER SEWER & FIRE SUBDISTRICT | Y | Y |
| PEACHTREE CENTER D/B/A-CHEROKEE LTC | Y | Y |
| PEE DEE REGIONAL COUNCIL OF GOVERNMENTS | Y | Y |
| PEE DEE REGIONAL EMS, INC | Y | Y |
| PEE DEE REGIONAL TRANSPORTATION AUTH | Y | Y |
| PELHAM BATESVILLE FIRE DEPARTMENT | Y | |
| PENDLETON DIS HISTORICAL & REC COMM | Y | Y |
| PICKENS CO COMM ON ALCOHOL & DRUG ABUSE | Y | |
| PICKENS CO DISABILITIES & SPEC NEEDS BD | Y | |
| PIEDMONT PARK FIRE DISTRICT | 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 | Y |
| REC DIST & REC COMM OF RICHLAND COUNTY | Y | |
| RECREATION DIST LEXINGTON CO | Y | |
| REIDVILLE FIRE DISTRICT | Y | |
| RENEWABLE WATER RESOURCES(RE-WA) | Y | Y |
| RICH/LEX CO DISAB & SPECIAL NEEDS BD | Y | |
| RICHLAND COUNTY PUBLIC LIBRARY | Y | |
| RICHLAND LEXINGTON AIRPORT DISTRICT | Y | |
| RICHLAND MEMORIAL/PALMETTO HEALTH | Y | |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|------------------------------------------|-------------|-------------|
| RIVERBANKS PARK COMMISSION | Y | |
| ROCKY CREEK WATER COMPANY, INC. | Y | |
| ROEBUCK FIRE DEPARTMENT | Y | |
| RUBICON | Y | Y |
| RURAL COMM WATER DIST OF GEORGETOWN CO | Y | 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 | |
| SALUDA COUNTY WATER & SEWER AUTHORITY | Y | |
| SANDY SPRINGS WATER COMPANY | Y | Y |
| SANTEE COOPER COUNTIES PROMOTION COMM | Y | |
| SANTEE FIRE SERVICE DISTRICT | Y | |
| SANTEE-LYNCHES COUNCIL FOR GOVERNMENTS | Y | |
| SANTEE-WATEREE REG TRANSPORTATION AUTH | Y | |
| SC APPALACHIAN COUNCIL OF GOVERNMENTS | Y | 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 | Y |
| SHELDON FIRE DISTRICT | Y | |
| SHORELINE BEHAVIORAL HEALTH SERVICES | | Y |
| SIX MILE RURAL WATER DISTRICT | Y | |
| SLATER-MARIETTA FIRE DEPT | Y | |
| SOUTH CAROLINA SHERIFFS' ASSOCIATION | Y | |
| SOUTH CAROLINA TECHNOLOGY & AVIATION CTR | Y | Y |
| SOUTH GREENVILLE AREA FIRE DISTRICT | Y | Y |
| SOUTH ISLAND PUBLIC SERVICE DISTRICT | Y | Y |
| SOUTH LYNCHES FIRE DEPARTMENT | Y | |
| SOUTHSIDE RURAL COMMUNITY WATER DIST | Y | |
| SPARTANBURG COMRS OF PUBLIC WORK | Y | |
| SPARTANBURG COUNTY COUNCIL | Y | |
| SPARTANBURG PUBLIC LIBRARY | Y | |
| SPARTANBURG REGIONAL MEDICAL CENTER | Y | |
| SPARTANBURG SANITARY SEWER DIST | Y | |
| ST ANDREWS PARISH PARKS & PLAYGROUNDS | Y | Y |
| ST ANDREWS PUBLIC SERVICE DIST COMM | Y | Y |
| ST GEORGE WATER AND SEWER DEPARTMENT | Y | Y |
| ST JOHNS FIRE DISTRICT | Y | |
| ST PAULS FIRE DISTRICT | Y | Y |
| STARR-IVA WATER COMPANY | Y | Y |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|-----------------------------------------|-------------|-------------|
| STARTEX JACKSON WELFD DUNCAN WATER DIST | Y | |
| SUMTER CO COM ON ALCOHOL & DRUG ABUSE | Y | |
| SUMTER CO DISABILITIES & SPEC NEEDS BD | Y | |
| SUMTER CONSERVATION DISTRICT | Y | |
| SUMTER COUNTY COUNCIL | Y | |
| SUMTER COUNTY LIBRARY | Y | |
| TAYLORS FIRE AND SEWER DISTRICT | Y | Y |
| THE ERNEST E KENNEDY CENTER | Y | Y |
| THE PEE DEE TOURISM COMMISSION | Y | Y |
| THE RIVER ALLIANCE | Y | |
| THREE RIVERS SOLID WASTE AUTHORITY | Y | Y |
| TIGERVILLE FIRE DEPARTMENT | Y | |
| TOWN OF ALLENDALE | Y | Y |
| TOWN OF ANDREWS | Y | |
| TOWN OF ATLANTIC BEACH | | Y |
| TOWN OF AYNOR | | Y |
| TOWN OF BATESBURG-LEESVILLE | Y | |
| TOWN OF BETHUNE | | Y |
| TOWN OF BISHOPVILLE | Y | |
| TOWN OF BLACKSBURG | Y | Y |
| TOWN OF BLACKVILLE | Y | Y |
| TOWN OF BLUFFTON | Y | |
| TOWN OF BLYTHEWOOD | Y | |
| TOWN OF BONNEAU | Y | |
| TOWN OF BOWMAN | Y | |
| TOWN OF BRANCHVILLE | Y | |
| TOWN OF BRIARCLIFFE ACRES | Y | |
| TOWN OF BRUNSON | Y | Y |
| TOWN OF BURNETTOWN | Y | |
| TOWN OF CALHOUN FALLS | Y | Y |
| TOWN OF CAMERON | Y | Y |
| TOWN OF CAMPOBELLO | Y | |
| TOWN OF CARLISLE | Y | |
| TOWN OF CENTRAL | Y | |
| TOWN OF CHAPIN | Y | |
| TOWN OF CHERAW | Y | Y |
| TOWN OF CHESNEE | Y | |
| TOWN OF CHESTERFIELD | Y | Y |
| TOWN OF CLOVER | Y | |
| TOWN OF CORDOVA | Y | |
| TOWN OF COTTAGEVILLE | Y | |
| TOWN OF COWARD | Y | Y |
| TOWN OF COWPENS | Y | |
| TOWN OF DUE WEST | Y | Y |
| TOWN OF DUNCAN | Y | |
| TOWN OF EASTOVER | Y | |
| TOWN OF EDGEFIELD | Y | Y |
| TOWN OF EDISTO BEACH | Y | Y |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|----------------------------|-------------|-------------|
| TOWN OF EHRHARDT | Y | Y |
| TOWN OF ELGIN | | Y |
| TOWN OF ELKO | Y | Y |
| TOWN OF ELLOREE | Y | |
| TOWN OF ESTILL | | Y |
| TOWN OF EUTAWVILLE | Y | |
| TOWN OF FAIRFAX | Y | Y |
| TOWN OF FORT LAWN | Y | Y |
| TOWN OF FORT MILL | Y | |
| TOWN OF GASTON | Y | |
| TOWN OF GILBERT | Y | |
| TOWN OF GRAY COURT | Y | |
| TOWN OF GREAT FALLS | Y | |
| TOWN OF GREELEYVILLE | Y | |
| TOWN OF HAMPTON | Y | |
| TOWN OF HARLEYVILLE | Y | Y |
| TOWN OF HEATH SPRINGS | Y | |
| TOWN OF HEMINGWAY | Y | |
| TOWN OF HILTON HEAD ISLAND | Y | |
| TOWN OF HOLLY HILL | Y | |
| TOWN OF HOLLYWOOD | Y | Y |
| TOWN OF HONEA PATH | Y | Y |
| TOWN OF IRMO | Y | |
| TOWN OF IVA | Y | Y |
| TOWN OF JACKSON | Y | Y |
| TOWN OF JAMES ISLAND | Y | Y |
| TOWN OF JAMESTOWN | Y | Y |
| TOWN OF JEFFERSON | Y | Y |
| TOWN OF JOHNSTON | Y | Y |
| TOWN OF JONESVILLE | Y | |
| TOWN OF KERSHAW | Y | |
| TOWN OF KIAWAH ISLAND | Y | Y |
| TOWN OF KINGSTREE | Y | |
| TOWN OF LAKE VIEW | Y | Y |
| TOWN OF LAMAR | Y | |
| TOWN OF LANDRUM | Y | |
| TOWN OF LANE | Y | |
| TOWN OF LATTA | Y | Y |
| TOWN OF LEXINGTON | Y | |
| TOWN OF LINCOLNVILLE | Y | Y |
| TOWN OF LITTLE MOUNTAIN | Y | |
| TOWN OF LIVINGSTON | Y | |
| TOWN OF LYMAN | Y | |
| TOWN OF MAYESVILLE | Y | |
| TOWN OF MCBEE | Y | Y |
| TOWN OF MCCLELLANVILLE | Y | Y |
| TOWN OF MCCOLL | Y | |
| TOWN OF MCCORMICK | Y | |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|--------------------------|-------------|-------------|
| TOWN OF MEGGETT | Y | Y |
| TOWN OF MONCKS CORNER | Y | Y |
| TOWN OF MONETTA | Y | Y |
| TOWN OF MT PLEASANT | Y | Y |
| TOWN OF MT. CROGHAN | Y | Y |
| TOWN OF NICHOLS | Y | |
| TOWN OF NINETY-SIX | Y | |
| TOWN OF NORRIS | Y | |
| TOWN OF NORTH | Y | |
| TOWN OF NORWAY | Y | |
| TOWN OF OLANTA | Y | Y |
| TOWN OF OLAR | Y | Y |
| TOWN OF PACOLET | Y | |
| TOWN OF PAGELAND | Y | Y |
| TOWN OF PAMPLICO | Y | Y |
| TOWN OF PARKSVILLE | Y | |
| TOWN OF PATRICK | Y | Y |
| TOWN OF PELION | Y | |
| TOWN OF PELZER | Y | Y |
| TOWN OF PENDLETON | Y | Y |
| TOWN OF PERRY | Y | Y |
| TOWN OF PINE RIDGE | Y | |
| TOWN OF POMARIA | Y | |
| TOWN OF PORT ROYAL | Y | Y |
| TOWN OF PROSPERITY | Y | |
| TOWN OF QUINBY | Y | Y |
| TOWN OF RAVENEL | Y | Y |
| TOWN OF REEVESVILLE | Y | Y |
| TOWN OF RIDGE SPRING | Y | |
| TOWN OF RIDGELAND | | Y |
| TOWN OF RIDGEVILLE | Y | Y |
| TOWN OF RIDGEWAY | Y | Y |
| TOWN OF SALLEY | Y | Y |
| TOWN OF SALUDA | Y | |
| TOWN OF SANTEE | Y | |
| TOWN OF SCRANTON | Y | Y |
| TOWN OF SEABROOK ISLAND | Y | Y |
| TOWN OF SIX MILE | Y | |
| TOWN OF SNELLING | Y | Y |
| TOWN OF SOCIETY HILL | Y | |
| TOWN OF SOUTH CONGAREE | Y | |
| TOWN OF SPRINGDALE | Y | |
| TOWN OF SPRINGFIELD | 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 |

| <u>Name</u> | <u>SCRS</u> | <u>PORS</u> |
|------------------------------------------|-------------|-------------|
| TOWN OF SUMMERVILLE | Y | Y |
| TOWN OF SURFSIDE BEACH | | Y |
| TOWN OF SWANSEA | Y | |
| TOWN OF TIMMONSVILLE | Y | Y |
| TOWN OF TRENTON | Y | Y |
| TOWN OF TURBEVILLE | Y | Y |
| TOWN OF VARNVILLE | Y | Y |
| TOWN OF WAGENER | Y | Y |
| TOWN OF WARE SHOALS | Y | Y |
| TOWN OF WELLFORD | Y | |
| TOWN OF WEST PELZER | Y | Y |
| TOWN OF WEST UNION | Y | |
| TOWN OF WESTMINSTER | Y | |
| TOWN OF WHITMIRE | Y | |
| TOWN OF WILLIAMSTON | Y | Y |
| TOWN OF WILLISTON | Y | Y |
| TOWN OF WINNSBORO | Y | Y |
| TOWN OF YEMASSEE | | Y |
| TRI-COUNTY COMM ON ALCOHOL & DRUG ABUSE | Y | |
| TYGER RIVER FIRE DISTRICT | Y | |
| TYGER RIVER FIRE SERVICE AREA | Y | |
| UNA FIRE DEPARTMENT | Y | |
| UNION CO DISABILITIES & SPECIAL NEEDS BD | Y | |
| UNION COUNTY CARNEGIE LIBRARY | Y | |
| UNION COUNTY COUNCIL OF AGING | Y | |
| UNION COUNTY DEVELOPMENT BOARD | Y | |
| UNION COUNTY SUPERVISOR | Y | |
| UPPER SAVANNAH COUNCIL OF GOVERNMENTS | Y | Y |
| VALLEY PUBLIC SERVICE AUTHORITY | Y | Y |
| WACCAMAW ECONOMIC OPPORTUNITY COUNCIL | | Y |
| WACCAMAW REGIONAL COUNCIL OF GOVERNMENTS | Y | Y |
| WACCAMAW REGIONAL TRANSPORTATION AUTH | | Y |
| WADE HAMPTON FIRE & SEWER DISTRICT | Y | Y |
| WEST FLORENCE RURAL VOLUNTEER FIRE DIST | Y | |
| WESTVIEW BEHAVIORAL HEALTH SERVICES | Y | |
| WESTVIEW-FAIRFOREST FIRE DEPARTMENT | Y | |
| WHITESVILLE RURAL VOL FIRE DEPT | Y | |
| WHITMIRE COMM OF PUBLIC WORKS | Y | |
| WHITNEY AREA FIRE DEPT | Y | |
| WILLIAMSBURG CO DISAB & SPECIAL NEEDS BD | Y | |
| WILLIAMSBURG COUNTY COUNCIL | 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 | |
| YORK COUNTY COUNCIL ON AGING | Y | |

Name

YORK COUNTY LIBRARY

YORK SOIL & WATER CONSERVATION DIST

SCRS

Y

Y

PORS



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Columbia, SC 29223

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