



# Annual Comprehensive Financial Report

**South Carolina Retirement Systems**  
**Pension trust funds of the state of South Carolina**

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**Fiscal year ended**  
**June 30, 2022**



South Carolina Retirement Systems  
Administered by the South Carolina Public Employee Benefit Authority

# Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2022  
Pension trust funds of the state of South Carolina

S.C. Public Employee Benefit Authority  
202 Arbor Lake Drive  
Columbia, SC 29223  
[www.peba.sc.gov](http://www.peba.sc.gov)

Peggy G. Boykin, CPA  
Executive Director

Prepared by the joint efforts of the S.C. PEBA Retirement Finance staff

This page contains no other content.

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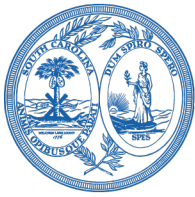
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# Introductory







## LETTER OF TRANSMITTAL

November 29, 2022

The Honorable Henry D. McMaster, Governor  
State of South Carolina  
Members of the S.C. State Fiscal Accountability Authority  
S.C. Public Employee Benefit Authority Board

We are pleased to present the *Annual Comprehensive Financial Report* (ACFR) for the South Carolina Retirement Systems (Systems), administered by the South Carolina Public Employee Benefit Authority (PEBA), for the fiscal year ended June 30, 2022. 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 ACFR fulfills that statutory requirement. PEBA is a division of the primary government of the state of South Carolina; therefore, financial information for the Systems' trust funds is also included in the ACFR for 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 ACFR 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 ACFR have been independently audited by Crowe LLP, under the direction of the State Auditor's Office. Crowe 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, Crowe 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 be

found in the Financial section on Page 31, 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, created July 1, 2012, and governed by an 11-member Board, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program (State ORP) and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, 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. 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. Monthly benefits are calculated using a formula that includes the member's average final compensation, years of service and a multiplier. 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.
- The South Carolina 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 GARS 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 and 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. The Systems assumed administrative responsibility for this fund in 2006.

## Fiscal year 2022 administrative and operational activities

PEBA's vision is serving those who serve South Carolina. Our mission is to provide competitive retirement and insurance benefit programs for South Carolina public employers, employees and retirees. The agency accomplishes this by focusing goals in areas that promote financially sound programs, enhance the customer service experience and responsibly manage risk.

## **Operations**

More than 640,000 active, inactive and retired public employees are covered by the five defined benefit plans. An additional 60,000 members have funds in a State ORP account and there are nearly 100,000 participants with supplemental Deferred Compensation Program accounts. PEBA's defined benefit plans collectively receive more than \$3.4 billion in contributions and disburse more than \$3.6 billion in retirement benefits each year. Thus, being in a negative cash outflow position, investment earnings are a critical component of cash inflows.

Operationally, PEBA processed 7,493 service retirement applications, 142 disability applications, 13,874 refund requests and 6,853 death claims during fiscal year 2022.

Lingering effects of the COVID-19 pandemic continued to impact the agency throughout fiscal year 2022. With the capability to offer telecommuting as a mainstay in state government agencies, PEBA developed formal telecommuting policies and procedures that were approved by State Human Resources and implemented throughout the agency. By providing the majority of staff the ability to work remotely up to 50% of their work schedule, efficiencies were achieved, adapting to COVID quarantine situations was less of a burden, and telecommuting opportunities are an attractive program to maintain current and help attract prospective employees.

## **Risk management**

The significance of continually assessing, demonstrating an awareness of, and striving to mitigate the threats and risks to which we are exposed is ingrained in every aspect and level of our organization from the top down. Through enterprise risk management, we plan, organize, lead and control the activities of our organization in an effort to minimize the effects of risk.

During fiscal year 2022, our Information Technology department staff enhanced the agency's business continuity testing. The pandemic created a real-life scenario in which we executed our business continuity plan. As a result of our previous strategic planning, and development, implementation and previous testing of the business continuity plan, we were able to respond deftly to the pandemic. Additionally, the agency engaged with its security services provider to perform security assessments on its public website, employer and member portals, external network, and Microsoft 365 environment.

## **PEBA:Connect**

One of the most significant operational challenges the agency faces is the pending replacement of its legacy information systems. PEBA's core operational systems were custom developed in the early 1990s. The typical system life expectancy of a system is 15-20 years. Although the systems are completely functional, they have sustained continuous modifications and upgrades throughout the years and are nearing the end of their useful life. PEBA went through an extensive process to assess the agency's needs, market offerings and evaluate options. A decision was made to purchase a commercial off-the-shelf system which we have recently begun to configure and test. The project is estimated to take four to five years to fully implement and is considered to be on-time and on-budget as of the current date.

There are 148 members on the PEBA:Connect team. This includes PEBA staff from all areas of the agency as well as individuals from the three vendors working on the project. In the current phase of the project PEBA staff are viewing the actual system for the first time and providing input during comprehensive demonstrations. Steering Committee meetings are held regularly to render timely decisions, address escalated issues, resolve gaps and review overall project progress. Monthly communication is provided to the entire agency to ensure that those who aren't actively engaged in the project remain informed. Additionally, channels are in place to communicate about the project with employers and members as deemed appropriate.

## Summary of financial condition

### Actuarial results

The main funding objective of the pension trust funds is to meet future benefit obligations of retirees and beneficiaries through employee and employer contributions and investment earnings. Each year, the external consulting actuaries determine the actuarial soundness of the plans based on long term obligations and the sufficiency of current contribution levels to fund the liabilities of each plan over a reasonable time frame. In addition to contribution requirements, there are numerous measures used to monitor a plan's funding status including the dollar amount of the unfunded actuarial accrued liability (UAAL), the funding period and the funded ratio.

The most recent annual actuarial valuations dated July 1, 2021, determined the actuarial status of each plan, and were adopted by the PEBA Board of Directors in December 2021. Under each plan, the fair value of assets is greater than the actuarial value of assets, which means deferred investment gains exist and will be recognized in future years. Actuarial smoothing techniques, which defer investment gains and losses, help to dampen the short-term volatility inherent in investment markets by using a systematic approach that allows only a portion of investment gains and losses to be recognized each year. Adjusting for a five-year smoothing phase, each plan recognized a net actuarial gain on investment returns for the valuation year.

Several years ago, the recognition of deferred losses was expected to increase the UAAL for SCRS and PORS. To help lessen the impact should actual investment returns not exceed the assumed rate of return, pension reform legislation in 2017 modified state statute to schedule additional funding. Effective July 1, 2017, employee rates were increased and capped at 9% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates annually for both SCRS and PORS. Beginning July 1, 2017, employer rates increased by 2% and additional employer contribution rates were scheduled to increase by 1% each year until reaching 18.56% for SCRS and 21.24% for PORS. The legislation includes a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The actuarial valuations recognize employer contribution rates scheduled effective July 1, 2022, for both SCRS and PORS, which include 1% increases to 17.56% and 20.24%, respectively. The 2017 legislation also scheduled the maximum funding period of SCRS and PORS to be reduced over a 10-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028. The General Assembly is committed to ensuring all plans are sufficiently funded and as such, it has included funds in the state's annual budget.

As of July 1, 2021, the UAAL for SCRS increased from \$23.9 billion in the prior year to \$24.7 billion, and the UAAL for PORS increased from \$3 billion to \$3.1 billion. The largest source of increase was due to updated actuarial assumptions. 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 the change, as actual experience cannot be precisely predicted and will not exactly match the estimated assumptions.

Like mortgage financing, the UAAL of each plan is paid down or amortized over a period of years after which time the plan is expected to be fully funded. The funding period for SCRS, which represents the largest membership of the five plans, remained at 20 years as of July 1, 2021, and the funding period for PORS increased from 18 to 19 years as of the same date. As mentioned above, scheduled increases in SCRS and PORS employer contribution rates and the maximum amortization period that is specified in state statute will, in time, result in improved financial security. The funding period for JSRS increased from 21 years in the prior year to 23 years and GARS and SCNG each improved one year in accordance with the level-dollar closed period funding policy. Once the funding period is less than 20 years, the contribution effort is sufficient to provide positive

amortization of the UAAL (i.e., contributions to amortize the unfunded liability exceed the interest on the unfunded liability).

The funded ratio is another measurement of a plan's funded status, and it is calculated as the ratio of the actuarial value of assets to the actuarial accrued liability. The funded ratios of the five plans as of July 1, 2021, range from a low of 43.6% for JSRS to a high of 64.3% for PORS. The funded ratio for SCRS increased from 54.1% in fiscal year 2020 to 55.2% in 2021. The funded ratios for PORS, GARS, JSRS and SCNG each showed an increase from fiscal year 2020 to 2021. The increases resulted from the recognition of strong investment performance that occurred in 2021. Absent unfavorable investment or demographic experience, or legislative changes, the actuaries expect the funded ratios to gradually improve each year in the future. Also, they expect the dollar amount of the UAAL to gradually decrease in the coming years.

For additional financial information, refer to the MD&A, financial statements and schedules included in the Financial and Actuarial sections of this report. It is important to note that the actuarial valuations determine the funding of the pension plans; however, under standards issued by GASB, Statements 67 and 68 completely disconnect the funding of pensions from the accounting and reporting of pensions.

## Investment performance

As of June 30, 2022, the custodial bank reported that the net asset value of the pension trust funds, invested and managed by the Retirement System Investment Commission (RSIC), had a fair value of \$38 billion. This represents a \$1 billion decrease, after payment of benefits, over the previous fiscal year end's fair value.

Based on the most recent information, the System's assets returned negative 0.97% investment return, net of fees on a time-weighted calculation basis, for the fiscal year ending June 30, 2022, compared to the policy benchmark's return of negative 5.19%. The three-year annualized net of fees return was 7.80%, as of the fiscal year end, compared to the policy benchmark return of 5.94%. The five-year annualized return and policy benchmark return were 7.38% and 6.32%, respectively. These investment returns reflect minor performance only corrections that were identified and made subsequent to issuance of the financial statements. Accordingly, performance information reported in the Financial section is inconsistent with other sections of this report.

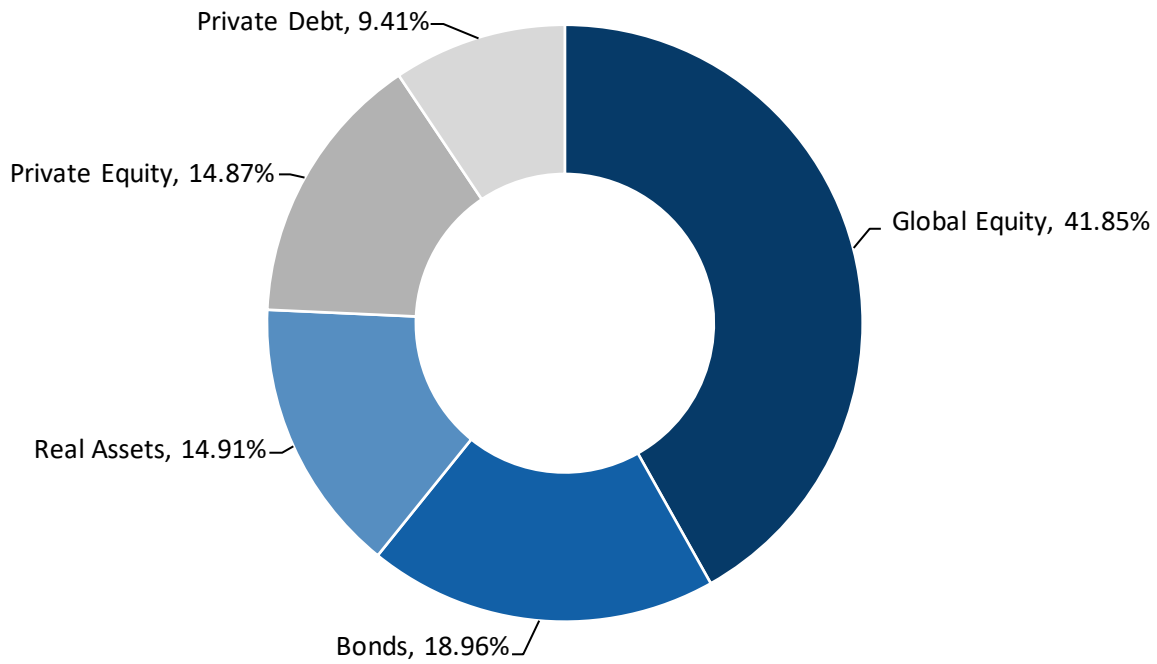
The Systems' actuarial assumed rate of return as of fiscal year end was 7%. Investment performance, in comparison to the actuarial assumed rate of investment return, is a significant factor in the actuarial valuations. The actuarial asset valuation method used dampens year-to-year fluctuations, mitigates the effect of annual return volatility in the market and helps provide a consistent estimate for the actuarial value of assets.

Based on the Commission's determination of the appropriate risk tolerance for the portfolio and its long-term return expectations, the Commission affirmed the portfolio's existing target asset allocation and did not implement any changes for the fiscal year 2022.

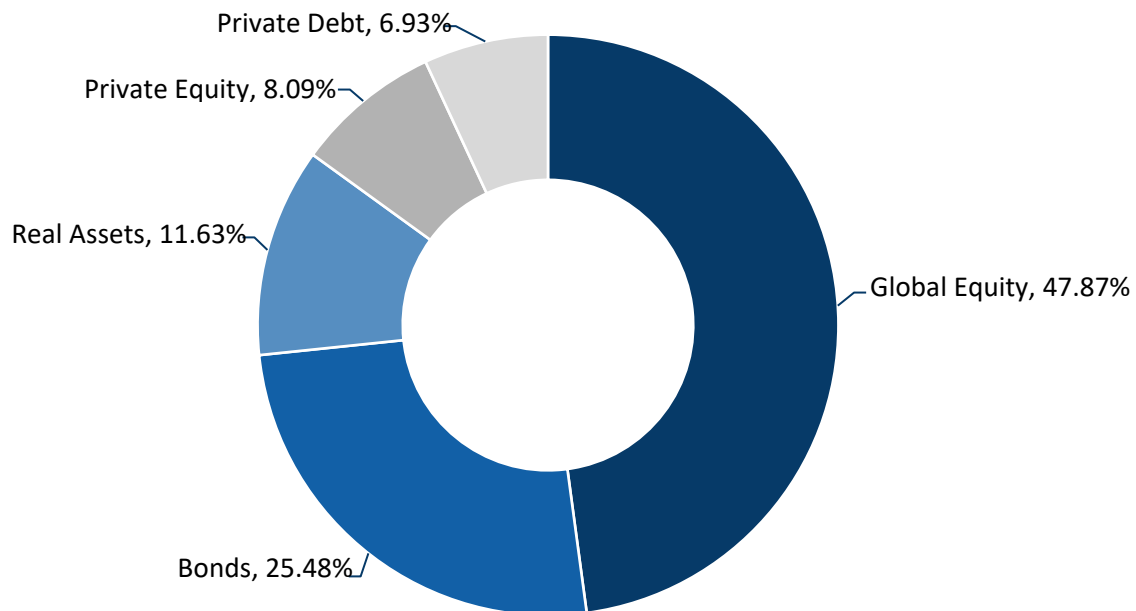
The charts on Pages 16-17 summarize the asset allocation of the Systems' trust funds for the prior and most recent fiscal years, and RSIC's target allocation in effect as of fiscal year ended June 30, 2022.

Detailed investment results for fiscal year 2022 can be found within both the Financial and Investment sections of this report.

## Portfolio Exposure as of June 30, 2022<sup>1</sup>



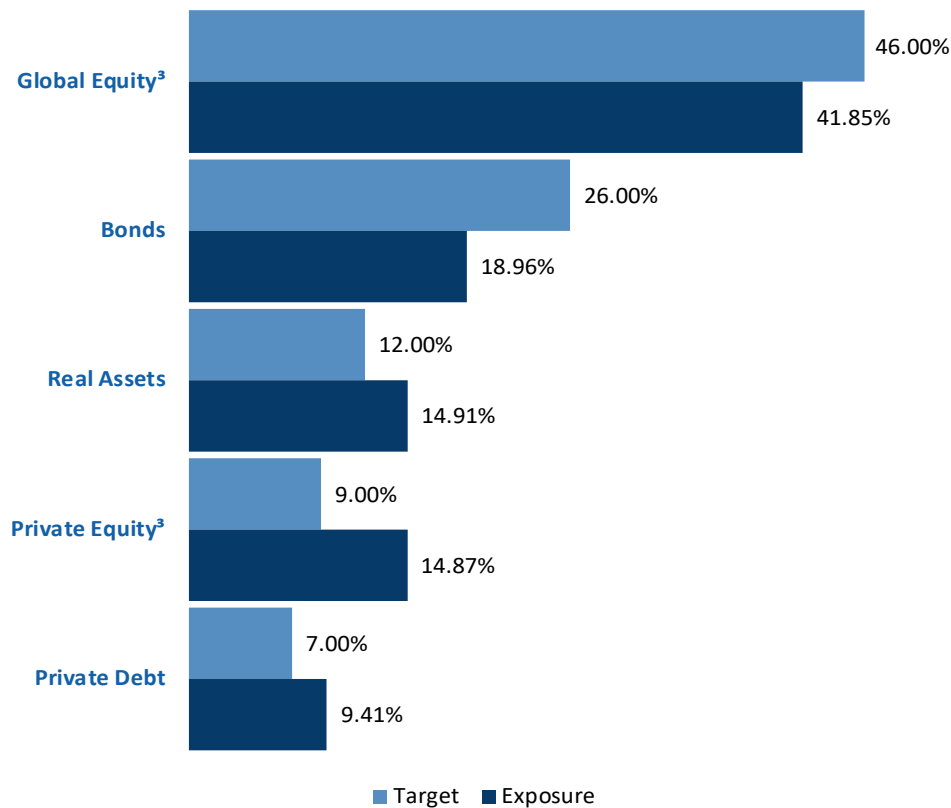
## Portfolio Exposure as of June 30, 2021<sup>1</sup>



<sup>1</sup> Asset class exposures include exposure from RSIC's derivative overlay program. Portable Alpha Hedge Funds, as collateral supporting the Overlay program, net to zero when calculating total Plan exposure.



## Portfolio Exposure and Target Asset Allocation as of June 30, 2022<sup>1,2</sup>



<sup>1</sup> Target Asset Allocation reflects the policy targets that were adopted by the Commission and in effect at the end of fiscal year 2022.

<sup>2</sup> Asset class exposures include exposure from RSIC's derivative overlay program. Portable Alpha Hedge Funds, as collateral supporting the Overlay program, net to zero when calculating total Plan exposure.

<sup>3</sup> The target weight to Private Equity is equal to its actual weight, reported by the custodial bank, as of the prior month end. The target weight to Public Equity floats in relation to Private Equity such that the combined target weight of both asset classes equals 55 percent of the Plan.

## 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 PEBA for the South Carolina Retirement Systems Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 35<sup>th</sup> consecutive year that the Systems has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current 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 2022 for the 19<sup>th</sup> 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 Systems, to demonstrate compliance with legal provisions and to allow for the evaluation of responsible stewardship of the pension trust funds.

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

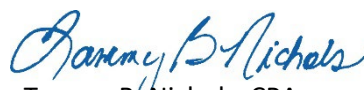
Respectfully submitted,



Peggy G. Boykin, CPA  
Executive Director



Travis J. Turner, CPA, CISA  
Deputy Director/Chief Financial Officer



Tammy B. Nichols, CPA  
Director of Retirement Operations



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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2022***

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 black ink, reading 'Alan H. Winkle', is positioned above the printed name and title.

Alan H. Winkle  
Program Administrator

## Governing board and administration as of issuance

### S.C. Public Employee Benefit Authority Board of Directors

Joe W. “Rocky” Pearce, Jr., *Chairman*

Calvin Elam, CLU, ChFC, MSFS, *Vice-Chairman*

Amanda Blankenship

Jennifer Blumenthal, J.D.

Stephen M. Heisler

Paige Parsons Lewis

Steve A. Matthews, J.D.

Sheriff Steve Mueller

Alexander G. Shissias, J.D.

John A. Sowards, J.D.

Edward L. Walton, CPA

### Retirement System Investment Commission

William H. “Bill” Hancock, CPA, *Chair*

Kenneth F. Deon, CPA

William J. “Bill” Condon, J.D., M.A., CPA

Edward N. Giobbe, MBA

Holley Hewitt Ulbrich, Ph. D.

Melissa B. “Missy” Schumpert, CPA

Reynolds Williams, J.D., CFP

Peggy G. Boykin, CPA

### Custodial bank

BNY Mellon Asset Servicing

### Investment consultants

Verus Investments

Albourne America, LLC

### Consulting actuaries

Gabriel, Roeder, Smith & Company

### S.C. Public Employee Benefit Authority executive management

Peggy G. Boykin, CPA, *Executive Director*

Travis J. Turner, CPA, *Deputy Director/Chief Financial Officer*

Justin Werner, J.D., *General Counsel*

Gwen Bynoe, *Governmental Affairs*

Robin E. Tester, *Insurance Policy Director*

John E. Page, CIA, CISA, CRMA, *Director of Internal Audit*

Heather Muller, *Board Liaison*

### Retirement System Investment Commission executive management

Michael Hitchcock, *Chief Executive Officer*

Geoffrey Berg, CFA, *Chief Investment Officer*

Betsy Burn, *Chief Legal Officer*

Andrew Chernick, CPA, CAIA, CIA, *Chief Operating Officer*

### S.C. Public Employee Benefit Authority staff responsible for compilation

Tammy B. Nichols, CPA, *Director of Retirement Operations*

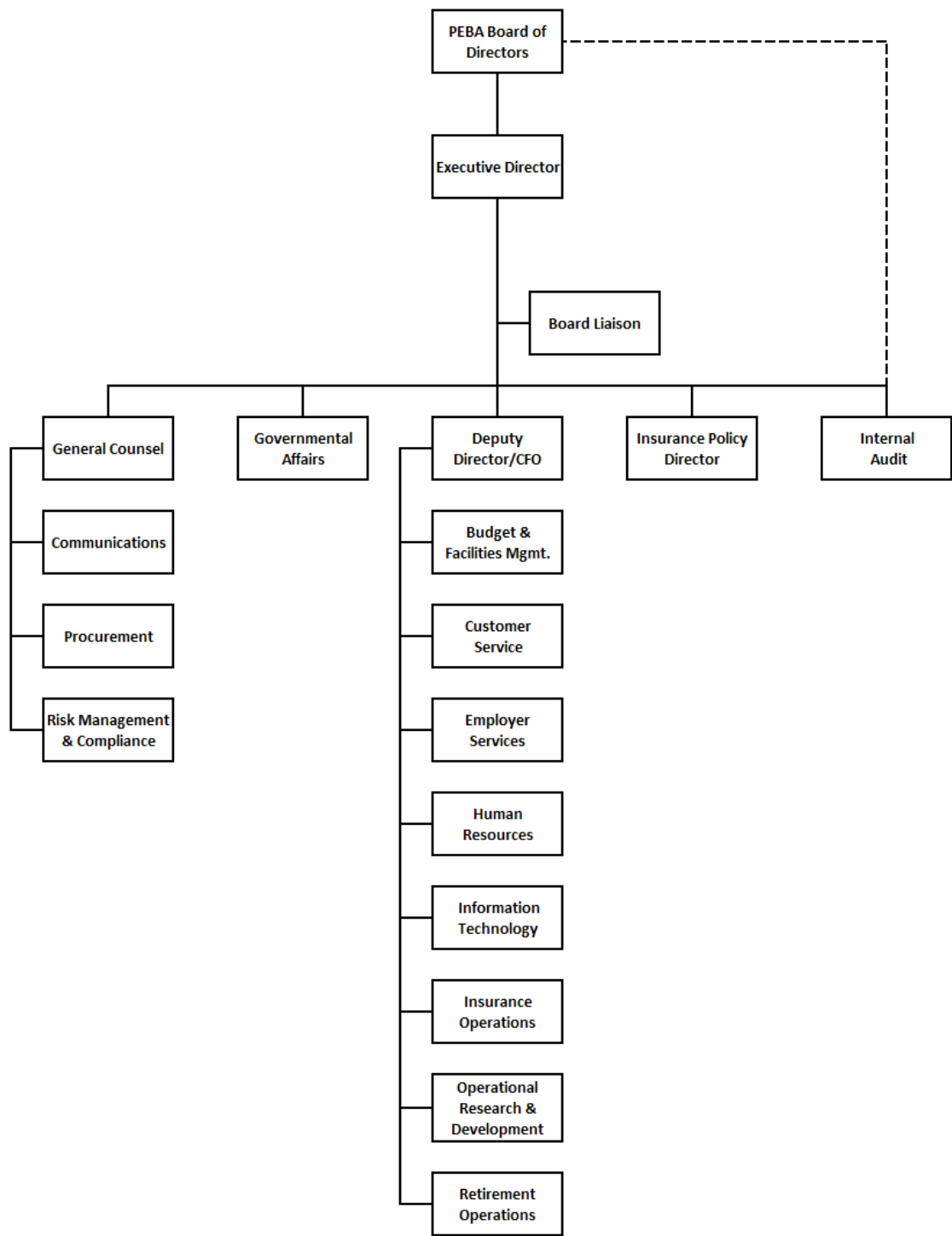
Danielle M. Quattlebaum, CPA, *Retirement Systems Finance*

Faith K. Wright, *Retirement Systems Finance*

J. Evan Mitchell, CPA, *Retirement Systems Finance*

*Additional information regarding investment professionals who provide services to the System can be found in the Schedule of Investment Managers and Fees on Pages 122-128. The Schedule of Investment Fees and Commissions can be found on Page 121.*

S.C. PEBA organizational chart  
as of issuance



## Organizational description

The structural organization of PEBA is shown in the organizational chart on Page 22. A brief description of the primary functions performed by each department follows.

### General Counsel

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

### Governmental Affairs

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

### Deputy Director/Chief Financial Officer

Provides leadership and oversight of internal operations and administrative functions to include Customer Service, Employer Services, Human Resources, Information Technology and Operational Research and Development. Directs the financial activity and financial reporting of the insurance benefits and retirement plans offered to public employees.

### Insurance Policy Director

Directs healthcare policy and other insurance programs for the state insurance benefits program. 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.

### Internal Audit

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

This page contains no other content.



# Financial





## INDEPENDENT AUDITOR'S REPORT

The Honorable Henry D. McMaster, Governor  
Mr. George L. Kennedy, CPA, State Auditor,  
and Board of Directors  
South Carolina Public Employee Benefit Authority  
Columbia, South Carolina

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the South Carolina Retirement Systems (the Systems) as administered by the South Carolina Public Employee Benefit Authority, included as fiduciary funds of the State of South Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Systems' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Systems, as of June 30, 2022, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Systems and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Systems' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Systems' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Systems' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Report on Summarized Comparative Information***

The summarized comparative information presented herein as of and for the year ended June 30, 2021, was derived from financial statements that were audited by another auditor. We do not express an opinion or provide any assurance on it.

### ***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 the employers' net pension liability, employers' net pension liability, employers' and nonemployer's contributions, and investment returns and related notes as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

### ***Supplementary Information***

Our audit for the year ended June 30, 2022 was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Systems' basic financial statements. The other supplementary information, as listed in the table of contents, for the year ended June 30, 2022 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole for the year ended June 30, 2022.

The Systems' basic financial statements for the year ended June 30, 2021 (not presented herein), were audited by other auditors whose report thereon dated October 15, 2021, expressed an unmodified opinion on the financial statements of the Systems. The report of the other auditors dated October 15, 2021, stated that the other supplementary information for the year ended June 30, 2021 was subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

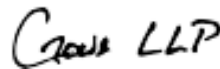
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial, and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Systems' 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.



Crowe LLP

Dallas, Texas

October 14, 2022, except for the Other Information section of our report, as to which the date is December 20, 2022.

This page contains no other content.



## Management's Discussion and Analysis (unaudited)

This section presents management's discussion and analysis of the financial position and performance for the year ended June 30, 2022, 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 Annual Comprehensive 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:

- The South Carolina Retirement System (SCRS) - A member contributory multiple-employer plan covering teachers, as well as state and municipal employees;
- The 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 of the State of South Carolina (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 of the State of South Carolina (JSRS) - A member contributory plan covering Judges, Solicitors, Public Defenders and Administrative Law Judges; and
- The 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. The South Carolina Public Employee Benefit Authority (PEBA) was created July 1, 2012 and operates a Retirement Division to administer the various retirement systems and retirement programs. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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 annual comprehensive financial report of the state. Financial statements prepared on behalf of the Systems, include the following information, for the fiscal year ended June 30, 2022, with combined total comparative information for the fiscal year ended June 30, 2021:

- 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 positions restricted for pensions changed during the year. This statement includes additions for members, employers, nonemployer and state appropriated contributions and investment earnings (losses) and deductions for retirement benefit 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 the employers' net pension liability, changes in employers' net pension liability, employers' and nonemployer's 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, as well as Schedules of Administrative Expenses, Professional and Consultant Fees and Investment Fees and Expenses.

## Financial Highlights

- Total fiduciary net position for all five defined benefit plans of the Systems combined, decreased from \$39.9 billion to \$38.4 billion, which was over three percent from the prior fiscal year ended June 30, 2021. The net position of the plans is impacted by contributions paid into the plans, investment performance, and benefits paid out of the system. The plans are in a net cash outflow position with benefit payments exceeding contributions received; therefore, investment performance must first make up this gap before fiduciary net position can grow. Although increased contributions generated net cash outflow improvements, investment underperformance contributed to the decrease in net position.
- For the fiscal year ended June 30, 2022, investment performance, net of fees, on a time-weighted basis reported by the custodial bank, the Bank of New York Mellon (BNYM), was negative 0.89 percent. The net rate of return reflects performance of the Systems, at the aggregate for the pooled investments of the consolidated pension trust funds, after the deduction for manager fees and investment expenses. This fiscal year's performance was a significant departure from the prior year's return of 28.57 percent. Since the actuarial assumed rate of return is 7 percent, the plan experienced an actuarial loss this fiscal year. Actuarial valuations are prepared for each of the plans annually for funding purposes, at which time gains and losses from investment performance are recognized using smoothing methods that 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 should be reasonably consistent with fair value during periods of ordinary investment returns. Smoothing investment performance avoids overreaction to inherently volatile conditions that would otherwise overweight the effects of a single year of performance that may potentially 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 participating employers to plan their budgets over more than one fiscal year when there is a change in contribution rates.



- Liability calculations for financial reporting purposes for each of the five defined benefit plans were performed and certified by Gabriel Roeder Smith & Company (GRS) in the GASB No. 67 Accounting Valuation Report as of June 30, 2022. The calculations presented in the accounting valuation report are not applicable for other purposes, such as determining the plans' funding requirements. The total pension liability, net pension liability, and sensitivity information for each plan are based on the actuarial valuations performed as of July 1, 2021. The total pension liability for each plan was rolled-forward from the valuation date to the plans' fiscal year ending June 30, 2022, using generally accepted actuarial principles. The Notes and Required Supplementary Information (RSI) sections of the Financial Statements include disclosures required by GASB No. 67.
- Cash and cash equivalents, receivables, and prepaid expenses reported on the condensed Statement of Fiduciary Net Position decreased over 50 percent from fiscal year 2021. The net change in this line item was primarily due to the reduction from \$2.77 billion to \$280 million in the dollar amount of unsettled investment receivables at June 30, 2022.
- The Statement of Changes in Fiduciary Net Position reports slight increases in both the dollar amounts of employee and employer contributions. The rise is primarily attributable to increased employer contribution rates as well as some limited payroll growth. For fiscal year 2022, employee contribution rates remained capped at a rate of 9.00 percent for SCRS and 9.75 percent for PORS; however, employer contribution rates for both SCRS and PORS increased by 1 percent of pay to 16.56 percent and 19.24 percent, respectively. These employer rates are inclusive of contributions for the incidental and accidental death benefit plans, which are only applicable to employers participating in that benefit. Effective July 1, 2022, there will be no change to employee rates but employer contribution rates are scheduled to again increase by 1 percentage point for both SCRS and PORS to 17.56 percent and 20.24 percent, respectively. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.
- The General Assembly included funding to PEBA, to be distributed to some employers to help offset a portion of the employer's retirement contributions. Each employer's credit is the same dollar amount as the prior fiscal year. In no event shall a participating employer receive a credit that exceeds the employer contributions due from the employer for the fiscal year. This represents the fifth year in which PEBA issued credit invoices to certain SCRS and PORS employers who then applied the credit invoices towards contributions otherwise due to the Systems. The amount of credit invoices issued in fiscal year 2022 totaled \$88.7 million and \$12.5 million for SCRS and PORS respectively. The General Assembly also continues to fund \$2.9 million in nonemployer contributions to JSRS.
- Annuity benefits paid from the five defined benefit plans, increased over 3 percent from the prior fiscal year. The change resulted from the annual benefit adjustment equal to the lesser of 1 percent or \$500 granted to eligible SCRS and PORS annuity recipients effective July 1, 2021, and a slight rise in the number of annuitants.
- The Systems' investment portfolio participates in a securities lending program, managed by BNYM, whereby securities are loaned for the purpose of generating additional income. As the securities lending agent, BNYM 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. Securities lending revenue, net of borrower rebates, was \$1.5 million, a decrease from \$1.8 million in the prior year. As reported by BNYM, at June 30, 2022, the fair value of securities on loan was \$51.31 million, the fair value of the invested cash collateral was \$9.34 million, and the securities lending

obligations were \$53.53 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 BNYM as both the custodial bank and securities lending agent.

- 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 (CIO) discretion and flexibility to quickly react to changes in market conditions. The Retirement Systems’ investment portfolio is structured to focus on ensuring the long-term stability of the plans, seeking superior returns at acceptable levels of risk.
- In accordance with SC State Statute, the Commission has exclusive authority to select the custodial bank, with PEBA as a third-party beneficiary of the contract with full rights to information. The Commission contracts with BNYM to serve as custodial bank for the Retirement Systems’ funds. Under a provision of the contract for custody services and in an effort to maintain transparency, BNYM directly invoices 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 from the trust fund. The securities lending revenue account of the pension trust fund 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 Net Asset Value (NAV) on a net of fee basis, are classified and reported as investment expense in the Statement of Changes in Fiduciary Net Position. The RSIC is responsible for overseeing the collecting, validating, and aggregating of non-invoiced netted fee and expense information by our consultant and, on an annual basis, reports the information to PEBA so that amounts can be reclassified and reported in the Systems’ financial statements. Investment manager fees reported include management fees, performance fees and carried interest (accrued during the fiscal year), and other expenses. There is no industry standard for reporting pension plan investment fees and expenses; therefore, in order to compare investment expenses 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 report is necessary. Total investment manager fees for fiscal year 2022 were \$696.3 million, which includes both directly invoiced amounts and amounts deducted on a net of fee basis, but excludes bank fees and other miscellaneous investment expenses. Comparatively, total investment manager fees were more than 27 percent higher than the prior fiscal year 2021 total of \$546.3 million. The fee increase for the current fiscal year is primarily attributed to managers of certain asset classes that performed well and, therefore, were compensated with higher performance fees.
- PEBA is the governing body responsible for administration of both the state’s retirement plans and employee insurance programs. The proportion of administrative costs allocated for retirement operations is funded from the retirement trust funds and is reflected as administrative expenses on the Statement of Changes in Fiduciary Net Position. The majority of the \$2.1 million increase in administrative and other expenses is due to the increase of just over \$1.5 million in service purchase transfers of contributions “to” other Systems. This expense is offset by the increase in other income resulting from transfers of contributions “from” other Systems.
- PEBA retains Gabriel, Roeder, Smith & Company (GRS) as the consulting actuary for the defined benefit retirement plans. South Carolina state statute requires that the actuary complete a valuation of the Systems annually and that an experience study be conducted at least once in each five-year period. The most recent annual valuation reports were issued in December 2021 reflecting the

valuation of the Systems as of July 1, 2021. The most recent actuarial experience study was completed by GRS for the five-year period ending June 30, 2019. The experience study recommended various changes to the actuarial assumptions and methodologies. The General Assembly permitted the investment return assumption to decrease from 7.25 percent to 7 percent, as provided by Section 9-16-335 of the South Carolina Code of Laws. This change, as well as the other recommended changes adopted by the PEBA Board, were implemented beginning with the July 1, 2021 actuarial valuations.

- As a cost-sharing multiple-employer defined benefit pension plan, PEBA works closely with our consulting actuary and external audit firm to ensure employers are provided with pension information needed to prepare their GAAP based financial statements in compliance with Governmental Accounting Standards Board (GASB), specifically Statements No. 68, 71 and 82. PEBA's public website includes a dedicated GASB section where information is posted for participating employers and auditors to access financial statement disclosure information related to their proportionate share of the net pension liability, deferred inflows and outflows of resources and pension expense.
- All of the plans (excluding SCNG) include certain provisions that allow retired members to return to covered employment while also receiving a monthly retirement benefit. 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. As of June 30, 2021, the actuarial valuations for SCRS and PORS collectively reported that approximately 12,700 retired members were working for a covered employer while receiving monthly retirement benefits, thereby making up almost five percent of the total public workforce covered by the Systems. The historical return-to-work provisions, coupled with demographic changes of the membership, caused concern over the long-term stability of the plan so legislation enacted in 2012 addressed retiree return-to-work provisions. Generally, SCRS and PORS members may return to covered employment after retirement. However, members who retire after January 1, 2013, and who have not reached age 62 (SCRS) or age 57 (PORS) at retirement, are subject to an earnings limit of \$10,000 each calendar year on wages earned from covered employment unless they meet one of the allowable exemptions. Additionally, all retired members must experience a bona-fide separation of employment and have been retired a minimum of 30 calendar days before returning to work for a participating employer.
- Qualified Excess Benefit Arrangement (QEBA) trust funds are maintained for each of the plans administered by the Retirement Division of PEBA (excluding SCNG). 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.
- GARS was 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 SC Senate or House of Representatives have the option to join SCRS, the State Optional Retirement Program (State ORP), which is a defined contribution plan, or they may elect to opt out of a plan 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 monthly service retirement benefits, disability benefits and death benefits to eligible members and/or their surviving beneficiaries.

The Systems' principal sources of revenue are employee contributions, employer contributions and investment earnings. In addition, the General Assembly provided funds to PEBA through legislative appropriations that are classified as nonemployer contributions by the Systems. A portion of the appropriated funds were made available for PEBA to distribute to participating employers in the form of a credit to be used towards contributions due to SCRS and PORS and a portion of the funds were appropriated as additional contributions to JSRS. Required annual contributions for the SCNG are also 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 that employers may elect to participate in which provides benefits for both active and retired members and PORS also includes an accidental death plan that provides benefits for members of PORS.

PEBA sponsors the State ORP which is a defined contribution plan administered by four different third-party service providers. State ORP is an alternative plan available to newly hired employees of state agencies, higher education institutions, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. In addition, PEBA is responsible for the South Carolina Deferred Compensation Program, which offers 401(k) and 457 plans, and is administered by a third-party record keeper. Both State ORP and Deferred Compensation assets are not considered part of the Retirement Systems for financial statement purposes. Summary comparative financial statements of the SC Retirement Systems' pension trust funds are presented on the following page.

## Fiduciary Net Position

As of June 30

(Amounts expressed in thousands)

	2022	2021	Increase / (Decrease)	% Increase / (Decrease)
<b>Assets</b>				
Cash and cash equivalents, receivables, and prepaid expenses	\$ 2,277,245	\$ 4,596,950	\$ (2,319,705)	(50.46%)
Investments, at fair value	36,907,526	38,173,987	(1,266,461)	(3.32%)
Securities lending cash collateral invested	9,336	21,348	(12,012)	(56.27%)
Capital assets, net of accumulated depreciation	1,907	2,084	(177)	(8.49%)
<b>Total assets</b>	<u>39,196,014</u>	<u>42,794,369</u>	<u>(3,598,355)</u>	<u>(8.41)%</u>
<b>Liabilities</b>				
Obligations under securities lending	9,336	21,348	(12,012)	(56.27%)
Other liabilities	746,626	2,874,921	(2,128,295)	(74.03%)
<b>Total liabilities</b>	<u>755,962</u>	<u>2,896,269</u>	<u>(2,140,307)</u>	<u>(73.90)%</u>
Net Position Restricted for Pensions	<u>\$ 38,440,052</u>	<u>\$ 39,898,100</u>	<u>\$ (1,458,048)</u>	<u>(3.65)%</u>

## Changes in Fiduciary Net Position

Years Ended June 30

(Amounts expressed in thousands)

	2022	2021	Increase / (Decrease)	% Increase / (Decrease)
<b>Additions</b>				
Employee contributions	\$ 1,150,248	\$ 1,087,933	\$ 62,315	5.73%
Employer contributions	2,202,429	1,960,953	241,476	12.31%
Nonemployer contributions	104,076	104,076	-	0.00%
State appropriated contributions	5,290	5,290	-	0.00%
Net investment income (loss)	(995,127)	9,243,637	(10,238,764)	(110.77)%
Other income	3,436	2,050	1,386	67.61%
<b>Total additions</b>	<u>2,470,352</u>	<u>12,403,939</u>	<u>(9,933,587)</u>	<u>(80.08)%</u>
<b>Deductions</b>				
Annuity benefits	3,676,477	3,554,269	122,208	3.44%
Refunds	193,258	148,709	44,549	29.96%
Death benefits	34,066	33,771	295	0.87%
Administrative and other expenses	24,599	22,479	2,120	9.43%
<b>Total deductions</b>	<u>3,928,400</u>	<u>3,759,228</u>	<u>169,172</u>	<u>4.50%</u>
Net increase (decrease) in Net Position	<u>(1,458,048)</u>	<u>8,644,711</u>	<u>(10,102,759)</u>	<u>(116.87)%</u>
Net Position Restricted for Pensions				
Beginning of year	<u>39,898,100</u>	<u>31,253,389</u>	<u>8,644,711</u>	<u>27.66%</u>
End of year	<u>\$ 38,440,052</u>	<u>\$ 39,898,100</u>	<u>\$ (1,458,048)</u>	<u>(3.65)%</u>

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

On a combined basis, the defined benefit plans' fiduciary net position was \$38.4 billion at June 30, 2022. This represents a decrease of over three percent from the previous fiscal year-end. As explained in the financial highlights section, the fiduciary net position went down primarily due to lower performance of the plan investments even though increased contributions generated improvements in net cash outflows. The plan's net position decreased from \$39.9 billion in the prior fiscal year.

During fiscal year 2022, the total dollar amount of contributions added to the plans increased because of higher employer contribution rates and payroll growth since the nonemployer funding remained the same. Amounts paid out of the plans also increased marginally compared with the previous year because of an increase in regular monthly annuity benefits paid. There was a minimal increase in the number of annuitants but more predominantly, the increase was the result of the annual benefit adjustment equal to the lesser of 1 percent or \$500 that was granted to eligible SCRS and PORS annuity recipients effective July 1, 2021.

For performance calculation purposes, the books are closed 12 business days after month end, capturing any valuations reported by investment managers to that point. In order to provide the financial statements with the most complete valuation of the private market investments, the books are held open longer at year end to allow more valuations to be received from investment managers. Because of this timing difference, some reported valuations included in the reported plan's net position are not included in the reported fiscal year plan performance. The performance of these excluded assets is included in next year's plan performance calculation.

Net of fee performance return, on a time-weighted basis was negative 0.89 percent for the fiscal year. The Plan outperformed the policy benchmark, which returned negative 5.19 percent, by 430 basis points. Additionally, the Plan fell short of the actuarial assumed rate of return of 7 percent by 789 basis points.

The Real Estate asset class, which contains both private and public investments, was the highest performing asset class returning 32.51 percent and outperformed the asset class benchmark which returned 28.36 percent. The Private Equity asset class was also a very strong performer returning 29.85 percent which exceeded its benchmark by 639 basis points. Private Debt returned 11.63 percent and outperformed its benchmark which returned 4.75 percent. The Portable Alpha Hedge Funds excess return over three-month LIBOR returned 11.47 percent. The Infrastructure asset class, which contains both private and public investments, returned 4.30 percent versus a 28.36 percent asset class benchmark return. The Bonds asset class, which includes cash and short duration investments, was a negative performing asset class on an absolute basis returning negative 7.76 percent but outperformed its benchmark by 253 basis points. Public Equity was the lowest returning asset class at negative 16.12 percent but still outperformed the asset class benchmark by 40 basis points. Asset class returns include the impact of synthetic returns generated from the overlay portfolio.

## Actuarial Valuations and Funding Progress

Actuarial valuations are performed annually by an external consulting actuary for each of the 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, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. The Retirement System Funding and Administration Act of 2017, which became effective on July 1, 2017, schedules the amortization period to be reduced from 30 years to 20 years over a ten-year schedule. Over time and provided investment performance meets long-term assumptions and there are no future benefit enhancements, the funded ratio of each system is expected to improve significantly.

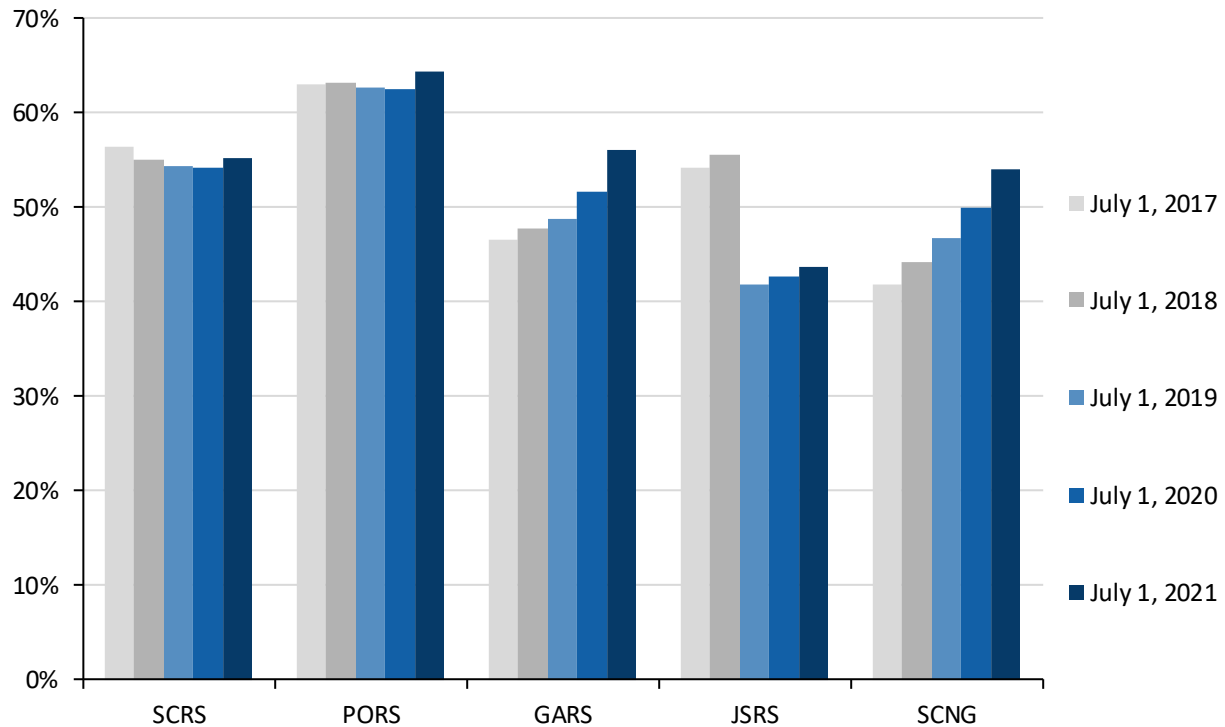
For purposes of developing the actuarially determined contribution rate, the most recently completed valuations prepared as of July 1, 2021, recognized investment performance using the smoothing method, which recognizes each year's investment gain or loss, determined on a fair value of assets basis, over a closed five year period at a rate of 20 percent per year. 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, the accounting valuation report determines the plan fiduciary net position for the purpose of providing accounting information under GASB Statement No. 67, which uses a fair value basis. Since the valuation report prepared for accounting purposes uses the fair value of assets rather than the actuarial value of assets, the ratio of plan fiduciary net position to the total pension liability can result in significant short-term volatility.

Actuarial valuations are prepared for funding purposes and 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, 2021, showed a slight increase in funded status for SCRS, PORS and JSRS while the funded ratios for GARS and SCNG showed larger improvements. The changes in funded ratios do not affect the availability of funds or resources for future use, and considering scheduled contributions, actuarial projections indicate that unfunded liabilities should be amortized and funded within the guidelines established in Title 9 of the South Carolina Code of Laws. The actuarial funded ratios of the five plans are presented in the graph on the following page. Percentages for GASB Statement No. 67 reporting purposes can be found in the Schedule of Employers' Net Pension Liability on page 91.



## 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' financial activities and position 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, 202 Arbor Lake Drive, Columbia, SC 29223. Inquiries may also be made at [www.peba.sc.gov](http://www.peba.sc.gov) or by calling 888.260.9430.



# South Carolina Retirement Systems

## Statement of Fiduciary Net Position

June 30, 2022

With summarized comparative totals for June 30, 2021

(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	SCNG	TOTAL	2021 TOTAL
<b>Assets</b>							
Cash and cash equivalents	\$ 1,367,345	\$ 239,681	\$ 4,377	\$ 13,637	\$ 7,310	\$ 1,632,350	\$ 1,488,833
Receivables							
Due from other systems		1,103		27		1,130	133
Employee and employer contributions	305,290	34,727		1,080	4	341,101	302,322
Accrued investment income	18,760	3,459	26	123	25	22,393	34,627
Unsettled investment sales	234,427	43,354	291	1,468	247	279,787	2,769,891
Other investment receivables							246
<b>Total receivables</b>	<b>558,477</b>	<b>82,643</b>	<b>317</b>	<b>2,698</b>	<b>276</b>	<b>644,411</b>	<b>3,107,219</b>
Investments, at fair value							
Short-term securities	62,513	11,560	77	392	66	74,608	86,030
Fixed Income	1,809,306	334,608	2,250	11,334	1,905	2,159,403	3,081,025
Global Public Equity	12,744,967	2,357,015	15,846	79,835	13,417	15,211,080	19,346,381
Alternatives	16,307,066	3,015,778	20,275	102,149	17,167	19,462,435	15,660,551
<b>Total investments</b>	<b>30,923,852</b>	<b>5,718,961</b>	<b>38,448</b>	<b>193,710</b>	<b>32,555</b>	<b>36,907,526</b>	<b>38,173,987</b>
Securities lending cash collateral invested	7,822	1,447	10	49	8	9,336	21,348
Prepaid expenses	406	74	1	3		484	898
Capital assets, net of accumulated depreciation	1,715	179	5	8		1,907	2,084
<b>Total assets</b>	<b>32,859,617</b>	<b>6,042,985</b>	<b>43,158</b>	<b>210,105</b>	<b>40,149</b>	<b>39,196,014</b>	<b>42,794,369</b>
<b>Liabilities</b>							
Due to other systems	1,130					1,130	133
Accounts payable - unsettled investment purchases	489,518	90,530	609	3,066	515	584,238	2,697,798
Investment fees payable	2,657	491	4	17	3	3,172	4,079
Obligations under securities lending	7,822	1,447	10	49	8	9,336	21,348
Due to South Carolina Retiree Health Insurance Trust Fund	88,060	1,442				89,502	85,720
Benefits payable	5,393	409			6	5,808	5,812
Other liabilities	52,410	9,958	59	299	50	62,776	81,379
<b>Total liabilities</b>	<b>646,990</b>	<b>104,277</b>	<b>682</b>	<b>3,431</b>	<b>582</b>	<b>755,962</b>	<b>2,896,269</b>
Net Position Restricted for Pensions	\$ 32,212,627	\$ 5,938,708	\$ 42,476	\$ 206,674	\$ 39,567	\$ 38,440,052	\$ 39,898,100

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, 2022

With summarized comparative totals for the year ended June 30, 2021

(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	SCNG	TOTAL	2021 TOTAL
<b>Additions</b>							
Contributions							
Employee	\$ 983,536	\$ 163,536	\$ 164	\$ 3,012		\$ 1,150,248	\$ 1,087,933
Employer	1,884,209	292,364	6,279	19,577		2,202,429	1,960,953
Nonemployer	88,706	12,470		2,900		104,076	104,076
State appropriated					5,290	5,290	5,290
Total contributions	2,956,451	468,370	6,443	25,489	5,290	3,462,043	3,158,252
Investment income							
Net appreciation (depreciation)							
in fair value of investments	(664,686)	(124,530)	(841)	(4,235)	(712)	(795,004)	9,360,257
Interest and dividend income	422,985	78,021	529	2,729	454	504,718	439,986
Investment expense	(591,922)	(109,361)	(735)	(3,703)	(622)	(706,343)	(558,407)
Net income (loss) from investing activities	(833,623)	(155,870)	(1,047)	(5,209)	(880)	(996,629)	9,241,836
From securities lending activities:							
Securities lending income	694	128	1	4	1	828	1,134
Securities lending borrower rebates	565	104	1	3	1	674	667
Net income from securities lending activities	1,259	232	2	7	2	1,502	1,801
Total net investment income (loss)	(832,364)	(155,638)	(1,045)	(5,202)	(878)	(995,127)	9,243,637
Supplemental retirement benefits funded by the State	235	8				243	367
Transfers of contributions from other Systems	289	2,904				3,193	1,683
<b>Total additions</b>	2,124,611	315,644	5,398	20,287	4,412	2,470,352	12,403,939
<b>Deductions</b>							
Refunds of contributions to members	160,567	32,691				193,258	148,709
Transfers of contributions to other Systems	2,904		206	83		3,193	1,683
Regular retirement benefits	3,189,790	447,401	6,332	26,089	4,607	3,674,219	3,551,929
Supplemental retirement benefits	235	8				243	367
Death benefits	30,804	3,236	16	10		34,066	33,771
Accidental death benefits		2,015				2,015	1,973
Depreciation	156	20		1		177	169
Administrative expenses	17,834	3,237	23	113	22	21,229	20,627
<b>Total deductions</b>	3,402,290	488,608	6,577	26,296	4,629	3,928,400	3,759,228
Net increase (decrease) in Net Position	(1,277,679)	(172,964)	(1,179)	(6,009)	(217)	(1,458,048)	8,644,711
Net Position Restricted for Pensions							
Beginning of year	33,490,306	6,111,672	43,655	212,683	39,784	39,898,100	31,253,389
End of year	\$ 32,212,627	\$ 5,938,708	\$ 42,476	\$ 206,674	\$ 39,567	\$ 38,440,052	\$ 39,898,100

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 four years, on a staggered schedule 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.

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 *Annual Comprehensive 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 its 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 on or 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 employers and members follows (dollar amounts expressed in thousands). This information was reported in the most recent actuarial valuation as of July 1, 2021.

	State	School	Other	Total
<b>SCRS</b>				
Number of Employers <sup>1</sup>	34	115	578	727
Annualized Prior Year Compensation for Active Members	\$2,862,011	\$4,067,531	\$2,558,773	\$9,488,315
Average Number of:				
Active Contributing Members	55,785	88,883	54,494	199,162
Retirees and beneficiaries currently receiving benefits <sup>2</sup>				148,008
Terminated members entitled to but not yet receiving benefits <sup>2</sup>				207,341
Total SCRS Membership				554,511
<b>PORS</b>				
Number of Employers <sup>1</sup>	22	4	289	315
Annualized Prior Year Compensation for Active Members	\$399,000		\$933,384	\$1,332,384
Average Number of:				
Active Contributing Members	8,503		18,052	26,555
Retirees and beneficiaries currently receiving benefits <sup>2</sup>				20,181
Terminated members entitled to but not yet receiving benefits <sup>2</sup>				20,589
Total PORS Membership				67,325
<b>GARS</b>				
Number of Employers	1			1
Annualized Prior Year Compensation for Active Members	\$1,249			\$1,249
Average Number of:				
Active Members	73			73
Retirees and beneficiaries currently receiving benefits	341			341
Terminated members entitled to but not yet receiving benefits	37			37
Total GARS Membership	451			451
<b>JSRS</b>				
Number of Employers	1			1
Annualized Prior Year Compensation for Active Members	\$31,104			\$31,104
Average Number of:				
Active Members (160 positions)	160			160
Retirees and beneficiaries currently receiving benefits <sup>3</sup>	229			229
Terminated members entitled to but not yet receiving benefits	5			5
Total JSRS Membership	394			394
<b>SCNG</b>				
Number of Employers	1			1
Annualized Prior Year Compensation for Active Members <sup>4</sup>	N/A			N/A
Average Number of:				
Active Members	12,146			12,146
Retirees and beneficiaries currently receiving benefits	5,027			5,027
Terminated members entitled to but not yet receiving benefits	1,635			1,635
Total SCNG Membership	18,808			18,808

<sup>1</sup> Although there are 87 SCRS, 25 PORS, 2 GARS and 4 JSRS state agencies that report separately, the State is considered the primary government and therefore, all state agencies are included as a single employer. Institutions of Higher Education and Quasi-State Agencies are counted as separate employers and included within the "State" category. This schedule includes only employers that submitted contributions for an active member during the fiscal year.

<sup>2</sup> Employee Class not determinable from data.

<sup>3</sup> Count includes 16 retired-in-place members as of July 1, 2021

<sup>4</sup> Annualized Prior Year Compensation 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 an account administered by one of four third-party service providers. The Retirement Systems assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third-party service providers. For this reason, State ORP assets 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 (9 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for a portion of the employer contribution (11.41 percent) and a death benefit contribution (0.15 percent), which is retained by SCRS. The activity for the State ORP is as follows:

**State ORP Activity**

Year Ended June 30, 2022

*(Dollar amounts expressed in thousands)*

Active Contributing Participants	34,870
Compensation of Participants	\$1,903,664
Employer Contributions Retained by SCRS	\$217,140
Death Benefit Contributions Retained by SCRS	\$2,850
Employee Contributions to Investment Providers	\$171,330
Employer Contributions to Investment Providers	\$95,183

**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 Two 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 Three 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 Two and Class Three 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 Two 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 Three member who has separated from service with at least eight years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three 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 beneficiaries of deceased 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.

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.

### **Comparative Totals**

The basic financial statements include certain prior-year summarized comparative information in total

#### **JSRS**

but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Systems' financial statements for the year ended June 30, 2021, from which the summarized information was derived.

### **Basis of Accounting**

All funds are accounted for using the economic resources measurement focus and 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 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 the trust funds and are allocated to each of the systems 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, costs for contractual services and operating expenses.

### **Cash and Cash Equivalents**

The Systems classify 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 classify 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, nonemployer 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, has exclusive authority for investing and managing all assets held in trust for the South Carolina Retirement Systems. The Commission serves as co-trustee and co-fiduciary for the assets of the 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 and ex officio Commissioners. The Commission is an eight member board as provided in Section 9-16-315 of the South Carolina Code of Laws. The Commission employs a Chief Executive Officer (CEO) who serves as the agency head of the RSIC, reporting directly to the Commission, with functions and duties assigned by the Commission. The CEO 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 CEO 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 external investment consultants, who are accountable to the Commission, to work collaboratively with RSIC staff to fulfill the duties of investing the Systems' portfolio.

As with PEBA, administrative costs of the RSIC are paid from 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.

State law requires the Commission to adopt a Statement of Investment Objectives and Policies ("SIOP") and to review it annually and to either amend it or reaffirm it. The SIOP establishes investment and performance objectives, policies and guidelines, roles, responsibilities, and delegation of authority for the management of plan assets. State law also requires RSIC's Chief Investment Officer ("CIO") to develop an Annual Investment Plan ("AIP") which must be presented to and adopted by the Commission prior to May 1<sup>st</sup> of each year. Pursuant to state law, relevant portions of the SIOP may constitute parts of the AIP.

In order to ensure consistency and agreement between the SIOP and AIP, the Commission has consolidated the requirements of both into one document which it will review annually prior to May 1<sup>st</sup>. As part of the annual review, the Commission will amend or reaffirm, as it deems appropriate, those portions of this document intended to meet the requirements of the SIOP and the Commission will consider the CIO's recommendation of any necessary changes to those portions of this document intended to meet the requirements of the AIP.

The Commission manages Systems' assets with a long-term horizon and seeks to earn an 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, risk profile and cost and is reviewed annually as part of the development of the SIOP/AIP.

The asset allocation process is paramount to the development of the AIP. Based on the Capital Market Expectations provided by the Commission's investment consultant, the Commission comes to a consensus and establishes the Policy Portfolio expected to achieve a 20-year annualized rate of return that meets its investment objective with an expected volatility acceptable to the Commission. The Commission recognizes that the CIO and investment staff may add value by structuring the Actual Portfolio in a manner that deviates from the Policy Portfolio target weights or may also pursue a strategy that causes the composition of an asset class to differ from the policy benchmark. As a result, the Commission provides the CIO and the investment staff with the discretion to structure the portfolio within the asset class and sub-asset class ranges. The asset allocation is reviewed on an ongoing (typically weekly) basis by staff and the CIO to ensure that the Portfolio is within its allocation ranges. When an asset class reaches its minimum or maximum allocation, staff will initiate rebalancing transactions to keep allocations within the approved ranges or seek Commission approval to remain outside the range. At June 30, 2022, the cumulative weight of Private Equity, Private Debt, and Private Real Assets was 37.5% and exceeded the maximum threshold of 30%. The Commission approved remaining outside the range.

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 were adopted by the Commission for the fiscal year beginning July 1, 2021.

Asset Class	Target	Range	
<b>Public Equity<sup>1</sup></b>	<b>46%</b>	<b>30%</b>	<b>60%</b>
Domestic	Index <sup>2</sup>	Index +/- 6%	
Developed Non-US	Index	Index +/- 6%	
Emerging Market	Index	Index +/- 4%	
Equity Options	0%	0%	7%
<b>Bonds<sup>1</sup></b>	<b>26%</b>	<b>15%</b>	<b>35%</b>
Core Bonds (IG <sup>3</sup> )	26%	10%	35%
Inflation-linked (IG)	0%	0%	5%
Mixed Credit (non-IG)	0%	0%	8%
Emerging Market			
Debt	0%	0%	6%
Net Cash/Short			
Duration	0%	0%	7%
<b>Private Equity<sup>1,4</sup></b>	<b>9%</b>	<b>5%</b>	<b>13%</b>
<b>Private Debt<sup>1,4</sup></b>	<b>7%</b>	<b>3%</b>	<b>11%</b>
<b>Real Assets<sup>1,4</sup></b>	<b>12%</b>	<b>6%</b>	<b>18%</b>
Real Estate	9%	5%	13%
Infrastructure	3%	0%	5%
Portable Alpha Hedge			
Funds <sup>5</sup>	0%	0%	12%

<sup>1</sup> Component of Policy Benchmark.

<sup>2</sup> Component weight of MSCI ACWI Index.

<sup>3</sup> "IG" denotes "Investment Grade".

<sup>4</sup> RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

<sup>5</sup> Portable Alpha Hedge Funds are expressed as gross exposure but, as collateral supporting the Overlay program, net to zero when calculating total plan fair value. Hedge funds may not exceed 15 percent of total plan assets.

At June 30, 2022, the Systems held no investments (other than those issued or explicitly guaranteed by the U.S. government) in any one organization that represent five percent or more of the plans' fiduciary net position.

For the year ended June 30, 2022, the annual money weighted rate of return on plan investments was negative 0.82 percent net of fees. 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. As of June 30, 2022, 221 legal agreements were in place with 94 investment managers.

The PEBA Board serves as custodian and co-trustee of the assets of the retirement trust funds. The Commission is also co-trustee of the assets of the retirement trust funds and has exclusive authority to select the custodial bank with PEBA as a third-

party beneficiary of the contract, with full rights to information.

BNYM serves as custodial bank of the funds of the Retirement Systems. Assets also include investments not custodied at BNYM, such as funds held in partnerships, commingled accounts, or private market asset classes. The custodial bank provides consolidated recordkeeping services which reflect these 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 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) 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, private real estate and private infrastructure, for which daily fair 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, 2022. 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 is intended to approximate, but at times 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 process that consists of the collection, validation, and aggregation by RSIC's consultant and reasonableness testing and review by RSIC, the Retirement Division of PEBA is provided 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 non-invoiced investment expenses include amounts for investment management fees, performance fees (including carried interest allocations), and other investment expenses such as organizational expenses in limited partnership structures. Management Fees are reported net of offsets and rebates, which has the effect of reducing the total fees reported, because it is a truer representation of the overall cost of the investment. Offsets can include things such as Board of Director fees, Broken Deal fees, and Monitoring fees. 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.

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## 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 contributions on the basis of the actuarial valuations. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to meet the statutory funding period for amortization of the unfunded liabilities of the plans, the board shall increase the contribution rates for the employer as necessary to maintain the amortization period.

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 85 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 85 percent. 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 85 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 85 percent.

The Retirement System Funding and Administration Act established a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent in accordance with state statute. State statute sets the ultimate scheduled employer rate at 18.56 percent for SCRS and 21.24 percent for PORS and beginning July 1, 2017 scheduled the amortization periods to be reduced from 30 years to 20 years over a ten-year schedule.

Following are the employee and employer contribution rates applicable for fiscal year 2022 (amounts expressed in thousands):

System	Employee Rate	Employer Rate
SCRS	9%	16.56% <sup>1</sup>
PORS	9.75%	19.24% <sup>2</sup>
GARS	11%	\$6,279 <sup>3</sup>
JSRS	10%	62.94% <sup>3</sup>
SCNG	Non-contributory	\$5,290 <sup>4</sup>

<sup>1</sup> Includes incidental death benefit contribution rate of 0.15%.  
<sup>2</sup> Includes incidental death benefit and accidental death benefit contribution rate of 0.20% each.  
<sup>3</sup> Includes incidental death benefit contributions as determined by the Systems' actuary.  
<sup>4</sup> The contributions for SCNG determined by the Systems' actuary were \$4,405 however, the contributions provided by state appropriations were \$5,290.

The General Assembly included funding to PEBA, to be distributed to some employers to help offset a portion of the employer's retirement contributions. PEBA allocates amounts to employers in the same dollar amount for which credits were calculated in previous years. In no event shall a participating employer receive a credit that exceeds the employer contributions due from the employer for the fiscal year. PEBA issued credit invoices to certain SCRS and PORS employers who then applied the credit invoices towards contributions otherwise due to the Systems. The amount of credit invoices issued in fiscal year 2022 totaled \$88.7 million and \$12.5 million for SCRS and PORS respectively. The General Assembly also continues to fund \$2.9 million in nonemployer contributions to JSRS.

Employer contributions for 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, for fiscal year 2022 an additional employer contribution surcharge of 6.25 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 benefits and is not a part of the

actuarially established contribution rates for retirement funding purposes. Functioning as a collecting agent, SCRS and PORS collected and remitted these funds to the South Carolina Retiree Health Insurance Trust Fund. (amounts expressed in thousands):

	Retiree Insurance Surcharge
SCRS	\$470,325
State ORP	117,693
PORS	27,388
<b>Total</b>	<b>\$615,406</b>

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

The **Employer Fund** is credited with all employer and nonemployer 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, 2022, were as follows (amounts expressed in thousands):

	SCRS	PORS	GARS	JSRS	SCNG	Total
Employee Fund	\$ 10,675,964	\$ 1,400,421	\$ 6,508	\$ 36,092	\$ -	\$ 12,118,985
Employer Fund	21,408,896	4,389,683	35,968	170,582	39,567	26,044,696
Death Benefit Fund	127,767	61,765				189,532
Accidental Death Fund		86,839				86,839
QEBA Fund						
<b>Totals</b>	<u>\$ 32,212,627</u>	<u>\$ 5,938,708</u>	<u>\$ 42,476</u>	<u>\$ 206,674</u>	<u>\$ 39,567</u>	<u>\$ 38,440,052</u>



### III. Deposits and Investments

#### Deposit and Investment Risk Disclosures

The tables presented on pages 61-64 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

The Systems' deposits at June 30, 2022, were as follows (amounts expressed in thousands):

	<u>Carrying Amount</u>
SCRS	\$71,674
PORS	7,708
GARS	123
JSRS	215
SCNG	111
<b>Total</b>	<u>\$79,831</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Systems' deposits may not be recovered. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000; however, amounts in excess of \$250,000 are uninsured and uncollateralized. The Commission has a formal Counterparty Policy which covers policies and procedures related to oversight and management of Counterparty Risk, including the custodial bank. To monitor custodial credit risk, the credit quality of financial institutions at which deposits are held are periodically reviewed using internal analysis and rating agencies' reports.

As of June 30, 2022, actual bank balances totaled \$31.3 million. Amounts in excess of \$250,000 were uninsured and uncollateralized.

As of June 30, 2022, cash held by the custodian, in broker and strategic partnerships accounts as well as forward contracts and foreign currencies totaled \$253.8 million. These balances are classified as cash and cash equivalents on the Statement of Fiduciary Net Position.

#### 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 as outlined by Section 9-1-1310(B) of the South Carolina Code of Laws.

The following table presents the fair value of investments:

## Statement of Invested Assets

June 30, 2022

(Amounts expressed in thousands)

Investment Type	Fair Value	Investment Type	Fair Value
<b>Short Term Investments</b>		<b>Fixed Income Allocation</b>	
Short Term Investment Funds (U.S. Regulated)	\$ 1,184,660	<b>U.S. Government</b>	
Repurchase Agreements	109,300	U.S. Government Treasuries <sup>1</sup>	\$ 98,219
Commercial Paper	10,397	U.S. Government Agencies	176,422
Certificates of Deposit	23,394	<b>Mortgage Backed</b>	
U. S. Treasury Bills	43,909	Government National Mortgage Association	16,750
Municipals - 1 year or less	298	Federal National Mortgage Association	12,948
Private Placements - 1 year or less	1,554	Federal Home Loan Mortgage Association (Multiclass)	1,695
Options - Cash Equivalents	(137)	Collateralized Mortgage Obligations	848
<b>Total Short Term Investments</b>	<u>\$ 1,373,375</u>	<b>Municipals</b>	23,960
<b>Equity Allocation</b>		<b>Corporate</b>	
<b>Global Public Equity</b>		Corporate Bonds	693,084
Common Stocks	\$ 14,755,289	Asset Backed Securities	146,351
Real Estate Investment Trusts	511,951	<b>Private Placements</b>	792,631
Preferred	20,231	<b>Investment Grade Bonds</b>	170,631
Options - Equity	1,061	<b>Emerging Debt</b>	51,663
Swaps - Equity	(77,452)	<b>Options - Fixed Income</b>	(1,748)
<b>Total Global Public Equity</b>	<u>\$ 15,211,080</u>	<b>Futures - Fixed Income</b>	(24,645)
		<b>Swaps - Fixed Income</b>	594
<b>Alternatives</b>		<b>Total Fixed Income</b>	<u>\$ 2,159,403</u>
Hedge Funds	\$ 5,129,270		
Private Equity	5,581,113		
Private Debt	3,594,909		
Private Real Estate	4,117,735		
Private Infrastructure	1,039,408		
<b>Total Alternative Investments</b>	<u>\$ 19,462,435</u>		
<b>Total Invested Assets</b>		<b>\$38,206,293</b>	
<b>Invested Securities Lending Collateral</b>	\$ 9,336		

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

<b>Total Invested Assets</b>	\$ 38,206,293
<b>Short Term Investments classified as Cash &amp; Cash Equivalents on Statement of Fiduciary Net Position</b>	
Short Term Investment Funds (U.S. Regulated)	(1,184,660)
Repurchase Agreements	(109,300)
Commercial Paper	(2,445)
Certificates of Deposit	(2,499)
Options - Cash Equivalents	137
<b>Total Investments on Statement of Fiduciary Net Position</b>	<u>\$ 36,907,526</u>

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



## Fair Value Measurements

The Systems categorize fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The valuation technique uses a three level hierarchy of inputs to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These classifications are summarized as follows:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a reporting entity can access at the measurement date.

Level 2 Inputs: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 Inputs: Unobservable inputs for an asset or liability.

In the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level input that is significant to the entire valuation. These levels are not necessarily an indication of risk but are based upon the pricing transparency of the investment. In determining the appropriate levels, the Systems performed a detailed analysis of the assets and liabilities that are subject to GASB Statement No. 72.

Fair value of certain investments that do not have a readily determinable fair value is established using net asset value (or its equivalent) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

Investments classified according to the fair value hierarchy are valued according to the pricing policy established by the Plan's custodian bank. Pricing is based primarily on prices from several third-party vendors or other specified alternative sources which are considered to be reliable. Where available, the custodian bank uses more than one vendor for securities of each asset type, class or issue. The price received from a primary source is used in valuation unless a tolerance check, or price challenge, results in the use of a price from a secondary vendor. The Systems may override prices provided by the custodian bank if it is deemed necessary or appropriate.

The Systems have the following recurring fair value measurements as of June 30, 2022 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short Term Investments				
Short Term Investment Funds (U. S. Regulated)	\$ 1,184,660	\$ 1,184,660	\$ -	\$ -
Repurchase Agreements	109,300		109,300	
Commercial Paper	10,397		10,397	
Certificates of Deposit	23,394		23,394	
U. S. Treasury Bills	43,909	43,909		
Municipals - 1 year or less	298		298	
Private Placements - 1 year or less	1,554		1,554	
Total Short Term Investments	\$ 1,373,512	\$ 1,228,569	\$ 144,943	\$ -
Equity Allocation				
Global Public Equity				
Common Stocks	\$ 1,074,678	\$ 1,074,678	\$ -	\$ -
Real Estate Investment Trusts	511,951	511,951		
Preferred	20,231	5,968	14,263	
Total Global Public Equity	\$ 1,606,860	\$ 1,592,597	\$ 14,263	\$ -
Fixed Income Allocation				
U. S. Government				
U.S. Government Treasuries	\$ 98,219	\$ 98,219	\$ -	\$ -
U.S. Government Agencies	176,422		176,422	
Mortgage Backed				
Government National Mortgage Association	16,750		16,750	
Federal National Mortgage Association	12,948		12,948	
Federal Home Loan Mortgage Association (Multiclass)	1,695		1,695	
Collateralized Mortgage Obligations	848		848	
Municipals	23,960		23,960	
Corporate				
Corporate Bonds	693,084	6,436	396,208	290,440
Asset Backed Securities	146,351		146,351	
Private Placements	792,631		792,631	
Total Fixed Income	\$ 1,962,908	\$ 104,655	\$ 1,567,813	\$ 290,440
Total Investments by Fair Value Level	\$ 4,943,280	\$ 2,925,821	\$ 1,727,019	\$ 290,440
Investments measured at the net asset value (NAV)				
Global Equity Common Stocks	\$ 13,680,611			
Investment Grade Bonds	170,631			
Emerging Debt	51,663			
Hedge Funds	5,129,270			
Private Equity	5,581,113			
Private Debt	3,594,909			
Private Real Estate	4,117,735			
Private Infrastructure	1,039,408			
Total investments measured at the NAV	\$ 33,365,340			
Total investments measured at fair value	\$ 38,308,620			
Investment derivative instruments				
Cash Equivalents				
Options - Cash Equivalents	\$ (137)	\$ -	\$ (137)	\$ -
Equity Investments				
Options - Equity	1,061	3	1,058	
Swaps - Equity	(77,452)		(77,452)	
Fixed Income Investments				
Options - Fixed Income	(1,748)		(1,748)	
Futures - Fixed Income	(24,645)	(24,645)		
Swaps - Fixed Income	594		594	
Total investment derivative instruments	\$ (102,327)	\$ (24,642)	\$ (77,685)	\$ -
Total Invested Assets	\$ 38,206,293			

The investments that are measured at the Net Asset Value (NAV) are noted below (amounts in thousands).

	Fair Value at 6/30/22	Unfunded Commitments <sup>1</sup>	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Global Equity Common Stocks	\$ 13,680,611	\$ -	Daily/Monthly	5 - 30 days
Investment Grade Bonds	170,631		1 year	1 day
Emerging Debt	51,663		Daily/Monthly	10 - 15 days
Hedge Funds	5,129,270		Monthly/Quarterly	2 - 90 days
Private Equity	5,581,113	3,160,615	Illiquid	Illiquid
Private Debt	3,594,909	2,370,900	Illiquid	Illiquid
Private Real Estate	4,117,735	906,405	Illiquid	Illiquid
Private Infrastructure	1,039,408	147,316	Illiquid	Illiquid
<b>Total investments measured at the NAV</b>	<b>\$ 33,365,340</b>	<b>\$ 6,585,236</b>		

<sup>1</sup> For purposes of this table, amounts are reported in US Dollars. The Private Equity Category includes £67,962, €266,410 and AUD \$38,748 that have been converted to USD.

**Global Equity Funds.** This investment type includes 7 passive index funds that invest primarily in global developed and emerging equity public markets instruments. The fair values of the investments in this asset type have been determined using NAV per share of the fund and reported by the Investment Managers. Redemptions are generally allowed monthly, provided adequate notice.

**Emerging Debt Funds.** This investment type includes two funds that generally invest in debt securities issued in any currency and may hold foreign currency. The fair values of the investments in this asset type have been determined using NAV per share of the fund or percent ownership of the NAV of the fund and reported by the Investment Managers. Redemptions are generally allowed monthly, provided adequate notice, and one fund charges a redemption fee.

**Investment Grade Bond Funds.** This investment type includes one fund that generally invests in mortgage-related securities. The fair value of the investment in this asset type has been determined using NAV per share of the fund or percent ownership of the NAV of the fund and reported by the Investment Manager. A redemption can be initiated at any time and assets are self-liquidating within 1 year. There is no redemption fee charged.

**Hedge Funds.** This investment type includes 32 funds that generally invest in hedge fund strategies that seek alpha in equity or credit markets or seek to minimize embedded market beta. There are 26 of these funds invested through strategic partnership investments which may consist of underlying investments in more than one hedge fund. The fair values of the investments in this asset type have been determined using NAV per share of the investments or percent ownership of the NAV of the fund and reported by the Investment Managers. Redemptions are generally allowed monthly, provided adequate notice, however, it is common that funds have authority to require longer redemption timeframes and/or make the redemption subject to gates to mitigate any detrimental impact to the fund.

**Private Equity Funds.** This investment type includes 131 funds that consist of 68 investments in limited partnerships, 46 investments in co-investment funds, 4 manager co-investment platforms, and 13 funds within strategic partnership investments. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. Manager co-investment platforms consist of underlying investments in more than one co-investment fund. The private equity investments span the venture capital, growth equity, secondaries, energy and buyout strategies. Private equity is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this asset type is

that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

**Private Debt Funds.** This investment type includes 53 funds that consist of 38 investments in limited partnerships, 13 funds within strategic partnership investments, and two co-investment funds. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. The private debt investments span the direct lending, distressed, energy, mezzanine, mortgages, and opportunistic strategies. Private Debt is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this asset type is that distributions are received through investment generated income and the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

**Private Real Estate Funds.** This investment type includes 31 funds that consist of 25 investments in limited partnerships, two investments in co-investment funds, and four funds that are strategic partnership investments. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. The real estate investments span the core, diversified, real estate debt, value add, and opportunistic strategies. Real Estate is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this asset type is that distributions are received through investment generated income and the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

**Private Infrastructure Funds.** This investment type includes 14 funds that consist of investments in limited partnerships or co-investments. Common types of infrastructure investments are in transportation, energy, telecommunications, and utilities. These assets tend to benefit from a rising inflation environment. Infrastructure is considered an illiquid investment strategy as funds generally have a life span of 20 years. The nature of investments in this asset type is that distributions are received through investment generated income and the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

## 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, 2022, 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)
<b>Short Term Investments</b>				
Short Term Investment Funds (U.S. Regulated)	\$ 1,184,660	\$ -	\$ 1,184,660	0.08
Repurchase Agreements	109,300		109,300	0.01
Invested Securities Lending Collateral	9,336	9,336		
Commercial Paper	10,397		10,397	0.19
Certificates of Deposit	23,394		23,394	0.34
U. S. Treasury Bills	43,909		43,909	0.25
Municipals - 1 year or less	298		298	0.58
Private Placements - 1 year or less	1,554		1,554	
Option - Cash Equivalents	(137)	(137)		
<b>Total Short Term Investments</b>	<b>\$ 1,382,711</b>	<b>\$ 9,199</b>	<b>\$ 1,373,512</b>	
<b>Global Public Equity</b>				
Preferred	20,231		20,231	12.22
<b>Total Equity Investments</b>	<b>\$ 20,231</b>	<b>\$ -</b>	<b>\$ 20,231</b>	
<b>Fixed Income Allocation</b>				
<b>U. S. Government</b>				
U.S. Government Treasuries	98,219		98,219	12.46
U. S. Government Agencies	176,422	76,554	99,868	1.69
<b>Mortgage Backed</b>				
Government National Mortgage Association	16,750	3,771	12,979	4.37
Federal National Mortgage Association	12,948		12,948	6.93
Federal Home Loan Mortgage Association (Multiclass)	1,695		1,695	2.39
Collateralized Mortgage Obligations	848		848	2.26
<b>Municipals</b>	23,960	275	23,685	2.52
<b>Corporate</b>				
Corporate Bonds	693,084	238,022	455,062	2.57
Asset Backed Securities	146,351	28,222	118,129	0.64
<b>Private Placements</b>	792,631	135,213	657,418	1.01
<b>Investment Grade Bonds</b>	170,631		170,631	1.72
<b>Emerging Debt</b>	51,663		51,663	2.48
<b>Options - Fixed Income</b>	(1,748)	(187)	(1,561)	5.89
<b>Futures - Fixed Income</b>	(24,645)		(24,645)	11.56
<b>Swaps - Fixed Income</b>	594	(360)	954	101.27
<b>Total Fixed Income</b>	<b>\$ 2,159,403</b>	<b>\$ 481,510</b>	<b>\$ 1,677,893</b>	
<b>Mixed Credit Hedge Fund Allocation</b>				
<b>Mixed Credit Hedge Funds</b>	9,706		9,706	0.01
<b>Total Mixed Credit Hedge Funds</b>	<b>\$ 9,706</b>	<b>\$ -</b>	<b>\$ 9,706</b>	
<b>Total Invested Assets</b>	<b>\$ 3,572,051</b>	<b>\$ 490,709</b>	<b>\$ 3,081,342</b>	
<b>Total Portfolio Effective Duration (option adjusted duration)</b>				<b>1.33</b>

## Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holders of its securities. 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, 2022, were rated by Moody's and are presented below.

## Credit Risk

(Amounts expressed in thousands)

Investment Type and Fair Value	AAA	AA	A	BAA	BA	B
<b>Short Term Investments</b>						
Short Term Investment Funds (U. S. Regulated)	\$ 1,184,660	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements						
Invested Securities Lending Collateral						
Commercial Paper		7,952		2,445		
Certificates of Deposit		16,420	3,997			
Municipals - 1 year or less						
Private Placements - 1 year or less						
Options - Cash Equivalents						
<b>Global Public Equity</b>						
Preferred				15,989	2,693	
<b>Fixed Income Allocation<sup>2</sup></b>						
<b>Mortgage Backed</b>						
Federal National Mortgage Association	12,948					
Federal Home Loan Mortgage Association (Multiclass)	1,695					
Collateralized Mortgage Obligations	848					
<b>Municipals</b>						
		16,621	589			
<b>Corporate</b>						
Corporate Bonds	16,092	3,854	80,503	124,363	55,004	101,553
Asset Backed Securities	10,905	8,224	12,379	44,724	28,179	6,424
Private Placements	63,711	45,940	74,713	83,615	96,821	63,597
<b>Investment Grade Bonds</b>						
<b>Emerging Debt</b>						
<b>Options - Fixed Income</b>						
<b>Futures - Fixed Income</b>						
<b>Swaps - Fixed Income</b>						
Totals	<u>\$ 1,290,859</u>	<u>\$ 99,011</u>	<u>\$ 172,181</u>	<u>\$ 271,136</u>	<u>\$ 182,697</u>	<u>\$ 171,574</u>

Chart continued on next page

<sup>1</sup>The column labeled Not Rated by S&P or Moody's represents securities that were either not rated or had a withdrawn rating.

<sup>2</sup>U.S. Treasury Bills, Notes and Bonds, Agencies and Government National Mortgage Association securities with a fair value of \$227.5 million are not included because they are not subject to credit risk.

Chart continued from previous page

## Credit Risk (cont.)

(Amounts expressed in thousands)

CAA	CA	C	Not Rated			Total
			Int'l and EMD Commingled Funds or held in Strategic Partnerships	Rated by S&P; not by Moody's	Not rated by S&P or Moody's <sup>1</sup>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,184,660
					109,300	109,300
					9,336	9,336
						10,397
					2,977	23,394
				298		298
					1,554	1,554
					(137)	(137)
				671	878	20,231
						12,948
						1,695
						848
				3,823	2,927	23,960
13,364	2,631	952		36,599	258,169	693,084
783	6,633	1,499		25,350	1,251	146,351
10,112	2,723	62		173,589	177,748	792,631
			170,631			170,631
			51,663			51,663
					(1,748)	(1,748)
					(24,645)	(24,645)
					594	594
<u>\$ 24,259</u>	<u>\$ 11,987</u>	<u>\$ 2,513</u>	<u>\$ 222,294</u>	<u>\$ 240,330</u>	<u>\$ 538,204</u>	<u>\$ 3,227,045</u>

## Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. Concentration of credit risk shall not apply to the obligations of the U.S. Government and Federal Agencies. Concentration limits are outlined in the investment guidelines of each individual portfolio within domestic fixed income and monitored by the investment managers. RSIC receives annual attestation of credit risk concentration levels from those managers. As of June 30, 2022, there is no single issuer exposure within the portfolio that comprises five 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. Currency forwards are used to manage currency fluctuations and are permitted by investment policy. Policy 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, 2022, (amounts expressed in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Futures Contracts	Private Equity	Private Debt	Private Infrastructure	Fixed Income	Equity	Total
Australian Dollar	\$ (522)	\$ (33,357)	\$ -	\$ 27,743	\$ -	\$ 27,777	\$ 1,203	\$ 11,098	\$ 33,942
Brazil Real							(169)		(169)
Canadian Dollar	(276)	(4,512)					4,205	38,022	37,439
Chilean Peso		13							13
Chinese Yuan Renminbi		(8,869)							(8,869)
Danish Krone	22							3,211	3,233
Euro Currency	1,622	(174,510)	(348)	277,280	8,580	126,872	154,794	31,043	425,333
Hong Kong Dollar	434							11,297	11,731
Israeli Shekel	9,905	(10,114)							(209)
Japanese Yen	(383)	(555)	19				1,219	4,804	5,104
Mexican Peso	320								320
New Zealand Dollar	56	(1,124)							(1,068)
Norwegian Krone	1	172							173
Peruvian Sol		(3,130)					2,570		(560)
Pound Sterling	(2,919)	(71,170)		33,559	8,501		28,398	12,287	8,656
South African Rand	1								1
Swiss Franc	11								11
<b>Totals</b>	<b>\$ 8,272</b>	<b>\$ (307,156)</b>	<b>\$ (329)</b>	<b>\$ 338,582</b>	<b>\$ 17,081</b>	<b>\$ 154,649</b>	<b>\$ 192,220</b>	<b>\$ 111,762</b>	<b>\$ 515,081</b>

## 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,

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 \$33.5 and \$40.5 million, respectively, were held in trust by the clearing brokers on June 30, 2022. The Systems' derivatives, consisting of futures, options, forward contracts and swaps are presented in the tables on pages 65-70. Investments in limited partnerships and commingled funds may include



derivatives that are not shown in the derivative totals.

The RSIC works with their overlay provider to utilize derivatives primarily to facilitate changes to the asset allocation of the total plan and take advantage of their low cost of implementation.

Derivatives are utilized 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, 2022, (amounts expressed in thousands):

Changes in Fair Value			
	Classification	Gain	
Futures Contracts	Net depreciation	\$	(77,165)
Forward Contracts	Net depreciation		(3,737)
Swaps	Net depreciation		(93,024)
Options	Net depreciation		(655)

Fair Value				
	Forward Contracts	Futures	Options	Swaps
Cash and Cash Equivalents	\$ 7,326	\$ -	\$ (137)	\$ -
Fixed Income		(24,645)	(1,748)	594
Global Public Equity			1,061	(77,452)
<b>Totals</b>	<b>\$ 7,326</b>	<b>\$ (24,645)</b>	<b>\$ (824)</b>	<b>\$ (76,858)</b>

At June 30, 2022, the Systems had the following exposure via futures contracts (dollar amounts expressed in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value <sup>1</sup>	Fair Value
EURO-BUND FUTURE (EUX)	September 2022	Short	(146)	\$ (22,709)	\$ 498
EURO-BUXL 30Y BND FUTURE (EUX)	September 2022	Short	(6)	(1,026)	44
EURO-BTP FUTURE (EUX)	September 2022	Short	(110)	(14,159)	(815)
EURO-OAT FUTURE (EUX)	September 2022	Short	(28)	(4,055)	(75)
JPN 10Y BOND FUTURE (OSE)	September 2022	Short	(5)	(5,469)	18
US 10YR ULTRA FUTURE (CBT)	September 2022	Long	69	8,789	(139)
US LONG BOND FUTURE (CBT)	September 2022	Long	5,004	693,679	(6,632)
US 10YR NOTE FUTURE (CBT)	September 2022	Long	575	68,155	(294)
US 10YR NOTE FUTURE (CBT)	September 2022	Long	5,513	653,463	(4,390)
US 5YR NOTE FUTURE (CBT)	September 2022	Long	450	50,513	48
US 5YR NOTE FUTURE (CBT)	September 2022	Long	6,820	765,545	(3,964)
US ULTRA BOND (CBT)	September 2022	Long	36	5,556	(58)
US ULTRA BOND (CBT)	September 2022	Long	5,532	853,830	(8,886)
<b>Totals</b>				<u>\$ 3,052,112</u>	<u>\$ (24,645)</u>

<sup>1</sup> 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, 2022, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value	Fair Value	Counterparty Exposure
Banco Santander SA/New York	\$ 40,906	\$ (880)	8.91%
Bank of America NA	14,283	(182)	3.11%
Bank of New York Mellon Corp/London	146,027	2,729	31.81%
Barclays Bank PLC	26,675	(32)	5.81%
BNP Paribas Securities Corp	6,259	13	1.36%
Citibank NA	15,295	171	3.33%
Credit Agricole SA	2,564	(45)	0.56%
Deutsche Bank AG/London	34,153	411	7.44%
Goldman Sachs Bank USA/New York NY	3,399	25	0.74%
Goldman Sachs International	11,990	455	2.61%
HSBC Bank PLC	18,563	95	4.04%
HSBC Bank PLC London	4,641	(56)	1.01%
HSBC Bank USA NA/New York NY	28,554	1,434	6.22%
JPMorgan Chase Bank NA	73,598	1,853	16.03%
Morgan Stanley & Co International PLC	554	(7)	0.12%
Morgan Stanley Capital Services LLC	1,991	54	0.43%
NatWest Markets PLC	1,366	(6)	0.30%
Royal Bank of Canada	15,517	1,028	3.38%
Standard Chartered Bank	4,897	3	1.07%
State Street Corp	150		0.03%
UBS AG/Stamford CT	7,751	263	1.69%
<b>Totals</b>	<b>\$ 459,133</b>	<b>\$ 7,326</b>	<b>100%</b>

## Swaps

The Systems 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, 2022, for currency forwards, swap agreements, and options (amounts expressed in thousands):

Quality rating	Forwards	Swaps	Options	Total
Aa2	\$ 5,835	\$ (44,912)	\$ (70)	\$ (39,147)
Aa3	449	(87)	(316)	46
A1	1,517	(32,832)	(1,508)	(32,823)
A2	(475)		(4)	(479)
A3			16	16
<b>Total subject to credit risk</b>	<b>\$ 7,326</b>	<b>\$ (77,831)</b>	<b>\$ (1,882)</b>	<b>\$ (72,387)</b>
Centrally cleared:				
Chicago Board Options Exchange	\$ -	\$ -	\$ 1,058	\$ 1,058
Chicago Mercantile Exchange		3,281		3,281
Intercontinental Exchange		(698)		(698)
LCH Ltd		(1,610)		(1,610)
<b>Total not subject to credit risk</b>	<b>\$ -</b>	<b>\$ 973</b>	<b>\$ 1,058</b>	<b>\$ 2,031</b>
<b>Totals</b>	<b>\$ 7,326</b>	<b>\$ (76,858)</b>	<b>\$ (824)</b>	<b>\$ (70,356)</b>

At June 30, 2022, 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	Fair Value <sup>1</sup>	Gain/Loss Since Trade
Barclays Bank PLC	Barclays Agg Proxy	Variable	Fixed	12/30/2022	\$ 107,109	\$ (1,792)	\$ (12,801)
Barclays Bank PLC	Barclays Agg Proxy	Variable	Fixed	9/30/2022	500,865	(8,372)	(60,146)
Barclays Bank PLC	Barclays Agg Proxy	Variable	Fixed	3/31/2023	405,504	(6,675)	(20,784)
Barclays Bank PLC	Barclays Agg Proxy	Variable	Fixed	12/30/2022	445,660	(7,454)	(53,167)
JP Morgan Chase Bank NA	MSCI ACWI Proxy	Variable	Fixed	5/31/2023	521,822	(44,642)	(22,657)
Merrill Lynch International	MSCI ACWI Proxy	Variable	Fixed	6/30/2023	900,000		
Societe Generale SA	Barclays Agg Proxy	Variable	Fixed	3/31/2023	230,893	(3,801)	(11,877)
Societe Generale SA	Barclays Agg Proxy	Variable	Fixed	9/30/2022	192,810	(3,223)	(23,153)
Societe Generale SA	Barclays Agg Proxy	Variable	Fixed	12/30/2022	89,257	(1,493)	(10,674)
					<u>\$ 3,393,920</u>	<u>\$ (77,452)</u>	<u>\$ (215,259)</u>

Counterparty	Fixed Income Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value <sup>1</sup>
Bank of America	Credit Default Swaps	Variable	Fixed	12/20/2026	\$ 3,400	\$ (270)
Citigroup Global Markets	Cleared Credit Default Swaps	Fixed	Variable	6/20/2027	34,600	16
Goldman Sachs International	Credit Default Swaps	Variable	Fixed	6/20/2024	1,700	(38)
Morgan Stanley Capital Services	Credit Default Swaps	Variable	Fixed	12/20/2026	1,100	(87)
					<u>\$ 40,800</u>	<u>\$ (379)</u>
Chicago Mercantile Exchange	Cleared Interest Rate Swaps	Fixed	Variable	Various	\$ 22,600	\$ 2,593
Chicago Mercantile Exchange	Cleared Interest Rate Swaps	Variable	Fixed	Various	215,900	697
Chicago Mercantile Exchange	Cleared Zero Coupon Swaps	Variable	Fixed	Various	19,142	(169)
Chicago Mercantile Exchange	Cleared Zero Coupon Swaps	Fixed	Variable	3/11/2032	1,900	160
Intercontinental Exchange Holdings	Cleared Credit Default Swaps	Variable	Fixed	Various	28,541	(787)
Intercontinental Exchange Holdings	Cleared Credit Default Swaps	Fixed	Variable	6/20/2027	2,970	89
LCH Ltd	Cleared Interest Rate Swaps	Fixed	Variable	Various	78,244	4,373
LCH Ltd	Cleared Interest Rate Swaps	Variable	Fixed	Various	75,572	(5,983)
					<u>\$ 444,869</u>	<u>\$ 973</u>

<sup>1</sup> 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, 2022, the Systems had the following option positions (dollar amounts expressed in thousands):

Option Contracts	Underlying Security	Expiration	Quantity	Fair Value
Call Jul 22 005.555 ED 070822	BRL/USD SPOT OPTION 2022	July 2022	(6,060,000)	\$ (4)
Put Jul 22 009.245 ED 071322	NOK/USD SPOT OPTION 2022	July 2022	(4,200,000)	(1)
Put Jul 22 009.390 ED 071422	NOK/USD SPOT OPTION 2022	July 2022	(2,400,000)	(1)
Call Aug 22 000.738 ED 081122	USD/AUD SPOT OPTION 2022	August 2022	(1,400,000)	(1)
Call Aug 22 005.720 ED 081222	BRL/USD SPOT OPTION 2022	August 2022	(600,000)	(3)
Call Aug 22 005.615 ED 080922	BRL/USD SPOT OPTION 2022	August 2022	(1,800,000)	(13)
Call Aug 22 005.2875 ED 082922	BRL/USD SPOT OPTION 2022	August 2022	(3,400,000)	(114)
Total Cash Equivalents				(137)
Put Jul 22 099.15625 ED 070722	COMMIT TO PUR FNMA (OTC)	July 2022	(1,475,000)	(9)
Put Jul 22 099.14062 07/07/22	COMMIT TO PUR FNMA (OTC)	July 2022	(825,000)	(5)
Put Jul 22 096.000 ED 070722	COMMITMENT TO PURCHASE (OTC)	July 2022	(2,700,000)	(6)
Put Aug 22 092.65625 ED 080422	COMMIT TO PUR FNMA (OTC)	August 2022	(5,500,000)	(35)
Put Aug 22 097.859 ED 080422	COMMITMENT TO PURCHASE (OTC)	August 2022	(2,200,000)	(9)
Put Aug 22 093.098 ED 080422	COMMITMENT TO PURCHASE (OTC)	August 2022	(4,900,000)	(41)
Put Aug 22 099.750 ED 080422	COMMITMENT TO PURCHASE OTC	August 2022	(3,000,000)	(11)
Put Aug 22 097.625 ED 080422	COMMIT TO PUR FNMA (OTC)	August 2022	(4,900,000)	(16)
Put Aug 22 097.69531 ED 080422	COMMIT TO PUR FNMA (OTC)	August 2022	(4,100,000)	(15)
Put Aug 22 098.34375 ED 080422	COMMIT TO PUR FNMA (OTC)	August 2022	(2,100,000)	(13)
Put Aug 22 099.773 ED 080422	COMMITMENT TO PURCHASE FNMA SI	August 2022	(5,500,000)	(20)
Put Aug 22 099.828 ED 080422	COMMITMENT TO PURCHASE FNMA SI	August 2022	(2,700,000)	(10)
Put Aug 22 002.851 ED 080422	CCP OIS R SOFR P 2.851% LCH	August 2022	1,500,000	16
Put Sep 22 099.15625 ED 090722	COMMIT TO PUR FNMA (OTC)	September 2022	(1,400,000)	(6)
Put Sep 22 098.51562 ED 090722	COMMIT TO PUR FNMA (OTC)	September 2022	(2,000,000)	(6)
Put Sep 22 097.750 ED 090722	COMMITMENT TO PURCHASE FNMA SI	September 2022	(2,700,000)	(4)
Call Sep 22 091.35937 ED 090722	COMMIT TO PUR FNMA SF MTG OTC	September 2022	(2,700,000)	(16)
Put Nov 23 003.750 ED 111723	CCP OIS R SOFR P 3.75000%	November 2023	(41,000,000)	(149)
Call Nov 23 002.250 ED 111723	CCP OIS R SOFR P 2.25000%	November 2023	(41,000,000)	(149)
Put Dec 23 003.750 ED 120723	CCP OIS R SOFR P 3.75%	December 2023	(5,700,000)	(18)
Call Dec 23 002.250 ED 120723	CCP OIS R SOFR P 2.25%	December 2023	(5,700,000)	(18)
Put Apr 24 002.688 ED 040224	CCP IRS R SOFR P 2.68750%	April 2024	(34,500,000)	(272)
Put Apr 24 002.690 ED 040224	CCP IRS R SOFR P 2.69000%	April 2024	(5,400,000)	(42)
Put Apr 24 002.697 ED 040224	CCP IRS R SOFR P 2.69700%	April 2024	(5,700,000)	(45)
Call Apr 24 002.688 ED 040224	CCP IRS R SOFR P 2.68750%	April 2024	(34,500,000)	(234)
Call Apr 24 002.690 ED 040224	CCP IRS R SOFR P 2.69000%	April 2024	(5,400,000)	(42)
Call Apr 24 002.697 ED 040224	CCP IRS R SOFR P 2.69700%	April 2024	(5,700,000)	(39)
Put Apr 24 002.781 ED 040524	CCP OIS R SOFR P 2.781%	April 2024	(34,600,000)	(267)
Call Apr 24 002.781 ED 040524	CCP OIS R SOFR P 2.781%	April 2024	(34,600,000)	(267)
Total Fixed Income				(1,748)
Call Jul 22 000.395 ED 072922	2Y-10 CMS CAP	July 2022	968,000	1
Call Jul 22 000.395 ED 072922	2Y-10 CMS CAP	July 2022	1,046,000	2
Put Apr 23 4000.000 ED 042123	S&P 500 INDEX SPX	April 2023	26	1,058
Total Equity				1,061
Total				\$ (824)

## Alternative Investments

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

Private equity, private debt, private real estate and private infrastructure 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 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, private real estate and private infrastructure investments. At June 30, 2022, 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 <sup>1</sup>
<b>Limited Partnerships USD</b>			
Private Equity	\$ 8,174,666	\$ 5,401,769	\$ 2,772,897
Private Debt	6,766,949	4,396,050	2,370,899
Private Real Estate	4,865,392	3,958,987	906,405
Private Infrastructure	950,000	802,684	147,316
<b>Totals</b>	<b>\$ 20,757,007</b>	<b>\$ 14,559,490</b>	<b>\$ 6,197,517</b>
<b>Limited Partnerships EUR</b>			
Private Equity	€ 533,580	€ 267,170	€ 266,410
Private Debt	8,000	8,000	
Private Infrastructure	125,000	125,000	
<b>Totals</b>	<b>€ 666,580</b>	<b>€ 400,170</b>	<b>€ 266,410</b>
<b>Limited Partnerships AUD</b>			
Private Equity	\$ 100,000	\$ 61,252	\$ 38,748
Private Infrastructure	40,000	40,000	
<b>Totals</b>	<b>\$ 140,000</b>	<b>\$ 101,252</b>	<b>\$ 38,748</b>
<b>Limited Partnerships GBP</b>			
Private Equity	£ 75,000	£ 7,038	£ 67,962
Private Debt	7,000	7,000	
Private Infrastructure	22,000	22,000	
<b>Totals</b>	<b>£ 104,000</b>	<b>£ 36,038</b>	<b>£ 67,962</b>

<sup>1</sup> For purposes of this table, amounts are reported separately by currency.

## Securities Lending

The Systems' investment portfolio currently participates in a securities lending program, managed by BNYM ("Securities Lending Program"), whereby securities are loaned for the purpose of generating additional income. BNYM is responsible for making loans of securities on a collateralized basis to various third party broker-dealers and financial institutions and collecting cash and non-cash collateral. The fair value of the required collateral must initially meet or exceed 102 percent of the fair value of the securities loaned for U. S. securities, 105 percent for cross currency securities and 107 percent for equity securities, providing a margin against a decline in the fair value of collateral. If the collateral value falls below 102 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, which is determined by dividing the fair value of the assets by the cost of those assets.

The Commission's Policy requires that the maximum amount of securities that may be on loan is 65 percent of eligible securities. 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, 2022 included U. S. Government securities, U. S. Government agencies, Corporate bonds, Non-U. S. Sovereign debt and Global equities. The contractual agreement between the RSIC and BNYM 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.

Indemnification is also provided if the investment of cash collateral results in investment loss. Cash, U. S. Government securities, Corporate securities, Asset-backed securities and Global equities 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, 2022, the fair value of securities on loan was \$51.31 million. The fair value of the invested cash collateral was \$9.34 million, securities lending obligations were \$53.53 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 \$1.5 million, a decrease from \$1.8 million in the prior year.

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, 2022, 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, 2022:

	SCRS	PORS	GARS	JSRS	SCNG	06/30/22 TOTALS	06/30/21 TOTALS
<b>Securities lent for cash collateral</b>							
Corporate bonds	\$ 11,608	\$ 2,147	\$ 14	\$ 73	\$ 12	\$ 13,854	\$ 19,852
Global Public Equity	31,380	5,803	39	197	33	37,452	44,482
Total	\$ 42,988	\$ 7,950	\$ 53	\$ 270	\$ 45	\$ 51,306	\$ 64,334
<b>Securities lent for non-cash collateral</b>							
U. S. Government securities	\$ 34,242	\$ 6,333	\$ 43	\$ 214	\$ 36	\$ 40,868	\$ 57,306
Corporate Bonds							7,287
Global Public Equity	199,965	36,981	248	1,253	210	238,657	599,186
Total	\$ 234,207	\$ 43,314	\$ 291	\$ 1,467	\$ 246	\$ 279,525	\$ 663,779
<b>Cash collateral invested as follows</b>							
Repurchase agreements	\$ 7,822	\$ 1,447	\$ 10	\$ 49	\$ 8	\$ 9,336	\$ 21,348
Total	\$ 7,822	\$ 1,447	\$ 10	\$ 49	\$ 8	\$ 9,336	\$ 21,348
<b>Securities received as collateral</b>							
U.S. Government securities	\$ 20,410	\$ 3,774	\$ 25	\$ 128	\$ 22	\$ 24,359	\$ 103,508
Global Public Equity	168,030	31,075	209	1,052	177	200,543	537,396
Global Fixed Income	67,308	12,448	84	422	70	80,332	80,252
Total	\$ 255,748	\$ 47,297	\$ 318	\$ 1,602	\$ 269	\$ 305,234	\$ 721,156

## 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, 2022, were as follows (amounts expressed in thousands):

Transfers from:	Transfers to:					
	SCRS	PORS	GARS	JSRS	SCNG	Total
SCRS	\$ -	\$ 2,904	\$ -	\$ -	\$ -	\$ 2,904
PORS						
GARS	206					206
JSRS	83					83
SCNG						
Total	\$ 289	\$ 2,904	\$ -	\$ -	\$ -	\$ 3,193

The following schedule reflects amounts due to or due from other systems as of June 30, 2022, (amounts expressed in thousands):

Due from:	Due to:					
	SCRS	PORS	GARS	JSRS	SCNG	Total
SCRS	\$ -	\$ 1,103	\$ -	\$ 27	\$ -	\$ 1,130
PORS						
GARS						
JSRS						
SCNG						
Total	\$ -	\$ 1,103	\$ -	\$ 27	\$ -	\$ 1,130

## V. Related Party Transactions

The pension plans provide pension and other benefits to employees of all state agencies. Revenues received from these agencies are recorded in the financial statements as employee and employer contributions and constitute approximately 32 percent of combined contribution revenues.

At June 30, 2022, a liability of approximately \$89.5 million was due to the South Carolina Retiree Health Insurance Trust Fund for insurance surcharge collected from employers in accordance with section 1-11-710 of the South Carolina State Statute. Employee and employer contributions receivable of approximately \$91.2 million were due from state agencies, institutions of higher education and quasi-state agencies.

The SCNG Supplemental Retirement Plan received state appropriated contributions in the amount of \$5.3 million during the fiscal year.

The General Assembly included funding to PEBA, to be distributed to some employers to help offset a

portion of the employer's retirement contributions. PEBA allocates amounts to employers in the same dollar amount for which credits were calculated in previous years. In no event shall a participating employer receive a credit that exceeds the employer contributions due from the employer for the fiscal year. PEBA issued credit invoices to certain SCRS and PORS employers who then applied the credit invoices towards contributions otherwise due to the Systems. The amount of credit invoices issued in fiscal year 2022 totaled \$88.7 million and \$12.5 million for SCRS and PORS respectively. The General Assembly also continues to fund \$2.9 million in nonemployer contributions to JSRS.

The Retirement System Investment Commission is a separate state agency; however, the administrative costs of the RSIC are funded by transfers from the Systems' trust funds. Transfers in the amount of approximately \$11.5 million were made to the RSIC during the fiscal year.

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## VI. Deferred Retirement Option Plan

A deferred retirement option plan exists under 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, 2022, the benefits held in trust totaled \$204,942.

## VII. Capital Assets

Capital assets at June 30, 2022, consist of the following amounts (expressed in thousands).

	Beginning Balances 6/30/2021	Additions	Deletions	Ending Balances 6/30/2022
<b>Asset Class (at Cost)</b>				
Land	\$ 582	\$ -	\$ -	\$ 582
Building	4,749			4,749
Equipment	2,320		(623)	1,697
Total Capital Assets	7,651	-	(623)	7,028
<b>Accumulated Depreciation</b>				
Building	3,418	118		3,536
Equipment	2,149	59	(623)	1,585
Total Accumulated Depreciation	5,567	177	(623)	5,121
<b>Capital Assets, Net</b>	\$ 2,084	\$ (177)	\$ -	\$ 1,907

## 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, 2022, the total amount accrued for unused annual leave for PEBA's Retirement Division employees was \$1.13 million 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 (SCRS) or the State Optional Retirement Program (ORP) 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, 2022, PEBA's contributions to SCRS for Retirement Division staff were \$1.48 million of which \$83 thousand represented the nonemployer contribution that was applied as a legislatively appropriated credit.

## X. Net Pension Liability of Employers

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, 2021 projected forward to the end of the fiscal year, and financial information as of June 30, 2022, using generally accepted actuarial procedures. Information included in the following schedule is based on the certification provided by our consulting actuary, Gabriel Roeder Smith & Company. A Schedule of 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 the 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 Statement No. 67 less the fiduciary net position) as of June 30, 2022, 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	\$ 56,454,780	\$ 32,212,627	\$ 24,242,153	57.1%
PORS	8,937,687	5,938,708	2,998,979	66.4%
GARS	70,147	42,476	27,671	60.6%
JSRS	458,503	206,674	251,829	45.1%
SCNG	69,167	39,567	29,600	57.2%

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. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability for each plan as of June 30, 2022. The total pension liability for each plan is based on the actuarial valuations performed as of July 1, 2021 and rolled-forward from the valuation date to the plans' fiscal year ending June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

	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 <sup>1</sup>	7.00%	7.00%	7.00%	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service) <sup>1</sup>	3.5% to 10.5% (varies by service) <sup>1</sup>	None	2.70% <sup>1</sup>	None
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually	None	3.00%	None

<sup>1</sup> Includes inflation at 2.25%.

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80 percent of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
Educators and Judges	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety, Firefighters and members of the South Carolina National Guard	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00 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 2.25 percent inflation component.

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity <sup>1</sup>	9.0%	8.75%	0.79%
Private Debt <sup>1</sup>	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate <sup>1</sup>	9.0%	4.12%	0.37%
Infrastructure <sup>1</sup>	3.0%	5.88%	0.18%
Total Expected Return <sup>2</sup>	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
			7.04%

<sup>1</sup>RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

<sup>2</sup>Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

The discount rate used to measure the total pension liability of each plan was 7.00 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 which include the change in funding in future years as a result of the enactment of the Retirement System Funding and Administration Act of 2017. 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 Statement No. 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 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

### Discount Rate Sensitivity Analysis

*(Amounts expressed in thousands)*

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
<b>SCRS</b>	\$ 31,081,431	\$ 24,242,153	\$ 18,556,181
<b>PORS</b>	4,181,896	2,998,979	2,030,651
<b>GARS</b>	33,741	27,671	22,437
<b>JSRS</b>	303,832	251,829	208,411
<b>SCNG</b>	38,427	29,600	22,405

## 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

An incidental death benefit is payable upon the death of an SCRS, State ORP or PORS contributing member who worked for a participating employer at the time of death. The member must have been in service and had at least one full year of membership or must have died as a result of an injury arising in the course of performing his duties

regardless of length of membership. The incidental death benefit is equal to the annual earnable compensation of the member at the time of death and 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 returning to covered employment as a working retiree are eligible for an increased level of death benefits. Beneficiaries of working retirees are provided with a death benefit equal to the amount of the member's annual earnable compensation in lieu of the standard \$2,000, \$4,000 or \$6,000 retired member benefit.

All benefits provided by the Systems are included in the actuarial valuations, including the incidental death benefit program for SCRS, PORS, GARS and JSRS. The July 1, 2021 actuarial valuations reflect the inclusion of the assets and liabilities of the incidental death benefit program and accidental death benefits for PORS.

## **XII. Litigation**

The South Carolina Retirement Systems are involved in litigation relating to various matters arising in the ordinary course of business, including routine administrative litigation involving individual members' claims regarding their benefits. In the opinion of management, in consultation with legal counsel, the outcomes of these matters are not expected to have a material adverse effect on the Systems' financial position or operations.

In addition to those routine litigation matters, the South Carolina Retirement Systems are also involved in the following litigation:

*Amber Cleveland et al. v. the South Carolina Retirement System*, Case No. 2021-CP-18-00195, is a putative class action suit that was filed in the Dorchester County Court of Common Pleas in February 2021. In this matter, Plaintiffs contend that the South Carolina Retirement System has illegally collected working retiree member contributions from retired members of the System who have returned to covered employment as classroom teachers in an area of critical academic or geographic need.

Defendant South Carolina Retirement System filed a motion to dismiss this matter on a number of grounds, including the divestiture of the court's jurisdiction over the claims by the South Carolina Retirement Systems Claims Procedures Act and Plaintiffs' failure to exhaust their administrative remedies prior to bringing suit. The circuit court denied the motion to dismiss on November 12, 2021, and the case remains pending before the circuit court. PEBA estimates that it has collected approximately \$16 million in working retiree contributions from members of the putative class between FY 2014 and FY 2021. PEBA believes its position in this matter is meritorious and it intends to vigorously contest Plaintiffs' claims.



## South Carolina Retirement Systems Required Supplementary Information

### Schedule of Changes in the Employers' Net Pension Liability<sup>1</sup>

SCRS Pension Trust Fund  
Years Ended June 30  
(Amounts expressed in thousands)

	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 1,069,012	\$ 1,028,783	\$ 975,416	\$ 967,897
Interest	3,778,285	3,678,394	3,551,535	3,463,073
Benefit changes				
Difference between actual and expected experience	(142,936)	232,794	392,332	(101,351)
Assumption changes		1,591,642		
Benefit payments	(3,381,161)	(3,244,221)	(3,148,155)	(3,078,289)
<b>Net Change in Total Pension Liability</b>	1,323,200	3,287,392	1,771,128	1,251,330
<b>Total Pension Liability - Beginning</b>	55,131,580	51,844,188	50,073,060	48,821,730
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 56,454,780</u>	<u>\$ 55,131,580</u>	<u>\$ 51,844,188</u>	<u>\$ 50,073,060</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 1,884,209	\$ 1,673,320	\$ 1,647,757	\$ 1,450,308
Nonemployer contributions	88,706	88,706	88,706	88,706
Employee contributions	983,536	932,014	922,539	880,664
Refunds of contributions to members	(160,567)	(124,286)	(117,860)	(118,067)
Annuity benefits	(3,189,790)	(3,090,155)	(3,007,545)	(2,938,416)
Death benefits	(30,804)	(29,780)	(22,750)	(21,806)
Net investment income (loss)	(832,364)	7,767,185	(441,580)	1,499,391
Administrative expenses	(17,990)	(17,523)	(14,218)	(15,536)
Net transfers to other systems	(2,615)	(1,593)	(1,547)	(1,244)
<b>Net Change in Plan Fiduciary Net Position</b>	(1,277,679)	7,197,888	(946,498)	824,000
<b>Plan Fiduciary Net Position - Beginning</b>	33,490,306	26,292,418	27,238,916	26,414,916
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 32,212,627</u>	<u>\$ 33,490,306</u>	<u>\$ 26,292,418</u>	<u>\$ 27,238,916</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 24,242,153</u>	<u>\$ 21,641,274</u>	<u>\$ 25,551,770</u>	<u>\$ 22,834,144</u>

<sup>1</sup> 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 Liability<sup>1</sup>

SCRS Pension Trust Fund (continued)

Years Ended June 30

(Amounts expressed in thousands)

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 910,846	\$ 804,057	\$ 763,357	\$ 744,197	\$ 739,021
Interest	3,401,588	3,318,051	3,231,572	3,148,090	3,021,004
Benefit changes					
Difference between actual and expected experience	(172,340)	54,584	46,714	(44,636)	638,745
Assumption changes		1,746,649			
Benefit payments	(3,562,801)	(3,035,119)	(2,782,738)	(2,705,547)	(2,571,049)
<b>Net Change in Total Pension Liability</b>	577,293	2,888,222	1,258,905	1,142,104	1,827,721
<b>Total Pension Liability - Beginning</b>	48,244,437	45,356,215	44,097,310	42,955,206	41,127,485
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 48,821,730</u>	<u>\$ 48,244,437</u>	<u>\$ 45,356,215</u>	<u>\$ 44,097,310</u>	<u>\$ 42,955,206</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 1,300,477	\$ 1,168,847	\$ 1,072,659	\$ 1,022,478	\$ 962,798
Nonemployer contributions	104,974				
Employee contributions	868,681	826,543	754,153	716,107	652,631
Refunds of contributions to members	(113,867)	(105,169)	(93,694)	(95,104)	(90,250)
Annuity benefits	(3,426,650)	(2,907,273)	(2,668,385)	(2,590,299)	(2,461,559)
Death benefits	(22,284)	(22,677)	(20,659)	(20,144)	(19,240)
Net investment income (loss)	1,986,948	2,791,215	(165,394)	374,152	3,517,324
Administrative expenses	(14,658)	(13,469)	(13,149)	(12,554)	(11,765)
Net transfers to other systems	(1,534)	(1,550)	(997)	(1,329)	(2,470)
<b>Net Change in Plan Fiduciary Net Position</b>	682,087	1,736,467	(1,135,466)	(606,693)	2,547,469
<b>Plan Fiduciary Net Position - Beginning</b>	25,732,829	23,996,362	25,131,828	25,738,521	23,191,052
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 26,414,916</u>	<u>\$ 25,732,829</u>	<u>\$ 23,996,362</u>	<u>\$ 25,131,828</u>	<u>\$ 25,738,521</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 22,406,814</u>	<u>\$ 22,511,608</u>	<u>\$ 21,359,853</u>	<u>\$ 18,965,482</u>	<u>\$ 17,216,685</u>

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## South Carolina Retirement Systems

### Required Supplementary Information (continued)

#### Schedule of Changes in the Employers' Net Pension Liability<sup>1</sup>

PORS Pension Trust Fund  
Years Ended June 30  
(Amounts expressed in thousands)

	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 218,062	\$ 206,733	\$ 198,744	\$ 189,379
Interest	598,566	574,351	548,454	528,699
Benefit changes				
Difference between actual and expected experience	(78,185)	70,304	49,922	(27,766)
Assumption changes		242,143		
Benefit payments	(485,343)	(455,331)	(432,483)	(412,535)
<b>Net Change in Total Pension Liability</b>	253,100	638,200	364,637	277,777
<b>Total Pension Liability - Beginning</b>	8,684,587	8,046,387	7,681,750	7,403,973
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 8,937,687</u>	<u>\$ 8,684,587</u>	<u>\$ 8,046,387</u>	<u>\$ 7,681,750</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 292,364	\$ 262,577	\$ 263,135	\$ 237,821
Nonemployer contributions	12,470	12,470	12,470	12,470
Employee contributions	163,536	152,148	151,835	144,747
Refunds of contributions to members	(32,691)	(24,346)	(22,492)	(21,608)
Annuity benefits	(447,401)	(425,232)	(405,790)	(387,228)
Death benefits	(5,251)	(5,753)	(4,201)	(3,699)
Net investment income (loss)	(155,638)	1,411,353	(79,106)	264,323
Administrative expenses	(3,257)	(3,121)	(2,469)	(2,596)
Net transfers to other systems	2,904	1,401	984	1,148
<b>Net Change in Plan Fiduciary Net Position</b>	(172,964)	1,381,497	(85,634)	245,378
<b>Plan Fiduciary Net Position - Beginning</b>	6,111,672	4,730,175	4,815,809	4,570,431
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 5,938,708</u>	<u>\$ 6,111,672</u>	<u>\$ 4,730,175</u>	<u>\$ 4,815,809</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 2,998,979</u>	<u>\$ 2,572,915</u>	<u>\$ 3,316,212</u>	<u>\$ 2,865,941</u>

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# South Carolina Retirement Systems

## Required Supplementary Information (continued)

### Schedule of Changes in the Employers' Net Pension Liability<sup>1</sup>

PORS Pension Trust Fund (continued)  
Years Ended June 30  
(Amounts expressed in thousands)

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 184,570	\$ 166,682	\$ 156,567	\$ 154,102	\$ 149,606
Interest	500,758	473,059	453,696	435,329	417,950
Benefit changes					
Difference between actual and expected experience	102,882	5,044	11,582	6,771	64,336
Assumption changes		333,190			
Benefit payments	(397,921)	(376,801)	(360,656)	(344,410)	(331,783)
<b>Net Change in Total Pension Liability</b>	<b>390,289</b>	<b>601,174</b>	<b>261,189</b>	<b>251,792</b>	<b>300,109</b>
<b>Total Pension Liability - Beginning</b>	<b>7,013,684</b>	<b>6,412,510</b>	<b>6,151,321</b>	<b>5,899,529</b>	<b>5,599,420</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 7,403,973</b>	<b>\$ 7,013,684</b>	<b>\$ 6,412,510</b>	<b>\$ 6,151,321</b>	<b>\$ 5,899,529</b>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 211,793	\$ 192,006	\$ 175,223	\$ 166,451	\$ 155,608
Nonemployer contributions	13,122				
Employee contributions	138,652	127,840	115,188	106,854	96,004
Refunds of contributions to members	(23,899)	(19,964)	(19,178)	(17,453)	(16,184)
Annuity benefits	(369,536)	(352,986)	(337,928)	(323,252)	(311,593)
Death benefits	(4,485)	(3,852)	(3,550)	(3,705)	(4,007)
Net investment income (loss)	331,529	455,914	(24,636)	58,705	538,386
Administrative expenses	(2,402)	(2,149)	(2,055)	(1,938)	(1,820)
Net transfers to other systems	1,534	1,278	1,147	1,061	2,260
<b>Net Change in Plan Fiduciary Net Position</b>	<b>296,308</b>	<b>398,087</b>	<b>(95,789)</b>	<b>(13,277)</b>	<b>458,654</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>4,274,123</b>	<b>3,876,036</b>	<b>3,971,825</b>	<b>3,985,102</b>	<b>3,526,448</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 4,570,431</b>	<b>\$ 4,274,123</b>	<b>\$ 3,876,036</b>	<b>\$ 3,971,825</b>	<b>\$ 3,985,102</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 2,833,542</b>	<b>\$ 2,739,561</b>	<b>\$ 2,536,474</b>	<b>\$ 2,179,496</b>	<b>\$ 1,914,427</b>

<sup>1</sup> 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 Liability<sup>1</sup>

GARS Pension Trust Fund  
Years Ended June 30  
(Amounts expressed in thousands)

	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 275	\$ 364	\$ 358	\$ 440
Interest	4,815	4,937	5,003	5,149
Benefit changes				
Difference between actual and expected experience	(420)	379	60	(1,135)
Assumption changes		1,386		
Benefit payments	(6,348)	(6,315)	(6,348)	(6,515)
<b>Net Change in Total Pension Liability</b>	(1,678)	751	(927)	(2,061)
<b>Total Pension Liability - Beginning</b>	71,825	71,074	72,001	74,062
<b>Total Pension Liability - Ending (a)</b>	\$ 70,147	\$ 71,825	\$ 71,074	\$ 72,001
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 6,279	\$ 5,956	\$ 6,329	\$ 5,804
Employee contributions	164	184	222	162
Refunds of contributions to members		(77)		(17)
Annuity benefits	(6,332)	(6,222)	(6,323)	(6,480)
Death benefits	(16)	(16)	(25)	(18)
Net investment income (loss)	(1,045)	9,444	(443)	1,887
Administrative expenses	(23)	(23)	(18)	(20)
Net transfers to other systems	(206)	(45)		
<b>Net Change in Plan Fiduciary Net Position</b>	(1,179)	9,201	(258)	1,318
<b>Plan Fiduciary Net Position - Beginning</b>	43,655	34,454	34,712	33,394
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 42,476	\$ 43,655	\$ 34,454	\$ 34,712
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 27,671	\$ 28,170	\$ 36,620	\$ 37,289

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## South Carolina Retirement Systems

### Required Supplementary Information (continued)

#### Schedule of Changes in the Employers' Net Pension Liability<sup>1</sup>

GARS Pension Trust Fund (continued)  
Years Ended June 30  
(Amounts expressed in thousands)

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 464	\$ 488	\$ 493	\$ 553	\$ 572
Interest	5,200	5,293	5,301	5,380	5,437
Benefit changes					
Difference between actual and expected experience	138	(348)	798	(294)	(2,585)
Assumption changes		2,330			
Benefit payments	(6,468)	(6,737)	(6,656)	(6,660)	(6,861)
<b>Net Change in Total Pension Liability</b>	(666)	1,026	(64)	(1,021)	(3,437)
<b>Total Pension Liability - Beginning</b>	74,728	73,702	73,766	74,787	78,224
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 74,062</u>	<u>\$ 74,728</u>	<u>\$ 73,702</u>	<u>\$ 73,766</u>	<u>\$ 74,787</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 5,428	\$ 4,539	\$ 4,501	\$ 4,275	\$ 4,063
Employee contributions	287	468	292	369	384
Refunds of contributions to members			(22)		(41)
Annuity benefits	(6,452)	(6,678)	(6,625)	(6,639)	(6,799)
Death benefits	(16)	(59)	(9)	(21)	(20)
Net investment income (loss)	2,376	3,329	(266)	500	4,545
Administrative expenses	(18)	(17)	(18)	(18)	(17)
Net transfers to other systems		19	(147)	(18)	15
<b>Net Change in Plan Fiduciary Net Position</b>	1,605	1,601	(2,294)	(1,552)	2,130
<b>Plan Fiduciary Net Position - Beginning</b>	31,789	30,188	32,482	34,034	31,904
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 33,394</u>	<u>\$ 31,789</u>	<u>\$ 30,188</u>	<u>\$ 32,482</u>	<u>\$ 34,034</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 40,668</u>	<u>\$ 42,939</u>	<u>\$ 43,514</u>	<u>\$ 41,284</u>	<u>\$ 40,753</u>

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## South Carolina Retirement Systems

### Required Supplementary Information (continued)

#### Schedule of Changes in the Employers' Net Pension Liability<sup>1</sup>

JSRS Pension Trust Fund  
Years Ended June 30  
(Amounts expressed in thousands)

	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 9,515	\$ 8,718	\$ 8,919	\$ 6,645
Interest	30,554	29,199	28,154	21,737
Benefit changes				
Difference between actual and expected experience	(249)	4,000	3,262	80,801
Assumption changes		17,439		
Benefit payments	(26,099)	(25,941)	(25,673)	(17,950)
<b>Net Change in Total Pension Liability</b>	13,721	33,415	14,662	91,233
<b>Total Pension Liability - Beginning</b>	444,782	411,367	396,705	305,472
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 458,503</u>	<u>\$ 444,782</u>	<u>\$ 411,367</u>	<u>\$ 396,705</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 19,577	\$ 19,100	\$ 19,098	\$ 11,730
Nonemployer contributions	2,900	2,900	2,900	
Employee contributions	3,012	3,587	4,966	2,840
Refunds of contributions to members			(182)	
Annuity benefits	(26,089)	(25,746)	(25,301)	(17,947)
Death benefits	(10)	(195)	(190)	(3)
Net investment income (loss)	(5,202)	47,659	(2,361)	9,183
Administrative expenses	(114)	(109)	(86)	(92)
Net transfers to other systems	(83)	237	563	96
<b>Net Change in Plan Fiduciary Net Position</b>	(6,009)	47,433	(593)	5,807
<b>Plan Fiduciary Net Position - Beginning</b>	212,683	165,250	165,843	160,036
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 206,674</u>	<u>\$ 212,683</u>	<u>\$ 165,250</u>	<u>\$ 165,843</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 251,829</u>	<u>\$ 232,099</u>	<u>\$ 246,117</u>	<u>\$ 230,862</u>

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## South Carolina Retirement Systems

### Required Supplementary Information (continued)

#### Schedule of Changes in the Employers' Net Pension Liability<sup>1</sup>

JSRS Pension Trust Fund (continued)

Years Ended June 30

(Amounts expressed in thousands)

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 6,521	\$ 6,186	\$ 5,886	\$ 5,760	\$ 5,571
Interest	21,271	20,404	20,022	19,440	18,857
Benefit changes				666	
Difference between actual and expected experience	(3,548)	(995)	(3,085)	(1,138)	(3,240)
Assumption changes		13,790			
Benefit payments	(17,811)	(18,602)	(17,191)	(16,836)	(16,684)
<b>Net Change in Total Pension Liability</b>	6,433	20,783	5,632	7,892	4,504
<b>Total Pension Liability - Beginning</b>	299,039	278,256	272,624	264,732	260,228
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 305,472</u>	<u>\$ 299,039</u>	<u>\$ 278,256</u>	<u>\$ 272,624</u>	<u>\$ 264,732</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 11,043	\$ 10,534	\$ 10,202	\$ 10,109	\$ 9,659
Nonemployer contributions					
Employee contributions	3,016	2,928	2,303	3,153	2,448
Refunds of contributions to members		(629)	(60)		
Annuity benefits	(17,655)	(17,679)	(16,989)	(16,832)	(16,675)
Death benefits	(156)	(293)	(143)	(4)	(10)
Net investment income (loss)	11,723	16,399	(871)	2,216	19,962
Administrative expenses	(86)	(79)	(75)	(71)	(68)
Net transfers to other systems		253	(3)	286	195
<b>Net Change in Plan Fiduciary Net Position</b>	7,885	11,434	(5,636)	(1,143)	15,511
<b>Plan Fiduciary Net Position - Beginning</b>	152,151	140,717	146,353	147,496	131,985
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 160,036</u>	<u>\$ 152,151</u>	<u>\$ 140,717</u>	<u>\$ 146,353</u>	<u>\$ 147,496</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 145,436</u>	<u>\$ 146,888</u>	<u>\$ 137,539</u>	<u>\$ 126,271</u>	<u>\$ 117,236</u>

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# South Carolina Retirement Systems

## Required Supplementary Information (continued)

### Schedule of Changes in the Employers' Net Pension Liability<sup>1</sup>

SCNG Pension Trust Fund  
Years Ended June 30  
(Amounts expressed in thousands)

	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 791	\$ 696	\$ 805	\$ 786
Interest	4,654	4,754	4,731	4,764
Benefit changes				
Difference between actual and expected experience	(59)	(960)	(627)	(1,501)
Assumption changes		971		
Benefit payments	(4,607)	(4,574)	(4,514)	(4,534)
<b>Net Change in Total Pension Liability</b>	779	887	395	(485)
<b>Total Pension Liability - Beginning</b>	68,388	67,501	67,106	67,591
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 69,167</u>	<u>\$ 68,388</u>	<u>\$ 67,501</u>	<u>\$ 67,106</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 5,290	\$ 5,290	\$ 5,290	\$ 5,290
Employee contributions				
Refunds of contributions to members				
Annuity benefits	(4,607)	(4,574)	(4,514)	(4,534)
Death benefits				
Net investment income (loss)	(878)	7,996	(352)	1,616
Administrative expenses	(22)	(20)	(15)	(16)
Net transfers to other systems				
<b>Net Change in Plan Fiduciary Net Position</b>	(217)	8,692	409	2,356
<b>Plan Fiduciary Net Position - Beginning</b>	39,784	31,092	30,683	28,327
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 39,567</u>	<u>\$ 39,784</u>	<u>\$ 31,092</u>	<u>\$ 30,683</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u><u>\$ 29,600</u></u>	<u><u>\$ 28,604</u></u>	<u><u>\$ 36,409</u></u>	<u><u>\$ 36,423</u></u>

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## South Carolina Retirement Systems

### Required Supplementary Information (continued)

#### Schedule of Changes in the Employers' Net Pension Liability<sup>1</sup>

SCNG Pension Trust Fund (continued)

Years Ended June 30

(Amounts expressed in thousands)

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 804	\$ 696	\$ 689	\$ 690	\$ 697
Interest	4,743	4,589	4,594	4,481	4,417
Benefit changes					
Difference between actual and expected experience	(767)	(843)	(992)	612	(262)
Assumption changes		4,161			
Benefit payments	(4,411)	(4,426)	(4,310)	(4,249)	(4,248)
<b>Net Change in Total Pension Liability</b>	369	4,177	(19)	1,534	604
<b>Total Pension Liability - Beginning</b>	67,222	63,045	63,064	61,530	60,926
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 67,591</u>	<u>\$ 67,222</u>	<u>\$ 63,045</u>	<u>\$ 63,064</u>	<u>\$ 61,530</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 4,814	\$ 4,591	\$ 4,591	\$ 4,591	\$ 4,586
Employee contributions					
Refunds of contributions to members					
Annuity benefits	(4,411)	(4,425)	(4,310)	(4,249)	(4,248)
Death benefits					
Net investment income (loss)	1,902	2,533	(121)	313	2,806
Administrative expenses	(14)	(13)	(12)	(11)	(10)
Net transfers to other systems					
<b>Net Change in Plan Fiduciary Net Position</b>	2,291	2,686	148	644	3,134
<b>Plan Fiduciary Net Position - Beginning</b>	26,036	23,350	23,202	22,558	19,424
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 28,327</u>	<u>\$ 26,036</u>	<u>\$ 23,350</u>	<u>\$ 23,202</u>	<u>\$ 22,558</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 39,264</u>	<u>\$ 41,186</u>	<u>\$ 39,695</u>	<u>\$ 39,862</u>	<u>\$ 38,972</u>

<sup>1</sup> 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 Liability<sup>1</sup>

*(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 Payroll <sup>2</sup>	Net Pension Liability as a Percentage of Covered Payroll
<b>SCRS</b>						
6/30/2022	\$ 56,454,780	\$ 32,212,627	\$ 24,242,153	57.1%	\$ 9,925,834	244.2%
6/30/2021	55,131,580	33,490,306	21,641,274	60.7%	9,788,610	221.1%
6/30/2020	51,844,188	26,292,418	25,551,770	50.7%	9,272,010	275.6%
6/30/2019	50,073,060	27,238,916	22,834,144	54.4%	9,183,081	248.7%
6/30/2018	48,821,730	26,414,916	22,406,814	54.1%	8,592,885	260.8%
6/30/2017	48,244,437	25,732,829	22,511,608	53.3%	8,213,042	274.1%
6/30/2016	45,356,215	23,996,362	21,359,853	52.9%	7,765,588	275.1%
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%
<b>PORS</b>						
6/30/2022	8,937,687	5,938,708	2,998,979	66.4%	1,434,621	209.0%
6/30/2021	8,684,587	6,111,672	2,572,915	70.4%	1,440,645	178.6%
6/30/2020	8,046,387	4,730,175	3,316,212	58.8%	1,378,255	240.6%
6/30/2019	7,681,750	4,815,809	2,865,941	62.7%	1,306,961	219.3%
6/30/2018	7,403,973	4,570,431	2,833,542	61.7%	1,263,314	224.3%
6/30/2017	7,013,684	4,274,123	2,739,561	60.9%	1,187,195	230.8%
6/30/2016	6,412,510	3,876,036	2,536,474	60.4%	1,105,703	229.4%
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%
<b>GARS</b>						
6/30/2022	70,147	42,476	27,671	60.6%	1,249	2,216.2%
6/30/2021	71,825	43,655	28,170	60.8%	1,570	1,794.0%
6/30/2020	71,074	34,454	36,620	48.5%	1,570	2,332.1%
6/30/2019	72,001	34,712	37,289	48.2%	1,866	1,998.8%
6/30/2018	74,062	33,394	40,668	45.1%	1,961	2,074.3%
6/30/2017	74,728	31,789	42,939	42.5%	2,316	1,853.7%
6/30/2016	73,702	30,188	43,514	41.0%	2,338	1,861.0%
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%
<b>JSRS</b>						
6/30/2022	458,503	206,674	251,829	45.1%	31,104	809.6%
6/30/2021	444,782	212,683	232,099	47.8%	30,346	764.8%
6/30/2020	411,367	165,250	246,117	40.2%	30,346	811.0%
6/30/2019	396,705	165,843	230,862	41.8%	22,347	1,033.1%
6/30/2018	305,472	160,036	145,436	52.4%	22,347	650.8%
6/30/2017	299,039	152,151	146,888	50.9%	21,958	668.9%
6/30/2016	278,256	140,717	137,539	50.6%	21,267	646.7%
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%
<b>SCNG</b>						
6/30/2022	69,167	39,567	29,600	57.2%	Not Applicable <sup>3</sup>	Not Applicable <sup>3</sup>
6/30/2021	68,388	39,784	28,604	58.2%	Not Applicable <sup>3</sup>	Not Applicable <sup>3</sup>
6/30/2020	67,501	31,092	36,409	46.1%	Not Applicable <sup>3</sup>	Not Applicable <sup>3</sup>
6/30/2019	67,106	30,683	36,423	45.7%	Not Applicable <sup>3</sup>	Not Applicable <sup>3</sup>
6/30/2018	67,591	28,327	39,264	41.9%	Not Applicable <sup>3</sup>	Not Applicable <sup>3</sup>
6/30/2017	67,222	26,036	41,186	38.7%	Not Applicable <sup>3</sup>	Not Applicable <sup>3</sup>
6/30/2016	63,045	23,350	39,695	37.0%	Not Applicable <sup>3</sup>	Not Applicable <sup>3</sup>
6/30/2015	63,064	23,202	39,862	36.8%	Not Applicable <sup>3</sup>	Not Applicable <sup>3</sup>
6/30/2014	61,530	22,558	38,972	36.7%	Not Applicable <sup>3</sup>	Not Applicable <sup>3</sup>

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

<sup>2</sup> Projected covered payroll is the annualized, projected compensation for the following year and does not include payroll attributable to members in State ORP or working retirees.

<sup>3</sup> 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' and Nonemployer's Contributions

*(Dollar amounts expressed in thousands)*

	Actuarially Determined Contributions <sup>3</sup>	Amount of Contributions Recognized <sup>3</sup>	Difference Between Actuarially Determined Contributions and Contributions Recognized	Projected Covered Payroll <sup>4</sup>	Percentage of Contributions to Covered Payroll
<b>SCRS<sup>1</sup></b>					
6/30/2022	\$ 1,972,915	\$ 1,972,915	\$ -	\$ 9,925,834	19.9%
6/30/2021	1,762,026	1,762,026		9,788,610	18.0%
6/30/2020	1,736,463	1,736,463		9,272,010	18.7%
6/30/2019	1,539,014	1,539,014		9,183,081	16.8%
6/30/2018	1,405,451	1,405,451		8,592,885	16.4%
6/30/2017	1,168,847	1,168,847		8,213,042	14.2%
6/30/2016	1,072,659	1,072,659		7,765,588	13.8%
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%
<b>PORS<sup>1</sup></b>					
6/30/2022	304,834	304,834		1,434,621	21.2%
6/30/2021	275,047	275,047		1,440,645	19.1%
6/30/2020	275,605	275,605		1,378,255	20.0%
6/30/2019	250,291	250,291		1,306,961	19.2%
6/30/2018	224,915	224,915		1,263,314	17.8%
6/30/2017	192,006	192,006		1,187,195	16.2%
6/30/2016	175,223	175,223		1,105,703	15.8%
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%
<b>GARS<sup>5</sup></b>					
6/30/2022	6,279	6,279		1,249	502.7%
6/30/2021	5,956	5,956		1,570	379.4%
6/30/2020	6,329	6,329		1,570	403.1%
6/30/2019	5,804	5,804		1,866	311.0%
6/30/2018	5,428	5,428		1,961	276.8%
6/30/2017	4,539	4,539		2,316	196.0%
6/30/2016	4,501	4,501		2,338	192.5%
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%

*Schedule of Employers' and Nonemployer's Contributions continued on next page.*

## South Carolina Retirement Systems

### Required Supplementary Information (continued)

#### Schedule of Employers' and Nonemployer's Contributions (cont.)

(Dollar amounts expressed in thousands)

	Actuarially Determined Contributions <sup>3</sup>	Amount of Contributions Recognized <sup>3</sup>	Difference Between Actuarially Determined Contributions and Contributions Recognized	Projected Covered Payroll <sup>4</sup>	Percentage of Contributions to Covered Payroll
<b>JSRS<sup>2</sup></b>					
6/30/2022	\$ 22,477	\$ 22,477	\$ -	\$ 31,104	72.3%
6/30/2021	22,000	22,000		30,346	72.5%
6/30/2020	21,998	21,998		30,346	72.5%
6/30/2019	11,730	11,730		22,347	52.5%
6/30/2018	11,044	11,044		22,347	49.4%
6/30/2017	10,534	10,534		21,958	48.0%
6/30/2016	10,202	10,202		21,267	48.0%
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%
<b>SCNG<sup>6</sup></b>					
6/30/2022	4,405	5,290	(885)	Not Applicable	Not Applicable
6/30/2021	5,188	5,290	(102)	Not Applicable	Not Applicable
6/30/2020	5,262	5,290	(28)	Not Applicable	Not Applicable
6/30/2019	5,290	5,290		Not Applicable	Not Applicable
6/30/2018	4,814	4,814		Not Applicable	Not Applicable
6/30/2017	4,509	4,591	(82)	Not Applicable	Not Applicable
6/30/2016	4,570	4,591	(21)	Not Applicable	Not Applicable
6/30/2015	4,591	4,591		Not Applicable	Not Applicable
6/30/2014	4,586	4,586		Not Applicable	Not Applicable
6/30/2013	4,539	4,539		Not Applicable	Not Applicable

<sup>1</sup> The actual contribution rates and the actuarially determined contribution rates for SCRS and PORS are determined in accordance with Sections 9-1-1085 and 9-11-225 of the South Carolina Code, respectively. The SCRS and PORS employer contribution rates effective July 1, 2021, are 16.56 percent and 19.24 percent, respectively.

<sup>2</sup> The contribution rate for JSRS is based on the funding policy maintained by the SC Public Employee Benefit Authority. The JSRS employer contribution rate adopted by the PEBA Board effective July 1, 2021, is 62.94 percent and the remaining portion of the contribution effort is attributable to the \$2.9 million in non-payroll based appropriations.

<sup>3</sup> Includes employer contributions on employee payroll and contributions remitted to SCRS on the payroll of employees participating in State ORP and working retirees. Total contributions for SCRS, PORS and JSRS also includes nonemployer contributions.

<sup>4</sup> Projected covered payroll is the annualized, projected compensation for the following year and does not include payroll attributable to members in State ORP or working retirees.

<sup>5</sup> GARS was closed to new members beginning with the 2012 general election. The actuarially determined contributions are based on the funding policy maintained by the SC Public Employee Benefit Authority.

<sup>6</sup> Benefits for members in the SCNG are not a function of pay. The actuarially determined contributions are based on the funding policy maintained by the SC Public Employee Benefit Authority.

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

### Schedule of Investment Returns<sup>1</sup>

Fiscal Year Ending June 30	Annual Money Weighted Rate of Return, Net of Investment Expense
2022	(0.82) %
2021	28.49
2020	(1.57)
2019	5.80
2018	7.91
2017	11.88
2016	(0.47)
2015	1.59
2014	15.30

<sup>1</sup> Schedule 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 fiscal year 2022 for each of the individual plans administered by PEBA.

### Summary of Actuarial Methods and Significant Assumptions<sup>1,2</sup>

	SCRS	PORS	GARS	JSRS	SCNG
Valuation date	07/01/20	07/01/20	07/01/20	07/01/20	07/01/20
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percent of pay	Level percent of pay	Level dollar	Level percent of pay	Level dollar
Amortization period	27 years maximum, closed period <sup>3</sup>	27 years maximum, closed period <sup>3</sup>	7 years, closed	27 years maximum, closed period	16 years, closed
Asset Valuation method	5-Year Smoothed	5-Year Smoothed	5-Year Smoothed	5-Year Smoothed	5-Year Smoothed
Actuarial assumptions:					
Inflation rate	2.25%	2.25%	2.25%	2.25%	2.25%
Projected salary increases	3.0% plus step-rate increases for members with less than 21 years of service <sup>4</sup>	3.5% plus step-rate increases for members with less than 15 years of service <sup>4</sup>	None	2.75% <sup>4</sup>	None
Investment rate of return	7.25%	7.25%	7.25%	7.25%	7.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually	None	2.75%	None

<sup>1</sup> As a result of the 2020 Actuarial Experience Study, changes to various demographic and economic assumptions were implemented beginning with the July 1, 2021, actuarial valuations.

<sup>2</sup> The actual contribution rates and the actuarially determined contribution rates for SCRS and PORS are determined in accordance with Sections 9-1-1085 and 9-11-225 of the South Carolina Code, respectively. Contribution requirements for JSRS, GARS and the SCNG are determined in accordance with funding policies established and maintained by the PEBA Board.

<sup>3</sup> Pension reform legislation enacted effective July 1, 2017, schedules the amortization period to be reduced from 30 years to 20 years over a ten-year schedule.

<sup>4</sup> Includes inflation at 2.25%.

# South Carolina Retirement Systems

## Schedule of Changes in Fiduciary Net Position

SCRS Pension Trust Fund  
Year Ended June 30, 2022

With summarized comparative totals for the year ended June 30, 2021  
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	QEBA FUND	TOTAL	2021 TOTAL
<b>Additions</b>						
Employee contributions						
State	\$ 284,027	\$ 9,366	\$ -	\$ -	\$ 293,393	\$ 278,083
Public school	405,701	21,627			427,328	400,217
Other	252,995	9,820			262,815	253,714
Employer contributions						
State		628,046	6,621	1,093	635,760	565,664
Public school		781,531	7,781		789,312	692,959
Other		455,322	3,815		459,137	414,697
Nonemployer contributions						
State		31,126			31,126	31,126
Public school		43,822			43,822	43,822
Other		13,758			13,758	13,758
Total contributions	942,723	1,994,418	18,217	1,093	2,956,451	2,694,040
Investment income						
Net appreciation (depreciation)						
in fair value of investments		(661,824)	(2,862)		(664,686)	7,864,876
Interest and dividend income		421,166	1,819		422,985	369,594
Investment expense		(589,373)	(2,549)		(591,922)	(468,798)
Net income (loss) from investing activities		(830,031)	(3,592)		(833,623)	7,765,672
From securities lending activities:						
Securities lending income		691	3		694	953
Securities lending borrower rebates		563	2		565	560
Net income from securities lending activities		1,254	5		1,259	1,513
Total net investment income (loss)		(828,777)	(3,587)		(832,364)	7,767,185
Supplemental retirement benefits funded by the State		235			235	358
Transfers of contributions from other systems	289				289	45
<b>Total additions</b>	943,012	1,165,876	14,630	1,093	2,124,611	10,461,628
<b>Deductions</b>						
Refunds of contributions to members	160,567				160,567	124,286
Transfers of contributions to other systems	1,651	1,253			2,904	1,638
Regular retirement benefits		3,188,697		1,093	3,189,790	3,090,155
Supplemental retirement benefits		235			235	358
Death benefits		(187)	30,991		30,804	29,780
Depreciation		156			156	149
Administrative expenses		17,757	77		17,834	17,374
<b>Total deductions</b>	162,218	3,207,911	31,068	1,093	3,402,290	3,263,740
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(698,419)	698,419				
Interest credited to members' accounts	352,448	(352,448)				
Net interfund transfers	(345,971)	345,971				
Net increase (decrease) in Net Position	434,823	(1,696,064)	(16,438)		(1,277,679)	7,197,888
Net Position Restricted for Pensions						
Beginning of year	10,241,141	23,104,960	144,205		33,490,306	26,292,418
End of year	\$ 10,675,964	\$ 21,408,896	\$ 127,767	\$ -	\$ 32,212,627	\$ 33,490,306

## South Carolina Retirement Systems

### Schedule of Changes in Fiduciary Net Position

PORS Pension Trust Fund

Year Ended June 30, 2022

With summarized comparative totals for the year ended June 30, 2021

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	ACCIDENTAL DEATH FUND	QEBA FUND	TOTAL	2021 TOTAL
<b>Additions</b>							
Employee contributions							
State	\$ 42,880	\$ 2,056				\$ 44,936	\$ 43,119
Public school	86	439				525	510
Other	109,855	8,220				118,075	108,519
Employer contributions							
State		77,515	866	866	1	79,248	74,696
Public school		1,107	11	11		1,129	855
Other		207,637	2,237	2,113		211,987	187,026
Nonemployer contributions							
State		4,070				4,070	4,069
Public school		44				44	44
Other		8,356				8,356	8,357
Total contributions	152,821	309,444	3,114	2,990	1	468,370	427,195
Investment income							
Net appreciation (depreciation)							
in fair value of investments		(121,439)	(1,295)	(1,796)		(124,530)	1,429,534
Interest and dividend income		76,091	808	1,122		78,021	67,205
Investment expense		(106,646)	(1,137)	(1,578)		(109,361)	(85,661)
Net income (loss) from investing activities		(151,994)	(1,624)	(2,252)		(155,870)	1,411,078
From securities lending activities:							
Securities lending income		125	1	2		128	173
Securities lending borrower rebates		101	1	2		104	102
Net income from securities lending activities		226	2	4		232	275
Total net investment income (loss)		(151,768)	(1,622)	(2,248)		(155,638)	1,411,353
Supplemental retirement benefits funded by the State		8				8	9
Transfers of contributions from other systems	1,651	1,253				2,904	1,401
<b>Total additions</b>	<b>154,472</b>	<b>158,937</b>	<b>1,492</b>	<b>742</b>	<b>1</b>	<b>315,644</b>	<b>1,839,958</b>
<b>Deductions</b>							
Refunds of contributions to members	32,691					32,691	24,346
Transfers of contributions to other systems						-	-
Regular retirement benefits		447,400			1	447,401	425,232
Supplemental retirement benefits		8				8	9
Death Benefits			3,236			3,236	3,780
Accidental death benefits				2,015		2,015	1,973
Depreciation		20	-	-		20	19
Administrative expenses		3,157	33	47		3,237	3,102
<b>Total deductions</b>	<b>32,691</b>	<b>450,585</b>	<b>3,269</b>	<b>2,062</b>	<b>1</b>	<b>488,608</b>	<b>458,461</b>
Interfund transfers according to statutory requirements							
Contributions by members at retirement	(99,272)	99,272					
Interest credited to members' accounts	47,259	(47,259)					
Net interfund transfers	(52,013)	52,013					
Net increase (decrease) in Net Position	69,768	(239,635)	(1,777)	(1,320)		(172,964)	1,381,497
Net Position Restricted for Pensions							
Beginning of year	1,330,653	4,629,318	63,542	88,159	-	6,111,672	4,730,175
End of year	\$ 1,400,421	\$ 4,389,683	\$ 61,765	\$ 86,839	\$ -	\$ 5,938,708	\$ 6,111,672



## South Carolina Retirement Systems

### Schedule of Changes in Fiduciary Net Position

GARS Pension Trust Fund

Year Ended June 30, 2022

With summarized comparative totals for the year ended June 30, 2021

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	QEBA FUND	TOTAL	2021 TOTAL
<b>Additions</b>					
Contributions					
Employee contributions - State	\$ 164		\$ -	\$ 164	\$ 184
Employer contributions - State		6,273	6	6,279	5,956
Total contributions	164	6,273	6	6,443	6,140
Investment income					
Net appreciation (depreciation)					
in fair value of investments		(841)		(841)	9,564
Interest and dividend income		529		529	451
Investment expense		(735)		(735)	(573)
Net income (loss) from investing activities		(1,047)		(1,047)	9,442
From securities lending activities:					
Securities lending income		1		1	1
Securities lending borrower rebates		1		1	1
Net income from securities lending activities		2		2	2
Total net investment income (loss)		(1,045)		(1,045)	9,444
<b>Total additions</b>	164	5,228	6	5,398	15,584
<b>Deductions</b>					
Refunds of contributions to members				-	77
Transfers of contributions to other systems	206			206	45
Regular retirement benefits		6,326	6	6,332	6,222
Death benefits		16		16	16
Administrative expenses		23		23	23
<b>Total deductions</b>	206	6,365	6	6,577	6,383
Interfund transfers according to statutory requirements					
Contributions by members at retirement	(486)	486			
Interest credited to members' accounts	469	(469)			
Net interfund transfers	(17)	17			
Net increase (decrease) in Net Position	(59)	(1,120)		(1,179)	9,201
Net Position Restricted for Pensions					
Beginning of year	6,567	37,088		43,655	34,454
End of year	\$ 6,508	\$ 35,968	\$ -	\$ 42,476	\$ 43,655

## South Carolina Retirement Systems

### Schedule of Changes in Fiduciary Net Position

JSRS Pension Trust Fund

Year Ended June 30, 2022

With summarized comparative totals for the year ended June 30, 2021

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	QEBA FUND	TOTAL	2021 TOTAL
<b>Additions</b>					
Contributions					
Employee contributions - State	\$ 2,702	\$ 310	\$ -	\$ 3,012	\$ 3,587
Employer contributions - State		18,740	837	19,577	19,100
Nonemployer contributions		2,900		2,900	2,900
Total contributions	<u>2,702</u>	<u>21,950</u>	<u>837</u>	<u>25,489</u>	<u>25,587</u>
Investment income					
Net appreciation (depreciation) in fair value of investments		(4,235)		(4,235)	48,185
Interest and dividend income		2,729		2,729	2,355
Investment expense		(3,703)		(3,703)	(2,890)
Net income (loss) from investing activities		<u>(5,209)</u>		<u>(5,209)</u>	<u>47,650</u>
From securities lending activities:					
Securities lending income		4		4	6
Securities lending borrower rebates		3		3	3
Net income from securities lending activities		<u>7</u>		<u>7</u>	<u>9</u>
Total net investment income (loss)		<u>(5,202)</u>		<u>(5,202)</u>	<u>47,659</u>
Transfers of contributions from other systems					237
<b>Total additions</b>	<u>2,702</u>	<u>16,748</u>	<u>837</u>	<u>20,287</u>	<u>73,483</u>
<b>Deductions</b>					
Refunds of contributions to members					
Transfer of contributions to other systems	83			83	
Regular retirement benefits		25,252	837	26,089	25,746
Deferred retirement benefits					
Death benefits		10		10	195
Depreciation		1		1	1
Administrative expenses		113		113	108
<b>Total deductions</b>	<u>83</u>	<u>25,376</u>	<u>837</u>	<u>26,296</u>	<u>26,050</u>
Interfund transfers according to statutory requirements					
Contributions by members at retirement	(551)	551			
Interest credited to members' accounts	1,355	(1,355)			
Net interfund transfers	<u>804</u>	<u>(804)</u>			
Net increase (decrease) in Net Position	3,423	(9,432)		(6,009)	47,433
Net Position Restricted for Pensions					
Beginning of year	32,669	180,014		212,683	165,250
End of year	<u>\$ 36,092</u>	<u>\$ 170,582</u>	<u>\$ -</u>	<u>\$ 206,674</u>	<u>\$ 212,683</u>

## South Carolina Retirement Systems

### Schedule of Changes in Fiduciary Net Position

SCNG Pension Trust Fund

Year Ended June 30, 2022

With summarized comparative totals for the year ended June 30, 2021

*(Amounts expressed in thousands)*

	<u>2022 Total</u>	<u>2021 Total</u>
<b>Additions</b>		
Contributions		
State appropriated	\$ 5,290	\$ 5,290
Total contributions	<u>5,290</u>	<u>5,290</u>
Investment income		
Net appreciation (depreciation)		
in fair value of investments	(712)	8,098
Interest and dividend income	454	381
Investment expense	(622)	(485)
Net Income (loss) from investing activities	<u>(880)</u>	<u>7,994</u>
From securities lending activities:		
Securities lending income	1	1
Securities lending borrower rebates	1	1
Net income from securities lending activities	<u>2</u>	<u>2</u>
Total net investment income (loss)	<u>(878)</u>	<u>7,996</u>
<b>Total additions</b>	<u>4,412</u>	<u>13,286</u>
<b>Deductions</b>		
Regular retirement benefits	4,607	4,574
Administrative expenses	22	20
<b>Total deductions</b>	<u>4,629</u>	<u>4,594</u>
Net increase in Net Position	(217)	8,692
Net Position Restricted for Pensions		
Beginning of year	39,784	31,092
End of year	<u>\$ 39,567</u>	<u>\$ 39,784</u>

## South Carolina Retirement Systems

### Schedule of Administrative Expenses

Year Ended June 30, 2022  
(Amounts expressed in thousands)

#### Personnel Services

Salaries and Wages	\$ 9,181
Employee Benefits	3,686
<b>Total Personnel Services</b>	<b>12,867</b>

#### Professional and Consultant Fees

Information Technology	4,483
Medical and Health Services	50
Financial Audit	205
Actuarial Services	206
Management Professional Services	1,304
Legal Services	34
<b>Total Professional and Consultant Fees</b>	<b>6,282</b>

#### Operating Expenses

Facilities Management	422
Building Rent	35
Software Licenses and Programs	751
Furniture and Equipment - Expensed	7
Communications and Utilities	151
Insurance	297
Postage	203
Supplies	211
Miscellaneous Expenses	3
<b>Total Operating Expenses</b>	<b>2,080</b>

<b>Total Administrative Expenses</b>	<b>\$ 21,229</b>
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#### Allocation of Administrative Expenses

SCRS	\$ 17,834
PORS	3,237
GARS	23
JSRS	113
SCNG	22
<b>Total Administrative Expenses</b>	<b>\$ 21,229</b>

## South Carolina Retirement Systems

### Schedule of Professional and Consultant Fees <sup>1</sup>

Year Ended June 30, 2022  
(Amounts expressed in thousands)

Professional / Consultant Type	Nature of Service Provided	Amounts Paid
CliftonLarsonAllen	Audit and Consulting Services	\$ 205
Data Network Solutions	Disaster Recovery Solution Related Services	13
eGroup Holding Company	Security and Disaster Recovery Related Services	54
Gabriel Roeder Smith & Company	Actuarial and Consulting Services	206
Ice Miller	IRC Consulting Services and Compliance Review	25
ICON Integration & Design	Data Conversion and Bridging Services	287
LifeWorks	Benefits Administration Solution Implementation	3,573
Linea Solutions	Client Services Vendor to Facilitate and Support Program Activities	889
NWN Corporation	IT Installation Services	136
Power Solutions	Maintenance Services on UPS Backup System	22
Prisma Health Medical Group	Disability Review Services	32
Segal Consulting	Investment Consulting Services for State ORP and Deferred Compensation	117
SHI International	IT Training	23
Soteria	Cyber Security Consulting Services	17
Standard Insurance Company	Disability Review Services	19
Tapfin	Application Development Resources	491
TierPoint	Disaster Recovery Solution Services	124
Aggregate of payees less than \$10,000 each	Professional and Consulting Services	49
<b>Total Professional and Consultant Fees</b>		<b>\$ 6,282</b>

<sup>1</sup> A Schedule of Investment Managers and Fees can be found in the Investment Section of the ACFR.

## South Carolina Retirement Systems

### Schedule of Investment Fees and Expenses

Year Ended June 30, 2022  
(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	SCNG	TOTALS <sup>1</sup>
<b>Short Term</b>	\$ 500	\$ 92	\$ 1	\$ 3	\$ 1	\$ 597
<b>Fixed Income:</b>						
Core Bonds (IG) <sup>2</sup>	6,351	1,172	8	40	6	7,577
Mixed Credit	2,099	388	3	13	2	2,505
Emerging Market Debt	144	27		1		172
<b>Global Public Equity</b>	3,141	580	4	20	3	3,748
<b>Public Real Estate</b>	1,008	186	1	6	1	1,202
<b>Public Infrastructure</b>	624	115	1	4	1	745
<b>Beta Overlay</b>	741	137	1	5	1	885
<b>Alternatives:</b>						
Hedge Funds	212,631	39,323	264	1,332	224	253,774
Private Debt	59,558	11,004	74	373	63	71,072
Private Equity	119,253	22,018	148	745	125	142,289
Private Real Estate	158,068	29,201	196	988	166	188,619
Private Infrastructure	19,347	3,572	24	121	20	23,084
Total Investment Manager Fees	583,465	107,815	725	3,651	613	696,269
Bank Fees and Investment Expenses <sup>3</sup>	8,457	1,546	10	52	9	10,074
<b>Total Investment Expenses</b>	<u>591,922</u>	<u>109,361</u>	<u>735</u>	<u>3,703</u>	<u>622</u>	<u>706,343</u>
<b>Securities Lending Expenses:</b>						
Borrower Rebates	\$ (565)	\$ (104)	\$ (1)	\$ (3)	\$ (1)	\$ (674)
<b>Total Securities Lending Expenses</b>	<u>\$ (565)</u>	<u>\$ (104)</u>	<u>\$ (1)</u>	<u>\$ (3)</u>	<u>\$ (1)</u>	<u>\$ (674)</u>

<sup>1</sup> All investment manager fees, whether directly invoiced (\$14,379) or deducted from the fund on a net basis (\$681,890) 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.

<sup>2</sup> This asset class includes both Fixed Rate and Floating Rate Investment Grade Bonds.

<sup>3</sup> Includes miscellaneous investment expenses, commissions on futures, bank fees, RSIC administrative expenses and an expense reduction of \$3.4 million in tax distributions.

# Investment







## MEMORANDUM

**TO:** The Honorable Henry McMaster, Governor  
State Fiscal Accountability Authority  
Members of the General Assembly  
**FROM:** Meketa Investment Group  
**DATE:** October 6, 2022  
**RE:** Fiscal Year Ending June 30, 2022 Review

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As the general investment consultant for the Retirement System Investment Commission (RSIC) of South Carolina, Meketa Investment Group is pleased to present this summary of the fiscal year events and investment performance of the South Carolina Retirement System (SCRS) investment portfolio for the fiscal year ending June 30, 2022.

### Fiscal 2022 Year in Review

We entered fiscal year 2022 in an environment of improvements related to COVID-19, supportive monetary policy, relatively low interest rates, and the belief that inflation would be transitory. As the year progressed it became clear that as supply chain issues lingered inflation was going to remain high. The inflation picture was further complicated by the war in Ukraine and China's strict policies related to the virus, as well as relatively strong demand here in the US driven by policy support. With inflation levels at multi-decade highs the US central bank, and others, were forced to aggressively start increasing interest rates. This led to one of the worst starts to a calendar year on record and weighed heavily on the overall fiscal year results.

Related to COVID-19, there was a global push for vaccine development and distribution, as well as advances in therapeutics. This led to increased optimism that there was a path to normal life and a return to typical economic patterns that we had not seen since early 2020. Despite these improvements there were pockets of disruption related to the virus during the fiscal year with various outbreaks reintroducing restrictions. Here in the US, the Omicron variant led to a massive spike in cases toward the end of 2021 and into 2022.

While COVID-19 was still present worldwide, it evolved into a less virulent form and much of the world has learned to live with it. Many restrictions on travel were removed, and spending patterns among individuals and businesses adjusted to reflect that. Early in the pandemic, much of consumer spending in the US was on real estate, home renovation, and other goods to make living and for some working solely at home more comfortable. As the global economy reopened, spending patterns shifted to reflect preferences for travel and leisure.

One exception to the reopening of the global economy has been China. The Chinese government has continued the "COVID Zero" policy instituted early in the pandemic that includes mass testing,

restrictions on mobility, and the closure of commercial and manufacturing centers. The policy also weighs on the resolution of supply chain issues and contributes to inflation globally.

At the beginning of fiscal year 2022 (July 2021), CPI stood at 5.4%<sup>1</sup>. At the time, many market commentators and the Federal Reserve were labeling increases in inflation as “transitory,” a result of pandemic-induced supply chain issues and accumulated savings over a year of stay-at-home orders. The Federal Reserve declined to act at the time, citing elevated unemployment levels and an incomplete recovery. Capital markets started to digest the high inflation numbers, with the Bloomberg Commodity index increasing 6.6%<sup>1</sup> and the Bloomberg TIPS index returning 1.8%<sup>1</sup> in the third calendar year quarter of 2021. Ultimately for the July–September period, US equity markets were slightly positive. Developed equity markets outside the US were slightly negative (in US dollar terms), while the MSCI Emerging Markets index declined 8.1%<sup>1</sup> for the period driven by concerns in China related to the property market and the government’s crackdown on the technology sector. Rates stayed largely unchanged through September in the US as investors waited for clarity on the path of the economy and monetary policy.

It was also late in 2021 that news of a new COVID-19 variant of concern, Omicron, were beginning to come out of South Africa. Early reports were that it was significantly more transmissible, and possibly less virulent. Depending on the region of the world, restrictions were reintroduced, exacerbating supply chain issues. Additionally, high natural gas prices were threatening the economic recovery in Europe and troubles related to China’s overleveraged property sector and crackdown on the technology sector continued to rattle markets.

By December of 2021, CPI had increased to 7.0%, well above trend and at risk of becoming entrenched in consumer expectations. It was at this time that the Federal Reserve acknowledged that increases in inflation may not be “transitory” and gave indications that price increases were broadening out to goods and services not directly related to pandemic dislocations. The change in tone from the Federal Reserve did not significantly affect capital markets in the fourth quarter of 2021, as many asset classes were still positive. The S&P 500 returned 11.0%<sup>1</sup> for the September to December quarter, with developed market equities registering lower (+2.7%) but positive returns, and emerging market equities declining (-1.3%).<sup>1</sup> The broad US bond market was flat, while TIPS (+2.4%) benefited from increasing inflation concerns.<sup>1</sup>

In early 2022, market participants in the US started to digest the hawkish pivot of the Federal Reserve in December given inflation pressures were not easing. US and non-US equity markets posted negative returns in January, with non-US equities generally outperforming US equities. Rates began to increase across the US yield curve, but the curve also began to flatten, given policy expectations. Bond markets also posted negative returns on concerns of higher interest rates in the inflationary environment, marking an unusual positive correlation between the two asset classes.

Russia invaded the Ukraine the last week of February and the West responded with sweeping sanctions that exceeded market expectations. Restricting access to foreign reserves was key, leading to Russia’s central bank dramatically increasing policy rates (9.5% to 20%) to try to protect the currency. Food and

energy prices added to inflation pressures in Europe and the US, pushing interest rates higher. During the first quarter of 2022, all major asset classes declined except for commodities. Value stocks in the US significantly outperformed growth stocks, given higher rates and a preference by many investors for companies presumably better able to weather the tightening financial conditions. An increase in inflation expectations, and the pricing in of higher policy rates, proved to be a challenging headwind for nearly all bond indices. The broad US bond market experienced one of its worst quarters on record, down 5.9%.<sup>1</sup>

The Federal Reserve began lifting interest rates in the last quarter of the fiscal year. It started with a 25 basis point hike in April and followed that with a 50 basis point increase in early May. In June, reacting to a CPI reading of 8.6%,<sup>4</sup> the Federal Reserve hiked rates by 75 basis points, which was the largest one-time increase since 1994. A similar increase took place in July 2022 with further increases expected into 2023. All major equity indices suffered steep declines in June weighing on overall second quarter 2022 results, with the S&P hitting bear market territory by the end of the second calendar quarter. Emerging markets proved slightly more resilient than developed markets on a partial re-opening in China from pandemic-related lockdowns. The global bond selloff continued, as inflation fears, and policy expectations weighed on all major global bond markets.

Over the full fiscal year, US stocks outperformed other regions, with the S&P 500 returning -10.6%<sup>2</sup> for the year, compared to the MSCI EAFE at -17.8%,<sup>1</sup> and a decline of 25.3% for the MSCI Emerging Market index. Despite positive performance in June, the MSCI China index declined the most among major regions with a full fiscal year return of -31.8%.<sup>1</sup> Within fixed income, higher inflation and higher rates led the Bloomberg TIPS index to decrease 5.1% over the full fiscal year, while the Bloomberg Aggregate index declined by 10.3%.<sup>1</sup> Economic growth in the US fell in the first and second quarters of 2022, at -1.6% and -0.9%, respectively.<sup>3</sup> Europe's economic output moderated but was still positive in the first two quarters of 2022. Japan's economic growth was slightly negative to begin 2022, while China's GDP remained positive but below the prior trend. Inflation remained stubbornly high, with CPI increasing 8.6%<sup>4</sup> in the US over the fiscal year, the highest reading since 1981. The Eurozone matched the US with an 8.6%<sup>5</sup> inflation print for the fiscal year ending in June.



## Looking Forward

Fiscal year 2022 was a tale of two periods in the context of economic growth and market returns. Outsized economic growth and positive returns globally in the last six months of 2021 coupled with slowing economic growth and negative returns in the first six months of 2022. Above trend price increases continued for the entirety of fiscal year 2022. One of the central questions now, is whether central banks around the world can rein in inflation without sending global economies into a deep recession, all while the war in Ukraine continues and some supply chain dislocations remain. Economic uncertainties abound. These include:

- Central Banks find themselves potentially behind the curve on inflation, with available tools that may not be the most effective in dealing with the cost-push type of inflation we are experiencing. This dynamic creates the risk of creating a stagflationary environment. Longer-term, we could also see a slowing or decline in globalization creating more persistent inflationary pressures.
- Supply chain issues and geopolitical risks have placed a premium on supply chain stability relative to supply chain efficiency. Beginning in the 1990s and accelerating after the inclusion of China in the World Trade Organization in 2001, many companies globalized their sourcing and production and embraced lean manufacturing techniques to drive efficiency. But the move toward globalization, though greatly reducing most costs, exposed companies to an abundance of supply chain risks, which the pandemic and Russian invasion of Ukraine laid bare. As a result, many companies are focused on making supply chains more resilient and robust. This often entails the reshoring of large segments of the supply chain and an embrace of redundancies, including input and inventory stockpiling, and diversifying sourcing from nearshored, and/or reshored suppliers. Ultimately, with a focus on supplier reliability over cost. This transition is likely a secular change which could lead to pricing pressure for years to come, that is largely unaffected by monetary policy.
- Current levels of inflation may not come down as much as market metrics imply.
- Measures of breakeven inflation, or the difference in yields between TIPS and nominal bonds, imply that inflation will return to sub-3% levels over the next 5 years. Additionally, because of expectations of rapid declines in inflation, some metrics are even implying a pause or rate cuts next year. If inflation does not come down quickly enough, further rate increases may be necessary, leading to potentially more losses in bond markets.
- Unemployment levels are low, and back near levels consistent with full employment, but the labor force participation rate has not recovered. There also continues to be an imbalance between job openings and the available workers to fulfill them.
- Potential for a wage-price spiral: early retirements and other trends associated with the pandemic and the “Great Resignation” have left millions more job openings than available workers in the US.<sup>4</sup> The labor force participation rate<sup>4</sup> was at 63.4% in January of 2020, prior to the pandemic, and was still only at 62.2%<sup>4</sup> at the end of fiscal year 2022. As companies look to respond to increased demand as the economy reopens, they have faced a distinct shortage in available workers. In response, some companies have been aggressively raising wages to fill

vacancies. As companies look to offset the higher input costs, often they respond by raising the prices of the goods and services they sell, furthering contributing to pricing pressure. Which then can feed into wage expectations and ultimately additional wage growth eventually leading to a cyclical feedback loop. Ultimately, such a condition may only exist during a strong economic expansion and ultra-tight labor markets. As a result, inflation arising from this process should be sensitive to monetary policy to the extent that the central bank is willing to slow economic growth to break the cycle.

- The invasion of Ukraine by Russia evolves into a long-term conflict and threatens to pull in other nations to the fight.
  - This development increases the possibility of lower economic growth worldwide, and most likely causes prices to stay elevated for longer periods of time, versus the absence of global conflict.
- Economic growth continues to slow globally.
  - After growth in calendar year 2021 that exceeded historical norms, growth forecasts continue to be revised downward across countries as economies adjust to higher prices and tighter monetary conditions.
- Another COVID-19 variant of concern emerges that may be more dangerous.
  - The novel coronavirus is still out there, and as it continues to spread there is always a chance that a new, more virulent variant could emerge.

While there are many risks to markets as the pandemic continues, prices are higher, rates are increasing, and global conflicts persist, there are reasons to remain optimistic as well. These include:

- Inflation potentially peaks in fiscal year 2023, and central banks reduce the pace of monetary tightening or end it altogether. It is also possible that we could even start seeing rate decreases in the coming years.
- Despite the recent rate increases, interest rates in the US are still low relative to historical levels and economic projections remain positive.
- As a result of equity market declines in fiscal year 2022, valuations are more reasonable and near historical averages. The recent decline in equities also leads to higher expected returns going forward. Similarly, higher interest rates also lead to increases in expected returns for bonds.
- Spending by the US consumer has held up well in the face of higher prices, and if inflation peaks while the job market is still strong, positive economic growth would be expected to occur.



### SCRS Investment Results<sup>6</sup>

As of June 30, 2022, the SCRS investment portfolio totaled \$38.3 billion. This represented a decrease of approximately \$0.9 billion from June 30, 2021. SCRS generated a net return of -0.9%, outperforming the Policy Index by 4.3%. Over longer trailing periods, SCRS is also outperforming its Policy Index. For example, the ten-year trailing net return for SCRS as of June 30, 2022 was 7.5% vs. a Policy Index return of 6.7%.

The portfolio's asset allocation as of fiscal year-end is provided in the following table. Except for private equity (which has an allowable range of 5-13%), all other investments were consistent with the targets and ranges set forth in the Annual Investment Plan and in the Statement of Investment Objectives and Policy.

Asset Class	% of Total System as of June 30, 2022	Target Allocation
Public Equity	41.9	46.0
Bonds	19.0	26.0
Private Equity	14.9	9.0
Private Debt	9.4	7.0
Real Assets	14.9	12.0
Total	100.0	100.0

Respectfully submitted,

Alli Wallace Stone, CFA  
Consultant, Principal  
Meketa Investment Group

**Editor's Note:** A performance correction was made subsequent to the writing of the consultant's letter. Total Plan returns are inconsistent with other sections of this report. The Plans generated a net return of -1.0% for the fiscal year outperforming the Policy Index by 4.2 percentage points. The 10-year trailing return was 7.4 percent as of fiscal year end.

<sup>1</sup> Source: Bloomberg and InvestMetrics

<sup>2</sup> Source: Bloomberg

<sup>3</sup> Source: Bureau of Economic Analysis

<sup>4</sup> Source: US Bureau of Labor Statistics

<sup>5</sup> Source: Eurostat

<sup>6</sup> SCRS returns are from BNY Mellon and are time-weighted, total return calculations, net of fees and expenses.

The investment performance information provided in the Investment Section of the *Annual Comprehensive 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 <sup>1</sup>	Fair Value % Increase/Decrease for Year	Net Income (Loss) from Investments	Net Income (Loss) % Increase/Decrease for Year
2022	\$ 32,219,523	(2.99%)	\$ (833,623)	(110.73%)
2021	33,212,830	22.15%	7,765,672	1,849.44%
2020	27,189,583	0.78%	(443,896)	(129.66%)
2019	26,979,601	1.17%	1,496,816	(24.60%)
2018	26,668,596	2.24%	1,985,255	(28.86%)
2017	26,083,511	6.13%	2,790,555	1,778.99%
2016	24,576,968	(4.39%)	(166,204)	(144.62%)
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%

## Police Officers Retirement System

### Summary of Investment Growth

(Amounts expressed in thousands)

Year Ended June 30,	Fair Value of Investments <sup>1</sup>	Fair Value % Increase/Decrease for Year	Net Income (Loss) from Investments	Net Income (Loss) % Increase/Decrease for Year
2022	\$ 5,950,934	(2.07%)	\$ (155,870)	(111.05%)
2021	6,076,842	24.04%	1,411,078	1,874.52%
2020	4,899,293	2.42%	(79,519)	(130.14%)
2019	4,783,354	4.73%	263,872	(20.34%)
2018	4,567,249	5.73%	331,243	(27.33%)
2017	4,319,861	9.11%	455,806	1,940.52%
2016	3,959,326	(2.31%)	(24,765)	(142.38%)
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%

<sup>1</sup> 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 <sup>1</sup>	Fair Value % Increase/Decrease for Year	Net Income (Loss) from Investments	Net Income (Loss) % Increase/Decrease for Year
2022	\$ 42,702	(1.81%)	(1,047)	(111.09%)
2021	43,490	21.92%	9,442	2,217.04%
2020	35,671	3.18%	(446)	(123.67%)
2019	34,569	3.31%	1,884	(20.64%)
2018	33,463	3.95%	2,374	(28.67%)
2017	32,192	4.37%	3,328	1,346.44%
2016	30,845	(6.89%)	(267)	(153.61%)
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%

## Judges and Solicitors Retirement System

### Summary of Investment Growth

*(Amounts expressed in thousands)*

Year Ended June 30,	Fair Value of Investments <sup>1</sup>	Fair Value % Increase/Decrease for Year	Net Income (Loss) from Investments	Net Income (Loss) % Increase/Decrease for Year
2022	\$ 207,132	(1.81%)	\$ (5,209)	(110.93%)
2021	210,957	23.84%	47,650	2,106.32%
2020	170,343	3.30%	(2,375)	(125.91%)
2019	164,909	2.84%	9,168	(21.73%)
2018	160,361	4.15%	11,713	(28.56%)
2017	153,976	7.03%	16,395	1,971.58%
2016	143,863	(3.62%)	(876)	(139.71%)
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%

<sup>1</sup> 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)*

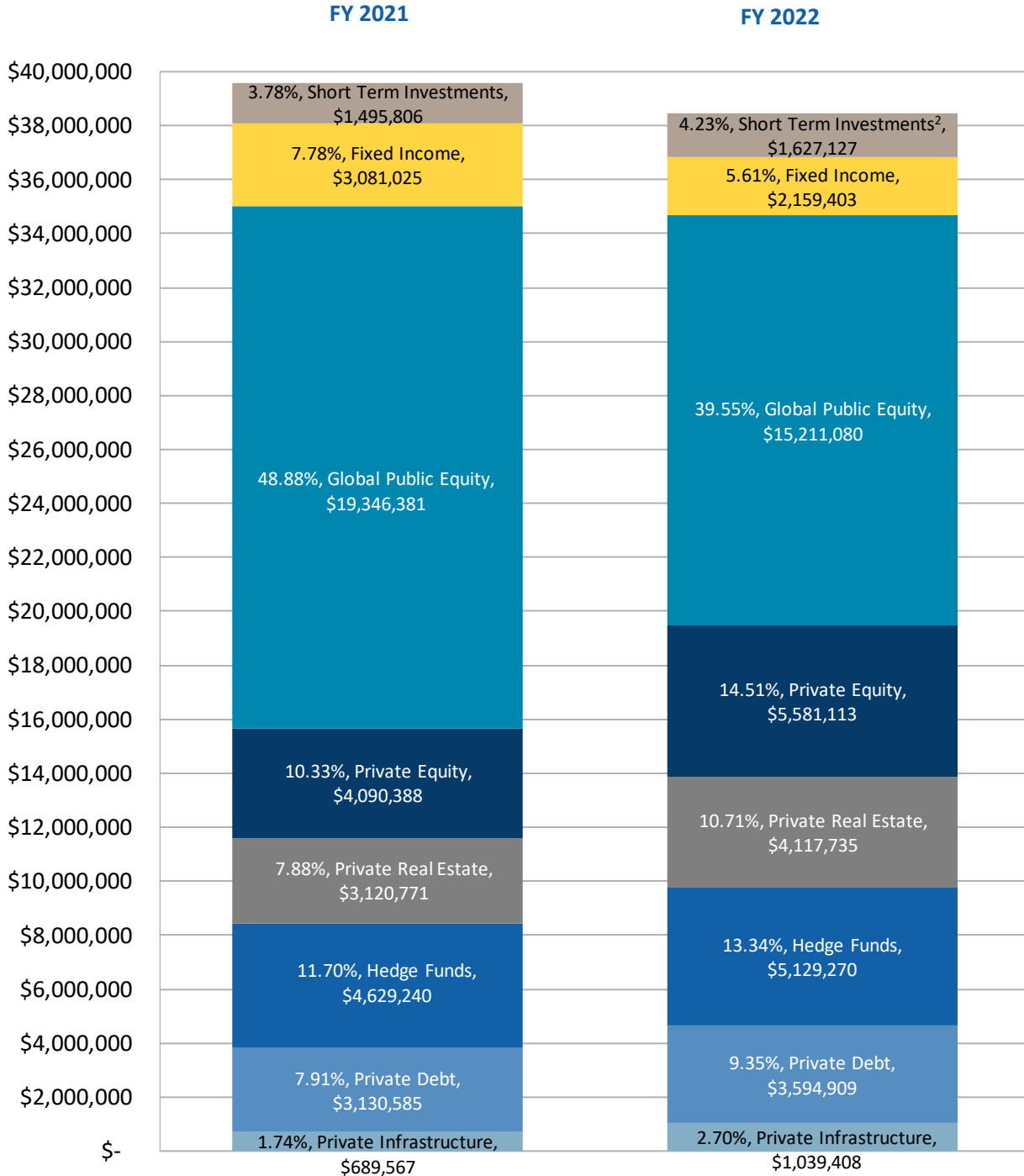
Year Ended June 30,	Fair Value of Investments <sup>1</sup>	Fair Value % Increase/Decrease for Year	Net Income (Loss) from Investments	Net Income (Loss) % Increase/Decrease for Year
2022	\$ 39,754	(0.27%)	\$ (880)	(111.00%)
2021	39,644	23.39%	7,994	2,358.19%
2020	32,129	5.01%	(354)	(125.91%)
2019	30,595	7.63%	1,613	(15.11%)
2018	28,425	7.67%	1,900	(24.99%)
2017	26,400	10.55%	2,533	2,176.23%
2016	23,880	0.75%	(122)	(139.10%)
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%

<sup>1</sup> 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 Retirement Systems

### Schedule of Investment Allocation<sup>1</sup>

Fair Value of Investments as of June 30, 2022  
(Dollar amounts in thousands)



<sup>1</sup> Data 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.

<sup>2</sup> Short-term investments with an original maturity of three months or less are classified as cash equivalents for financial statement purposes. The short-term total includes cash of \$253,752 (in thousands). Investments made with cash collateral received in the securities lending program are excluded.

## South Carolina Retirement System

### Summary of Fair Value of Investments<sup>1</sup>

(Amounts expressed in thousands)

	Fair Value		% of Fair Value at
	06/30/2021	06/30/2022	06/30/22
<b>Short-Term Investments</b>	\$ 1,245,146	\$ 1,358,184	4.22%
<b>Debt:</b>			
Fixed Income	2,585,942	1,809,306	5.61%
<b>Public Equity:</b>			
Global Public Equity	16,237,652	12,744,967	39.56%
<b>Alternatives:</b>			
Hedge Funds	3,885,377	4,297,682	13.34%
Private Debt	2,627,538	3,012,080	9.35%
Private Equity	3,433,111	4,676,269	14.51%
Private Real Estate	2,619,302	3,450,142	10.71%
Private Infrastructure	578,762	870,893	2.70%
<b>Total Investments</b>	<u>\$ 33,212,830</u>	<u>\$ 32,219,523</u>	<u>100.00%</u>

## Police Officers Retirement System

### Summary of Fair Value of Investments<sup>1</sup>

(Amounts expressed in thousands)

	Fair Value		% of Fair Value at
	06/30/2021	06/30/2022	06/30/22
<b>Short-Term Investments</b>	\$ 226,241	\$ 243,533	4.09%
<b>Debt:</b>			
Fixed Income	473,269	334,608	5.62%
<b>Public Equity:</b>			
Global Public Equity	2,971,752	2,357,015	39.61%
<b>Alternatives:</b>			
Hedge Funds	711,086	794,800	13.36%
Private Debt	480,882	557,045	9.36%
Private Equity	628,315	864,814	14.53%
Private Real Estate	479,374	638,059	10.72%
Private Infrastructure	105,923	161,060	2.71%
<b>Total Investments</b>	<u>\$ 6,076,842</u>	<u>\$ 5,950,934</u>	<u>100.00%</u>

<sup>1</sup> Fair 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 Investments<sup>1</sup>

(Amounts expressed in thousands)

	Fair Value		% of Fair Value at 06/30/22
	06/30/2021	06/30/2022	
<b>Short-Term Investments</b>	\$ 4,322	\$ 4,331	10.14%
<b>Debt:</b>			
Fixed Income	3,168	2,250	5.27%
<b>Public Equity:</b>			
Global Public Equity	19,895	15,846	37.11%
<b>Alternatives:</b>			
Hedge Funds	4,761	5,343	12.51%
Private Debt	3,219	3,745	8.77%
Private Equity	4,207	5,814	13.61%
Private Real Estate	3,209	4,290	10.05%
Private Infrastructure	709	1,083	2.54%
<b>Total Investments</b>	<u>\$ 43,490</u>	<u>\$ 42,702</u>	<u>100.00%</u>

## Judges and Solicitors Retirement System

### Summary of Fair Value of Investments<sup>1</sup>

(Amounts expressed in thousands)

	Fair Value		% of Fair Value at 06/30/22
	06/30/2021	06/30/2022	
<b>Short-Term Investments</b>	\$ 13,618	\$ 13,814	6.67%
<b>Debt:</b>			
Fixed Income	15,963	11,334	5.47%
<b>Public Equity:</b>			
Global Public Equity	100,236	79,835	38.54%
<b>Alternatives:</b>			
Hedge Funds	23,985	26,921	13.00%
Private Debt	16,220	18,868	9.11%
Private Equity	21,193	29,293	14.14%
Private Real Estate	16,169	21,612	10.44%
Private Infrastructure	3,573	5,455	2.63%
<b>Total Investments</b>	<u>\$ 210,957</u>	<u>\$ 207,132</u>	<u>100.00%</u>

<sup>1</sup> Fair 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 Investments<sup>1</sup>

*(Amounts expressed in thousands)*

	Fair Value		% of Fair Value at
	06/30/2021	06/30/2022	06/30/22
<b>Short-Term Investments</b>	\$ 6,479	\$ 7,265	18.27%
<b>Debt:</b>			
Fixed Income	2,683	1,905	4.79%
<b>Public Equity:</b>			
Global Public Equity	16,846	13,417	33.75%
<b>Alternatives:</b>			
Hedge Funds	4,031	4,524	11.38%
Private Debt	2,726	3,171	7.98%
Private Equity	3,562	4,923	12.38%
Private Real Estate	2,717	3,632	9.14%
Private Infrastructure	600	917	2.31%
<b>Total Investments</b>	<u>\$ 39,644</u>	<u>\$ 39,754</u>	<u>100.00%</u>

<sup>1</sup> Fair 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, 2022

#### Index Fund Holdings

Units	Description	SCRS	PORS	GARS	JSRS	SCNG	Fair Value
14,609,377	Blackrock Emerging Equity Small Cap	\$ 178,974,774	\$ 33,099,039	\$ 222,521	\$ 1,121,112	\$ 188,414	\$ 213,605,859
3,747,694	Blackrock MSCI Canada Small Cap Equity Index Fund	54,334,372	10,048,430	67,554	340,355	57,200	64,847,911
34,481,713	Blackrock MSCI EAFE Small Cap Equity Index Fund	485,447,131	89,777,085	603,561	3,040,878	511,049	579,379,702
339,198,758	Blackrock MSCI ACWI Equity Index Fund	7,308,594,514	1,351,628,770	9,086,840	45,781,589	7,694,035	8,722,785,748
310,657	Blackrock MSCI Equity Index Fund Russia	989	183	1	6	1	1,180
12,066,850	State Street MSCI United States Index SL CTF	2,081,711,304	384,985,223	2,588,210	13,039,997	2,191,496	2,484,516,231
90,199,581	State Street MSCI ACWI Ex USA SL Fund	1,353,563,922	250,323,908	1,682,898	8,478,827	1,424,948	1,615,474,503
<b>Total</b>							<b>\$ 13,680,611,134</b>

#### Top Ten Equity Holdings

Units	Description	SCRS	PORS	GARS	JSRS	SCNG	Fair Value
283,270	Prologis Inc	\$ 27,923,586	\$ 5,164,101	\$ 34,718	\$ 174,915	\$ 29,396	\$ 33,326,716
624,630	Invitation Homes Inc	18,621,190	3,443,745	23,152	116,645	19,603	22,224,335
33,660	Equinix Inc	18,529,827	3,426,849	23,038	116,072	19,507	22,115,293
195,905	Life Storage Inc	18,328,283	3,389,576	22,788	114,810	19,295	21,874,752
84,458	American Tower Corp	18,086,865	3,344,929	22,488	113,297	19,041	21,586,620
468,460	UDR Inc	18,071,179	3,342,028	22,468	113,199	19,024	21,567,898
937,330	Brixmor Property Group Inc	15,872,213	2,935,358	19,734	99,425	16,709	18,943,439
111,481	Crown Castle Inc	15,727,874	2,908,664	19,555	98,521	16,557	18,771,171
59,710	Public Storage	15,642,708	2,892,914	19,449	97,987	16,468	18,669,526
257,140	Equity Residential	15,559,864	2,877,593	19,346	97,468	16,380	18,570,651
<b>Total</b>							<b>\$ 217,650,401</b>

#### Top Ten Fixed Income Holdings

Par Value	Description	SCRS	PORS	GARS	JSRS	SCNG	Fair Value
82,200,000	Commit to Purchase FNMA SF Mtg 3.00% due 08/01/2052	\$ 64,142,332	\$ 11,862,284	\$ 79,749	\$ 401,792	\$ 67,525	\$ 76,553,682
31,800,000	Commit to Purchase FNMA SF Mtg 3.50% due 08/01/2052	25,629,506	4,739,841	31,865	160,545	26,981	30,588,738
29,800,000	US Treasury Bond 2.50% due 02/15/2045	21,316,978	3,942,296	26,504	133,531	22,441	25,441,750
20,600,000	Vicof III Trust 0.00% due 12/31/2024	17,098,929	3,162,223	21,259	107,109	18,001	20,407,521
20,000,000	Commit to Purchase FNMA SF Mtg 4.00% due 08/01/2052	16,513,322	3,053,922	20,531	103,441	17,384	19,708,600
15,467,886	Gores Pipe LLC 8.00% due 11/30/2024	12,960,138	2,396,808	16,113	81,183	13,644	15,467,886
(13,900,000)	Commit to Purchase FNMA SF Mtg 2.00% due 08/01/2052	(10,117,618)	(1,871,121)	(12,579)	(63,378)	(10,651)	(12,075,347)
10,158,479	GNMA GTD REMIC P/T 15-H09 FA Var Rate due 04/20/2065	8,419,685	1,557,110	10,468	52,742	8,864	10,048,869
9,800,000	US Treasury Note 2.125% due 09/30/2024	8,065,251	1,491,563	10,028	50,521	8,491	9,625,854
6,349,000	Unique Pub Finance CO PLC REGS 6.464% due 03/30/2032	7,569,037	1,399,794	9,411	47,413	7,968	9,033,623
<b>Total</b>							<b>\$ 204,801,176</b>

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 2022	3 Fiscal Years	5 Fiscal Years	10 Fiscal Years
<b>South Carolina Plan Return (Net of Fees)<sup>1</sup></b>	<b>-0.97%</b>	<b>7.80%</b>	<b>7.38%</b>	<b>7.43%</b>
<i>South Carolina Policy Benchmark<sup>2</sup></i>	-5.19%	5.94%	6.32%	6.71%
<b>Bonds<sup>3</sup></b>	<b>-7.76%</b>	<b>-0.80%</b>	<b>0.83%</b>	<b>1.40%</b>
<i>Bonds Benchmark<sup>2</sup></i>	-10.29%	-2.12%	0.27%	1.63%
<b>Private Debt<sup>3</sup></b>	<b>11.63%</b>	<b>7.74%</b>	<b>6.76%</b>	<b>7.73%</b>
<i>Private Debt Benchmark<sup>2</sup></i>	4.75%	5.73%	5.52%	5.38%
<b>Private Equity<sup>3</sup></b>	<b>29.85%</b>	<b>20.52%</b>	<b>16.88%</b>	<b>15.00%</b>
<i>Private Equity Benchmark<sup>2</sup></i>	23.46%	22.50%	18.63%	16.67%
<b>Public Equity<sup>3</sup></b>	<b>-16.12%</b>	<b>6.10%</b>	<b>6.56%</b>	<b>8.41%</b>
<i>Public Equity Benchmark<sup>2</sup></i>	-16.52%	5.86%	6.61%	8.53%
<b>Real Assets</b>	<b>25.42%</b>	<b>12.77%</b>	<b>11.21%</b>	<b>13.07%</b>
<i>Real Assets Benchmark<sup>2</sup></i>	28.36%	10.73%	9.45%	6.87%
<b>Portable Alpha<sup>4</sup></b>	<b>11.47%</b>	<b>8.93%</b>	<b>6.33%</b>	<b>6.74%</b>
<i>HFRI FOF: Conservative ex LIBOR</i>	-0.46%	3.82%	2.66%	2.90%

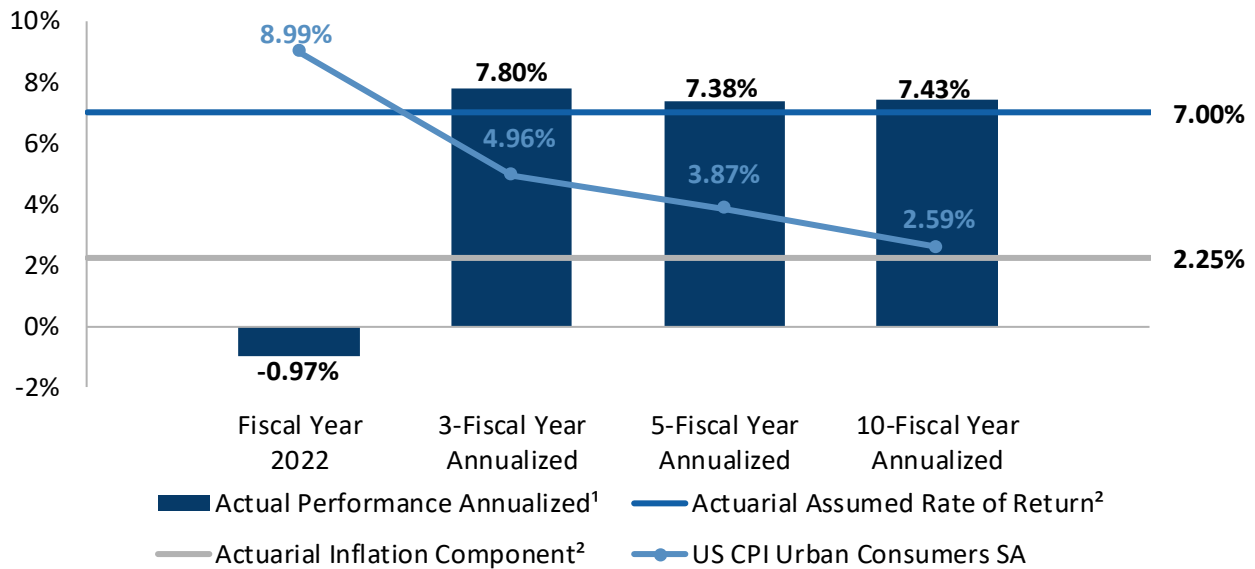
<sup>1</sup> Plan returns are from BNY Mellon and are time-weighted, total return calculations, net of fees and expenses. All returns are expressed in U.S. dollars. Periods greater than one year are annualized. Total Plan trailing periods reflect a performance correction that affected the time period 03/31/2015 through 06/30/2022.

<sup>2</sup> The Policy Benchmark is set annually by the RSIC and has changed over time. The presented returns are a blend of previous policies. Asset class benchmarks represent current policy benchmarks blended with past policy benchmarks which may have changed over time.

<sup>3</sup> Returns generated from synthetic exposure through the Overlay Program are blended into the asset class segment returns.

<sup>4</sup> Portable Alpha Hedge Funds are expressed as gross exposure but, as collateral supporting the Overlay Program, net to zero when calculating total Plan fair value. 3, 5 and 10 year Portable Alpha hedge fund returns are considered supplemental information provided by Staff to illustrate performance of these hedge funds even though they were classified under a different asset class during these periods. The cost of holding these assets is proxied using 3 month LIBOR and the performance presented is excess of LIBOR.

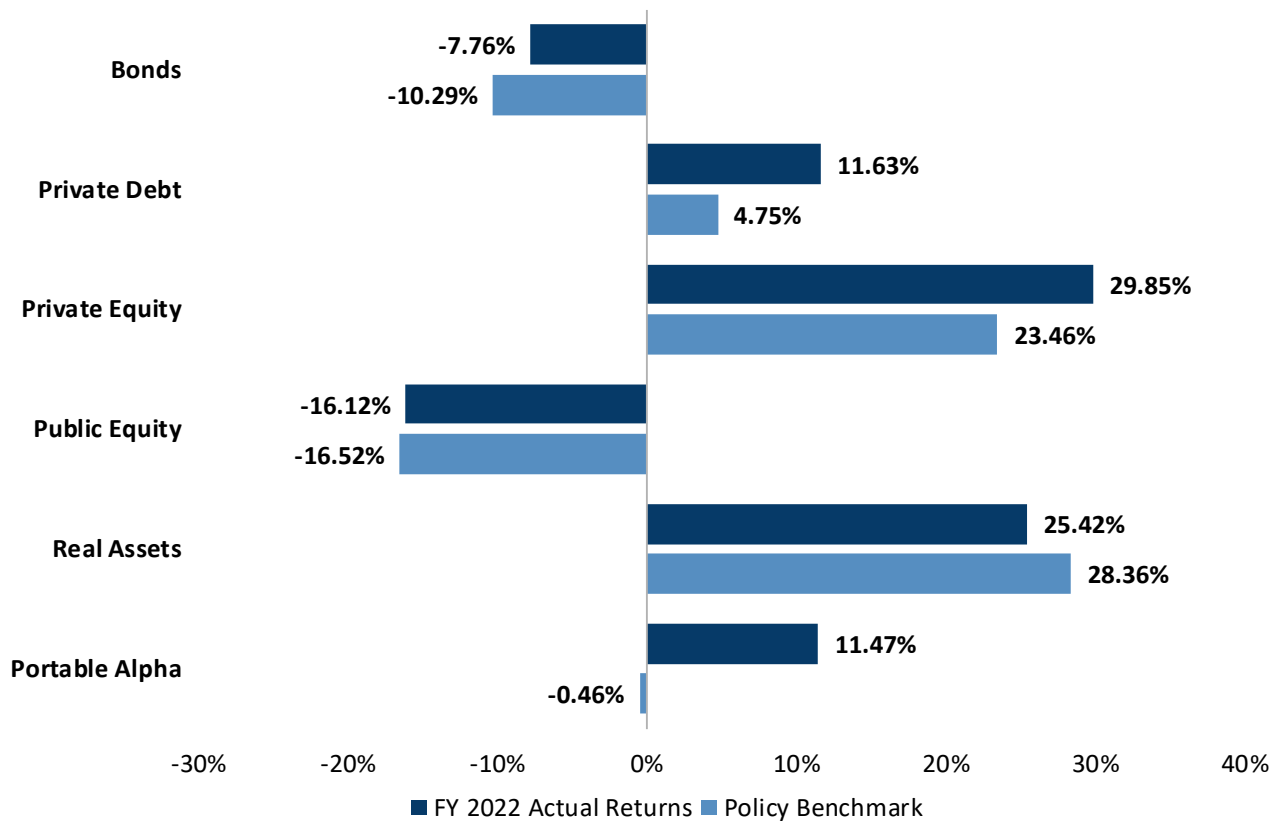
## South Carolina Retirement Systems Investment Performance Summary



<sup>1</sup> Plan returns are provided by BNY Mellon and are presented on a time-weighted calculation basis, net of fees. All returns are expressed in U.S. dollars. Periods greater than one year are annualized. Total Plan trailing periods reflect a performance correction that affected the time period 03/31/2015 through 06/30/2022.

<sup>2</sup> The actuarial assumed rate of return was set at 7.50 percent, net of investment expense, for fiscal years 2011 through 2017, 7.25 percent for fiscal years 2018 through 2021, then 7 percent beginning with fiscal year 2021. The rate was composed of 2.75 percent inflation and 4.75 percent real rate of return through fiscal year 2016; 2.25 percent inflation and 5.25 percent real return for fiscal year 2017; 2.25 percent inflation and 5.00 percent real return for fiscal years 2018 through 2021, and 2.25 percent inflation and 4.75 percent real return beginning with fiscal year 2021.

### Fiscal Year 2022 Investment Performance by Market Segment





## South Carolina Retirement Systems

### Schedule of Investment Fees and Commissions

For the Year Ended June 30, 2022

	Fair Value of Assets Under Management at June 30, 2022 <sup>1</sup>	Reported Fees <sup>2</sup>
<b>Investment Managers' Fees</b>	\$ 38,460,045,566	\$ 696,268,812
<b>Other Investment Service Fees</b>		
Bank Fees and Investment Expenses <sup>3</sup>		10,073,927
		<u>\$ 706,342,740</u>

Brokerage Firm	Number of Shares Traded	Commissions <sup>4</sup>	Average Commissions per Share
Goldman Sachs & Co.	2,839,395	\$ 454,858	0.1602
Merrill Lynch Pierce Fenner Smith Inc.	8,577,148	149,814	0.0175
Jefferies & Company Inc.	5,834,354	71,694	0.0123
JP Morgan Securities	1,173,639	53,096	0.0452
All Others <sup>5</sup>	134,554,822	298,521	0.0022
	<u>152,979,358</u>	<u>\$ 1,027,983</u>	0.0067

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

<sup>2</sup> 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. Through a process that consists of the collection, aggregation and reasonableness testing, the RSIC provides 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.

<sup>3</sup> Includes miscellaneous investment expenses, commissions on futures, bank fees, RSIC administrative expenses and an expense reduction of \$3.4 million in tax distributions.

<sup>4</sup> Commissions paid to brokers are considered a part of the investment asset cost and are therefore not reported as expenses of the System.

<sup>5</sup> All others include 77 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, 2022

(Amounts expressed in thousands)

Style	Investment Manager	Fair Value of Assets Under Management at 6/30/2022 <sup>1</sup>	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis <sup>2</sup>			Total Investment Manager Fees
				Management Fees	Performance Fees	Other Fees	
Short Duration:							
	Blackrock Short Duration	\$ 203,745	\$ 72				\$ 72
	Penn Limited Term HY	46,969	525				525
Fixed Income:							
Core Fixed Income (IG) <sup>3</sup>							
	Blackrock Core <sup>4</sup>	(1)					
	Goldentree Structured Credit	529,581	2,780				2,780
	Guggenheim	679,742	2,487				2,487
	Pacific Investment Management Company	732,782	1,303				1,303
	Thompson Rivers	170,631		1,007			1,007
Mixed Credit							
	Barings U.S. High Yield	17					
	Barings MultiSector	334	328				328
	Caspian SC Holdings LP <sup>5</sup>	131,665		874	1,303		2,177
	Pinebridge	76					
Emerging Market Debt							
	Ashmore External Debt <sup>6</sup>		172				172
	Entrust Partnership Emerging Market Debt	30,661					
	GMO Emerging Country Debt	21,002					
Global Public Equity							
	Algert <sup>4</sup>	(31)					
	AQR Global Enhanced <sup>4</sup>	(112)					
	Blackrock Emerging Markets Small Cap Equity	213,606	171				171
	Blackrock MSCI ACWI	8,722,787	1,955				1,955
	Blackrock U. S. Small Cap	965,357	632				632
	Blackrock World ex U. S. Small Cap	644,238	279				279
	D. E. Shaw World Enhanced <sup>4</sup>	(104)					
	Intech <sup>4</sup>	(68)					
	Man Numeric International Small Cap <sup>4</sup>	(33)					
	Russell Global Transition <sup>4</sup>	(2)					
	Russell International Small Cap <sup>4</sup>	(18)					
	Russell International Small Cap Passive Transition <sup>4</sup>	(3)					
	State Street MSCI ACWI	4,099,991	711				711
Public Real Estate							
	CenterSquare US REIT Focus	481,800	1,202				1,202
Public Infrastructure							
	DWS RREEF	243,935	745				745
	Russell Infrastructure <sup>4</sup>	(2)					
Beta Overlay							
	Russell Investment Group	534,851	885				885

Continued on Pages 123-128

## South Carolina Retirement Systems

### Schedule of Investment Managers and Fees (cont.)

For the Year Ended June 30, 2022

(Amounts expressed in thousands)

Style	Investment Manager	Fair Value of Assets Under Management at 6/30/2022 <sup>1</sup>	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis <sup>2</sup>			Total Investment Manager Fees
				Management Fees	Performance Fees	Other Fees	
Alternatives:							
Hedge Funds (Portable Alpha and Non-Portable Alpha)							
	Apollo Partnership Hedge Funds	97,024		165			165
	Blackstone SAF II	1,188			165		165
	Bridgewater Associates, Inc.	227,920		6,406	14,253		20,659
	DE Shaw Composite Fund	972,273		28,544	99,463		128,007
	Grosvenor Partnership Hedge Funds	1,257					
	GSO Partnership Hedge Funds	10,165					
	Lighthouse Partnership Hedge Funds	3,452,378		44,443	59,549		103,992
	Man Solutions Ltd	76,155	(105)	353			248
	Morgan Stanley Partnership Hedge Funds	18,210					
	Polymer	150,674		344	168		512
	Reservoir Strategic Partners Fund	360			26		26
Private Debt							
	Angelo Gordon VI <sup>6</sup>					3	3
	Apollo Partnership Private Debt	887,634		5,287	11,061	2,484	18,832
	Ares Jasper Fund	307,854		3,205	527	1,178	4,910
	Ares Pathfinder Fund	40,805		313	936	102	1,351
	ASI Hark Capital III	16,721		182	210	74	466
	Avenue Spec VI	11,212				35	35
	Barings Capital Invest Corp BDC	140,823		295	1,377	760	2,432
	Barings Capital CMS Fund	15,826			186	518	704
	Broad Street Credit	129,065		1,218	647	59	1,924
	Brookfield Real Estate Finance IV	2,775		58	365	16	439
	Brookfield Real Estate Finance V	39,514		688	509	143	1,340
	Credit Opportunities Partners JV	216,025				1,262	1,262
	Crescent Mezzanine V	356			(38)	11	(27)
	Crescent Mezzanine VI	13,086		184	(404)	48	(172)
	Eagle Point Credit Partners	49,298		886	874	98	1,858
	Eagle Point Defensive Income	47,097		462		579	1,041
	Fortress Credit Opportunities Fund V (A)	24,372		193	649	168	1,010
	Fortress Lending Fund II LP	53,836		586	27	2,234	2,847
	Gateway Energy	3,960				19	19
	Goldman Sachs Mezzanine V	381		2	(13)	4	(7)
	Goldentree Loan Management II	34,004		1,741	127	227	2,095
	GoldenTree Structured Products Fund VII	5,667		112	91	91	294
	GSO Partnership Private Debt	136,708		198	396	636	1,230
	Heitman Capital Management	97,181		634		128	762
	Highbridge Principal Strategies	291,273		1,988	4,284	754	7,026
	Jocassee Partners	403,614				4,718	4,718
	KKR ABF Partners	3,158				411	411

Continued on Pages 124-128

## South Carolina Retirement Systems

### Schedule of Investment Managers and Fees (cont.)

For the Year Ended June 30, 2022

(Amounts expressed in thousands)

Style	Investment Manager	Fair Value of Assets Under Management at 6/30/2022 <sup>1</sup>	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis <sup>2</sup>			Total Investment Manager Fees
				Management Fees	Performance Fees	Other Fees	
	KKR Special Situation Fund II	83,598		1,331		285	1,616
	KKR Lending Partners II	11,816		386		343	729
	KKR Lending Partners III	114,121		1,623		1,514	3,137
	KKR Lending Partners IV <sup>8</sup>	(544)				479	479
	KKR Co-Invest I	8,572					
	KKR Co-Invest II	8,788					
	Northstar Mezz V	2,412			(361)	25	(336)
	Owl Rock First Lien	162,559		2,127		948	3,075
	Owl Rock First Lien II	77,034		201		348	549
	Owl Rock Technology Finance Corp	111,206		1,670	313	444	2,427
	Sankaty COP IV	3,284			241	21	262
	Sankaty COP V	13,824		135	400	20	555
	Selene II	931			(13)	97	84
	Torchlight IV	11,384		141	(15)	115	241
	Torchlight V	11,296		250	948	181	1,379
	WL Ross Whole Loans	2,380			(8)	80	72
<b>Private Equity</b>							
	Aberdeen Private Equity VIII	48,873		289	871	18	1,178
	Aberdeen Private Equity IX	51,770		473	821	331	1,625
	Aberdeen Private Equity IX Co-Invest I	16,377			353	172	525
	Apollo Partnership Private Equity	540,790		3,476	7,670	2,565	13,711
	Aquiline Financial Services I	36,613			(1,648)	33	(1,615)
	Aquiline Financial Services II	41,834		618	(1,769)	319	(832)
	Azalea III	3,626			(142)	12	(130)
	Azalea IV	15,570		161	1,236	98	1,495
	BCP V Co-Invest IV	26,712		446		26	472
	BCP V Co-Invest V	27,149		319		224	543
	BCP V Co-Invest VI	29,686		445		17	462
	Blackrock SLS	158,514		1,300	9,523	1,010	11,833
	BlackRock SLS Co-Invest I	137,461				989	989
	Bridgepoint Europe IV <sup>7</sup>	10,526		71	267	2	340
	Bridgepoint Europe V <sup>7</sup>	66,426		635		147	782
	Bridgepoint Europe VI <sup>7</sup>	99,255		1,144		131	1,275
	Bridgepoint Development Capital IV <sup>7</sup>	7,001		1,346		168	1,514
	Brighton Park Capital I	86,122		1,180	1,818	138	3,136
	Brighton Park Capital II <sup>8</sup>	(3,967)		403		225	628
	Brookfield Capital IV	120,301		910	482	51	1,443
	Brookfield Capital V	147,047		2,187	2,015	201	4,403
	Carousel Capital IV	5,076		212	(23)	69	258
	CD&R VIII	20,713			589	34	623
	CD&R XI	31,249		351	150	369	870

Continued on Pages 125-128

## South Carolina Retirement Systems

### Schedule of Investment Managers and Fees (cont.)

For the Year Ended June 30, 2022

(Amounts expressed in thousands)

Style	Investment Manager	Fair Value of Assets Under Management at 6/30/2022 <sup>1</sup>	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis <sup>2</sup>			Total Investment Manager Fees
				Management Fees	Performance Fees	Other Fees	
	Crestview II	45,911		422	(1,723)	107	(1,194)
	Crestview III	72,188		673	(25)	171	819
	CVC Capital VIII	24,092		1,494	919	339	2,752
	CVE-Kauffman Fellows Endowment Fund I	9,784		50	(392)	110	(232)
	Francisco Partners V	66,658		171	2,943	41	3,155
	Francisco Partners VI LP	39,757		404	835	324	1,563
	Francisco Partners Agility II LP	23,036		285	579	164	1,028
	GCM Edisto - GCM Direct	684,208		2,752	14,376	979	18,107
	GCM Edisto - RSIC Direct	400,355		214		322	536
	General Atlantic	15,695		799		18	817
	Goldman Sachs Vintage	4,770		52	249	75	376
	Great Hill Equity Partners VII	34,596		217	451	844	1,512
	Great Hill Equity Partners VIII <sup>8</sup>	(3,535)				604	604
	Hellman & Friedman	70,382		289	894	21	1,204
	Hg Saturn 3 <sup>8</sup>	(165)					
	Hg Saturn 3 Co-Invest I	10,000					
	Hillhouse Focused Growth Fund V LP	13,381		600	(72)	32	560
	Horsley Bridge Strategic Fund IV	62,735			1,183	31	1,214
	Horsley Bridge Strategic Fund V	132,025			1,066	71	1,137
	Horsley Bridge XIII Venture	60,910		438		10	448
	Horsley Bridge 14	7,209		303		35	338
	Industry Ventures VII	18,348		114	675	45	834
	Industry Ventures Partnership Holdings V	95,867		500	5,631	67	6,198
	Industry Ventures Partnership Holdings VI	12,161		436	159	82	677
	KKR Asian IV	22,674		854	(52)	37	839
	KKR CFO Co-Invest I	1,395					
	KKR CFO Co-Invest II	1,474					
	KPS Special Situations Fund V	37,895			4,154	50	4,204
	Mill Point Capital Partners II	6,532		804		152	956
	Morgan Stanley Partnership Private Equity	43,273		258	(377)	356	237
	Nordic Capital Fund X	53,776		1,494	2,881	851	5,226
	Paul Capital Partners IX	13,797		294		14	308
	Pacific Equity Partners V	33,547		513	4,894	48	5,455
	Peak Rock Capital III	15,436		148	384	185	717
	Providence Equity Fund VIII	132,831		399		1,508	1,907
	Providence Strategic Growth Fund III	68,517		601		638	1,239
	Providence Strategic Growth Fund IV	66,576		468		599	1,067
	Providence Strategic Growth Fund V	10,164		969		372	1,341
	Reservoir Capital Partners	31,706		47	1,486	41	1,574
	Resolve Growth Partners Fund I	25,388		422	1,163	163	1,748
	Square 1 Venture 1	14,327		138	270	75	483

Continued on Page 126-128

## South Carolina Retirement Systems

### Schedule of Investment Managers and Fees (cont.)

For the Year Ended June 30, 2022

(Amounts expressed in thousands)

Style	Investment Manager	Fair Value of Assets Under Management at 6/30/2022 <sup>1</sup>	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis <sup>2</sup>			Total Investment Manager Fees
				Management Fees	Performance Fees	Other Fees	
	Strategic Partners IX	20,782		433	669	145	1,247
	TA Associates XIII	89,876		1,004	5,155	120	6,279
	TA Associates XIV	18,196		499	(8)	225	716
	Valor Equity Partners V	83,531		1,360	2,794	392	4,546
	Westcap Strategic Operator Fund	184,947		1,320	9,464	51	10,835
	Westcap Strategic Operator Fund II	42,230		1,058		269	1,327
	Westcap Strategic Operator Fund II Co-Invest II	18,716					
	WLR Breiburn Energy Partners	101,732					
	WLR Transportation Recovery Fund	41,600		271		15	286
	Various Private Equity Managers <sup>9</sup>	775,080		1,984	(1,993)	1,780	1,771
<b>Private Real Estate</b>							
	Apollo Partnership Real Estate	43,586		263	722	425	1,410
	Asana Partners II	48,164		837	2,385	484	3,706
	Asana Partners III	1,333		455		121	576
	Blackstone Property Partners	771,091		6,203	17,823	3,570	27,596
	Blackstone Real Estate Partners VII	36,921		717	4,991	58	5,766
	Blackstone Real Estate Partners IX	91,799		1,500	8,148	101	9,749
	Brookfield SREP LP	27,340		337	826	233	1,396
	Brookfield SREP II LP	76,887		784	6,008	19	6,811
	Brookfield SREP III LP	87,659		1,411	4,381	79	5,871
	Brookfield SREP IV LP	176		1,222	44	185	1,451
	Carlyle VI	7,877		72	120	65	257
	CBRE	313,136		1,577	275	4,380	6,232
	CenterSquare Co Invest I	36,168	122				122
	Centersquare Co-Invest II	35,400	115				115
	Crow Holdings VII	6,912		259	93	51	403
	Crow Holdings IX	88,998		862	5,530	64	6,456
	Greystar IX	7,792		463	23,376	1,827	25,666
	Greystar X	155,756		1,442	12,518	786	14,746
	Greystar XI	106,741		47		546	593
	Lone Star II	85			1	4	5
	Morgan Stanley Prime Property	1,211,277		10,853	4,271	1,171	16,295
	Morgan Stanley Partnership Real Estate	80,869		671	(1,542)	651	(220)
	Oaktree Real Estate Opportunities V	1,814		14	77	21	112

Continued on Page 127 - 128

## South Carolina Retirement Systems

### Schedule of Investment Managers and Fees (cont.)

For the Year Ended June 30, 2022

(Amounts expressed in thousands)

Style	Investment Manager	Fair Value of Assets Under Management at 6/30/2022 <sup>1</sup>	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis <sup>2</sup>			Total Investment Manager Fees
				Management Fees	Performance Fees	Other Fees	
	Oaktree Real Estate Opportunities VI	24,081		371	(184)	92	279
	Sculptor	3,449			507	31	538
	Stockbridge Value Fund IV LP	59,922		1,100	2,099	123	3,322
	TA Realty X	56		20	12	19	51
	TA Realty - SC LP	789,456		4,673	43,755	104	48,532
	WLR Resolution Recovery Partners	2,990		363		420	783
Private Infrastructure							
	Actis Infrastructure	35,706		975		50	1,025
	Axiom Infrastructure	155,662		1,297	1,580	504	3,381
	Brookfield Infrastructure IV	71,058		1,186	2,185	146	3,517
	Brookfield Super Core	201,537		1,300	821	1,305	3,426
	Brookfield Super Core Co-Invest I	26,632				24	24
	Brookfield Super Core Co-Invest II	27,236				1	1
	Brookfield Super Core Co-Invest III	30,188					
	Colony Capital Co-Invest I	42,405		180	28	93	301
	Digital Colony Partners Fund I	134,441		1,382	5,833	183	7,398
	Digital Colony Co-Invest I	32,982				10	10
	Digital Colony II Co-Invest I	38,022		140		45	185
	Grain Spectrum Holdings III	78,752		388		29	417
	Macquarie Infrastructure	138,345		812		569	1,381
	Stonepeak Infrastructure	26,442		1,353	382	283	2,018
Strategic Partnerships <sup>10</sup>							
	Apollo	21,081					
	Entrust	622					
	Goldman Sachs	5,437					
	GSO	15,940					
	Lighthouse	(724)					
	Morgan Stanley	3,233					
	WL Ross	1,394					
Internally Managed Assets							
	Core Fixed Income	12,337					
	Cash Accounts	595,479					
	Residual Assets	11					
	Total Fair Value of Assets and Manager Fees	\$ 38,448,949	\$ 14,379	\$ 195,278	\$ 426,153	\$ 60,459	\$ 696,269
	Adjustments, Cash, Receivables and Payables <sup>11</sup>	(161,462)					
	Net Asset Value as reported by the Custodial Bank	\$ 38,287,487					

Continued on Page 128

<sup>1</sup> The "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 RSIC.

<sup>2</sup> Investment manager fees, whether directly invoiced (\$14,379) or deducted from the fund on a net basis (\$681,890) are classified and reported as Investment Expense. The RSIC makes a good faith attempt to account for fees that are not necessarily readily separable. The RSIC oversees the collection and aggregation of the netted investment fees by their investment consultant, and checks for reasonableness in order to provide the Retirement Division of PEBA with investment fees and expenses that would not be disclosed otherwise. These amounts include management fees, paid and accrued performance fees (carried interest) and other expenses such as organizational expenses in limited partnership structures.

<sup>3</sup> This asset class includes both Fixed Rate and Floating Rate Investment Grade Bonds.

<sup>4</sup> Negative fair value represents FX loss on accrued interest reclaims receivable.

<sup>5</sup> This hedge fund is classified as a Mixed Credit mandate for investment purposes by RSIC due to it having higher factor or beta exposures to the asset class; however, for financial statement purposes it is classified as Hedge Funds.

<sup>6</sup> Account liquidated during the fiscal year. Fees may not represent a full year.

<sup>7</sup> Net asset value is reported gross of performance fees.

<sup>8</sup> Negative fair value is due to timing of cash flows.

<sup>9</sup> Represents the aggregation of thirty managers, each with total investment manager fees of less than \$250,000, and one manager that has a non-disclosure agreement.

<sup>10</sup> Represents 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.

<sup>11</sup> Includes valuation adjusting entry which, for financial statement purposes, includes the most up to date valuations for private market investments.



**Actuarial**







July 21, 2022

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, 2021**

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, which first came into existence by the Retirement System Funding and Administration Act of 2017 and last amended by Act 135 and a subsequent budget proviso.

In accordance with that statutory schedule, as modified, the employer and member contribution rates for the South Carolina Retirement System that was in effect for the fiscal year ending June 30, 2022 are 16.56% and 9.00%, respectively. In addition, this employer contribution scheduled to increase at the rate of 1.00% of pay for each of the next two subsequent fiscal years (i.e. an ultimate employer contribution rate of 18.56% of pay for fiscal year 2024). Similarly, the employer and member contribution rate for the Police Officers Retirement System that was in effect for the fiscal year ending June 30, 2022 are 19.24% and 9.75%, respectively. The employer contribution rate for the Police Officers Retirement System is scheduled to increase at the rate of 1.00% of pay for each of the next two subsequent fiscal years (i.e. an ultimate employer contribution rate of 21.24% of pay for fiscal year 2024).

Additionally, the State Code specifies that the maximum amortization period is 26 years as of July 1, 2021 and the maximum amortization period will decrease by one year in each of the next six years until reaching a maximum 20-year funding period on July 1, 2027 for both the South Carolina

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Retirement System and Police Officers Retirement System and the contribution rates determined by an actuarial valuation must be sufficient to maintain an amortization period that does not exceed 20 years each year thereafter. Finally, the Board is not permitted to decrease the employer and member contribution rates until the funded ratio of the plan is at least 85%.

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), which is the actuarial accrued liability less the actuarial value of assets, to be amortized over a period from the current valuation date over a reasonable time period.

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 26 years in installments from the current valuation date. These installments increase at the assumed rate of growth in payroll for Judges and Solicitors Retirement 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, assumption changes, or investment losses, it should increase over time, until it reaches at least 100%. Due to the increased contributions and recognition of investment gains that have occurred in prior years, the funded ratio increased from 55.1% in 2020 to 56.3% in 2021 for all systems on a combined basis.

#### **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 at least every five years. The July 1, 2021 actuarial valuations were based on actuarial assumptions that were based on the System's experience for the five-year period ending July 1, 2019.





In December of 2020, the Board adopted updated assumptions for first use in the July 1, 2021 actuarial valuation.

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 assumptions and methods used for funding purposes meet the parameters set by Actuarial Standards of Practice. 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 employer contribution rate, and funding period. 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, 2021, Summary of Actuarial Assumptions and Methods, Development of the Actuarial Value of Assets, Solvency Test, Reconciliation of the UAAL*. GRS also prepared the following trend information in the actuarial section for years on and after July 1, 2012: *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' and Nonemployer's Contributions*.

#### DATA

Member data for retired, active and inactive members was supplied as of July 1, 2021, by the PEBA staff. The staff also supplied asset information as of July 1, 2021. 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.



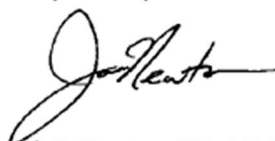
**CERTIFICATION**

We certify that the information presented herein is accurate and fairly portrays the actuarial position of the Retirement Systems as of July 1, 2021. 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, Mr. White, and Mr. Lyle 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  
Pension Market Leader and Actuary



Daniel J. White, FSA, MAAA, EA  
Regional Director and Actuary



Thomas Lyle, FSA, EA, MAAA  
Consultant



# South Carolina Retirement System

## Actuarial Balance Sheet

(Amounts expressed in thousands)

	<u>July 1, 2021</u>	<u>July 1, 2020</u>
<b>1. Assets</b>		
a. Current assets (actuarial value)		
i. Employee annuity savings fund	\$ 10,241,141	\$ 9,714,420
ii. Employer annuity accumulation fund	<u>20,105,485</u>	<u>18,457,544</u>
iii. Total current assets	\$ 30,346,626	\$ 28,171,964
b. Present value of future member contributions	\$ 7,077,785	\$ 6,916,047
c. Present value of future employer contributions		
i. Normal contributions	\$ 1,164,128	\$ 934,714
ii. Accrued liability contributions	<u>24,651,369</u>	<u>23,889,281</u>
iii. Total future employer contributions	\$ 25,815,497	\$ 24,823,995
d. Total assets	<u>\$ 63,239,908</u>	<u>\$ 59,912,006</u>
<b>2. Liabilities</b>		
a. Employee annuity savings fund		
i. Past member contributions	\$ 10,241,141	\$ 9,714,420
ii. Present value of future member contributions	<u>7,077,785</u>	<u>6,916,047</u>
iii. Total contributions to employee annuity savings fund	\$ 17,318,926	\$ 16,630,467
b. Employer annuity accumulation fund		
i. Benefits currently in payment	\$ 33,050,214	\$ 31,534,153
ii. Benefits to be provided to other members	<u>12,870,768</u>	<u>11,747,386</u>
iii. Total benefits payable from employer annuity accumulation fund	\$ 45,920,982	\$ 43,281,539
c. Total liabilities	<u>\$ 63,239,908</u>	<u>\$ 59,912,006</u>

# Police Officers Retirement System

## Actuarial Balance Sheet

*(Amounts expressed in thousands)*

	<u>July 1, 2021</u>	<u>July 1, 2020</u>
<b>1. Assets</b>		
a. Current assets (actuarial value)		
i. Employee annuity savings fund	\$ 1,330,653	\$ 1,265,088
ii. Employer annuity accumulation fund	<u>4,204,184</u>	<u>3,804,660</u>
iii. Total current assets	\$ 5,534,837	\$ 5,069,748
b. Present value of future member contributions	\$ 1,039,814	\$ 1,054,621
c. Present value of future employer contributions		
i. Normal contributions	\$ 556,265	\$ 473,642
ii. Accrued liability contributions	<u>3,076,679</u>	<u>3,042,190</u>
iii. Total future employer contributions	\$ 3,632,944	\$ 3,515,832
d. Total assets	<u>\$ 10,207,595</u>	<u>\$ 9,640,201</u>
<b>2. Liabilities</b>		
a. Employee annuity savings fund		
i. Past member contributions	\$ 1,330,653	\$ 1,265,088
ii. Present value of future member contributions	<u>1,039,814</u>	<u>1,054,621</u>
iii. Total contributions to employee annuity savings fund	\$ 2,370,467	\$ 2,319,709
b. Employer annuity accumulation fund		
i. Benefits currently in payment	\$ 5,039,417	\$ 4,709,824
ii. Benefits to be provided to other members	<u>2,797,711</u>	<u>2,610,668</u>
iii. Total benefits payable from employer annuity accumulation fund	\$ 7,837,128	\$ 7,320,492
c. Total liabilities	<u>\$ 10,207,595</u>	<u>\$ 9,640,201</u>



# General Assembly Retirement System

## Actuarial Balance Sheet

(Amounts expressed in thousands)

	July 1, 2021	July 1, 2020
<b>1. Assets</b>		
a. Current assets (actuarial value)		
i. Employee annuity savings fund	\$ 6,567	\$ 7,046
ii. Employer annuity accumulation fund	33,489	29,823
iii. Total current assets	\$ 40,056	\$ 36,869
b. Present value of future member contributions <sup>1</sup>	\$ 790	\$ 818
c. Present value of future employer contributions		
i. Normal contributions	\$ 565	\$ 630
ii. Accrued liability contributions	31,377	34,557
iii. Total future employer contributions	\$ 31,942	\$ 35,187
d. Total assets	<u>\$ 72,788</u>	<u>\$ 72,874</u>
<b>2. Liabilities</b>		
a. Employee annuity savings fund		
i. Past member contributions	\$ 6,567	\$ 7,046
ii. Present value of future member contributions <sup>1</sup>	790	818
iii. Total contributions to employee annuity savings fund	\$ 7,357	\$ 7,864
b. Employer annuity accumulation fund		
i. Benefits currently in payment	\$ 55,142	\$ 53,951
ii. Benefits to be provided to other members	10,289	11,059
iii. Total benefits payable from employer annuity accumulation fund	\$ 65,431	\$ 65,010
c. Total liabilities	<u>\$ 72,788</u>	<u>\$ 72,874</u>

<sup>1</sup> Includes expected contributions from special contributors.

# Judges and Solicitors Retirement System

## Actuarial Balance Sheet

(Amounts expressed in thousands)

	<u>July 1, 2021</u>	<u>July 1, 2020</u>
<b>1. Assets</b>		
a. Current assets (actuarial value)		
i. Employee annuity savings fund	\$ 32,669	\$ 33,153
ii. Employer annuity accumulation fund	<u>160,886</u>	<u>143,496</u>
iii. Total current assets	\$ 193,555	\$ 176,649
b. Present value of future member contributions	\$ 22,969	\$ 19,134
c. Present value of future employer contributions		
i. Normal contributions	\$ 44,789	\$ 34,463
ii. Accrued liability contributions	<u>250,802</u>	<u>238,420</u>
iii. Total future employer contributions	\$ 295,591	\$ 272,883
d. Total assets	<u>\$ 512,115</u>	<u>\$ 468,666</u>
<b>2. Liabilities</b>		
a. Employee annuity savings fund		
i. Past member contributions	\$ 32,669	\$ 33,153
ii. Present value of future member contributions	<u>22,969</u>	<u>19,134</u>
iii. Total contributions to employee annuity savings fund	\$ 55,638	\$ 52,287
b. Employer annuity accumulation fund		
i. Benefits currently in payment	\$ 303,810	\$ 273,630
ii. Benefits to be provided to other members	<u>152,667</u>	<u>142,749</u>
iii. Total benefits payable from employer annuity accumulation fund	\$ 456,477	\$ 416,379
c. Total liabilities	<u>\$ 512,115</u>	<u>\$ 468,666</u>

# South Carolina National Guard Supplemental Retirement Plan

## Actuarial Balance Sheet

*(Amounts expressed in thousands)*

	<u>July 1, 2021</u>	<u>July 1, 2020</u>
<b>1. Assets</b>		
a. Current assets (actuarial value)	\$ 36,958	\$ 33,299
b. Present value of future member contributions	0	0
c. Present value of future employer contributions		
i. Normal contributions	\$ 7,161	\$ 7,481
ii. Accrued liability contributions	<u>31,374</u>	<u>33,298</u>
iii. Total future employer contributions	\$ 38,535	\$ 40,779
d. Total assets	<u>\$ 75,493</u>	<u>\$ 74,078</u>
<b>2. Liabilities</b>		
a. Benefits to be paid to retired members	\$ 36,316	\$ 35,756
b. Benefits to be paid to former members entitled to deferred pensions	10,516	10,838
c. Benefits to be paid to current active members	<u>28,661</u>	<u>27,484</u>
d. Total liabilities	<u>\$ 75,493</u>	<u>\$ 74,078</u>

# South Carolina Retirement System

## Results of the Valuation as of July 1, 2021

*(Amounts expressed in thousands)*

	<u>July 1, 2021</u>
<b>1. Actuarial Present Value of Future Benefits</b>	
a. Present retired members and beneficiaries	\$ 33,050,214
b. Present active and inactive members	<u>30,189,694</u>
c. Total actuarial present value	\$ 63,239,908
<b>2. Present Value of Future Normal Contributions</b>	
a. Member	\$ 7,077,785
b. Employer	<u>1,164,128</u>
c. Total future normal contributions	\$ 8,241,913
<b>3. Actuarial Liability</b>	\$ 54,997,995
<b>4. Current Actuarial Value of Assets</b>	\$ 30,346,626
<b>5. Unfunded Actuarial Liability</b>	\$ 24,651,369
<b>6. UAAL Amortization Rates Based on an Employer Contribution Rate of 17.56%<sup>1</sup></b>	
a. Active members	15.61%
b. ORP members	12.56%
c. Re-employed retirees (including employee contributions)	26.56%
<b>7. Unfunded Actuarial Liability Liquidation Period</b>	20 years

<sup>1</sup>The employer contribution rate includes the cost of incidental death benefits.

# Police Officers Retirement System

## Results of the Valuation as of July 1, 2021

*(Amounts expressed in thousands)*

	<u>July 1, 2021</u>
<b>1. Actuarial Present Value of Future Benefits</b>	
a. Present retired members and beneficiaries	\$ 5,039,417
b. Present active and inactive members	<u>5,168,178</u>
c. Total actuarial present value	\$ 10,207,595
<b>2. Present Value of Future Normal Contributions</b>	
a. Member	\$ 1,039,814
b. Employer	<u>556,265</u>
c. Total future normal contributions	\$ 1,596,079
<b>3. Actuarial Liability</b>	\$ 8,611,516
<b>4. Current Actuarial Value of Assets</b>	\$ 5,534,837
<b>5. Unfunded Actuarial Liability</b>	\$ 3,076,679
<b>6. UAAL Amortization Rates based on an Employer Contribution Rate of 20.24%<sup>1</sup></b>	
a. Active members	14.61%
b. Re-employed retirees (including employee contributions)	29.99%
<b>7. Unfunded Actuarial Liability Liquidation Period</b>	19 years

<sup>1</sup>The employer contribution rate includes the cost of accidental and incidental death benefits.

# General Assembly Retirement System

## Results of the Valuation as of July 1, 2021

*(Amounts expressed in thousands)*

	<u>July 1, 2021</u>
<b>1. Actuarial Present Value of Future Benefits</b>	
a. Present retired members and beneficiaries	\$ 55,142
b. Present active and inactive members	<u>17,646</u>
c. Total actuarial present value	\$ 72,788
<b>2. Present Value of Future Normal Contributions</b>	
a. Member	\$ 790
b. Employer	<u>565</u>
c. Total future normal contributions	\$ 1,355
<b>3. Actuarial Liability</b>	\$ 71,433
<b>4. Current Actuarial Value of Assets</b>	\$ 40,056
<b>5. Unfunded Actuarial Liability</b>	\$ 31,377
<b>6. Unfunded Actuarial Liability Liquidation Period from the Valuation Date</b>	6 years

## Judges and Solicitors Retirement System

### Results of the Valuation as of July 1, 2021

*(Amounts expressed in thousands)*

	<u>July 1, 2021</u>
<b>1. Actuarial Present Value of Future Benefits</b>	
a. Present retired members and beneficiaries	\$ 303,810
b. Present active and inactive members	<u>208,305</u>
c. Total actuarial present value	\$ 512,115
<b>2. Present Value of Future Normal Contributions</b>	
a. Member	\$ 22,969
b. Employer	<u>44,789</u>
c. Total future normal contributions	\$ 67,758
<b>3. Actuarial Liability</b>	\$ 444,357
<b>4. Current Actuarial Value of Assets</b>	\$ 193,555
<b>5. Unfunded Actuarial Liability</b>	\$ 250,802
<b>6. UAAL Amortization Rates Based on an Employer Contribution Rate of 62.94%<sup>1</sup></b>	
a. Active members	42.17%
b. Deferred Retirement Option Program (DROP) and Retired-in-Place Members (including employee contributions)	72.94%
<b>7. Unfunded Actuarial Liability Liquidation Period</b>	23 Years

<sup>1</sup>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, 2021

*(Amounts expressed in thousands)*

	<u>July 1, 2021</u>
<b>1. Actuarial Present Value of Future Benefits</b>	
a. Present retired members	\$ 36,316
b. Present active and inactive members	<u>39,177</u>
c. Total actuarial present value	\$ 75,493
<b>2. Present Value of Future Normal Contributions</b>	
a. Member	\$ 0
b. Employer	<u>7,161</u>
c. Total future normal contributions	\$ 7,161
<b>3. Actuarial Liability</b>	\$ 68,332
<b>4. Current Actuarial Value of Assets</b>	\$ 36,958
<b>5. Unfunded Actuarial Liability</b>	\$ 31,374
<b>6. Unfunded Actuarial Liability Liquidation Period<sup>1</sup></b>	15 years

<sup>1</sup> There is one year remaining in the amortization of the unfunded liability attributable to the 2006 legislation change and 16 years remaining in the amortization of the unfunded liability due to other plan experience. The disclosure of a 16 year funding period is for stakeholders to understand when the system is expected to attain a 100% funded ratio.



# South Carolina Retirement System

## Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the PEBA Board is responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the assumed rate of investment return. The investment return assumption is a prescribed assumption set by the General Assembly in Section 9-16-335 of South Carolina State Code. The investment return assumption expired on July 1, 2021 and the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25 percent to 7.00 percent, as provided by Section 9-16-335 in South Carolina State Code. The investment return assumption of 7.00 percent was used in the July 1, 2021 actuarial valuations. The 7 percent return assumption will expire again on July 1, 2025. The Board is to submit a proposed return assumption to the Senate Finance Committee and the House Ways and Means Committee for the General Assembly to consider when amending the Statute.

South Carolina State Statute requires that an experience analysis that reviews the economic and demographic assumptions be performed at least once every five years. The most recent actuarial experience study was completed by GRS for the five-year period ending June 30, 2019. This Experience Study recommended decreasing the investment return assumption to 7.00 percent on July 1, 2021 when the investment return assumption expired. This change as well as other recommended changes adopted by the PEBA Board, were implemented beginning with the July 1, 2021 actuarial valuations.

Following is a summary of the actuarial assumptions and methods used in the July 1, 2021 valuation of the South Carolina Retirement System for funding purposes and financial reporting purposes.

## Investment Rate of Return

The assumed annual investment rate of return of 7.00 percent net of investment expenses is composed of a 2.25 percent inflation component and a 4.75 percent real rate of return, net of investment expenses.

The annual investment return assumption is prescribed in Section 9-16-335 of the South Carolina Code of Laws and as described above, decreased from 7.25 percent to 7 percent effective July 1, 2021.

## Rates of Annual Salary Increase

Rates of annual salary increase are assumed to vary for the first 20 years of service due to expected merit and promotional increases which differ by employee groups. Beginning with the 21st year of service, the assumed annual rate of increase is 3.0 percent for both groups and for all future years of service.

The 3.0 percent rate of the increase is composed of a 2.25 percent inflation component and a 0.75 percent real rate of wage increase (productivity) component.

## South Carolina Retirement System

### 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 3.0% Wage Inflation	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.0% Wage Inflation
1	6.50%	9.50%	8.00%	11.00%
2	4.00%	7.00%	7.75%	10.75%
3	2.25%	5.25%	3.50%	6.50%
4	1.75%	4.75%	2.50%	5.50%
5	1.50%	4.50%	2.25%	5.25%
6	1.25%	4.25%	2.00%	5.00%
7	1.25%	4.25%	1.75%	4.75%
8	1.00%	4.00%	1.50%	4.50%
9	1.00%	4.00%	1.50%	4.50%
10	0.75%	3.75%	1.25%	4.25%
11	0.75%	3.75%	1.25%	4.25%
12	0.50%	3.50%	1.00%	4.00%
13	0.50%	3.50%	0.75%	3.75%
14	0.50%	3.50%	0.75%	3.75%
15	0.50%	3.50%	0.50%	3.50%
16	0.50%	3.50%	0.50%	3.50%
17	0.50%	3.50%	0.25%	3.25%
18	0.50%	3.50%	0.25%	3.25%
19	0.25%	3.25%	0.25%	3.25%
20	0.25%	3.25%	0.25%	3.25%
21+	0.00%	3.00%	0.00%	3.00%

## South Carolina Retirement System

### Active Member Decrement Rates

- a. Assumed rates of service retirement are shown in the following tables. The first table provides retirement rates for Class Two 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 third table provides the retirement rate applicable to Class Three members.

#### Class Two Age Based Retirement Rates<sup>1</sup>

Age	General Employees				Teachers			
	Reduced		Normal		Reduced		Normal	
	Male	Female	Male	Female	Male	Female	Male	Female
55	7%	9%	0%	0%	14%	10%	0%	0%
56	7%	9%	0%	0%	14%	10%	0%	0%
57	7%	9%	0%	0%	14%	10%	0%	0%
58	7%	9%	0%	0%	14%	10%	0%	0%
59	7%	9%	0%	0%	14%	10%	0%	0%
60	7%	9%	0%	0%	14%	10%	0%	0%
61	7%	9%	0%	0%	14%	10%	0%	0%
62	15%	15%	0%	0%	20%	20%	0%	0%
63	15%	15%	0%	0%	20%	20%	0%	0%
64	15%	15%	0%	0%	20%	20%	0%	0%
65	0%	0%	35%	35%	0%	0%	35%	35%
66	0%	0%	20%	25%	0%	0%	25%	30%
67	0%	0%	20%	25%	0%	0%	25%	30%
68	0%	0%	20%	20%	0%	0%	25%	30%
69	0%	0%	20%	20%	0%	0%	20%	20%
70	0%	0%	20%	20%	0%	0%	20%	20%
71	0%	0%	20%	20%	0%	0%	20%	20%
72	0%	0%	20%	20%	0%	0%	20%	20%
73	0%	0%	20%	20%	0%	0%	20%	20%
74	0%	0%	20%	20%	0%	0%	20%	20%
75	0%	0%	100%	100%	0%	0%	100%	100%

<sup>1</sup> Retirement rate is 35% 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).

## South Carolina Retirement System

### Class Two Service Based Retirement Rates<sup>1</sup>

Years of Service	General Employees		Teachers	
	Male	Female	Male	Female
28	15%	20%	15%	15%
29	15%	20%	15%	12%
30	10%	10%	10%	12%
31	10%	10%	10%	12%
32	10%	10%	10%	12%
33	10%	20%	10%	12%
34	10%	20%	10%	12%
35	10%	20%	10%	12%
36	20%	20%	10%	15%
37	20%	20%	10%	15%
38	20%	20%	10%	15%
39	20%	20%	10%	15%
40+	100%	100%	100%	100%

<sup>1</sup> Retirement rate is 35% 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).

## South Carolina Retirement System

### Class Three Retirement Rates<sup>1</sup>

Age	General Employees				Teachers				Rule of 90 <sup>2</sup>
	Reduced		Normal		Reduced		Normal		
	Male	Female	Male	Female	Male	Female	Male	Female	
55	0%	0%	0%	0%	0%	0%	0%	0%	20%
56	0%	0%	0%	0%	0%	0%	0%	0%	20%
57	0%	0%	0%	0%	0%	0%	0%	0%	20%
58	0%	0%	0%	0%	0%	0%	0%	0%	20%
59	0%	0%	0%	0%	0%	0%	0%	0%	20%
60	7%	9%	0%	0%	14%	10%	0%	0%	20%
61	7%	9%	0%	0%	14%	10%	0%	0%	20%
62	15%	15%	0%	0%	20%	20%	0%	0%	20%
63	15%	15%	0%	0%	20%	20%	0%	0%	20%
64	15%	15%	0%	0%	20%	20%	0%	0%	20%
65	0%	0%	35%	35%	0%	0%	35%	35%	20%
66	0%	0%	20%	25%	0%	0%	20%	30%	20%
67	0%	0%	20%	25%	0%	0%	20%	30%	20%
68	0%	0%	20%	20%	0%	0%	20%	30%	20%
69	0%	0%	20%	20%	0%	0%	20%	20%	20%
70	0%	0%	20%	20%	0%	0%	20%	20%	20%
71	0%	0%	20%	20%	0%	0%	20%	20%	20%
72	0%	0%	20%	20%	0%	0%	20%	20%	20%
73	0%	0%	20%	20%	0%	0%	20%	20%	20%
74	0%	0%	20%	20%	0%	0%	20%	20%	20%
75	0%	0%	100%	100%	0%	0%	100%	100%	100%

<sup>1</sup> Retirement rate is 35% 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).

<sup>2</sup> The "Rule of 90" retirement rates do not apply if the "Rule of 90" is achieved after age 65.

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

### Disability Rates

Age	General Employees		Teachers	
	Male	Female	Male	Female
25	0.0340%	0.0290%	0.0160%	0.0182%
30	0.0680%	0.0406%	0.0240%	0.0245%
35	0.1020%	0.0812%	0.0320%	0.0245%
40	0.1700%	0.1044%	0.0600%	0.0427%
45	0.2380%	0.1508%	0.1000%	0.0875%
50	0.3400%	0.2552%	0.1600%	0.1400%
55	0.5440%	0.4060%	0.2600%	0.2275%
60	0.6800%	0.6206%	0.4000%	0.3500%
64	0.8500%	0.8642%	0.5000%	0.4375%

There is no differentiation between duty and nonduty related disability benefits.

c. Active Member Mortality

Rates of active member mortality are based upon the amount-weighted PUB-2010 Public Retirement Plans Mortality Table for Safety with applicable multipliers to better reflect anticipated experience and provide margin for future improvement in mortality.

### South Carolina Retirement System Active Mortality Rates (Multiplier Applied)

Age	General Employees		Teachers	
	Male	Female	Male	Female
25	0.0378%	0.0122%	0.0208%	0.0099%
30	0.0486%	0.0203%	0.0286%	0.0154%
35	0.0635%	0.0311%	0.0390%	0.0220%
40	0.0891%	0.0486%	0.0546%	0.0341%
45	0.1323%	0.0756%	0.0871%	0.0528%
50	0.2012%	0.1121%	0.1443%	0.0803%
55	0.2957%	0.1661%	0.2236%	0.1177%
60	0.4307%	0.2511%	0.3432%	0.1771%
64	0.5846%	0.3632%	0.5096%	0.2662%
Multiplier	135%	135%	130%	110%

For purposes of determining active death benefits, 5 percent of active deaths for general employees are assumed to be duty related.

d. Rates of Withdrawal

1). For the first 10 years of service for general employees/11 years of service for teachers, rates are developed for each employee group and differ by gender and service. Sample rates are shown in the tables below.

Years of Service	SCRS- General Employees		SCRS - Teachers	
	Male	Female	Male	Female
1	0.2200	0.2600	0.0000	0.0000
2	0.1800	0.2200	0.2200	0.2400
3	0.1300	0.1500	0.1700	0.1400
4	0.1000	0.1200	0.1200	0.1100
5	0.0900	0.1000	0.1000	0.0900
6	0.0850	0.0900	0.0900	0.0750
7	0.0800	0.0800	0.0800	0.0700
8	0.0700	0.0700	0.0700	0.0600
9	0.0600	0.0600	0.0600	0.0550
10	0.0550	0.0550	0.0500	0.0500
11	0.0538	0.0544	0.0500	0.0450

2). After the first 10 years of service for general employees/11 years of service for teachers, termination rates vary by employee group, gender and by the number of years remaining until first retirement eligibility. Sample rates are shown in the tables below.

Years from Retirement	SCRS- General Employees		SCRS - Teachers	
	Male	Female	Male	Female
1	0.0090	0.0100	0.0080	0.0080
2	0.0100	0.0100	0.0090	0.0080
3	0.0110	0.0100	0.0100	0.0080
4	0.0120	0.0110	0.0110	0.0090
5	0.0130	0.0120	0.0120	0.0090
6	0.0150	0.0140	0.0140	0.0100
7	0.0170	0.0160	0.0160	0.0110
8	0.0190	0.0190	0.0170	0.0120
9	0.0200	0.0210	0.0180	0.0140
10	0.0220	0.0240	0.0200	0.0160
11	0.0260	0.0270	0.0220	0.0180
12	0.0290	0.0300	0.0240	0.0200
13	0.0320	0.0340	0.0260	0.0220
14	0.0340	0.0380	0.0270	0.0240
15	0.0370	0.0420	0.0290	0.0280
16	0.0390	0.0450	0.0310	0.0310
17	0.0420	0.0480	0.0350	0.0340
18	0.0430	0.0490	0.0360	0.0350
19	0.0442	0.0496	0.0374	0.0360
20	0.0454	0.0502	0.0388	0.0370
21	0.0466	0.0508	0.0402	0.0380
22	0.0478	0.0514	0.0416	0.0390
23	0.0490	0.0520	0.0430	0.0400
24	0.0502	0.0526	0.0444	0.0410
25	0.0514	0.0532	0.0458	0.0420
26	0.0526	0.0538	0.0472	0.0430
27	0.0538	0.0544	0.0486	0.0440
28	0.0000	0.0000	0.0000	0.0000

## South Carolina Retirement System

### Refund of Member Contributions

The following percentage of vested members are assumed to elect to receive a refund of contributions upon termination of employment prior to becoming eligible to commence a service retirement benefit. This assumption is based on the plan's experience.

Age	Less than 40	40-49	50 or Older
Refund rate	45%	40%	35%

## Post Retirement Mortality

- a. Healthy retirees and beneficiaries – The gender-distinct South Carolina Retirees 2020 Mortality Tables. The rates are projected on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience. The following are sample rates of the base table:

### Nondisabled Annuitant Mortality Rates Before Projection (Multiplier Applied)

Age	General Employees		Teachers	
	Male	Female	Male	Female
50	0.1920%	0.2192%	0.1880%	0.1926%
55	0.3243%	0.2824%	0.3176%	0.2481%
60	0.5751%	0.3863%	0.5633%	0.3393%
65	0.8761%	0.5616%	0.8580%	0.4934%
70	1.4502%	0.9097%	1.4203%	0.7992%
75	2.5442%	1.7869%	2.4918%	1.5698%
80	4.7175%	3.5220%	4.6202%	3.0941%
85	8.5346%	6.8204%	8.3587%	5.9917%
90	14.9914%	12.8871%	14.6823%	11.3214%
Multiplier	97%	107%	95%	94%

The life expectancies for a 65 year old retiree in future years based on the assumption with full generational projection are shown as follows:

### Life Expectancy for an Age 65 Retiree in Years

Employee Type	Year of Retirement				
	2020	2025	2030	2035	2040
General Employee - Male	20.9	21.2	21.5	21.8	22.1
General Employee - Female	23.0	23.3	23.6	23.9	24.2
Teacher - Male	21.1	21.4	21.7	22.0	22.3
Teacher - Female	24.0	24.3	24.6	24.9	25.2



- b. A separate table of mortality rates is used for disabled retirees based on the Pub-2010 Public Retirement Plans Disabled Mortality tables on a fully generational basis by 80% of Scale UMP to account for future mortality and with multipliers based on plan experience. The following are sample rates of the base table:

### South Carolina Retirement System Disabled Annuitant Mortality Rates (Multiplier Applied)

Age	General Employees		Teachers	
	Male	Female	Male	Female
50	2.2470%	1.9279%	2.0865%	1.7796%
55	2.9596%	2.2646%	2.7482%	2.0904%
60	3.5042%	2.5428%	3.2539%	2.3472%
65	4.2616%	2.9328%	3.9572%	2.7072%
70	5.4614%	3.7206%	5.0713%	3.4344%
75	7.2688%	5.2039%	6.7496%	4.8036%
80	10.2872%	7.8091%	9.5524%	7.2084%
85	15.1410%	12.1303%	14.0595%	11.1972%
90	22.7542%	17.7645%	21.1289%	16.3980%
Multiplier	140%	130%	130%	120%

### Asset Valuation Method

The actuarial value of assets is equal to the market value, adjusted for the five-year phase in of the actual investment return in excess of (or less than) the expected investment return on a market value of asset basis. The actual return is calculated net of investment expenses, and the expected investment return is equal to the assumed investment return rate multiplied by the prior year's market value of assets, adjusted for contributions, benefits paid, and refunds.

### Actuarial Cost Method

The contribution rate is set by statute for both employees and employers. The funding period is determined, as described below, using to Entry Age Normal. 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 actuarial determined contribution rate and amortization period reflects additional contributions the System receives with respect to ORP participants and 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.

## Development of the Contribution Rate and Funding Period

The calculation of the employer and member contribution rate as well as the derived funding period takes into account several differences in the contributions paid by the various members as well as the delayed timing (if any) in the effective date of the new contribution rate. Specifically, the factors that are reflected in the calculations of the contribution rate include:

1. The cost (normal cost and actuarial accrued liability) due to incidental death benefits provided to members in the ORP.
2. Member and employer contributions made on the payroll of working retirees are being used to finance the unfunded actuarial accrued liability since these members do not have a normal cost. Also, the number of working retirees is expected to decrease due to changes in working after retirement provisions enacted with 2012 legislative changes.
3. The money collected on the payroll of members in ORP that is allocated to finance the unfunded liability in SCRS, which is the SCRS employer contribution rate less 5%, is less than the money collected on the payroll of members in SCRS to finance the unfunded actuarial accrued liability.
4. For purposes of calculating the amortization cost and funding period, discrete pay increases and continuous interest was assumed, with amortization payments made at the end of each 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 2.14 percent at their date of retirement. Unused annual leave is not included in the calculation of the AFC for Class Three members.

## 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. Unused sick leave is not included in determining the credited service for Class Three members.

## Future Post-Retirement Benefit Adjustments

Benefits are assumed to increase by the lesser of 1.00 percent annually or \$500 beginning on the July 1<sup>st</sup> 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 ORP members and working retirees) is assumed to increase at an annual rate of 2.70 percent. This rate represents the underlying expected annual rate of wage inflation and does not anticipate increases in the number of members. The number of rehired retirees is expected to decrease over the next five years, then remain constant to reflect the pension reform legislation enacted in 2012.

## Other Assumptions

1. The normal cost rate is increased by 0.18 percent to account for administrative expenses that are paid with plan assets.
2. 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 return to work employees by dividing the actual member contributions received during the prior fiscal year by the applicable member contribution rate and rolled-forward one year with the payroll growth assumption.
3. 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.
4. 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.
5. Percent married: 100 percent of male and 100 percent of female employees are assumed to be married.
6. Age difference: Males are assumed to be three years older than their spouses.
7. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
8. Inactive Population: All non-vested members are assumed to take an immediate refund.
9. There will be no recoveries once disabled.
10. No surviving spouse will remarry and there will be no children's benefit.
11. Decrement timing: Terminations for public school employees are assumed to occur at the beginning of the year. Decrements of all types are assumed to occur mid-year.
12. 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.
13. Decrement relativity: Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
14. 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.
15. Benefit service: All members are assumed to accrue one year of service each year.
16. 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 securely 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 employer 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 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)

		<u>Year Ending June 30, 2021</u>	
1.	Actuarial value of assets at beginning of year	\$	28,171,964
2.	Market value of assets at beginning of year	\$	26,292,418
3.	Net new investments		
a.	Contributions	\$	2,694,398
b.	Disbursements		(3,263,695)
c.	Subtotal		(569,297)
4.	Market value of assets at end of year	\$	33,490,306
5.	Net earnings (Item 4. - Item 2. - Item 3.c.)	\$	7,767,185
6.	Assumed investment return rate for fiscal year		7.25%
7.	Expected return (Item 6. x (Item 2. + 1/2 Item 3.c.))	\$	1,885,563
8.	Excess return (Item 5. - Item 7.)	\$	5,881,622
9.	Excess return on assets as of June 30, 2021:		
	<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Excess</u> <u>Return/(Shortfall)</u>	<u>Percent</u> <u>Deferred</u>
a.	2021	\$ 5,881,622	80%
b.	2020	(2,398,098)	60%
c.	2019	(391,207)	40%
d.	2018	168,619	20%
e.	2017	1,031,041	0%
f.	Total		0
10.	Actuarial value of assets as of June 30, 2021 (Item 4. - Item 9.f.)	\$	30,346,626
11.	Expected actuarial value as of June 30, 2021	\$	29,624,497
12.	Asset gain (loss) for year (Item 10. - Item 11.)	\$	722,129
13.	Asset gain (loss) as % of the actuarial value of assets		2.4%
14.	Ratio of actuarial value to market value		90.6%

# Police Officers Retirement System

## Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the PEBA Board is responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the assumed rate of investment return. The investment return assumption is a prescribed assumption set by the General Assembly in Section 9-16-335 of South Carolina State Code. The investment return assumption expired on July 1, 2021 and the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25 percent to 7.00 percent, as provided by Section 9-16-335 in South Carolina State Code. The investment return assumption of 7.00 percent was used in the July 1, 2021 actuarial valuations. The 7 percent return assumption will expire again on July 1, 2025. The Board is to submit a proposed return assumption to the Senate Finance Committee and the House Ways and Means Committee for the General Assembly to consider when amending the Statute.

South Carolina State Statute requires that an experience analysis that reviews the economic and demographic assumptions be performed at least once every five years. The most recent actuarial experience study was completed by GRS for the five-year period ending June 30, 2019. This Experience Study recommended decreasing the investment return assumption to 7.00 percent on July 1, 2021 when the investment return assumption expired. This change as well as other recommended changes adopted by the PEBA Board, were implemented beginning with the July 1, 2021 actuarial valuations.

Following is a summary of the actuarial assumptions and methods used in the July 1, 2021 valuation of the South Carolina Retirement System for funding purposes and financial reporting purposes.

## Investment Rate of Return

The assumed annual investment rate of return of 7.00 percent net of investment expenses is composed of a 2.25 percent inflation component and a 4.75 percent real rate of return, net of investment expenses.

The annual investment return assumption is prescribed in Section 9-16-335 of the South Carolina Code of Laws and as described above, decreased from 7.25 percent to 7 percent effective July 1, 2021.

## Rates of Annual Salary Increase

Rates of annual salary increase are assumed to vary for the first 21 years of service to include anticipated merit and promotional increases. The assumed annual rate of increase is 3.50 percent for all members with 21 or more years of service.

The 3.50 percent rate of increase is composed of a 2.25 percent inflation component and a 1.25 percent real rate of wage increase (productivity) component.

## Police Officers Retirement System

### Active Male and Female Salary Increase Rate

Years of Service	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation
1	7.00%	10.50%
2	6.00%	9.50%
3	3.25%	6.75%
4	1.75%	5.25%
5	1.50%	5.00%
6	1.25%	4.75%
7	1.25%	4.75%
8	1.00%	4.50%
9	1.00%	4.50%
10 - 13	0.75%	4.25%
14	0.50%	4.00%
15 - 21	0.25%	3.75%
22+	0.00%	3.50%

## Police Officers Retirement System

### 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 Members). The second table is based on service and is for members who attain 25 years of service (27 years of service for Class Three Members) before age 55.

#### Age Based Retirement Rates/Service Based Retirement Rates

Age	Male	Female
55	20%	20%
56	20%	20%
57	20%	20%
58	12%	12%
59	12%	12%
60	12%	12%
61	25%	25%
62	25%	25%
63	25%	25%
64	25%	25%
65	25%	25%
66	25%	25%
67	25%	25%
68	25%	25%
69	25%	25%
70 & Over	100%	100%

Years of Service		Male	Female
Class Two	Class Three		
25	27	30%	30%
26	28	14%	14%
27	29	14%	14%
28	30	14%	14%
29	31	14%	14%
30	32	14%	14%
31	33	14%	14%
32	34	14%	14%
33	35	14%	14%
34	36	14%	14%
35	37	14%	14%
36	38	14%	14%
37	39	14%	14%
38	40	14%	14%
39	41	14%	14%
40	42	100%	100%

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

### **Police Officers Retirement System Disability Rates**

Age	Male	Female
25	0.1740%	0.1740%
30	0.2320%	0.2320%
35	0.4350%	0.4350%
40	0.5800%	0.5800%
45	0.8700%	0.8700%
50	1.0875%	1.0875%
55+	0.0000%	0.0000%

- c. Active Member Mortality

Rates of active member mortality are based upon the amount-weighted PUB-2010 Public Retirement Plans Mortality Table for Safety with applicable multipliers to better reflect anticipated experience and provide margin for future improvement in mortality.

### **Active Mortality Rates (Multiplier Applied)**

Age	Male	Female
25	0.0370%	0.0200%
30	0.0410%	0.0270%
35	0.0470%	0.0360%
40	0.0590%	0.0490%
45	0.0820%	0.0670%
50	0.1200%	0.0910%
55	0.1750%	0.1230%
60	0.2640%	0.1680%
64	0.3750%	0.2150%
Multiplier	100%	100%

For purposes of determining active death benefits, ten percent of active deaths for general employees are assumed to be duty related.



d. Rates of Withdrawal

Rates of withdrawal are service related. Sample rates are shown in the table below.

**Police Officers Retirement System**  
**Annual Withdrawal Rate**

Years of Service	Male	Female
1	25.00%	25.00%
2	18.00%	18.00%
3	14.00%	14.00%
4	12.00%	12.00%
5	10.70%	10.70%
6	9.54%	9.54%
7	8.50%	8.50%
8	7.58%	7.58%
9	6.75%	6.75%
10	6.02%	6.02%
11	5.37%	5.37%
12	4.78%	4.78%
13	4.26%	4.26%
14	3.80%	3.80%
15	3.39%	3.39%
16	3.02%	3.02%
17	2.69%	2.69%
18	2.40%	2.40%
19	2.14%	2.14%
20	1.91%	1.91%
21	1.70%	1.70%
22	1.51%	1.51%
23	1.35%	1.35%
24	1.20%	1.20%
25	1.05%	1.05%
26	0.90%	0.90%
27+	0.00%	0.00%

## Police Officers Retirement System

### Post Retirement Mortality

- a. Healthy retirees and beneficiaries – The gender-distinct South Carolina Retirees 2020 Mortality Tables. The rates are projected on a fully generational basis by the 80% of Scales UMP to account for future mortality improvements and adjusted with multipliers base on plan experience. The following are sample rates of base table:

#### Nondisabled Annuitant Mortality Rates Before Projection (Multiplier Applied)

Age	Male	Female
50	0.2513%	0.2192%
55	0.4246%	0.2824%
60	0.7530%	0.3863%
65	1.1471%	0.5616%
70	1.8988%	0.9097%
75	3.3311%	1.7869%
80	6.1765%	3.5220%
85	11.1742%	6.8204%
90	19.6279%	12.8871%
Multiplier	127%	107%

#### Life Expectancy for an Age 65 Retiree in Years

Gender	Year of Retirement				
	2020	2025	2030	2035	2040
Male	18.8	19.1	19.4	19.7	20.0
Female	23.0	23.3	23.6	23.9	24.2

- b. A separate table of mortality rates is used for disabled retirees based on the Pub-2010 Public Retirement Plans Disabled Mortality tables on a fully generational basis by 80% of Scale UMP to account for future mortality and with multipliers based on plan experience. The following are sample rates of the base table:

### **Police Officers Retirement System** **Disabled Annuitant Mortality Rates (Multiplier Applied)**

Age	Male	Female
50	1.6050%	1.4830%
55	2.1140%	1.7420%
60	2.5030%	1.9560%
65	3.0440%	2.2560%
70	3.9010%	2.8620%
75	5.1920%	4.0030%
80	7.3480%	6.0070%
85	10.8150%	9.3310%
90	16.2530%	13.6650%
Multiplier	100%	100%

### **Asset Valuation Method**

The actuarial value of assets is equal to the market value, adjusted for the five-year phase in of the actual investment return in excess of (or less than) the expected investment return on a market value of asset basis. The actual return is calculated net of investment expenses, and the expected investment return is equal to the assumed investment return rate multiplied by the prior year's market value of assets, adjusted for contributions, benefits paid, and refunds.

### **Actuarial Cost Method**

The contribution rate is set by statute for both employees and employers. The funding period is determined, as described below, using the Entry Age Normal actuarial cost method. The Entry Age Normal actuarial cost method allocates the 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 actuarial determined contribution rate and 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.

## Development of the Contribution Rate and Funding Period

The calculation of the employer and member contribution rate as well as the derived funding period takes into account a couple differences in the contributions paid by the various members as well as the delayed timing (if any) in the effective date of the new contribution rate. Specifically, the factors that are reflected in the calculation of the contribution rate include:

1. Member and employer contributions made on the payroll of working retirees are being used to finance the unfunded actuarial accrued liability since these members do not have a normal cost. Also, the number of working retirees is expected to decrease due to changes in working after retirement provisions enacted with 2012 legislative changes.
2. For purposes of calculating the amortization cost and funding period, discrete pay increases and continuous interest was assumed, with amortization payments made at the end of each 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 annual leave is not included in the calculation of the AFC for Class Three members.

## Unused Sick Leave

To account for the effect of unused sick leave on members' final credited service for Class Two members, the service of active Class Two members who retire is increased three months. Unused sick leave is not included in determining the credited service for Class Three members.

## Future Post-Retirement Benefit Adjustments

Benefits are assumed to increase by the lesser of 1.00 percent annually or \$500 beginning on the July 1<sup>st</sup> 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 2.70%. This rate represents the underlying expected annual rate of wage inflation and does not anticipate increases in the number of members. The number of rehired retirees is expected to decrease over the next two years, then remain constant to reflect the pension reform legislation enacted in 2012.

## Other Assumptions

1. The normal cost rate is increased by 0.18% to reflect administrative expenses that are paid with plan assets.
2. 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 working retirees 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.

3. 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.
4. 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.
5. Percent married: 100 percent of male and 100 percent of female employees are assumed to be married.
6. Age difference: Males are assumed to be four years older than their spouses.
7. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
8. 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.
9. There will be no recoveries once disabled.
10. No surviving spouse will remarry and there will be no children's benefit.
11. Decrement timing: Decrements of all types are assumed to occur mid-year.
12. 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.
13. Decrement relativity: Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
14. 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.
15. Benefit service: All members are assumed to accrue one year of service each year.
16. All calculations were performed without regard to the compensation limit in IRC Section 401(a)(17) and the benefit limit under IRC Section 415.
17. Refund of Member Contributions: Members will refund their contributions if the value of their member contributions exceeds the value of their deferred monthly retirement benefit.

## Participant Data

Participant data was securely 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 employer 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 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)*

				<u>Year Ending June 30, 2021</u>
1.	Actuarial value of assets at beginning of year			\$ 5,069,748
2.	Market value of assets at beginning of year			\$ 4,730,175
3.	Net new investments			
a.	Contributions			\$ 427,204
b.	Disbursements			(457,060)
c.	Subtotal			(29,856)
4.	Market value of assets at end of year			\$ 6,111,672
5.	Net earnings (Item 4. - Item 2. - Item 3.c.)			\$ 1,411,353
6.	Assumed investment return rate for fiscal year			7.25%
7.	Expected return (Item 6. x (Item 2. + 1/2 Item 3.c.))			\$ 341,855
8.	Excess return (Item 5. - Item 7.)			\$ 1,069,498
9.	Excess return on assets as of June 30, 2021:			
	<u>Fiscal Year</u>	<u>Excess</u>	<u>Percent</u>	<u>Deferred</u>
	<u>Ending June 30,</u>	<u>Return/(Shortfall)</u>	<u>Deferred</u>	<u>Amount</u>
a.	2021	\$ 1,069,498	80%	\$ 855,598
b.	2020	(428,016)	60%	(256,810)
c.	2019	(66,348)	40%	(26,539)
d.	2018	22,932	20%	4,586
e.	2017	167,381	0%	0
f.	Total			\$ 576,835
10.	Actuarial value of assets as of June 30, 2021 (Item 4. - Item 9.f.)			\$ 5,534,837
11.	Expected actuarial value as of June 30, 2021			\$ 5,406,366
12.	Asset gain (loss) for year (Item 10. - Item 11.)			\$ 128,471
13.	Asset gain (loss) as % of the actuarial value of assets			2.3%
14.	Ratio of actuarial value to market value			90.6%

# General Assembly Retirement System

## Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the PEBA Board is responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the assumed rate of investment return. The investment return assumption is a prescribed assumption set by the General Assembly in Section 9-16-335 of South Carolina State Code. The investment return assumption expired on July 1, 2021 and the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25 percent to 7.00 percent, as provided by Section 9-16-335 in South Carolina State Code. The investment return assumption of 7.00 percent was used in the July 1, 2021 actuarial valuations. The 7 percent return assumption will expire again on July 1, 2025. The Board is to submit a proposed return assumption to the Senate Finance Committee and the House Ways and Means Committee for the General Assembly to consider when amending the Statute.

South Carolina State Statute requires that an experience analysis that reviews the economic and demographic assumptions be performed at least once every five years. The most recent actuarial experience study was completed by GRS for the five-year period ending June 30, 2019. This Experience Study recommended decreasing the investment return assumption to 7.00 percent on July 1, 2021 when the investment return assumption expired. This change as well as other recommended changes adopted by the PEBA Board, were implemented beginning with the July 1, 2021 actuarial valuations.

Following is a summary of the actuarial assumptions and methods used in the July 1, 2021 valuation of the South Carolina Retirement System for funding purposes and financial reporting purposes.

## Investment Rate of Return

The assumed annual investment rate of return of 7.00 percent is composed of a 2.25 percent inflation component and a 4.75 percent real rate of return, net of investment expenses.

The annual investment return assumption is prescribed in Section 9-16-335 of the South Carolina Code of Laws and as described above, decreased from 7.25 percent to 7 percent effective July 1, 2021.

## Rates of Annual Salary Increase

No increases in salary are assumed.

## General Assembly Retirement System

### 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
59 & Under	50%
60	20%
61-64	7%
65-69	10%
70 & Older	100%

- 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<sup>1</sup>

Age	Disability Rates		Pre-Retirement Mortality	
	Male	Female	Male	Female
25	0.0340%	0.0290%	0.0378%	0.0122%
30	0.0680%	0.0406%	0.0486%	0.0203%
35	0.1020%	0.0812%	0.0635%	0.0311%
40	0.1700%	0.1044%	0.0891%	0.0486%
45	0.2380%	0.1508%	0.1323%	0.0756%
50	0.3400%	0.2552%	0.2012%	0.1121%
55	0.5440%	0.4060%	0.2957%	0.1661%
60	0.6800%	0.6206%	0.4307%	0.2511%
64	0.8500%	0.8642%	0.6318%	0.3996%
Multiplier	68.0%	58.0%	135%	135%

<sup>1</sup>The multiplier has been applied to the decrement in the illustrative table.



## General Assembly Retirement System

### Post Retirement Mortality

- a. Healthy retirees and beneficiaries – The gender-distinct South Carolina Retirees 2020 Mortality Tables. The rates are projected on a fully generational basis by 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience. The following are sample rates of the base table:

#### Healthy Annuitant Mortality Rates Before Projection<sup>1</sup>

Age	Male	Female
50	0.1920%	0.2192%
55	0.3243%	0.2824%
60	0.5751%	0.3863%
65	0.8761%	0.5616%
70	1.4502%	0.9097%
75	2.5442%	1.7869%
80	4.7175%	3.5220%
85	8.5346%	6.8204%
90	14.9914%	12.8871%
Multiplier	97%	107%

<sup>1</sup>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				
	2020	2025	2030	2035	2040
Male	20.9	21.2	21.5	21.8	22.1
Female	23.0	23.3	23.6	23.9	24.2

- b. A separate table of mortality rates is used for disabled retirees based on the Pub-2010 Public Retirement Plans Disabled Mortality tables on a fully generational basis by 80% of Scale UMP to account for future mortality and with multipliers based on plan experience. The following are sample rates of the base table:

### General Assembly Retirement System Disabled Annuitant Mortality Rates<sup>1</sup>

Age	Male	Female
50	2.2470%	1.9279%
55	2.9596%	2.2646%
60	3.5042%	2.5428%
65	4.2616%	2.9328%
70	5.4614%	3.7206%
75	7.2688%	5.2039%
80	10.2872%	7.8091%
85	15.1410%	12.1303%
90	22.7542%	17.7645%
Multiplier	140%	130%

<sup>1</sup>The multiplier has been applied to the decrement in the illustrative table.

## Asset Valuation Method

The actuarial value of assets is equal to the market value, adjusted for the five-year phase in of the actual investment return in excess of (or less than) the expected investment return on a market value of asset basis. The actual return is calculated net of investment expenses, and the expected investment return is equal to the assumed investment return rate multiplied by the prior year's market value of assets, adjusted for contributions, benefits paid, and refunds.

## 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, on an actuarial value of asset basis, with the expected amount of employer contributions in excess of the employers' portion of the normal cost.

Note, the principle financial measurement calculations in this actuarial valuation, which include the unfunded actuarial accrued liability, funded ratio, contribution rates, and funding period, are based on an actuarial value of assets (smoothed value) basis. The actuarial value of assets is a calculated asset value which may be greater than or less than the market value of assets and is used to dampen some of the volatility in the market value of

assets. As a result, many of these measures would be different if they were determined on a market value of assets basis.

## Future Cost-of-Living Increases

No increases are assumed.

## Payroll Growth Rate

None assumed.

## Other Assumptions

1. The normal cost rate is increased by 0.18% to account for administrative expenses that are paid with plan assets.
2. Percent married: 100 percent of active members are assumed to be married.
3. Age difference: Males are assumed to be four years older than their spouses.
4. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
5. 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.
6. It is assumed there will be no recoveries once disabled.
7. Decrement timing: Decrements of all types are assumed to occur mid-year.
8. 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.
9. Benefit Service: All active and special contributing members are assumed to accrue one year of service each year.

## Participant Data

Participant data was securely 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 employer 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 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)*

				<u>Year Ending June 30, 2021</u>
1.	Actuarial value of assets at beginning of year	\$		36,869
2.	Market value of assets at beginning of year	\$		34,454
3.	Net new investments			
a.	Contributions	\$		6,140
b.	Disbursements			(6,383)
c.	Subtotal			(243)
4.	Market value of assets at end of year	\$		43,655
5.	Net earnings (Item 4. - Item 2. - Item 3.c.)	\$		9,444
6.	Assumed investment return rate for fiscal year			7.25%
7.	Expected return (Item 6. x (Item 2. + 1/2 Item 3.c.))	\$		2,489
8.	Excess return (Item 5. - Item 7.)	\$		6,955
9.	Excess return on assets as of June 30, 2021:			
	<u>Fiscal Year</u>	<u>Excess</u>	<u>Percent</u>	<u>Deferred</u>
	<u>Ending June 30.</u>	<u>Return/(Shortfall)</u>	<u>Deferred</u>	<u>Amount</u>
a.	2021	\$ 6,955	80%	\$ 5,564
b.	2020	(2,966)	60%	(1,780)
c.	2019	(513)	40%	(205)
d.	2018	99	20%	20
e.	2017	1,130	0%	
f.	Total			\$ 3,599
10.	Actuarial value of assets as of June 30, 2021 (Item 4. - Item 9.f.)	\$		40,056
11.	Expected actuarial value as of June 30, 2021	\$		39,290
12.	Asset gain (loss) for year (Item 10. - Item 11.)	\$		766
13.	Asset gain (loss) as % of the actuarial value of assets			1.9%
14.	Ratio of actuarial value to market value			91.8%

# Judges and Solicitors Retirement System

## Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the PEBA Board is responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the assumed rate of investment return. The investment return assumption is a prescribed assumption set by the General Assembly in Section 9-16-335 of South Carolina State Code. The investment return assumption expired on July 1, 2021 and the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25 percent to 7.00 percent, as provided by Section 9-16-335 in South Carolina State Code. The investment return assumption of 7.00 percent was used in the July 1, 2021 actuarial valuations. The 7 percent return assumption will expire again on July 1, 2025. The Board is to submit a proposed return assumption to the Senate Finance Committee and the House Ways and Means Committee for the General Assembly to consider when amending the Statute.

South Carolina State Statute requires that an experience analysis that reviews the economic and demographic assumptions be performed at least once every five years. The most recent actuarial experience study was completed by GRS for the five-year period ending June 30, 2019. This Experience Study recommended decreasing the investment return assumption to 7.00 percent on July 1, 2021 when the investment return assumption expired. This change as well as other recommended changes adopted by the PEBA Board, were implemented beginning with the July 1, 2021 actuarial valuations.

Following is a summary of the actuarial assumptions and methods used in the July 1, 2021 valuation of the South Carolina Retirement System for funding purposes and financial reporting purposes.

## Investment Rate of Return

The assumed annual investment rate of return of 7.00 composed of a 2.25 percent inflation component and a 4.75 percent real rate of return, net of investment expenses.

The annual investment return assumption is prescribed in Section 9-16-335 of the South Carolina Code of Laws and as described above, decreased from 7.25 percent to 7 percent effective July 1, 2021.

## Rates of Annual Salary Increase

Rates of salary are assumed to increase at an annual rate of 3.00 percent.

## Judges and Solicitors Retirement System

### 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.

#### Service Based Retirement Rates<sup>1</sup>

Years of Service	Male	Female
15-19	20.00%	20.00%
20	50.00%	50.00%
21-24	15.00%	15.00%
25-31	10.00%	10.00%
32+	100.00%	100.00%

<sup>1</sup>Retirement rate will be 100% at 31 years of service for solicitors and public defenders.

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

#### Disability Rates/Pre-Retirement Mortality<sup>1</sup>

Age	Disability Incidence Rates		Pre-Retirement Mortality	
	Male	Female	Male	Female
25	0.0160%	0.0182%	0.0208%	0.0099%
30	0.0240%	0.0245%	0.0286%	0.0154%
35	0.0320%	0.0245%	0.0390%	0.0220%
40	0.0600%	0.0427%	0.0546%	0.0341%
45	0.1000%	0.0875%	0.0871%	0.0528%
50	0.1600%	0.1400%	0.1443%	0.0803%
55	0.2600%	0.2275%	0.2236%	0.1177%
60	0.4000%	0.3500%	0.3432%	0.1771%
64	0.5000%	0.4375%	0.5096%	0.2662%
<b>Multiplier</b>	<b>40%</b>	<b>35%</b>	<b>130%</b>	<b>110%</b>

<sup>1</sup>The multiplier has been applied to the decrement in the illustrative table.

- c. There is no active employment withdrawal assumption.

## Judges and Solicitors Retirement System

### Post Retirement Mortality

- a. Healthy retirees and beneficiaries –The gender-distinct South Carolina Retirees 2020 Mortality Tables. The rates are projected on a fully generational basis by 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience. The following are sample rates:

#### Healthy Annuitant Mortality Rates Before Projection<sup>1</sup>

Age	Male	Female
50	0.1880%	0.1926%
55	0.3176%	0.2481%
60	0.5633%	0.3393%
65	0.8580%	0.4934%
70	1.4203%	0.7992%
75	2.4918%	1.5698%
80	4.6202%	3.0941%
85	8.3587%	5.9917%
90	14.6823%	11.3214%
Multiplier	95%	94%

<sup>1</sup>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				
	2020	2025	2030	2035	2040
Male	21.1	21.4	21.7	22.0	22.3
Female	24.0	24.3	24.6	24.9	25.2

- b. A separate table of mortality rates is used for disabled retirees based on the Pub-2010 Public Retirement Plans Disabled Mortality Tables on a fully generational basis by 80% of Scale UMP to account for future mortality and with multipliers base on plan experience. The following are sample rates:

## Judges and Solicitors Retirement System<sup>1</sup>

### Disabled Annuitant Mortality Rates

Age	Male	Female
50	2.0865%	1.7796%
55	2.7482%	2.0904%
60	3.2539%	2.3472%
65	3.9572%	2.7072%
70	5.0713%	3.4344%
75	6.7496%	4.8036%
80	9.5524%	7.2084%
85	14.0595%	11.1972%
90	21.1289%	16.3980%
Multiplier	130%	120%

<sup>1</sup> The multiplier has been applied to the decrement in the illustrative table.

## Asset Valuation Method

The actuarial value of assets is equal to the market value, adjusted for the five-year phase in of the actual investment return in excess of (or less than) the expected investment return on a market value of asset basis. The actual return is calculated net of investment expenses, and the expected investment return is equal to the assumed investment return rate multiplied by the prior year's market value of assets, adjusted for contributions, benefits paid, and refunds.

## 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, on an actuarial value of asset basis, 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 requirements 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.



Note, the principle financial measurement calculations in this actuarial valuation, which include the unfunded actuarial accrued liability, funded ratio, contribution rates, and funding period, are based on an actuarial value of assets (smoothed value) basis. The actuarial value of assets is a calculated asset value, which may be greater than or less than the market value of assets and is used to dampen some of the volatility in the market value of assets. As a result, many of these measures would be different if they were determined on a market value of assets basis.

## Future Cost-of-Living Increases

Future benefits are assumed to increase at an annual rate of 3.00 percent.

## Payroll Growth Rate

The total annual payroll of active members (including DROP and retired-in-place participants) is assumed to increase at an annual rate of 2.70 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. The normal cost rate is increased by 0.18 percent to account for administrative expenses that are paid with plan assets.
2. Percent married: 95 percent of male and female employees are assumed to be married.
3. Age difference: Males are assumed to be four years older than their spouses.
4. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
5. 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.
6. There will be no recoveries once disabled.
7. Decrement timing: Decrements of all types are assumed to occur mid-year.
8. 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.
9. Benefit Service: All active members are assumed to accrue one year of service each year.

## Participant Data

Participant data was securely 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 employer 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 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)*

					Year Ending June 30, 2021
1.	Actuarial value of assets at beginning of year	\$			176,649
2.	Market value of assets at beginning of year	\$			165,250
3.	Net new investments				
a.	Contributions	\$			25,587
b.	Disbursements				(25,813)
c.	Subtotal				(226)
4.	Market value of assets at end of year	\$			212,683
5.	Net earnings (Item 4. - Item 2. - Item 3.c.)	\$			47,659
6.	Assumed investment return rate for fiscal year				7.25%
7.	Expected return (Item 6. x (Item 2. + 1/2 Item 3.c.))	\$			11,972
8.	Excess return (Item 5. - Item 7.)	\$			35,687
9.	Excess return on assets as of June 30, 2021:				
	<u>Fiscal Year</u>		<u>Excess</u>	<u>Percent</u>	<u>Deferred</u>
	<u>Ending June 30,</u>		<u>Return/(Shortfall)</u>	<u>Deferred</u>	<u>Amount</u>
a.	2021	\$	35,687	80%	\$ 28,550
b.	2020		(14,449)	60%	(8,669)
c.	2019		(2,297)	40%	(919)
d.	2018		831	20%	166
e.	2017		6,031	0%	0
f.	Total				\$ 19,128
10.	Actuarial value of assets as of June 30, 2021 (Item 4. - Item 9.f.)	\$			193,555
11.	Expected actuarial value as of June 30, 2021	\$			189,222
12.	Asset gain (loss) for year (Item 10. - Item 11.)	\$			4,333
13.	Asset gain (loss) as % of the actuarial value of assets				2.2%
14.	Ratio of actuarial value to market value				91.0%

# South Carolina National Guard Supplemental Retirement Plan

## Summary of Actuarial Methods and Assumptions

Based on recommendations from the consulting actuary, the PEBA Board is responsible for adopting all actuarial methods and assumptions used in the annual actuarial valuations, except for the assumed rate of investment return. The investment return assumption is a prescribed assumption set by the General Assembly in Section 9-16-335 of South Carolina State Code. The investment return assumption expired on July 1, 2021 and the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25 percent to 7.00 percent, as provided by Section 9-16-335 in South Carolina State Code. The investment return assumption of 7.00 percent was used in the July 1, 2021 actuarial valuations. The 7 percent return assumption will expire again on July 1, 2025. The Board is to submit a proposed return assumption to the Senate Finance Committee and the House Ways and Means Committee for the General Assembly to consider when amending the Statute.

South Carolina State Statute requires that an experience analysis that reviews the economic and demographic assumptions be performed at least once every five years. The most recent actuarial experience study was completed by GRS for the five-year period ending June 30, 2019. This Experience Study recommended decreasing the investment return assumption to 7.00 percent on July 1, 2021 when the investment return assumption expired. This change as well as other recommended changes adopted by the PEBA Board, were implemented beginning with the July 1, 2021 actuarial valuations.

Following is a summary of the actuarial assumptions and methods used in the July 1, 2021 valuation of the South Carolina Retirement System for funding purposes and financial reporting purposes.

## Investment Rate of Return

The assumed annual investment rate of return of 7.00 percent net of investment and administrative expenses is composed of a 2.25 percent inflation component and a 4.75 percent real rate of return, net of investment expenses.

The annual investment return assumption is prescribed in Section 9-16-335 of the South Carolina Code of Laws and as described above, decreased from 7.25 percent to 7 percent effective July 1, 2021.

## Rates of Annual Salary Increase

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

## South Carolina National Guard Supplemental Retirement Plan

### 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 and Service Based Retirement Rates<sup>1</sup>

Age	Years of Service		
	20	21 – 29	30 +
Age<60	10%	5%	100%
Age>59	100%	100%	100%

<sup>1</sup>Members who reach age 60 with less than 20 years of service are assumed to retire at age 60 without a benefit from the plan.

- 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<sup>1</sup>

Age	Disability Rates		Pre-Retirement Mortality	
	Male	Female	Male	Female
25	0.1740%	0.1740%	0.0370%	0.0200%
30	0.2320%	0.2320%	0.0410%	0.0270%
35	0.4350%	0.4350%	0.0470%	0.0360%
40	0.5800%	0.5800%	0.0590%	0.0490%
45	0.8700%	0.8700%	0.0820%	0.0670%
50	1.0875%	1.0875%	0.1200%	0.0910%
55	0.0000%	0.0000%	0.1750%	0.1230%
60	0.0000%	0.0000%	0.2640%	0.1680%
64	0.0000%	0.0000%	0.3750%	0.2150%
Multiplier	145%	145%	100%	100%

<sup>1</sup>The multiplier has been applied to the decrement in the illustrative table.

## South Carolina National Guard Supplemental Retirement Plan

### Post Retirement Mortality

Healthy retirees and beneficiaries – The gender-distinct South Carolina Retirees 2020 Mortality Tables. The rates are projected on a fully generational basis by 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience. The following are sample rates of the base table:

#### Annuitant Mortality Rates Before Projection

Age	Male	Female
50	0.2513%	0.2192%
55	0.4246%	0.2824%
60	0.7530%	0.3863%
65	1.1471%	0.5616%
70	1.8988%	0.9097%
75	3.3311%	1.7869%
80	6.1765%	3.5220%
85	11.1742%	6.8204%
90	19.6279%	12.8871%
Multiplier	127%	107%

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				
	2020	2025	2030	2035	2040
Male	18.8	19.1	19.4	19.7	20.0
Female	23.00	23.3	23.6	23.9	24.2

### Asset Valuation Method

The actuarial value of assets is equal to the market value, adjusted for the five-year phase in of the actual investment return in excess of (or less than) the expected investment return on a market value of asset basis. The actual return is calculated net of investment expenses, and the expected investment return is equal to the assumed investment return rate multiplied by the prior year's market value of assets, adjusted for contributions, benefits paid, and refunds.

### 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, on an actuarial value of asset basis, with the expected amount of employer contributions in excess of the employers' portion of the normal cost.

Note, the principle financial measurement calculations in this actuarial valuation, which include the unfunded actuarial accrued liability, funded ratio, contribution rates, and funding period, are based on an actuarial value of assets (smoothed value) basis. The actuarial value of assets is a calculated asset value which may be greater than or less than the market value of assets and is used to dampen some of the volatility in the market value of assets. As a result, many of these measures would be different if they were determined on a market value of assets basis.

## Future Cost-of-Living Increases

No increases are assumed.

## Payroll Growth Rate

None assumed.

## Other Assumptions

1. The normal cost includes \$15,000 for plan incurred administrative expenses.
2. There is not a marriage assumption.
3. Decrement timing: Decrements of all types are assumed to occur mid-year.
4. 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 securely 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 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)*

		<u>Year Ending June 30, 2021</u>	
1.	Actuarial value of assets at beginning of year	\$	33,299
2.	Market value of assets at beginning of year	\$	31,092
3.	Net new investments		
a.	Contributions	\$	5,290
b.	Disbursements	\$	(4,594)
c.	Subtotal		696
4.	Market value of assets at end of year	\$	39,784
5.	Net earnings (Item 4. - Item 2. - Item 3.c.)	\$	7,996
6.	Assumed investment return rate for fiscal year		7.25%
7.	Expected return (Item 6. x (Item 2. + 1/2 Item 3.c.))	\$	2,279
8.	Excess return (Item 5. - Item 7.)	\$	5,717
9.	Excess return on assets as of June 30, 2021:		
	<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Excess</u> <u>Return/(Shortfall)</u>	<u>Percent</u> <u>Deferred</u>
a.	2021	\$ 5,717	80%
b.	2020	(2,604)	60%
c.	2019	(465)	40%
d.	2018	-	20%
e.	2017	776	0%
f.	Total		0
			\$ 2,826
10.	Actuarial value of assets as of June 30, 2021 (Item 4. - Item 9.f.)	\$	36,958
11.	Expected actuarial value as of June 30, 2021	\$	36,434
12.	Asset gain (loss) for year (Item 10. - Item 11.)	\$	524
13.	Asset gain (loss) as % of the actuarial value of assets		1.4%
14.	Ratio of actuarial value to market value		92.9%

## South Carolina Retirement System

### Summary of Historical Active Membership

July 1,	Number of Employers <sup>2</sup>	Active Members		Covered Payroll <sup>1</sup>		Average Annual Pay		Average Age	Average Service
		Number	Percent Increase/ (Decrease)	Amount in Thousands	Percent Increase/ (Decrease)	Amount	Percent Increase/ (Decrease)		
2021	807	199,162	(1.0%)	\$ 9,925,834	1.4%	\$ 49,838	2.41%	45.5	10.4
2020	817	201,144	0.4%	9,788,610	5.6%	48,665	5.11%	45.5	10.3
2019	814	200,264	2.1%	9,272,010	5.4%	46,299	3.25%	45.3	10.2
2018	812	196,184	1.1%	8,797,592	2.4%	44,844	1.23%	45.2	10.1
2017	807	193,985	1.6%	8,592,885	4.6%	44,297	2.97%	45.1	10.1
2016	812	190,923	1.9%	8,213,042	5.8%	43,018	3.77%	45.1	10.1
2015	816	187,318	1.1%	7,765,588	3.0%	41,457	1.86%	45.1	10.2
2014	810	185,265	0.3%	7,539,996	1.4%	40,698	1.10%	45.2	10.2
2013	808	184,690	(0.6%)	7,434,820	1.1%	40,256	1.65%	45.2	10.2
2012	806	185,748	(1.0%)	7,356,231	(4.3%)	39,603	(3.35%)	45.3	10.4

<sup>1</sup> Covered payroll is the annualized, projected compensation for the following year and does not include payroll attributable to members in ORP or working retirees.

<sup>2</sup> Number 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

July 1,	Number of Employers <sup>2</sup>	Active Members		Covered Payroll <sup>1</sup>		Average Annual Pay		Average Age	Average Service
		Number	Percent Increase/ (Decrease)	Amount in Thousands	Percent Increase/ (Decrease)	Amount	Percent Increase/ (Decrease)		
2021	338	26,555	(4.5%)	\$ 1,434,621	(0.4%)	\$ 54,025	4.23%	39.6	10.0
2020	340	27,795	1.5%	1,440,645	4.5%	51,831	3.03%	39.5	9.8
2019	336	27,397	1.1%	1,378,255	5.5%	50,307	4.28%	39.4	9.8
2018	333	27,093	0.1%	1,306,961	3.5%	48,240	3.31%	39.4	9.7
2017	332	27,056	1.5%	1,263,314	6.4%	46,693	4.82%	39.4	9.7
2016	313	26,651	0.3%	1,187,195	7.4%	44,546	7.06%	39.5	9.8
2015	312	26,575	(0.5%)	1,105,703	2.7%	41,607	3.15%	39.4	9.7
2014	310	26,697	1.9%	1,076,885	4.2%	40,337	2.27%	39.5	9.5
2013	356	26,194	0.1%	1,033,189	1.4%	39,444	1.31%	39.5	9.4
2012	325	26,179	(1.8%)	1,019,241	(6.3%)	38,934	(4.60%)	39.6	9.5

<sup>1</sup> Covered payroll does not include payroll attributable to working retirees.

<sup>2</sup> Number 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

July 1,	Number of Employers <sup>2</sup>	Active Members		Covered Payroll <sup>1</sup>		Average Annual Pay		Average Age	Average Service
		Number	Percent Increase/ (Decrease)	Amount in Thousands	Percent Increase/ (Decrease)	Amount	Percent Increase/ (Decrease)		
2021	2	55	(20.3%)	\$ 1,249	(20.4%)	\$22,702	(0.2%)	59.5	18.6
2020	2	69	0.0%	1,570	0.0%	22,757	0.0%	59.5	18.1
2019	2	69	(16.9%)	1,570	(15.9%)	22,757	1.3%	58.5	17.1
2018	2	83	(4.6%)	1,866	(4.8%)	22,476	(0.3%)	57.8	16.0
2017	2	87	(14.7%)	1,961	(15.3%)	22,535	(0.8%)	56.9	15.1
2016	2	102	(1.9%)	2,316	(0.9%)	22,710	1.0%	56.4	14.3
2015	2	104	(9.6%)	2,338	(10.1%)	22,481	(0.6%)	55.6	13.4
2014	2	115	(3.4%)	2,601	(3.2%)	22,617	0.1%	54.7	12.4
2013	2	119	(30.0%)	2,688	(30.3%)	22,588	(0.4%)	53.7	11.8
2012	2	170	0.0%	3,854	0.0%	22,671	0.0%	53.3	10.8

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

<sup>2</sup> Number 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

July 1,	Number of Employers <sup>2</sup>	Active Members		Covered Payroll		Average Annual Pay		Average Age	Average Service
		Number <sup>1</sup>		Amount in Thousands <sup>1</sup>	Amount	Percent Increase/ (Decrease)			
2021	4	160		\$ 31,104	\$ 194,403	2.50%		57.1	15.0
2020	4	160		30,346	189,662	0.00%		57.2	15.8
2019	4	160		30,346	189,662	35.80%		57.4	15.4
2018	4	160		22,347	139,666	0.00%		57.1	15.0
2017	4	160		22,347	139,666	(0.14%)		57.4	15.4
2016	4	157		21,958	139,861	4.56%		57.2	15.4
2015	4	157		21,267	133,756	0.28%		56.5	15.1
2014	3	153		20,815	136,048	2.00%		56.3	15.1
2013	3	153		20,407	133,381	(0.07%)		56.0	15.5
2012	3	144		19,221	133,476	3.00%		55.6	15.1

<sup>1</sup> Includes filled and unfilled positions and members in DROP or retired-in-place.

<sup>2</sup> Number 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

July 1,	Number of Employers	Number of Members	Annual Payroll <sup>1</sup>	Average Pay <sup>1</sup>	Percent Increase in Average Pay <sup>1</sup>	Average Age	Average Service
2021	1	12,146	N/A	N/A	N/A	32.2	10.4
2020	1	12,099	N/A	N/A	N/A	32.2	9.7
2019	1	12,100	N/A	N/A	N/A	32.2	9.7
2018	1	11,853	N/A	N/A	N/A	32.4	9.9
2017	1	12,116	N/A	N/A	N/A	32.3	9.8
2016	1	12,253	N/A	N/A	N/A	32.2	9.7
2015	1	12,165	N/A	N/A	N/A	32.2	9.7
2014	1	12,221	N/A	N/A	N/A	32.1	9.7
2013	1	11,997	N/A	N/A	N/A	32.0	9.5
2012	1	12,041	N/A	N/A	N/A	31.8	9.2

<sup>1</sup> Not applicable as this is a non-contributory plan.

## South Carolina Retirement System

### Summary of Active Membership Data

As of July 1, 2021

*(Dollar amounts expressed in thousands)*

Group	Number <sup>1</sup>	Annual Compensation <sup>2</sup>
State employees	55,785	\$ 2,862,011
Public school employees	88,883	4,067,531
Other agency employees	54,494	2,558,773
Total	<u>199,162</u>	<u>\$ 9,488,315</u>

<sup>1</sup> In addition, there are 207,341 inactive members with contributions still in the system.  
The results of the valuation were adjusted to take these members into account.

<sup>2</sup> Total compensation is the annualized pay for the prior year.

## Police Officers Retirement System

### Summary of Active Membership Data

As of July 1, 2021

*(Dollar amounts expressed in thousands)*

Group	Number <sup>1</sup>	Annual Compensation <sup>2</sup>
State employees	8,503	\$ 399,000
Public school employees	0	0
Other agency employees	18,052	933,384
Total	<u>26,555</u>	<u>\$ 1,332,384</u>

<sup>1</sup> In addition, there are 20,589 inactive members with contributions still in the system.  
The results of the valuation were adjusted to take these members into account.

<sup>2</sup> Total compensation is the annualized pay for the prior year.

## General Assembly Retirement System Summary of Active Membership Data

As of July 1, 2021  
(Dollar amounts expressed in thousands)

<u>Number<sup>1</sup></u>	<u>Annual Compensation</u>
55	\$ 1,249

<sup>1</sup> There are 37 inactive members with contributions still in the system, and there are 18 special contributors. The results of the valuation were adjusted to take these members into account. Numbers shown above include members receiving retirement benefits while continuing in office.

## Judges and Solicitors Retirement System Summary of Active Membership Data

As of July 1, 2021  
(Dollar amounts expressed in thousands)

<u>Number<sup>1</sup></u>	<u>Annual Compensation</u>
160	\$ 31,104

<sup>1</sup> The number of active members reflects the number of seats, including 16 participants who are either in the DROP or have retired in place and are receiving retirement benefits while continuing in office. There are three inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

## South Carolina Retirement System Summary of Membership Data

	July 1, 2021	July 1, 2020
<b>1. Service retirees</b>		
a. Number	125,086	123,268
b. Total annual benefits	\$ 2,812,739,052	\$ 2,733,186,885
c. Average annual benefits	\$ 22,486	\$ 22,173
d. Average age at the valuation date	71.7	71.4
<b>2. Disabled retirees</b>		
a. Number	11,696	12,125
b. Total annual benefits	\$ 171,083,262	\$ 175,644,913
c. Average annual benefits	\$ 14,628	\$ 14,486
d. Average age at the valuation date	67.2	66.6
<b>3. Beneficiaries</b>		
a. Number	11,226	10,738
b. Total annual benefits	\$ 146,071,325	\$ 138,210,070
c. Average annual benefits	\$ 13,012	\$ 12,871
d. Average age at the valuation date	67.9	68.0

## Police Officers Retirement System Summary of Membership Data

	July 1, 2021	July 1, 2020
<b>1. Service retirees</b>		
a. Number	15,836	15,341
b. Total annual benefits	\$ 356,594,209	\$ 337,449,531
c. Average annual benefits	\$ 22,518	\$ 21,997
d. Average age at the valuation date	66.3	66.2
<b>2. Disabled retirees</b>		
a. Number	2,774	2,773
b. Total annual benefits	\$ 60,296,962	\$ 59,642,775
c. Average annual benefits	\$ 21,736	\$ 21,508
d. Average age at the valuation date	57.4	56.9
<b>3. Beneficiaries</b>		
a. Number	1,571	1,511
b. Total annual benefits	\$ 20,787,327	\$ 19,686,409
c. Average annual benefits	\$ 13,232	\$ 13,029
d. Average age at the valuation date	67.3	67.6

## General Assembly Retirement System

### Summary of Membership Data

	<u>July 1, 2021</u>	<u>July 1, 2020</u>
<b>1. Service retirees</b>		
a. Number	264	264
b. Total annual benefits	\$ 5,282,856	\$ 5,251,517
c. Average annual benefits	\$ 20,011	\$ 19,892
d. Average age at the valuation date	75.5	75.0
<b>2. Disabled retirees</b>		
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
<b>3. Beneficiaries</b>		
a. Number	77	74
b. Total annual benefits	\$ 1,002,316	\$ 1,008,701
c. Average annual benefits	\$ 13,017	\$ 13,631
d. Average age at the valuation date	73.5	73.6

## Judges and Solicitors Retirement System

### Summary of Membership Data

	<u>July 1, 2021</u>	<u>July 1, 2020</u>
<b>1. Service retirees</b>		
a. Number <sup>1</sup>	168	162
b. Total annual benefits	\$ 24,462,287	\$ 22,952,047
c. Average annual benefits	\$ 145,609	\$ 141,679
d. Average age at the valuation date	73.2	73.2
<b>2. Disabled retirees</b>		
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
<b>3. Beneficiaries</b>		
a. Number	61	61
b. Total annual benefits	\$ 2,175,479	\$ 2,267,549
c. Average annual benefits	\$ 35,664	\$ 37,173
d. Average age at the valuation date	69.5	70.9

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

## South Carolina National Guard Supplemental Retirement Plan

### Summary of Membership Data

	July 1, 2021	July 1, 2020
<b>1. Active members</b>		
a. Males	9,594	9,600
b. Females	2,552	2,499
c. Total members	12,146	12,099
d. Average age	32.2	32.2
e. Average service	10.4	9.7
<b>2. Vested inactive members</b>		
a. Number	1,635	1,739
b. Total annual deferred benefits	\$ 1,330,320	\$ 1,408,320
c. Average annual deferred benefits	\$ 814	\$ 810
<b>3. Service retirees</b>		
a. Number	5,027	4,981
b. Total annual benefits	\$ 4,549,560	\$ 4,514,760
c. Average annual benefit	\$ 905	\$ 906
d. Average age	71.9	71.7

## South Carolina Retirement System

### Schedule of Retirants Added to and Removed from Rolls

*(Amounts except average allowance expressed in thousands)*

Added to Rolls <sup>1</sup>			Removed from Rolls <sup>2</sup>		Rolls End of the Year		% Increase in Annual Benefit	Average Annual Benefit
July 1,	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2021	6,781	\$ 168,053	4,904	\$ 85,201	148,008	\$ 3,129,894	2.7%	\$ 21,147
2020	5,805	141,580	3,966	69,050	146,131	3,047,042	2.4%	20,851
2019	5,753	130,114	3,739	61,746	144,292	2,974,512	2.4%	20,615
2018	5,841	127,882	3,851	63,463	142,278	2,906,144	2.3%	20,426
2017	6,044	132,616	3,611	57,354	140,288	2,841,725	2.7%	20,256
2016	6,515	133,741	3,300	50,824	137,855	2,766,463	3.1%	20,068
2015	6,640	133,490	3,510	54,660	134,640	2,683,547	3.0%	19,931
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

<sup>1</sup> Annual benefits added to rolls includes the benefit adjustments provided to continuing retirees.

<sup>2</sup> The removed from rolls count does not include members who are replaced by beneficiaries.

## Police Officers Retirement System

### Schedule of Retirants Added to and Removed from Rolls

*(Amounts except average allowance expressed in thousands)*

Added to Rolls <sup>1</sup>			Removed from Rolls <sup>2</sup>		Rolls End of the Year		% Increase in Annual Benefit	Average Annual Benefit
July 1,	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2021	1,124	\$ 31,477	568	\$ 10,577	20,181	\$ 437,678	5.0%	\$ 21,688
2020	954	25,840	423	7,207	19,625	416,779	4.7%	21,237
2019	990	25,450	387	6,670	19,094	398,145	5.0%	20,852
2018	983	24,066	379	6,621	18,491	379,365	4.8%	20,516
2017	987	22,709	388	6,662	17,887	361,921	4.6%	20,234
2016	928	19,940	349	5,394	17,288	345,874	4.4%	20,007
2015	968	19,767	362	6,076	16,709	331,329	4.3%	19,829
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

<sup>1</sup> Annual benefits added to rolls includes the benefit adjustments provided to continuing retirees.

<sup>2</sup> 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 <sup>1</sup>		Removed from Rolls <sup>2</sup>		Rolls End of the Year		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2021	16	\$ 242	13	\$ 217	341	\$ 6,285	.4	\$ 18,432
2020	7	99	14	217	338	6,260	-1.8%	18,521
2019	19	290	17	268	345	6,378	0.3%	18,486
2018	4	55	15	231	343	6,356	-2.7%	18,530
2017	18	345	22	427	354	6,532	-1.2%	18,451
2016	7	109	11	161	358	6,614	-0.8%	18,475
2015	15	262	8	193	362	6,666	1.1%	18,414
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

<sup>1</sup> Annual benefits added to rolls includes benefit adjustments provided to continuing retirees.

<sup>2</sup> The removed from rolls count does not include members who are replaced by beneficiaries.

## Judges and Solicitors Retirement System

### Schedule of Retirants Added to and Removed from Rolls<sup>1</sup>

(Amounts except average allowance expressed in thousands)

July 1,	Added to Rolls <sup>2</sup>		Removed from Rolls <sup>3</sup>		Rolls End of the Year		% Increase in Annual Benefit	Average Annual Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2021	17	\$ 2,356	11	\$ 938	229	\$ 26,638	5.6%	\$ 116,323
2020	12	1,345	6	536	223	25,220	3.3%	113,094
2019	8	6,828	4	259	217	24,411	36.8%	112,493
2018	11	734	11	792	213	17,842	-0.3%	83,765
2017	7	535	4	352	213	17,900	1.0%	84,038
2016	10	1,355	6	300	210	17,717	6.3%	84,367
2015	8	757	6	497	206	16,662	1.6%	80,883
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

<sup>1</sup> Includes participants who have retired in place.

<sup>2</sup> Annual benefits added to rolls includes benefit adjustments provided to continuing retirees.

<sup>3</sup> The 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)*

	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Benefit	Average Annual Benefit
July 1,	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2021	243	\$ 217	197	\$ 182	5,027	\$ 4,550	0.8%	\$ 905
2020	211	191	153	141	4,981	4,515	1.1%	906
2019	241	213	139	129	4,923	4,465	1.9%	907
2018	192	174	160	150	4,821	4,381	0.6%	909
2017	222	197	142	137	4,789	4,357	1.4%	910
2016	195	172	133	125	4,709	4,297	1.1%	912
2015	155	142	136	122	4,647	4,250	0.5%	915
2014	195	165	108	103	4,628	4,230	1.5%	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

## Schedule of Funding Progress<sup>1</sup>

(Amounts expressed in thousands)

SCRS	July 1,	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll <sup>1</sup>	UAAL as % of Payroll
	2021	\$ 30,346,626	\$ 54,997,995	\$ 24,651,369	55.2%	\$ 9,925,834	248.4%
	2020	28,171,964	52,061,245	23,889,281	54.1%	9,788,610	244.1%
	2019	27,443,804	50,438,807	22,995,003	54.4%	9,272,010	248.0%
	2018	27,030,937	49,104,763	22,073,826	55.0%	9,183,081	240.4%
	2017	27,241,570	48,374,725	21,133,155	56.3%	8,592,885	245.9%
	2016	27,293,968	45,859,906	18,565,938	59.5%	8,213,042	226.1%
	2015	27,365,921	44,119,176	16,753,255	62.0%	7,765,588	215.7%
	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%

PORS	July 1,	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll <sup>1</sup>	UAAL as % of Payroll
	2021	\$ 5,534,837	\$ 8,611,516	\$ 3,076,679	64.3%	\$ 1,434,621	214.5%
	2020	5,069,748	8,111,938	3,042,190	62.5%	1,440,645	211.2%
	2019	4,852,573	7,737,415	2,884,842	62.7%	1,378,255	209.3%
	2018	4,654,193	7,378,084	2,723,891	63.1%	1,306,961	208.4%
	2017	4,480,894	7,109,612	2,628,718	63.0%	1,263,314	208.1%
	2016	4,354,853	6,567,397	2,212,544	66.3%	1,187,195	186.4%
	2015	4,266,794	6,162,095	1,895,301	69.2%	1,105,703	171.4%
	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%

<sup>1</sup> Covered payroll does not include payroll attributable to members in State ORP or working retirees.

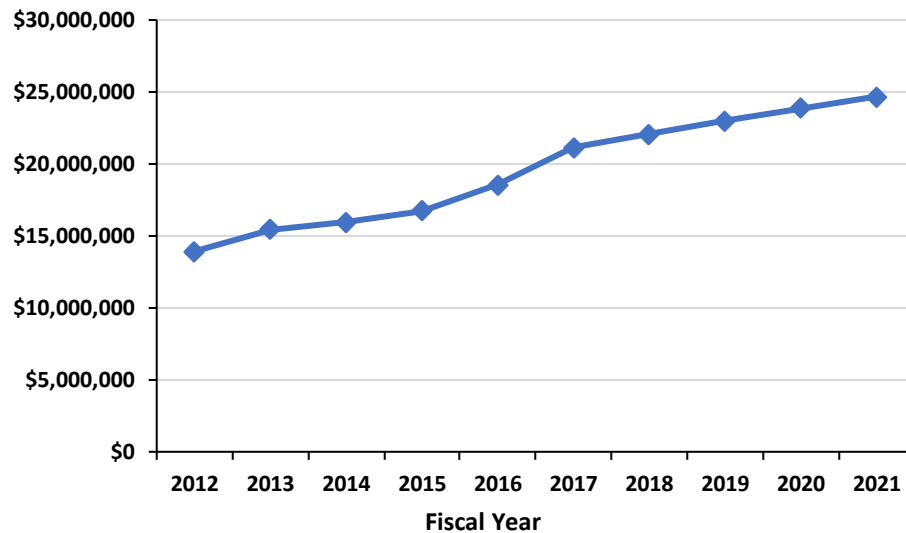
Effective July 1, 2012, disability and retirement rates were updated to more appropriately reflect the anticipated plan experience as a result of the legislation which resulted in substantial changes to the benefit provisions of both SCRS and PORS.

Effective July 1, 2016, actuarial assumptions were changed as a result of a 5-year experience study. The inflation assumption, rate of salary increases, payroll growth assumption, post-retirement mortality tables and pre-retirement mortality assumption were revised for both SCRS and PORS. The actuarial valuation of asset method was changed such that each year's investment gain or loss (determined on a market value of asset basis) is recognized over a closed five-year period at the rate of 20% per year for both SCRS and PORS. In addition, there were changes to the rates of withdrawal and retirement for SCRS and changes to the rates of retirement and disability for PORS.

Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 became law. The legislation lowered the retirement systems' assumed rate of return from 7.50 percent to 7.25 percent and reduced the maximum amortization period for the retirement systems from 30 years to 20 years over a ten-year schedule.

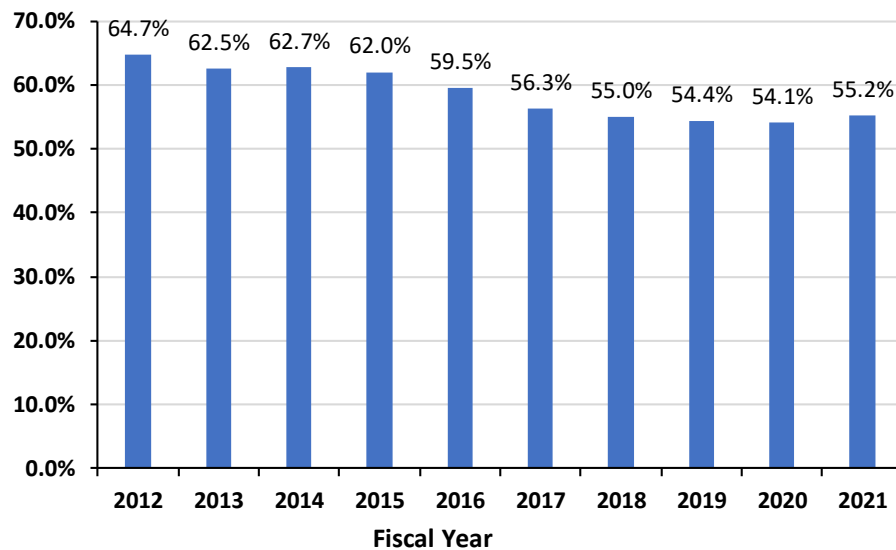
## South Carolina Retirement System Funding Progress with Funded Ratios<sup>1</sup> Unfunded Accrued Liabilities

*(Amounts expressed in thousands)*



## Funded Ratios

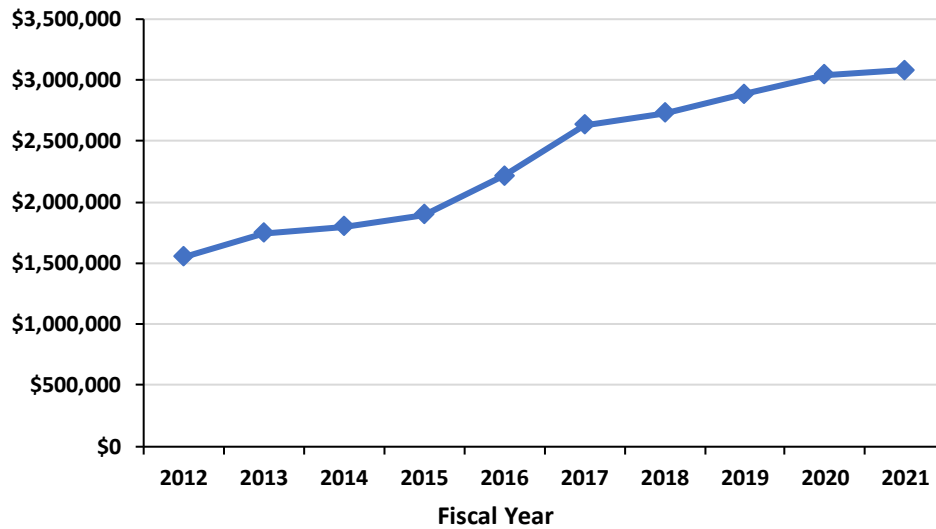
*(Actuarial assets as a percentage of actuarial accrued liabilities)*



<sup>1</sup> 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' and Nonemployer's Contributions.

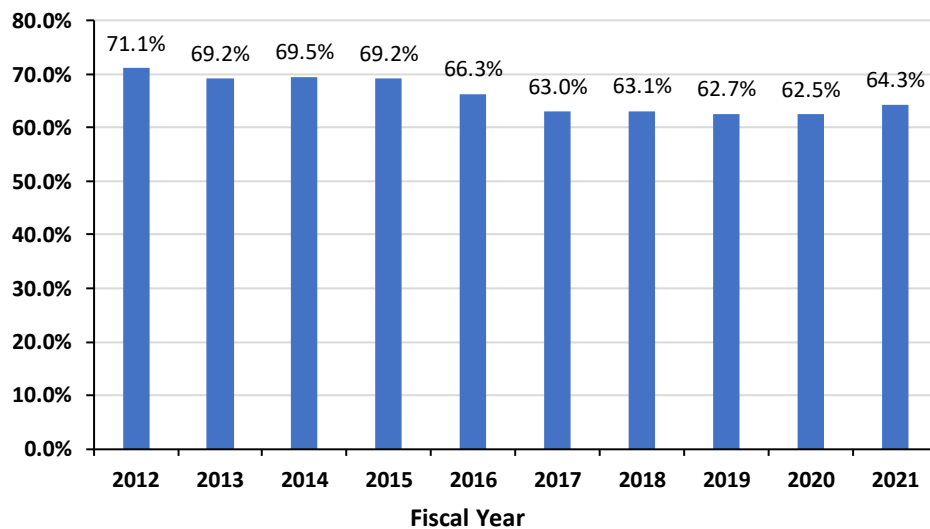
## Police Officers Retirement System Funding Progress with Funded Ratios<sup>1</sup> Unfunded Accrued Liabilities

*(Amounts expressed in thousands)*



## Funded Ratios

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



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## Schedule of Funding Progress

(Amounts expressed in thousands)

GARS	July 1,	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll <sup>1</sup>	UAAL as % of Payroll
	2021	\$ 40,056	\$ 71,433	\$ 31,377	56.1%	\$ 1,249	2,512.1%
	2020	36,869	71,426	34,557	51.6%	1,570	2,201.1%
	2019	35,140	72,055	36,915	48.8%	1,570	2,351.3%
	2018	34,902	73,004	38,102	47.8%	1,866	2,041.9%
	2017	34,887	74,855	39,968	46.6%	1,961	2,038.2%
	2016	35,926	74,996	39,070	47.9%	2,316	1,686.9%
	2015	37,312	74,509	37,197	50.1%	2,338	1,591.0%
	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%

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

JSRS	July 1,	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	2021	\$ 193,555	\$ 444,357	\$ 250,802	43.6%	\$ 31,104	806.3%
	2020	176,649	415,069	238,420	42.6%	30,346	785.7%
	2019	167,119	399,746	232,627	41.8%	30,346	766.6%
	2018	163,358	293,815	130,457	55.6%	22,347	583.8%
	2017	160,189	295,630	135,441	54.2%	22,347	606.1%
	2016	158,837	283,304	124,467	56.1%	21,958	566.8%
	2015	157,983	269,675	111,692	58.6%	21,267	525.2%
	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%

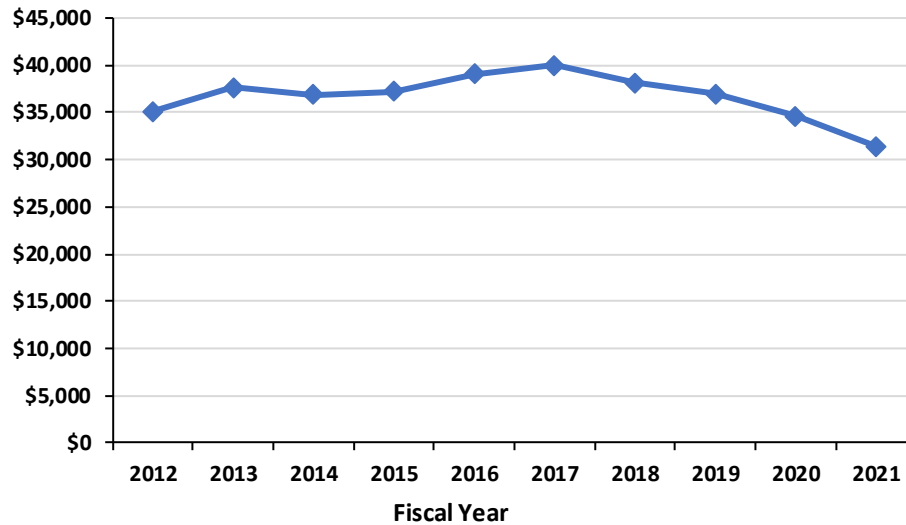
Effective July 1, 2012, legislation increased the member contribution rate from 10 percent of pay to 11 percent of pay effective January 1, 2013 for GARS members. The legislation also closed GARS to new members. Newly elected members of the General Assembly on or after the general election of 2012 shall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

Effective July 1, 2016, actuarial assumptions were changed as a result of a 5 year experience study. The inflation assumption, post-retirement mortality tables and pre-retirement mortality assumption were revised for both GARS and JSRS. The actuarial valuation of asset method was changed such that each year's investment gain or loss (determined on a market value of asset basis) is recognized over a closed five-year period at the rate of 20% per year for both GARS and JSRS. In addition, there were changes to the disability rates for GARS and changes to the rate of salary increases, COLA, payroll growth assumption, rates of retirement and disability for JSRS.

Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 became law. The legislation lowered the retirement systems' assumed rate of return from 7.50 percent to 7.25 percent.

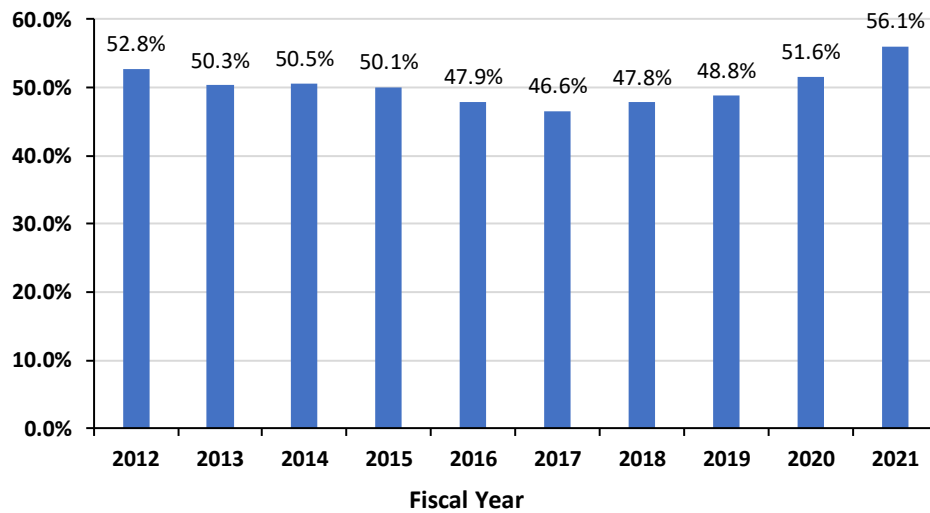
## General Assembly Retirement System Funding Progress with Funded Ratios<sup>1</sup> Unfunded Accrued Liabilities

*(Amounts expressed in thousands)*



## Funded Ratios

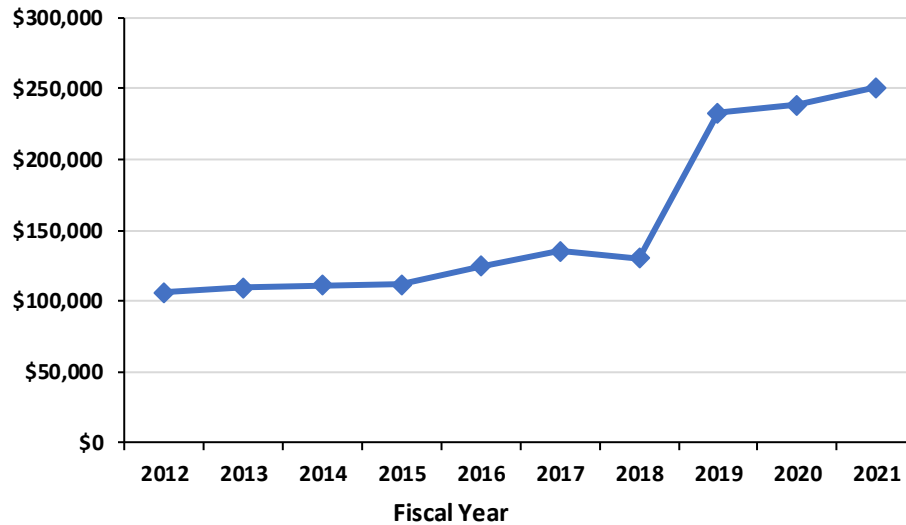
*(Actuarial assets as a percentage of actuarial accrued liabilities)*



<sup>1</sup> 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' and Nonemployer's Contributions.

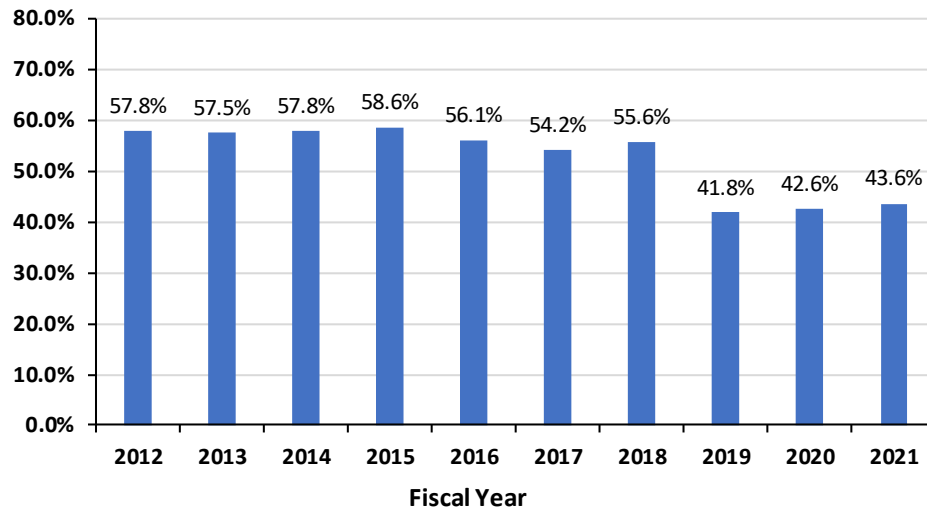
## Judges and Solicitors Retirement System Funding Progress with Funded Ratios<sup>1</sup> Unfunded Accrued Liabilities

*(Amounts expressed in thousands)*



## Funded Ratios

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



<sup>1</sup> 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' and Nonemployer's Contributions.



## Schedule of Funding Progress

(Amounts expressed in thousands)

SCNG	July 1,	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	2021	\$ 36,958	\$ 68,332	\$ 31,374	54.1%	N/A	N/A
	2020	33,299	66,597	33,298	50.0%	N/A	N/A
	2019	31,122	66,523	35,401	46.8%	N/A	N/A
	2018	29,246	66,192	36,946	44.2%	N/A	N/A
	2017	27,807	66,506	38,699	41.8%	N/A	N/A
	2016	26,751	64,445	37,694	41.5%	N/A	N/A
	2015	25,727	62,141	36,414	41.4%	N/A	N/A
	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

Effective July 1, 2016, actuarial assumptions were changed as a result of a 5 year experience study. The inflation assumption, rate of salary increases, payroll growth assumption, post-retirement mortality tables, pre-retirement mortality assumption and rates of withdrawal, disability and retirement were revised for SCNG. The actuarial valuation of asset method was changed such that each year's investment gain or loss (determined on a market value of asset basis) is recognized over a closed five-year period at the rate of 20% per year for SCNG.

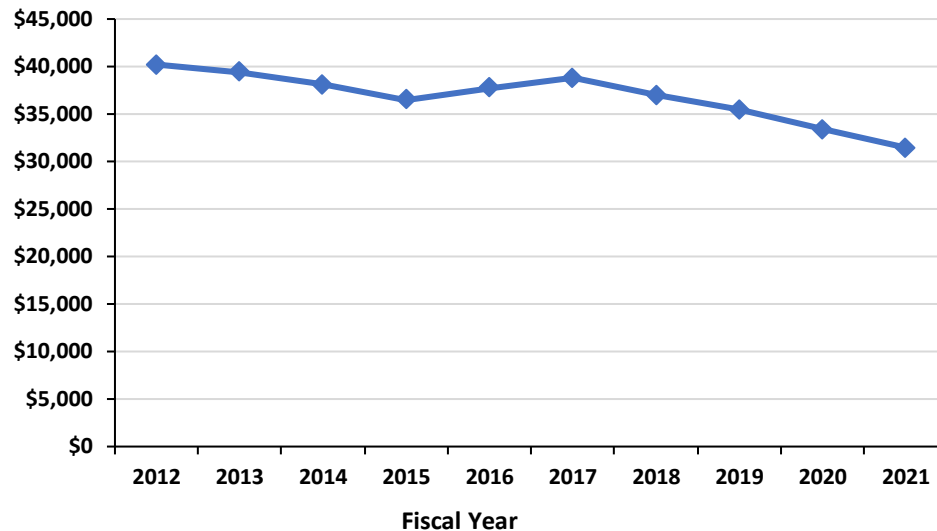
Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 became law. The legislation lowered the retirement systems' assumed rate of return from 7.50 percent to 7.25 percent.

## South Carolina National Guard Supplemental Retirement Plan

### Funding Progress with Funded Ratios<sup>1</sup>

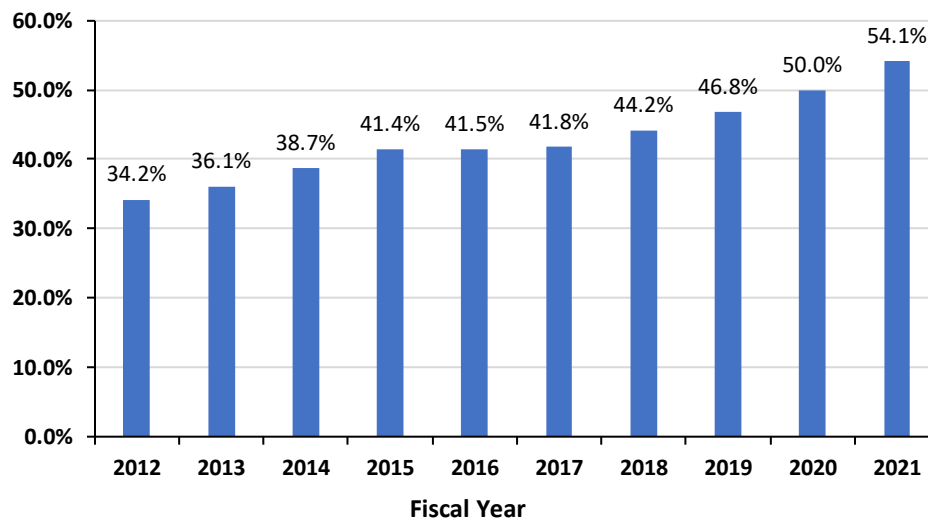
### Unfunded Accrued Liabilities

*(Amounts expressed in thousands)*



### Funded Ratios

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



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## South Carolina Retirement System

### Reconciliation of UAAL

As of July 1, 2021  
(Amounts expressed in thousands)

Item	<u>Amount of Increase/Decrease</u>
Beginning of year UAAL	\$ 23,889,281
Interest on UAAL	1,731,973
Amortization payment	(1,697,775)
Assumption/method changes	1,616,362
Asset experience	(722,129)
Salary experience	(76,450)
Other liability experience	(89,893)
Legislative changes	0
End of year UAAL	<u>\$ 24,651,369</u>

## Police Officers Retirement System

### Reconciliation of UAAL

As of July 1, 2021  
(Amounts expressed in thousands)

Item	<u>Amount of Increase/Decrease</u>
Beginning of year UAAL	\$ 3,042,190
Interest on UAAL	220,559
Amortization payment	(228,758)
Assumption/method changes	233,935
Asset experience	(125,236)
Salary experience	(32,398)
Other liability experience	(33,613)
Legislative changes	0
End of year UAAL	<u>\$ 3,076,679</u>

## General Assembly Retirement System

### Reconciliation of UAAL

As of July 1, 2021  
(Amounts expressed in thousands)

Item	<u>Amount of Increase/Decrease</u>
Beginning of year UAAL	\$ 34,557
Interest on UAAL	2,087
Amortization payment	(5,769)
Assumption/method changes	1,499
Asset experience	(766)
Other liability experience	(231)
Legislative changes	0
End of year UAAL	<u>\$ 31,377</u>

## Judges and Solicitors Retirement System

### Reconciliation of UAAL

As of July 1, 2021  
(Amounts expressed in thousands)

Item	<u>Amount of Increase/Decrease</u>
Beginning of year UAAL	\$ 238,420
Interest on UAAL	17,285
Amortization payment	(18,412)
Assumption/method changes	18,021
Asset experience	(4,333)
Benefit Adjustment	(710)
Salary experience	(336)
Other liability experience	867
Legislative changes	0
End of year UAAL	<u>\$ 250,802</u>

## South Carolina National Guard Supplemental Retirement Plan

### Reconciliation of UAAL

As of July 1, 2021  
*(Amounts expressed in thousands)*

Item	<u>Amount of Increase/Decrease</u>
Beginning of year UAAL	\$ 33,298
Interest on UAAL	2,414
Amortization payment	(4,630)
Assumption/method changes	1,102
Asset experience	(524)
Other liability experience	(286)
Legislative changes	0
End of year UAAL	<u>\$ 31,374</u>

## Solvency Test

(Amounts expressed in thousands)

SCRS	July 1,	Actuarial Accrued Liability				Portion of Aggregate Accrued Liabilities Covered by Assets		
		Active Member Contributions	Retirants & Beneficiaries	Active & Inactive Members (Employer)	Valuation Assets	Active	Retirants	ER Financed
	2021	\$ 10,241,141	\$ 33,050,214	\$ 11,706,640	\$ 30,346,626	100%	60.8%	0%
	2020	9,714,420	31,534,153	10,812,672	28,171,964	100%	58.5%	0%
	2019	9,106,401	31,051,873	10,280,533	27,443,804	100%	59.1%	0%
	2018	8,501,051	30,760,223	9,843,489	27,030,937	100%	60.2%	0%
	2017	7,938,850	30,745,598	9,690,277	27,241,570	100%	62.8%	0%
	2016	7,447,442	29,830,649	8,581,815	27,293,968	100%	66.5%	0%
	2015	7,054,277	28,645,954	8,418,945	27,365,921	100%	70.9%	0%
	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%
PORS	2021	\$ 1,330,653	\$ 5,039,417	\$ 2,241,446	\$ 5,534,837	100%	83.4%	0.0%
	2020	1,265,088	4,709,824	2,137,026	5,069,748	100%	80.8%	0.0%
	2019	1,179,539	4,514,202	2,043,674	4,852,573	100%	81.4%	0.0%
	2018	1,104,572	4,307,805	1,965,707	4,654,193	100%	82.4%	0.0%
	2017	1,034,549	4,136,503	1,938,560	4,480,894	100%	83.3%	0.0%
	2016	968,722	3,881,514	1,717,161	4,354,853	100%	87.2%	0.0%
	2015	905,768	3,624,713	1,631,614	4,266,794	100%	92.7%	0.0%
	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%

Effective July 1, 2012, disability and retirement rates were updated to more appropriately reflect the anticipated plan experience as a result of the legislation which resulted in substantial changes to the benefit provisions of both SCRS and PORS.

Effective July 1, 2016, actuarial assumptions were changed as a result of a 5 year experience study. The inflation assumption, rate of salary increases, payroll growth assumption, post-retirement mortality tables and pre-retirement mortality assumption were revised for both SCRS and PORS. The actuarial valuation of asset method was changed such that each year's investment gain or loss (determined on a market value of asset basis) is recognized over a closed five-year period at the rate of 20% per year for both SCRS and PORS. In addition, there were changes to the rates of withdrawal and retirement for SCRS and changes to the rates of retirement and disability for PORS.

Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 became law. The legislation lowered the retirement systems' assumed rate of return from 7.50 percent to 7.25 percent and reduced the maximum amortization period for the retirement systems from 30 years to 20 years over a ten-year schedule.

## 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)	Valuation Assets	Active	Retirants	ER Financed
	2021	\$ 6,567	\$ 55,142	\$ 9,724	\$ 40,056	100%	60.7%	0%
	2020	7,046	53,951	10,429	36,869	100%	55.3%	0%
	2019	6,661	55,781	9,613	35,140	100%	51.1%	0%
	2018	7,066	55,749	10,189	34,902	100%	49.9%	0%
	2017	6,852	58,042	9,961	34,887	100%	48.3%	0%
	2016	7,334	57,314	10,348	35,926	100%	49.9%	0%
	2015	7,295	58,384	8,830	37,312	100%	51.4%	0%
	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%
JSRS	2021	\$ 32,669	\$ 303,810	\$ 107,878	\$ 193,555	100%	53.0%	0.0%
	2020	33,153	273,630	108,286	176,649	100%	52.4%	0.0%
	2019	30,289	268,747	100,710	167,119	100%	50.9%	0.0%
	2018	28,259	198,893	66,663	163,358	100%	67.9%	0.0%
	2017	26,703	203,030	65,897	160,189	100%	65.7%	0.0%
	2016	25,082	200,323	57,899	158,837	100%	66.8%	0.0%
	2015	24,650	186,481	58,544	157,983	100%	71.5%	0.0%
	2014	22,926	184,625	56,742	152,839	100%	70.4%	0.0%
	2013	21,369	178,526	57,093	147,648	100%	70.7%	0.0%
	2012	20,005	177,483	54,241	145,604	100%	70.8%	0.0%

Effective July 1, 2012, legislation increased the member contribution rate from 10 percent of pay to 11 percent of pay effective January 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.

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## Solvency Test

(Amounts expressed in thousands)

SCNG	July 1,	Actuarial Accrued Liability				Portion of Aggregate Accrued Liabilities Covered by Assets		
		Active Member	Retirants & Beneficiaries	Active & Inactive Members (Employer)	Valuation Assets	Active	Retirants	ER Financed
		Contributions						
	2021	\$ 0	\$ 36,316	\$ 32,016	\$ 36,958	N/A	100.0%	2%
	2020	0	35,756	30,841	33,299	N/A	93.1%	0%
	2019	0	35,589	30,934	31,122	N/A	87.4%	0%
	2018	0	35,132	31,060	29,246	N/A	83.2%	0%
	2017	0	35,391	31,115	27,807	N/A	78.6%	0%
	2016	0	34,562	29,883	26,751	N/A	77.4%	0%
	2015	0	33,521	28,620	25,727	N/A	76.7%	0%
	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%

Effective July 1, 2016, actuarial assumptions were changed as a result of a 5 year experience study. The inflation assumption, rate of salary increases, payroll growth assumption, post-retirement mortality tables, pre-retirement mortality assumption and rates of withdrawal, disability and retirement were revised for SCNG. The actuarial valuation of asset method was changed such that each year's investment gain or loss (determined on a market value of asset basis) is recognized over a closed five-year period at the rate of 20% per year for SCNG.

Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 became law. The legislation lowered the retirement systems' assumed rate of return from 7.50 percent to 7.25 percent.



# Summary of Basic Provisions

As of July 1, 2021

SCRS	PORS	GARS	JSRS	SCNG
<b>1. Membership</b>				
<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>All members of the General Assembly who acquired office prior to the 2012 general election are required to participate, unless exempted by Statute. Members with eight (8) or more years of credited service that cease membership in the General Assembly may elect to continue earning future service in the system by contributing the required membership contributions (i.e. special contributing member).</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>Membership is mandatory upon taking office as Chief Justice of the South Carolina Supreme Court, Associate Justice of the South Carolina Supreme Court, Court of Appeals Judge, Circuit Court Judge, Family Court Judge, Administrative Law Judge, Solicitor or Circuit Public Defender, prior to age 72.</p>	<p>Individuals serving in the South Carolina National Guard.</p>
<b>2. Employee Contributions</b>				
<p><b>Class II</b> 9.00% of earnable compensation</p> <p><b>Class III</b> 9.00% of earnable compensation</p>	<p><b>Class II</b> 9.75% of earnable compensation</p> <p><b>Class III</b> 9.75% 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
<b>3. Employer Contributions</b>				
<b>Class II &amp; III</b> 16.41% of earnable compensation	<b>Class II&amp; III</b> 18.84% of earnable compensation	\$6,279,000 paid annually	62.94% of earnable compensation	Annual lump-sum appropriation of \$5,290,000
<b>Death Benefit Program</b> 0.15% of earnable compensation	<b>Death Benefit Program</b> 0.20% of earnable compensation	<b>Death Benefit Program</b> Included within annual payment	<b>Death Benefit Program</b> Included within employer contribution	<b>Death Benefit Program</b> Not applicable
<b>Accidental Death Program</b> Not applicable	<b>Accidental Death Program</b> 0.20% of earnable compensation	<b>Accidental Death Program</b> Not applicable	<b>Accidental Death Program</b> Not applicable	<b>Accidental Death Program</b> Not applicable
<b>4. Requirements for Service Annuity</b>				
<b>Class II</b> 5 years earned service  The member is entitled to a deferred reduced annuity at age 60.	<b>Class II</b> 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.
<b>Class III</b> 8 years earned service  The member is entitled to a deferred reduced annuity at age 60.	<b>Class III</b> 8 years earned service  The member is entitled to a deferred annuity at age 55.			
<b>5. Normal Retirement Age</b>				
Not applicable	Not applicable	Not applicable	Age 60	Not applicable
<b>6. Requirements for Full Service Retirement</b>				
<b>Class II</b> Age 65 with 5 years of service or 28 years of credited service. The member must have a minimum of five years of earned service to qualify for retirement.	<b>Class II</b> 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 65 with 4 years earned service as judge or solicitor and at least 25 years other service with the state if a member as of 6/30/2004.	Age 60 provided the member was honorably discharged from active duty with at least 20 years of total creditable military service. Of that 20 years of service, 15 years, and the final 10 years, must have been served in the South Carolina National Guard.
<b>Class III</b> 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.	<b>Class III</b> Age 55 or 27 years of credited service. The member must have a minimum of 8 years of earned service to qualify for retirement.			

SCRS	PORS	GARS	JSRS	SCNG
<b>7. Early Retirement</b>				
<p><b>Class II</b></p> <p>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><b>Class III</b></p> <p>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
<b>8. Formula for Normal Service Retirement</b>				
<p><b>Class II</b></p> <p>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><b>Class III</b></p> <p>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><b>Class II</b></p> <p>2.14% 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><b>Class III</b></p> <p>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 lump sum 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
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## 9. Requirements for Disability Retirement

A member may receive disability retirement benefits only if the member qualifies for the payment of Social Security disability benefits.	A member may receive disability retirement benefits only if after a medical examination of the member, the member is mentally or physically incapacitated for further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired.	A member may receive disability retirement benefits only if after a medical examination of the member, the member is mentally or physically incapacitated for further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired.	A member may receive disability retirement benefits only if to the satisfaction of the Supreme Court, or a majority of the justices thereof, the member is totally and permanently disabled, physically or mentally, or both, from further rendering useful and efficient service in the position.	Not applicable
<b>Class II</b> Must have at least 5 years of earned service, unless disability is the result of an injury arising out of and in the course of the performance of job duties.	<b>Class II</b> Must have at least 5 years of earned service, unless disability is the result of an injury arising out of and in the course of the performance of job duties.	Must have at least 5 years of credited service, unless disability is the result of an injury arising out of and in the course of the performance of legislative duties.	Must have at least 5 years of earned service.	
<b>Class III</b> Must have at least 8 years of earned service, unless disability is the result of an injury arising out of and in the course of the performance of job duties.	<b>Class III</b> Must have at least 8 years of earned service, unless disability is the result of an injury arising out of and in the course of the performance of job duties.			

## 10. Formula for Disability Retirement

Disability retirement benefit is based on years of credited service at retirement, average final compensation at retirement and the current benefit multiplier for service retirement benefits. Minimum benefit of 15% of AFC at any age.	Disability retirement benefit is based on a projection of service credit to age 55 or 25 years of service credit, whichever is less, AFC at retirement and the current benefit multiplier for service retirement benefits. Minimum benefit of 15% of AFC at any age.	The disability retirement benefit is based on the greater of the following options: a. Service benefit based upon actual credited service or b. 50% of service benefit based on projection of service to earlier of age 60 or 35 years of service.	The disability retirement benefit is based on the service retirement formula.	Not applicable
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SCRS	PORS	GARS	JSRS	SCNG
<b>11. Benefit Options</b>				
<b>Option A (Maximum/Retiree Only)</b> Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.	<b>Option A (Maximum/Retiree Only)</b> Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.	<b>Maximum Benefit (Retiree Only)</b> Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.	<b>Maximum Benefit (Retiree/One-Third Spouse)</b> Formula as calculated in item 8. Continued annuity of one-third of member's benefit to a spouse beneficiary upon death of retiree or return of contributions to a designated non-spouse beneficiary.	Formula benefit as calculated in item 8.
<b>Option B (100% - 100% Joint Retiree/Survivor)</b> Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary. This option is subject to non-spousal beneficiary limitations based on state statute and an Internal Revenue Code formula.	<b>Option B (100% - 100% Joint Retiree/Survivor)</b> Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary. This option is subject to non-spousal beneficiary limitations based on state statute and an Internal Revenue Code formula.	<b>Option 1</b> Provides a reduced (from the Maximum Benefit) lifetime benefit that upon retiree's death continues to retiree's beneficiary. Benefit will not revert to Maximum if all of the retiree's beneficiaries predecease the retiree.	<b>Optional Allowance</b> Provides a reduced (from the Maximum Benefit) lifetime annuity that upon the retiree's death will continue at one-third of the retiree's annuity to a non-spouse beneficiary (or in equal shares to multiple beneficiaries).	
<b>Option C (100% - 50% Joint Retiree/Survivor)</b> Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity.	<b>Option C (100% - 50% Joint Retiree/Survivor)</b> Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity.	<b>Option 2</b> Provides a reduced (from the Maximum Benefit) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity. Benefit will not revert to Maximum if all of the retiree's beneficiaries predecease the retiree.		
<b>Note:</b> 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.	<b>Note:</b> 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.	<b>Revert to Maximum (1A or 2A)</b> 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.		

SCRS	PORS	GARS	JSRS	SCNG
<b>12. Deferred Retirement Option Programs</b>				
The TERI program ended effective June 30, 2018.	Not applicable	Not applicable	<p>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.</p> <p>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.</p>	Not applicable

SCRS	PORS	GARS	JSRS	SCNG
<b>13. Return to Work Provisions</b>				
<p>There is no earning limitation for members who retired prior to 1/2/2013. 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. The \$10,000 earnings limitation does not apply if the State Department of Education determines that no qualified, non-retired member is available for employment in the position, and 1) that a certified teacher is teaching in a critical academic need area or a geographic need area as defined by the State Board of Education, or 2) that a retired certified school teacher or certified employee</p> <p><i>Continued on Next Page</i></p>	<p>There is no earning limitation for members who retired prior to 1/2/2013. 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. Under certain circumstances, a PORS member who retired on or before December 31, 2017, may return to covered employment without affecting his monthly retirement benefit if he is a Class 1 law enforcement officer and returns to work with a public school district as a critical needs school resource officer. The \$10,000 earnings limitation does not apply if the public school</p> <p><i>Continued on Next Page</i></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. If a retired member returns to service in a position other than as a member of the General Assembly that is covered by SCRS, PORS, or JSRS, the member is subject to the same earnings limitation as under SCRS.</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. 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>

SCRS	PORS	GARS	JSRS	SCNG
<b>Return to Work Provisions (continued)</b>				
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. Retired members who return to work for a covered employer are required to contribute at the same tax-deferred percentage of gross pay as active members. No additional service credit or interest is earned. Employers of return to work retirees are also required to pay the employer contribution at the same rate as an active member.	district where the retiree is physically working and the covered employer for which the member works submit a completed School Resource Officer Critical Needs Certification (Form 7214) to PEBA. This exemption is effective July 1, 2018, and is contingent upon continued approval in each year’s state budget. Retired members who return to work for a covered employer are required to contribute at the same tax-deferred percentage of gross pay as active members. No additional service credit or interest is earned. Employers of return to work retirees are also required to pay the employer contribution at the same rate as an active member.			
<b>14. Post Retirement Increase</b>				
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.	Generally, if the General Assembly approves an increase in earnable compensation for active GARS members, benefits for GARS retirees and beneficiaries will increase by the same percentage on the effective date of the earnable compensation increase.	Retired member receives benefit based on current salary for member’s position.	Post retirement increases are not provided.
<b>15. Accidental Death Program</b>				
Not applicable	Provides 50% of earnable compensation at time of accidental death in the line of duty as an annuity to either the surviving spouse, children, or parents. The annuity to surviving children ends upon each child’s 18th birthday.	Not applicable	Not applicable	Not applicable



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

SCRS	PORS	GARS	JSRS	SCNG
<b>18. Actuarial Cost Method</b>				
<p>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 the funding period. 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.</p>	<p>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 the funding period. 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.</p>	<p>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 dollar amount over the member's projected service with the Retirement System. Employers also finance the unfunded actuarial accrued liability as a level dollar amount over the funding period. 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.</p>	<p>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 the funding period. 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.</p>	<p>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 dollar amount over the member's projected service with the Retirement System. Employers also finance the unfunded actuarial accrued liability as a level dollar amount over the funding period. 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.</p>
<p>The individual Entry Age Normal cost method is also the actuarial cost method used for financial reporting purposes.</p>	<p>The individual Entry Age Normal cost method is also the actuarial cost method used for financial reporting purposes.</p>	<p>The individual Entry Age Normal cost method is also the actuarial cost method used for financial reporting purposes.</p>	<p>The individual Entry Age Normal cost method is also the actuarial cost method used for financial reporting purposes.</p>	<p>The individual Entry Age Normal cost method is also the actuarial cost method used for financial reporting purposes.</p>
<b>19. Funding Policy</b>				
<p>The base funding policy for SCRS is set by Section 9-1-1085 of the Code of Laws, which sets contribution rates and a schedule of the maximum funding period for the system's unfunded actuarial accrued liability. Under that section, the maximum funding period must decline from 30 years for fiscal year 2018 to 20 years by fiscal year 2028. The PEBA Board must increase the employer contribution rate if necessary to meet the maximum funding period set in statute. Contributions to the system may not be decreased until the system is at least 85 percent funded.</p>	<p>The base funding policy for PORS is set by Section 9-11-225 of the Code of Laws, which sets contribution rates and a schedule of the maximum funding period for the system's unfunded actuarial accrued liability. Under that section, the maximum funding period must decline from 30 years for fiscal year 2018 to 20 years by fiscal year 2028. The PEBA Board must increase the employer contribution rate if necessary to meet the maximum funding period set in statute. Contributions to the system may not be decreased until the system is at least 85 percent funded.</p>	<p>The PEBA Board is responsible for establishing and maintaining the funding policy for GARS. The current GARS funding policy, originally set by the former Budget and Control Board, amortizes the unfunded actuarial accrued liability of the system as a level-dollar amount over a closed 25-year period beginning July 1, 2002.</p>	<p>The PEBA Board is responsible for establishing and maintaining the funding policy for JSRS. The current JSRS funding policy requires that the maximum funding period for the system's unfunded actuarial accrued liability decline from 28 years in fiscal year 2020 to 20 years by fiscal year 2028. The PEBA Board must increase the employer contribution rate if necessary to meet the maximum funding period set out in the policy. Contributions to the system may not be decreased until the system is at least 85 percent funded.</p>	<p>The PEBA Board is responsible for establishing and maintaining the funding policy for the SCNG plan. The SCNG funding policy, originally set by the former Budget and Control Board, amortizes the unfunded actuarial accrued liability of the system as a level-dollar amount over a closed 30-year period beginning July 1, 2006.</p>

**Statistical**





# 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.

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## Demographic and Economic Information

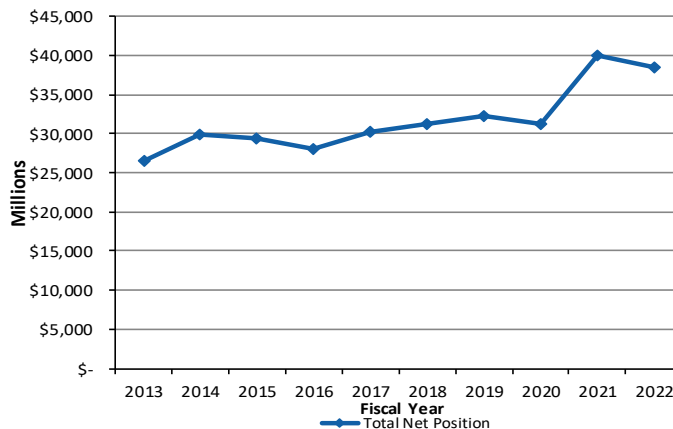
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## Financial Trends Information

*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.

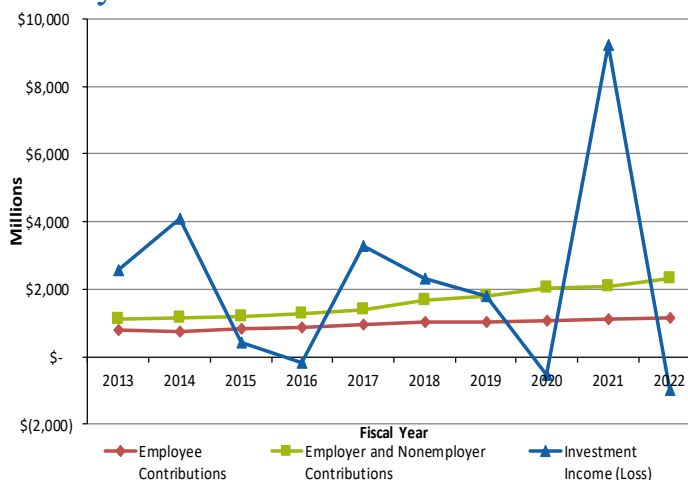
### Trend of Total Fiduciary Net Position Values

A trend of the total fiduciary net position over the past 10 years reflects an overall increase; however, 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. Negative investment returns and relatively flat investment performance realized during fiscal years 2015, 2016, 2020 and 2022 resulted in decreases in the net position of the portfolio. The increases in fiscal years 2017, 2018, 2019 and 2021 were attributable to both increased contributions and positive investment performance.



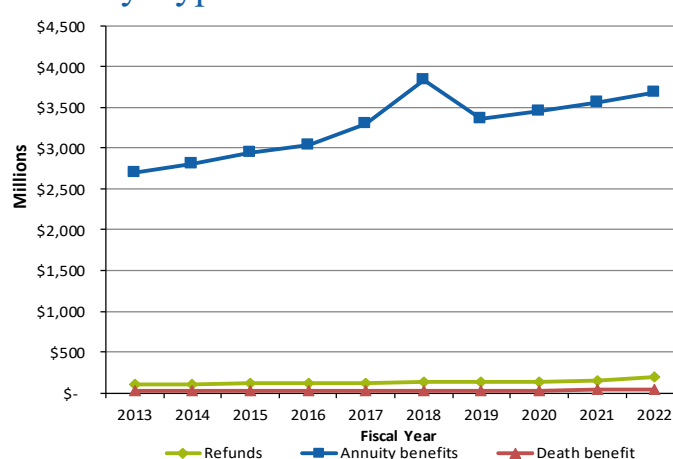
### Trend of Total Pension Trust Funds Additions by Source

Employee and employer contributions have gradually increased primarily due to increases in contribution rates, although changes in the amount of covered payroll and members purchasing service have also had an impact. Legislation enacted effective July 1, 2017 increased the employer and employee contribution rates and established a ceiling on SCRS and PORS employee contribution rates. To help offset a portion of the increased contribution requirement for employers, the General Assembly funded a portion of SCRS and PORS contributions for fiscal years 2018, 2019, 2020, 2021 and 2022 as nonemployer contributions. 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 increases in the number of retired members and benefit adjustments granted to retirees, has resulted in a steady rise in the annuity expense over the past 10 years. In addition, the surge in the amount of distributions paid to members with the closure of the TERI program spiked an increase in fiscal years 2017 and 2018. Even though regular monthly retirement benefits increased, total benefit expenses decreased from fiscal year 2018 to 2019 due to the closure of the TERI program the prior year.



# South Carolina Retirement Systems

## 10 Year Summary of Fiduciary Net Position

As of June 30

(Amounts expressed in thousands)

	2022	2021	2020	2019	2018
<b>Assets</b>					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 2,277,244	\$ 4,596,950	\$ 5,249,820	\$ 4,323,924	\$ 3,359,600
Investments, at fair value	36,907,526	38,173,987	28,875,414	29,547,472	29,243,863
Securities lending cash collateral invested	9,336	21,348	20,452	41,327	34,612
Capital assets, net of accumulated depreciation	1,908	2,084	2,156	2,232	2,362
<b>Total assets</b>	<b>39,196,014</b>	<b>42,794,369</b>	<b>34,147,842</b>	<b>33,914,955</b>	<b>32,640,437</b>
<b>Liabilities</b>					
Deferred retirement benefits				70	377,263
Obligations under securities lending	9,336	21,348	20,452	41,327	34,612
Other liabilities	746,626	2,874,921	2,874,001	1,587,595	1,021,458
<b>Total liabilities</b>	<b>755,962</b>	<b>2,896,269</b>	<b>2,894,453</b>	<b>1,628,992</b>	<b>1,433,333</b>
<b>Net Position Restricted for Pensions</b>	<b>\$ 38,440,052</b>	<b>\$ 39,898,100</b>	<b>\$ 31,253,389</b>	<b>\$ 32,285,963</b>	<b>\$ 31,207,104</b>
	2017	2016	2015	2014	2013 <sup>1</sup>
<b>Assets</b>					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 3,712,085	\$ 4,979,349	\$ 3,622,210	\$ 4,063,173	\$ 4,023,274
Investments, at fair value	27,995,164	24,790,218	27,093,961	26,754,819	24,587,950
Securities lending cash collateral invested	123,275	55,737	70,177	72,645	106,633
Capital assets, net of accumulated depreciation	2,537	2,741	3,005	2,912	3,083
<b>Total assets</b>	<b>31,833,061</b>	<b>29,828,045</b>	<b>30,789,353</b>	<b>30,893,549</b>	<b>28,720,940</b>
<b>Liabilities</b>					
Deferred retirement benefits	95,327	71,693	68,104	56,901	68,344
Obligations under securities lending	123,275	55,737	70,177	72,645	106,633
Other liabilities	1,397,531	1,633,962	1,345,382	836,292	1,645,150
<b>Total liabilities</b>	<b>1,616,133</b>	<b>1,761,392</b>	<b>1,483,663</b>	<b>965,838</b>	<b>1,820,127</b>
<b>Net Position Restricted for Pensions</b>	<b>\$ 30,216,928</b>	<b>\$ 28,066,653</b>	<b>\$ 29,305,690</b>	<b>\$ 29,927,711</b>	<b>\$ 26,900,813</b>

<sup>1</sup> In accordance with GASB 67, financial statements for fiscal year 2013 were 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 their investment advisor, 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 fiscal year 2014.

## South Carolina Retirement System

### 10 Year Schedule of Changes in Fiduciary Net Position

Year Ended June 30

(Amounts expressed in thousands)

	2022	2021	2020	2019	2018
<b>Additions</b>					
Employee contributions	\$ 983,536	\$ 932,014	\$ 922,539	\$ 880,664	\$ 868,681
Employer contributions	1,884,209	1,673,320	1,647,757	1,450,308	1,300,477
Nonemployer contributions	88,706	88,706	88,706	88,706	104,974
Net investment income (loss)	(832,364)	7,767,185	(441,580)	1,499,391	1,986,948
Other income	524	403	291	320	355
<b>Total additions</b>	<u>2,124,611</u>	<u>10,461,628</u>	<u>2,217,713</u>	<u>3,919,389</u>	<u>4,261,435</u>
<b>Deductions</b>					
Refunds	160,567	124,286	117,860	118,067	113,867
Annuity benefits	3,190,025	3,090,513	3,007,836	2,938,736	3,427,005
Death benefits	30,804	29,780	22,750	21,806	22,284
Administrative and other expenses	20,894	19,161	15,765	16,780	16,192
<b>Total deductions</b>	<u>3,402,290</u>	<u>3,263,740</u>	<u>3,164,211</u>	<u>3,095,389</u>	<u>3,579,348</u>
Net increase (decrease) in Net Position	(1,277,679)	7,197,888	(946,498)	824,000	682,087
Net Position Restricted for Pensions					
Beginning of year	<u>33,490,306</u>	<u>26,292,418</u>	<u>27,238,916</u>	<u>26,414,916</u>	<u>25,732,829</u>
End of year	<u>\$ 32,212,627</u>	<u>\$ 33,490,306</u>	<u>\$ 26,292,418</u>	<u>\$ 27,238,916</u>	<u>\$ 26,414,916</u>
	2017	2016	2015	2014	2013 <sup>1</sup>
<b>Additions</b>					
Employee contributions	\$ 826,543	\$ 754,153	\$ 716,107	\$ 652,631	\$ 674,783
Employer contributions	1,168,847	1,072,659	1,022,478	962,798	948,157
Net investment income (loss)	2,791,215	(165,394)	374,152	3,517,324	2,195,648
Other income	393	611	514	587	657
<b>Total additions</b>	<u>4,786,998</u>	<u>1,662,029</u>	<u>2,113,251</u>	<u>5,133,340</u>	<u>3,819,245</u>
<b>Deductions</b>					
Refunds	105,169	93,694	95,104	90,250	87,212
Annuity benefits	2,907,666	2,668,819	2,590,806	2,462,146	2,368,510
Death benefits	22,677	20,659	20,144	19,240	19,133
Administrative and other expenses	15,019	14,323	13,890	14,235	16,629
<b>Total deductions</b>	<u>3,050,531</u>	<u>2,797,495</u>	<u>2,719,944</u>	<u>2,585,871</u>	<u>2,491,484</u>
Net increase (decrease) in Net Position	1,736,467	(1,135,466)	(606,693)	2,547,469	1,327,761
Net Position Restricted for Pensions					
Beginning of year	<u>23,996,362</u>	<u>25,131,828</u>	<u>25,738,521</u>	<u>23,191,052</u>	<u>21,863,291</u>
End of year	<u>\$ 25,732,829</u>	<u>\$ 23,996,362</u>	<u>\$ 25,131,828</u>	<u>\$ 25,738,521</u>	<u>\$ 23,191,052</u>

<sup>1</sup> In accordance with GASB 67, Annuity Benefits reported in fiscal year 2013 were restated to include only DROP amounts actually distributed to participants as well as amounts due but not yet distributed. Also, RSIC administrative expenses previously classified as administrative expenses were reclassified as investment expenses and therefore included in the net investment income (loss) category for fiscal year 2013.



## Police Officers Retirement System

### 10 Year Schedule of Changes in Fiduciary Net Position

Year Ended June 30

(Amounts expressed in thousands)

	2022	2021	2020	2019	2018
<b>Additions</b>					
Employee contributions	\$ 163,536	\$ 152,148	\$ 151,835	\$ 144,747	\$ 138,652
Employer contributions	292,364	262,577	263,135	237,821	211,793
Nonemployer contributions	12,470	12,470	12,470	12,470	13,122
Net investment income (loss)	(155,638)	1,411,353	(79,106)	264,323	331,529
Other income	2,912	1,410	1,008	1,161	1,547
<b>Total additions</b>	<b>315,644</b>	<b>1,839,958</b>	<b>349,342</b>	<b>660,522</b>	<b>696,643</b>
<b>Deductions</b>					
Refunds	32,691	24,346	22,492	21,608	23,899
Annuity benefits	449,424	427,214	407,642	389,050	371,283
Death benefits	3,236	3,780	2,359	1,890	2,751
Administrative and other expenses	3,257	3,121	2,483	2,596	2,402
<b>Total deductions</b>	<b>488,608</b>	<b>458,461</b>	<b>434,976</b>	<b>415,144</b>	<b>400,335</b>
Net increase (decrease) in Net Position	(172,964)	1,381,497	(85,634)	245,378	296,308
Net Position Restricted for Pensions					
Beginning of year	6,111,672	4,730,175	4,815,809	4,570,431	4,274,123
End of year	<u>\$ 5,938,708</u>	<u>\$ 6,111,672</u>	<u>\$ 4,730,175</u>	<u>\$ 4,815,809</u>	<u>\$ 4,570,431</u>
	2017	2016	2015	2014	2013 <sup>1</sup>
<b>Additions</b>					
Employee contributions	\$ 127,840	\$ 115,188	\$ 106,854	\$ 96,004	\$ 97,164
Employer contributions	192,006	175,223	166,451	155,608	143,389
Net investment income (loss)	455,914	(24,636)	58,705	538,386	329,467
Other income	1,293	1,192	1,083	2,286	3,043
<b>Total additions</b>	<b>777,053</b>	<b>266,967</b>	<b>333,093</b>	<b>792,284</b>	<b>573,063</b>
<b>Deductions</b>					
Refunds	19,964	19,178	17,453	16,184	14,983
Annuity benefits	354,749	339,536	324,829	313,216	297,631
Death benefits	2,104	1,960	2,150	2,410	1,985
Administrative and other expenses	2,149	2,082	1,938	1,820	2,006
<b>Total deductions</b>	<b>378,966</b>	<b>362,756</b>	<b>346,370</b>	<b>333,630</b>	<b>316,605</b>
Net increase (decrease) in Net Position	398,087	(95,789)	(13,277)	458,654	256,458
Net Position Restricted for Pensions					
Beginning of year	3,876,036	3,971,825	3,985,102	3,526,448	3,269,990
End of year	<u>\$ 4,274,123</u>	<u>\$ 3,876,036</u>	<u>\$ 3,971,825</u>	<u>\$ 3,985,102</u>	<u>\$ 3,526,448</u>

<sup>1</sup> In accordance with GASB 67, RSIC administrative expenses previously classified as administrative expenses were reclassified as investment expenses and therefore included in the net investment income (loss) category for fiscal year 2013.

## General Assembly Retirement System

### 10 Year Schedule of Changes in Fiduciary Net Position

Year Ended June 30  
(Amounts expressed in thousands)

	2022	2021	2020	2019	2018
<b>Additions</b>					
Employee contributions	\$ 164	\$ 184	\$ 222	\$ 162	\$ 287
Employer contributions	6,279	5,956	6,329	5,804	5,428
Net investment income (loss)	(1,045)	9,444	(443)	1,887	2,376
Other income					
<b>Total additions</b>	<b>5,398</b>	<b>15,584</b>	<b>6,108</b>	<b>7,853</b>	<b>8,091</b>
<b>Deductions</b>					
Refunds		77		17	
Annuity benefits	6,332	6,222	6,323	6,480	6,452
Death benefits	16	16	25	18	16
Administrative and other expenses	229	68	18	20	18
<b>Total deductions</b>	<b>6,577</b>	<b>6,383</b>	<b>6,366</b>	<b>6,535</b>	<b>6,486</b>
Net increase (decrease) in Net Position	(1,179)	9,201	(258)	1,318	1,605

#### Net Position Restricted for Pensions

Beginning of year	43,655	34,454	34,712	33,394	31,789
End of year	<u>\$ 42,476</u>	<u>\$ 43,655</u>	<u>\$ 34,454</u>	<u>\$ 34,712</u>	<u>\$ 33,394</u>

	2017	2016	2015	2014	2013 <sup>1</sup>
<b>Additions</b>					
Employee contributions	\$ 468	\$ 292	\$ 369	\$ 384	\$ 1,091
Employer contributions	4,539	4,501	4,275	4,063	2,831
Net investment income (loss)	3,329	(266)	500	4,545	3,111
Other income	19			15	199
<b>Total additions</b>	<b>8,355</b>	<b>4,527</b>	<b>5,144</b>	<b>9,007</b>	<b>7,232</b>
<b>Deductions</b>					
Refunds		22		41	3
Annuity benefits	6,678	6,625	6,639	6,799	6,720
Death benefits	59	9	21	20	16
Administrative and other expenses	17	165	36	17	20
<b>Total deductions</b>	<b>6,754</b>	<b>6,821</b>	<b>6,696</b>	<b>6,877</b>	<b>6,759</b>
Net increase (decrease) in Net Position	1,601	(2,294)	(1,552)	2,130	473

#### Net Position Restricted for Pensions

Beginning of year	30,188	32,482	34,034	31,904	31,431
End of year	<u>\$ 31,789</u>	<u>\$ 30,188</u>	<u>\$ 32,482</u>	<u>\$ 34,034</u>	<u>\$ 31,904</u>

<sup>1</sup> In accordance with GASB 67, RSIC administrative expenses previously classified as administrative expenses were reclassified as investment expenses and therefore included in the net investment income (loss) category for fiscal year 2013.

## Judges and Solicitors Retirement System

### 10 Year Schedule of Changes in Fiduciary Net Position

Year Ended June 30  
(Amounts expressed in thousands)

	2022	2021	2020	2019	2018
<b>Additions</b>					
Employee contributions	\$ 3,012	\$ 3,587	\$ 4,966	\$ 2,840	\$ 3,016
Employer contributions	19,577	19,100	19,098	11,730	11,043
Nonemployer contributions	2,900	2,900	2,900		
Net investment income (loss)	(5,202)	47,659	(2,361)	9,183	11,723
Other income		237	563	96	
<b>Total additions</b>	<b>20,287</b>	<b>73,483</b>	<b>25,166</b>	<b>23,849</b>	<b>25,782</b>
<b>Deductions</b>					
Refunds			182		
Annuity benefits	26,089	25,746	25,301	17,947	17,655
Death benefits	10	195	190	3	156
Administrative and other expenses	197	109	86	92	86
<b>Total deductions</b>	<b>26,296</b>	<b>26,050</b>	<b>25,759</b>	<b>18,042</b>	<b>17,897</b>
Net increase (decrease) in Net Position	(6,009)	47,433	(593)	5,807	7,885
Net Position Restricted for Pensions					
Beginning of year	212,683	165,250	165,843	160,036	152,151
End of year	<u>\$ 206,674</u>	<u>\$ 212,683</u>	<u>\$ 165,250</u>	<u>\$ 165,843</u>	<u>\$ 160,036</u>
	2017	2016	2015	2014	2013 <sup>1</sup>
<b>Additions</b>					
Employee contributions	\$ 2,928	\$ 2,303	\$ 3,153	\$ 2,448	\$ 2,596
Employer contributions	10,534	10,202	10,109	9,659	8,667
Net investment income (loss)	16,399	(871)	2,216	19,962	12,605
Other income	253	27	286	195	184
<b>Total additions</b>	<b>30,114</b>	<b>11,661</b>	<b>15,764</b>	<b>32,264</b>	<b>24,052</b>
<b>Deductions</b>					
Refunds	629	60			57
Annuity benefits	17,679	16,989	16,832	16,675	15,745
Death benefits	293	143	4	10	134
Administrative and other expenses	79	105	71	68	76
<b>Total deductions</b>	<b>18,680</b>	<b>17,297</b>	<b>16,907</b>	<b>16,753</b>	<b>16,012</b>
Net increase (decrease) in Net Position	11,434	(5,636)	(1,143)	15,511	8,040
Net Position Restricted for Pensions					
Beginning of year	140,717	146,353	147,496	131,985	123,945
End of year	<u>\$ 152,151</u>	<u>\$ 140,717</u>	<u>\$ 146,353</u>	<u>\$ 147,496</u>	<u>\$ 131,985</u>

<sup>1</sup> In accordance with GASB 67, Annuity Benefits reported in fiscal year 2013 were restated to include only DROP amounts actually distributed to participants as well as amounts due but not yet distributed. Also, RSIC administrative expenses previously classified as administrative expenses were reclassified as investment expenses and therefore included in the net investment income (loss) category for fiscal year 2013.

## South Carolina National Guard Supplemental Retirement Plan

### 10 Year Schedule of Changes in Fiduciary Net Position

Year Ended June 30  
(Amounts expressed in thousands)

	2022	2021	2020	2019	2018
<b>Additions</b>					
State appropriated contributions	\$ 5,290	\$ 5,290	\$ 5,290	\$ 5,290	\$ 4,814
Net investment income (loss)	(878)	7,996	(352)	1,616	1,902
Other income					
<b>Total additions</b>	<u>4,412</u>	<u>13,286</u>	<u>4,938</u>	<u>6,906</u>	<u>6,716</u>
<b>Deductions</b>					
Annuity benefits	4,607	4,574	4,514	4,534	4,411
Administrative and other expenses	22	20	15	16	14
<b>Total deductions</b>	<u>4,629</u>	<u>4,594</u>	<u>4,529</u>	<u>4,550</u>	<u>4,425</u>
Net increase (decrease) in Net Position	(217)	8,692	409	2,356	2,291
Net Position Restricted for Pensions					
Beginning of year	39,784	31,092	30,683	28,327	26,036
End of year	<u>\$ 39,567</u>	<u>\$ 39,784</u>	<u>\$ 31,092</u>	<u>\$ 30,683</u>	<u>\$ 28,327</u>
	2017	2016	2015	2014	2013 <sup>1</sup>
<b>Additions</b>					
State appropriated contributions	\$ 4,591	\$ 4,591	\$ 4,591	\$ 4,586	\$ 4,539
Net investment income (loss)	2,533	(121)	313	2,806	1,671
Other income					
<b>Total additions</b>	<u>7,124</u>	<u>4,470</u>	<u>4,904</u>	<u>7,392</u>	<u>6,210</u>
<b>Deductions</b>					
Annuity benefits	4,425	4,310	4,249	4,248	4,193
Administrative and other expenses	13	12	11	10	10
<b>Total deductions</b>	<u>4,438</u>	<u>4,322</u>	<u>4,260</u>	<u>4,258</u>	<u>4,203</u>
Net increase (decrease) in Net Position	2,686	148	644	3,134	2,007
Net Position Restricted for Pensions					
Beginning of year	23,350	23,202	22,558	19,424	17,417
End of year	<u>\$ 26,036</u>	<u>\$ 23,350</u>	<u>\$ 23,202</u>	<u>\$ 22,558</u>	<u>\$ 19,424</u>

<sup>1</sup> In accordance with GASB 67, RSIC administrative expenses previously classified as administrative expenses were reclassified as investment expenses and therefore included in the net investment income (loss) category for fiscal year 2013.

## Pension Trust Funds Additions by Source

(Amounts expressed in thousands)

Year Ended June 30,	Employee contributions <sup>1</sup>	Employer and Nonemployer contributions <sup>1</sup>	Net investment income(loss)	Other income	Total additions
<b>South Carolina Retirement System (SCRS)</b>					
2022	\$ 983,825	\$ 1,972,915	\$ (832,364)	\$ 235	\$ 2,124,611
2021	932,059	1,762,026	7,767,185	358	10,461,628
2020	922,539	1,736,463	(441,580)	291	2,217,713
2019	880,664	1,539,014	1,499,391	320	3,919,389
2018	868,681	1,405,451	1,986,948	355	4,261,435
2017	826,543	1,168,847	2,791,215	393	4,786,998
2016	754,330	1,072,659	(165,394)	434	1,662,029
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
<b>Police Officer's Retirement System (PORS)</b>					
2022	\$ 165,187	\$ 306,087	\$ (155,638)	\$ 8	\$ 315,644
2021	153,010	275,586	1,411,353	9	1,839,958
2020	152,452	275,986	(79,106)	10	349,342
2019	145,485	250,701	264,323	13	660,522
2018	139,528	225,573	331,529	13	696,643
2017	128,623	192,501	455,914	15	777,053
2016	115,910	175,675	(24,636)	18	266,967
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
<b>General Assembly Retirement System (GARS)</b>					
2022	\$ 164	\$ 6,279	\$ (1,045)	\$ -	\$ 5,398
2021	184	5,956	9,444		15,584
2020	222	6,329	(443)		6,108
2019	162	5,804	1,887		7,853
2018	287	5,428	2,376		8,091
2017	487	4,539	3,329		8,355
2016	292	4,501	(266)		4,527
2015	369	4,275	500		5,144
2014	399	4,063	4,545		9,007
2013	1,286	2,835	3,111		7,232
<b>Judges and Solicitors Retirement System (JSRS)</b>					
2022	\$ 3,012	\$ 22,477	\$ (5,202)	\$ -	\$ 20,287
2021	3,824	22,000	47,659		73,483
2020	5,529	21,998	(2,361)		25,166
2019	2,936	11,730	9,183		23,849
2018	3,016	11,043	11,723		25,782
2017	3,181	10,534	16,399		30,114
2016	2,330	10,202	(871)		11,661
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
<b>South Carolina National Guard Supplemental Retirement Plan (SCNG)</b>					
2022	\$ -	\$ 5,290	\$ (878)	\$ -	\$ 4,412
2021		5,290	7,996		13,286
2020		5,290	(352)		4,938
2019		5,290	1,616		6,906
2018		4,814	1,902		6,716
2017		4,591	2,533		7,124
2016		4,591	(121)		4,470
2015		4,591	313		4,904
2014		4,586	2,806		7,392
2013		4,539	1,671		6,210

<sup>1</sup> Includes transfers between systems. SCNG employer contributions are provided annually by a State appropriation.

## Pension Trust Funds Deductions by Type

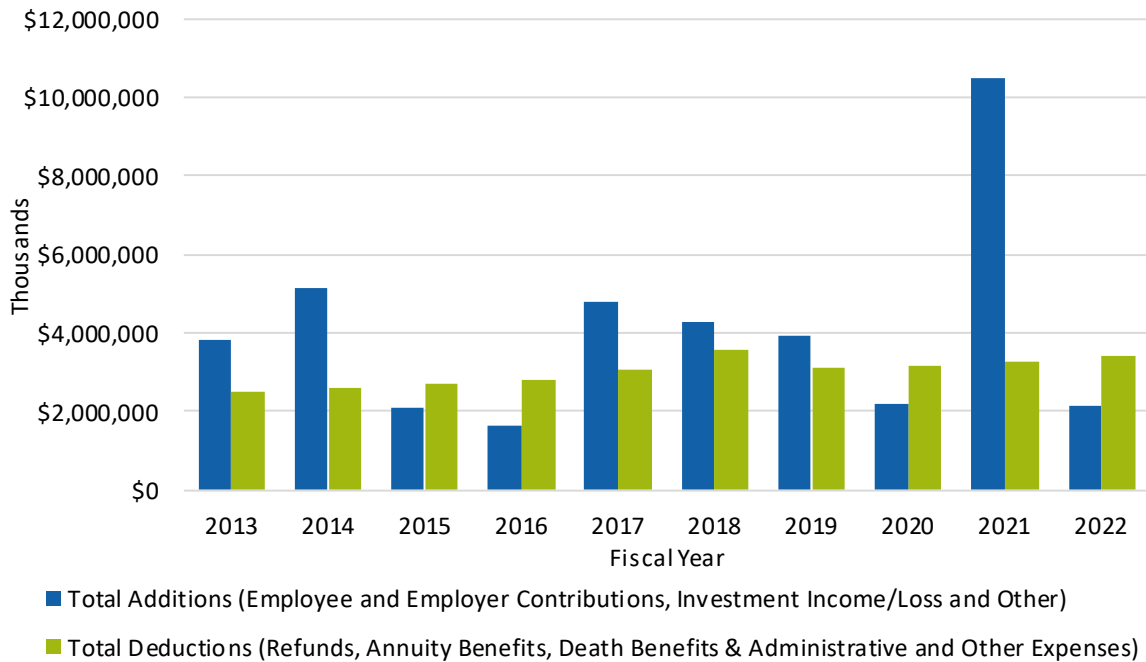
(Amounts expressed in thousands)

Year Ended June 30,	Refunds		Annuity benefits		Death benefits	Administrative and other expenses	Total deductions	
South Carolina Retirement System (SCRS)								
2022	\$	160,567	\$	3,190,025	\$	30,804	\$	3,402,290
2021		124,286		3,090,513		29,780		3,263,740
2020		117,860		3,007,836		22,750		3,164,211
2019		118,067		2,938,736		21,806		3,095,389
2018		113,867		3,427,005		22,284		3,579,348
2017		105,169		2,907,666		22,677		3,050,531
2016		93,694		2,668,819		20,659		2,797,495
2015		95,104		2,590,806		20,144		2,719,944
2014		90,250		2,462,146		19,240		2,585,871
2013		87,212		2,368,510		19,133		2,491,484
Police Officer's Retirement System (PORS)								
2022	\$	32,691	\$	449,424	\$	3,236	\$	488,608
2021		24,346		427,214		3,780		458,461
2020		22,492		407,642		2,359		434,976
2019		21,608		389,050		1,890		415,144
2018		23,899		371,283		2,751		400,335
2017		19,964		354,749		2,104		378,966
2016		19,178		339,536		1,960		362,756
2015		17,453		324,829		2,150		346,370
2014		16,184		313,216		2,410		333,630
2013		14,983		297,631		1,985		316,605
General Assembly Retirement System (GARS)								
2022	\$	-	\$	6,332	\$	16	\$	6,577
2021		77		6,222		16		6,383
2020				6,323		25		6,366
2019		17		6,480		18		6,535
2018				6,452		16		6,486
2017				6,678		59		6,754
2016		22		6,625		9		6,821
2015				6,639		21		6,696
2014		41		6,799		20		6,877
2013		3		6,720		16		6,759
Judges and Solicitors Retirement System (JSRS)								
2022	\$	-	\$	26,089	\$	10	\$	26,296
2021				25,746		195		26,050
2020		182		25,301		190		25,759
2019				17,947		3		18,042
2018				17,655		156		17,897
2017		629		17,679		293		18,680
2016		60		16,989		143		17,297
2015				16,832		4		16,907
2014				16,675		10		16,753
2013		57		15,745		134		16,012
South Carolina National Guard Supplemental Retirement Plan (SCNG)								
2022	\$	-	\$	4,607	\$	-	\$	4,629
2021				4,574				4,594
2020				4,514				4,529
2019				4,534				4,550
2018				4,411				4,425
2017				4,425				4,438
2016				4,310				4,322
2015				4,249				4,260
2014				4,248				4,258
2013				4,193				4,203

## South Carolina Retirement System

### Pension Trust Funds Additions and Deductions

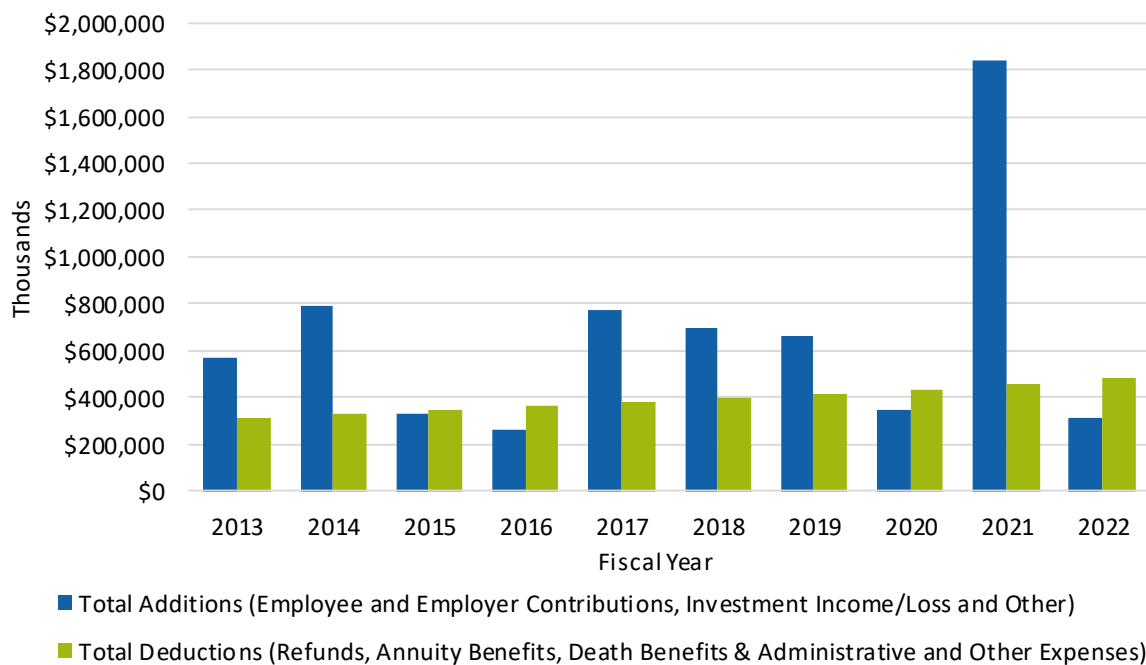
*(Amounts expressed in thousands)*



## Police Officers Retirement System

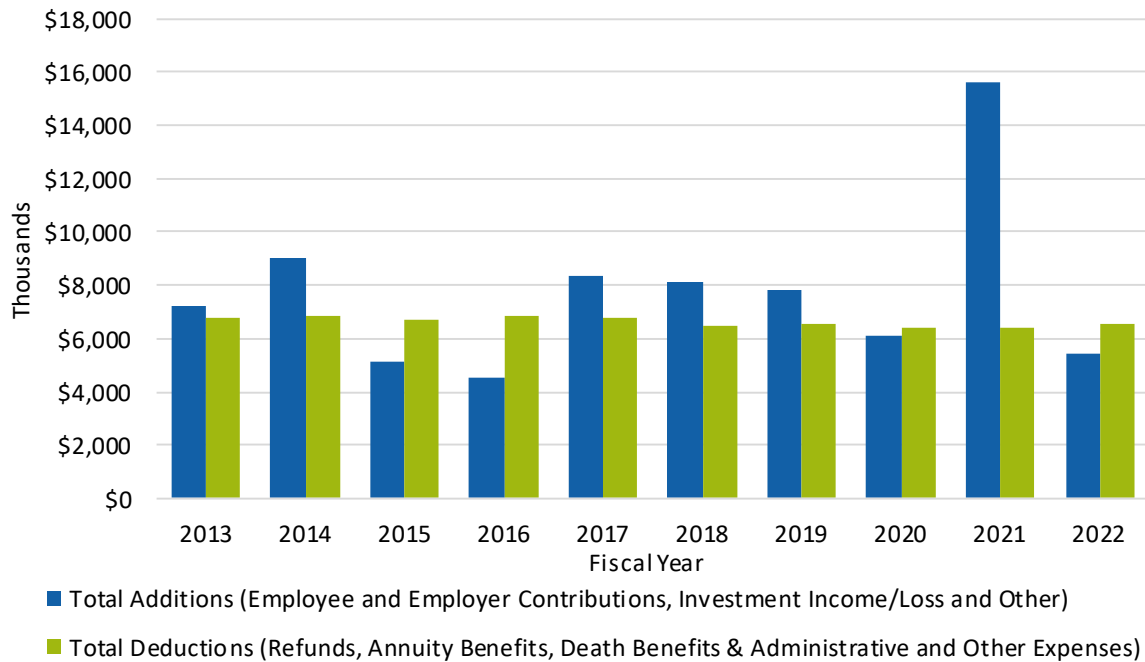
### Pension Trust Funds Additions and Deductions

*(Amounts expressed in thousands)*



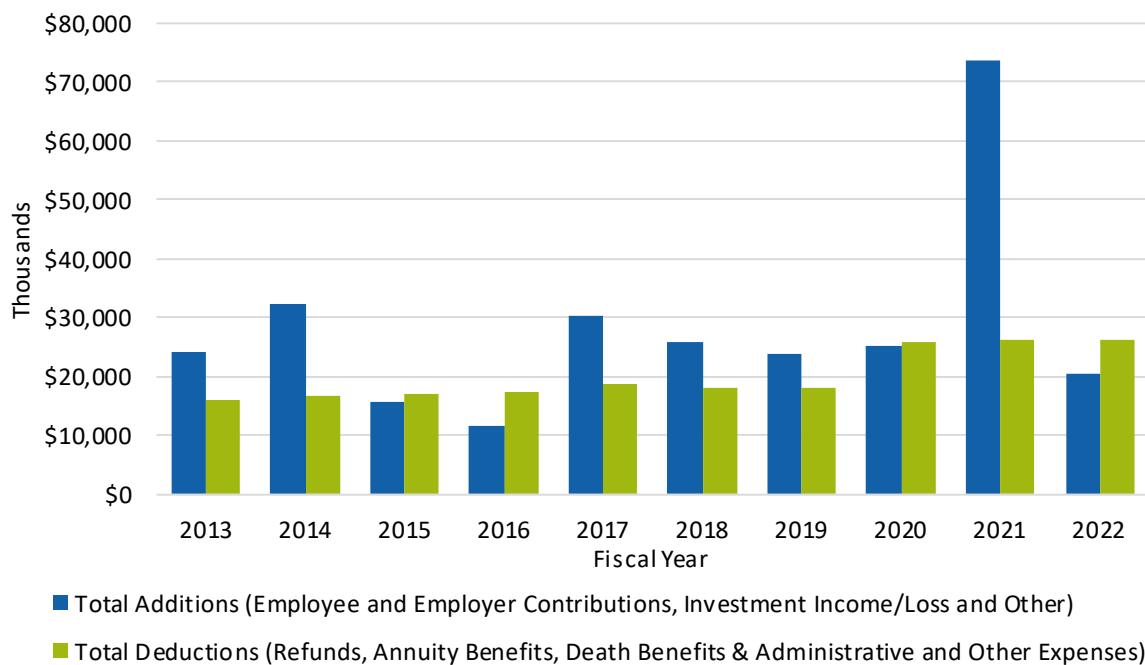
## General Assembly Retirement System Pension Trust Funds Additions and Deductions

*(Amounts expressed in thousands)*



## Judges and Solicitors Retirement System Pension Trust Funds Additions and Deductions

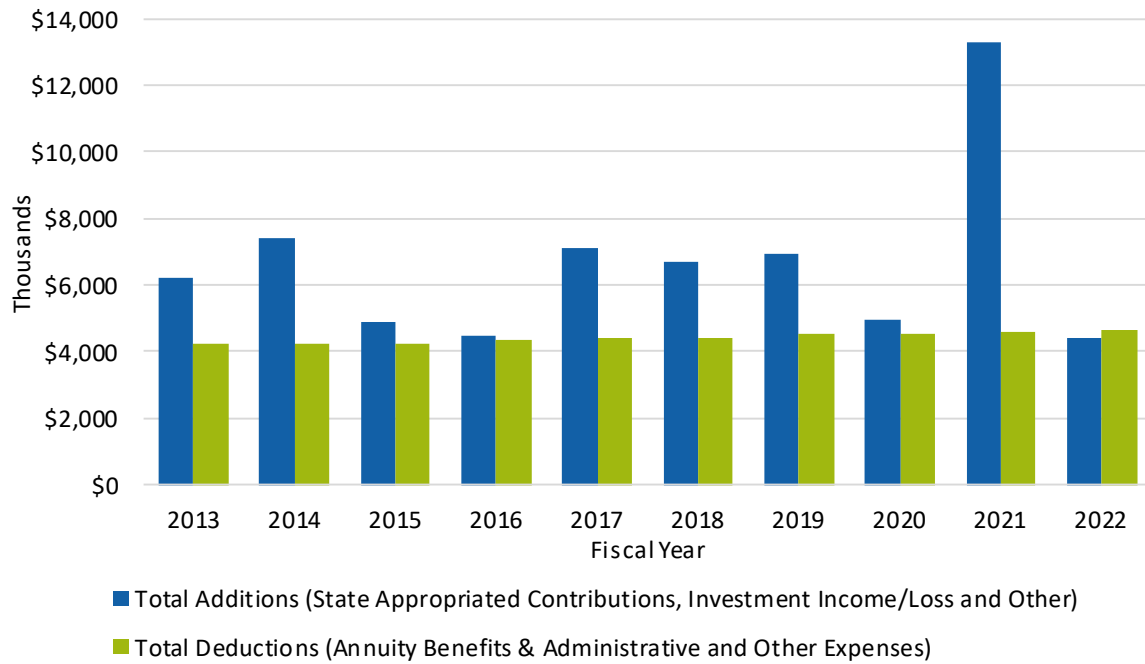
*(Amounts expressed in thousands)*





## 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 Benefits		Death Benefits		Total							
	Member	Survivor/Other	Member	Survivor/Other	Active	Retired								
South Carolina Retirement System (SCRS)														
2022	\$	145,414	\$	15,153	\$	3,032,428	\$	157,597	\$	16,474	\$	14,330	\$	3,381,396
2021		113,052		11,234		2,941,151		149,362		14,745		15,035		3,244,579
2020		109,329		8,531		2,866,677		141,159		10,596		12,154		3,148,446
2019		109,828		8,239		2,804,528		134,208		9,601		12,205		3,078,609
2018		106,320		7,547		3,298,201		128,804		9,949		12,335		3,563,156
2017		97,372		7,797		2,785,394		122,272		10,819		11,858		3,035,512
2016		87,419		6,275		2,552,413		116,406		8,626		12,033		2,783,172
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 <sup>1</sup>		81,754		5,458		2,267,657		100,853		8,245		10,888		2,474,855
Police Officer's Retirement System (PORS)														
2022	\$	30,062	\$	2,629	\$	425,207	\$	24,217	\$	1,510	\$	1,726	\$	485,351
2021		22,788		1,558		402,394		24,820		2,187		1,593		455,340
2020		21,968		524		384,217		23,425		873		1,486		432,493
2019		21,093		515		366,917		22,133		790		1,100		412,548
2018		22,733		1,166		349,799		21,484		1,537		1,214		397,933
2017		19,663		301		334,460		20,289		934		1,170		376,817
2016		18,565		613		320,079		19,457		971		989		360,674
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
General Assembly Retirement System (GARS)														
2022	\$	-	\$	-	\$	5,282	\$	1,050	\$	-	\$	16	\$	6,348
2021		77				5,187		1,035				16		6,315
2020						5,281		1,042				25		6,348
2019		17				5,466		1,014				18		6,515
2018						5,438		1,014				16		6,468
2017						5,550		1,128	45			14		6,737
2016		22				5,469		1,156				9		6,656
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
Judges and Solicitors Retirement System (JSRS)														
2022	\$	-	\$	-	\$	23,577	\$	2,512			\$	10	\$	26,099
2021						23,359		2,387		187		8		25,941
2020		90		92		22,835		2,466		186		4		25,673
2019						16,034		1,913				3		17,950
2018						15,760		1,895		142		14		17,811
2017				629		15,755		1,924		286		7		18,601
2016				60		15,193		1,796		134		9		17,192
2015						14,996		1,836				4		16,836
2014						14,839		1,836				10		16,685
2013 <sup>1</sup>		57				13,997		1,748		131		3		15,936
South Carolina National Guard Supplemental Retirement Plan (SCNG)														
2022	\$	-	\$	-	\$	4,607	\$	-	\$	-	\$	-	\$	4,607
2021						4,573		1						4,574
2020						4,513		1						4,514
2019						4,533		1						4,534
2018						4,410		1						4,411
2017						4,424		1						4,425
2016						4,309		1						4,310
2015						4,248		1						4,249
2014						4,247		1						4,248
2013						4,192		1						4,193

<sup>1</sup> In accordance with GASB 67, Annuity Benefits reported in fiscal year 2013 were restated to include only DROP amounts actually distributed to participants as well as amounts due but not yet distributed.

## 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 ten 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.

As of June 30, 2022, more than 178,000 retirees or their beneficiaries were receiving annuity benefits from the five plans. 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 State Statute. Key elements of the benefit calculation include the benefit multiplier, years of service and average final compensation/current annual salary.

## South Carolina Retirement System

### Retired Members by Type of Benefit

As of June 30, 2022

Monthly Benefit <sup>1</sup>	Number of Annuitant												
	Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 500	26,468	19,923	328	3,196	1,975	1,046	17,373	54	1,080	372	128	5,293	2,168
\$ 501 - \$1,000	27,434	19,938	695	2,351	3,667	783	18,783	48	746	285	278	4,833	2,461
\$1,001 - \$1,500	21,063	15,610	1,107	1,571	2,419	356	13,677	36	481	151	523	3,973	2,222
\$1,501 - \$2,000	17,238	13,615	1,172	913	1,368	170	10,725	35	303	111	750	3,358	1,956
\$2,001 - \$2,500	17,344	14,668	1,142	644	814	76	9,891	36	177	103	1,179	3,743	2,215
\$2,501 - \$3,000	18,091	16,496	617	412	538	28	11,937	34	121	76	538	3,250	2,135
\$3,001 - \$3,500	10,070	9,323	233	232	263	19	6,629	18	110	42	271	1,758	1,242
\$3,501 - \$4,000	5,164	4,807	107	123	122	5	3,259	6	67	34	144	974	680
\$4,001 - \$4,500	3,175	2,966	54	104	49	2	1,899	7	66	23	91	579	510
\$4,501 - \$5,000	1,949	1,823	33	60	31	2	1,168	4	27	14	35	410	291
Over \$5,000	3,247	3,059	40	123	22	3	1,595	10	78	48	24	905	587
Totals	151,243	122,228	5,528	9,729	11,268	2,490	96,936	288	3,256	1,259	3,961	29,076	16,467

Type 1: Normal Retirement for Age and Service

Type 2: Early Retirement

Type 3: Beneficiary Payment<sup>2</sup>

Type 4: Disability Payment

Type 5: Beneficiary Payment, Disability Payment

Option 0 Maximum Benefit

Option 1 10 Year Beneficiary Protection

Option 2 Survivor Benefit, Full Payment

Option 3 Survivor Benefit, Half Payment

Option 4 Social Security Option

Option 5 Survivor Benefit, Full Payment, Revert to Maximum

Option 6 Survivor Benefit, Half Payment, Revert to Maximum

## Police Officers Retirement System

### Retired Members by Type of Benefit

As of June 30, 2022

Monthly Benefit <sup>1</sup>	Number of Annuitant											
	Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 5	Opt 6
\$ 1 - \$ 500	2,789	1,789	368	438	107	87	1,626	84	40	53	722	264
\$ 501 - \$1,000	3,475	2,257	244	482	382	110	2,055	124	53	71	812	360
\$1,001 - \$1,500	3,073	1,878	251	352	534	58	1,735	74	41	88	739	396
\$1,501 - \$2,000	3,106	1,901	294	210	671	30	1,731	54	26	152	750	393
\$2,001 - \$2,500	3,109	2,183	250	114	548	14	1,735	26	13	115	788	432
\$2,501 - \$3,000	2,252	1,766	114	62	305	5	1,327	20	12	60	540	293
\$3,001 - \$3,500	1,311	1,101	52	29	127	2	819	9	9	29	267	178
\$3,501 - \$4,000	798	705	12	18	63		508	6	4	15	142	123
\$4,001 - \$4,500	474	422	8	9	35		302	4	1	5	81	81
\$4,501 - \$5,000	258	248	1	2	7		152	1	4	2	52	47
Over \$5,000	338	328	2	2	6		218	2	4	7	38	69
Totals	20,983	14,578	1,596	1,718	2,785	306	12,208	404	207	597	4,931	2,636

Type 1: Normal Retirement for Age and Service

Type 2: Early Retirement

Type 3: Beneficiary Payment<sup>2</sup>

Type 4: Disability Payment

Type 5: Beneficiary Payment, Disability Payment

Option 0 Maximum Benefit

Option 1 Survivor Benefit, Full Payment

Option 2 Survivor Benefit, Half Payment

Option 3 Social Security Option

Option 5 Survivor Benefit, Full Payment, Revert to Maximum

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

<sup>2</sup> Beneficiary 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, 2022

Monthly Benefit <sup>1</sup>	Number of Annuitant Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 5	Opt 6
\$ 1 - \$ 500	31	8	3	20			9	8	6	3	5
\$ 501 - \$1,000	58	28	4	26			15	18	9	11	5
\$1,001 - \$1,500	66	45	6	15			22	24	6	8	6
\$1,501 - \$2,000	103	69	22	12			46	27	10	14	6
\$2,001 - \$2,500	44	30	6	8			20	9	3	8	4
\$2,501 - \$3,000	25	22	2	1			12	4	2	5	2
\$3,001 - \$3,500	6	4	1	1			4	1		1	
\$3,501 - \$4,000	2	2						1			1
\$4,001 - \$4,500	3	3					2	1			
\$4,501 - \$5,000											
Over \$5,000											
Totals	338	211	44	83			130	93	36	50	29

Type 1: Normal Retirement for Age and Service

Type 2: Early Retirement

Type 3: Beneficiary Payment<sup>2</sup>

Type 4: Disability Payment

Type 5: Beneficiary Payment, Disability Payment

Option 0: Maximum Benefit

Option 1: Survivor Benefit, Full Payment

Option 2: Survivor Benefit, Half Payment

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

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

## Judges and Solicitors Retirement System Retired Members by Type of Benefit

As of June 30, 2022

Monthly Benefit <sup>1</sup>	Number of Annuitant Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1
\$ 1 - \$ 500	1	1					1	
\$ 501 - \$1,000	10			10				10
\$1,001 - \$1,500	6			6			1	5
\$1,501 - \$2,000	7			7			1	6
\$2,001 - \$2,500	2			2			1	1
\$2,501 - \$3,000	1			1			1	
\$3,001 - \$3,500	6			6			4	2
\$3,501 - \$4,000	15			15			15	
\$4,001 - \$4,500	7	1		6			6	1
\$4,501 - \$5,000	11			11			11	
Over \$5,000	159	155		4			150	9
Totals	225	157		68			191	34

Type 1: Normal Retirement for Age and Service

Type 2: Early Retirement

Type 3: Beneficiary Payment<sup>2</sup>

Type 4: Disability Payment

Type 5: Beneficiary Payment, Disability Payment

Option 0: Maximum Benefit with Spouse Beneficiary

Option 1: Reduced Benefit with Non-Spouse Beneficiary

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

<sup>2</sup> Beneficiary 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, 2022

<u>Monthly Benefit<sup>1</sup></u>	<u>Number of Annuitant Payees</u>	<u>Type 1</u>	<u>Opt 0</u>
\$ 1 - \$ 500	5,105	5,105	5,105
\$ 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	5,105	5,105	5,105

Type 1: Normal Retirement for Age and Service

Option 0: Maximum Benefit

<sup>1</sup> Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits.

## South Carolina Retirement System

### Retired Members by Years of Service

	Years of Credited Service							
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	Avg's/Tot
Period 07/01/2012 to 06/30/2013								
Average Monthly benefit	\$ 163.89	\$ 375.29	\$ 668.13	\$ 1,021.91	\$ 1,405.68	\$ 2,310.57	\$ 2,944.24	\$ 1,672.14
Average AFC	\$ 33,386.42	\$ 33,020.07	\$ 36,767.15	\$ 41,975.45	\$45,275.03	\$57,737.99	\$63,670.71	\$49,332.64
Number of Retired members	126	1,057	1,207	938	832	3,366	1,144	8,670
Period 07/01/2013 to 06/30/2014								
Average Monthly benefit	\$ 171.12	\$ 413.06	\$ 700.61	\$ 1,045.48	\$ 1,433.42	\$ 2,191.96	\$ 3,087.64	\$ 1,469.63
Average AFC	\$ 38,671.40	\$ 37,733.88	\$ 39,375.34	\$ 43,680.81	\$46,511.62	\$55,574.80	\$66,637.15	\$48,129.26
Number of Retired members	109	966	1,049	1,004	755	2,157	534	6,574
Period 07/01/2014 to 06/30/2015								
Average Monthly benefit	\$ 99.03	\$ 348.23	\$ 623.40	\$ 949.57	\$ 1,395.88	\$ 2,174.39	\$ 2,917.49	\$ 1,375.99
Average AFC	\$ 32,198.66	\$ 34,974.65	\$ 37,769.57	\$ 41,837.83	\$47,729.70	\$55,229.87	\$61,752.63	\$46,394.34
Number of Retired members	105	911	1,030	904	785	2,016	393	6,144
Period 07/01/2015 to 06/30/2016								
Average Monthly benefit	\$ 133.51	\$ 384.28	\$ 649.16	\$ 982.65	\$ 1,433.97	\$ 2,169.93	\$ 2,852.92	\$ 1,368.54
Average AFC	\$ 35,596.69	\$ 37,288.60	\$ 39,206.20	\$ 42,903.38	\$48,897.61	\$55,128.14	\$60,835.89	\$47,025.17
Number of Retired members	78	836	1,069	990	770	1,911	329	5,983
Period 07/01/2016 to 06/30/2017								
Average Monthly benefit	\$ 114.41	\$ 365.41	\$ 644.18	\$ 995.15	\$ 1,436.11	\$ 2,237.73	\$ 2,946.82	\$ 1,403.46
Average AFC	\$ 38,072.38	\$ 36,390.56	\$ 39,383.35	\$ 43,170.10	\$48,584.27	\$56,429.35	\$61,769.03	\$47,512.90
Number of Retired members	92	773	991	860	715	1,657	401	5,489
Period 07/01/2017 to 06/30/2018								
Average Monthly benefit	\$ 123.46	\$ 372.23	\$ 680.11	\$ 1,055.01	\$ 1,481.91	\$ 2,278.09	\$ 3,085.86	\$ 1,386.98
Average AFC	\$ 36,260.27	\$ 36,292.02	\$ 41,439.37	\$ 45,111.91	\$50,085.81	\$57,144.98	\$64,917.24	\$48,199.38
Number of Retired members	80	703	1,064	875	743	1,349	344	5,158
Period 07/01/2018 to 06/30/2019								
Average Monthly benefit	\$ 138.53	\$ 409.80	\$ 681.14	\$ 1,080.34	\$ 1,462.73	\$ 2,351.73	\$ 3,262.54	\$ 1,474.28
Average AFC	\$ 40,132.94	\$ 39,377.81	\$ 41,017.55	\$ 46,037.36	\$49,415.62	\$58,929.77	\$67,969.06	\$49,837.39
Number of Retired members	102	653	1,009	802	761	1,286	463	5,076
Period 07/01/2019 to 06/30/2020								
Average Monthly benefit	\$ 121.24	\$ 441.05	\$ 729.46	\$ 1,114.62	\$ 1,538.28	\$ 2,490.86	\$ 3,407.09	\$ 1,683.02
Average AFC	\$ 35,428.14	\$ 41,364.67	\$ 43,656.91	\$ 47,656.00	\$52,078.15	\$62,381.26	\$71,794.11	\$53,762.60
Number of Retired members	90	549	860	766	783	1,338	644	5,030
Period 07/01/2020 to 06/30/2021								
Average Monthly benefit	\$ 156.63	\$ 443.77	\$ 776.74	\$ 1,192.58	\$ 1,537.59	\$ 2,517.21	\$ 3,382.61	\$ 1,788.94
Average AFC	\$ 46,405.42	\$ 41,926.62	\$ 45,337.44	\$ 50,783.49	\$51,316.05	\$62,946.02	\$70,616.82	\$55,425.57
Number of Retired members	87	569	956	841	920	1,618	897	5,888
Period 07/01/2021 to 06/30/2022								
Average Monthly benefit	\$ 153.45	\$ 457.76	\$ 756.15	\$ 1,169.10	\$ 1,601.41	\$ 2,574.67	\$ 3,422.62	\$ 1,892.68
Average AFC	\$ 43,875.24	\$ 41,698.70	\$ 45,175.76	\$ 50,847.53	\$53,561.99	\$64,481.57	\$71,908.98	\$57,092.06
Number of Retired members	94	619	938	938	995	1,820	1,206	6,610
Ten year Averages								
Average Monthly benefit	\$ 138.74	\$ 396.01	\$ 688.68	\$ 1,058.33	\$ 1,477.25	\$ 2,318.43	\$ 3,180.49	\$ 1,561.34
Average AFC	\$ 37,826.40	\$ 37,470.65	\$ 40,722.63	\$ 45,296.94	\$49,478.47	\$58,319.92	\$67,282.75	\$50,263.59
Number of Retired members	963	7,636	10,173	8,918	8,059	18,518	6,355	60,622

*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 Average Final Compensation (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							
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	Avg's/Tot
Period 07/01/2012 to 06/30/2013								
Average Monthly benefit	\$ 225.85	\$ 644.86	\$ 1,062.63	\$ 1,546.00	\$ 1,929.12	\$ 2,421.81	\$ 3,670.12	\$ 1,674.20
Average AFC	\$ 45,104.35	\$ 38,218.81	\$ 41,442.32	\$ 47,487.15	\$ 48,488.83	\$ 54,611.27	\$ 68,020.52	\$ 48,266.84
Number of Retired members	80	170	164	161	185	421	25	1,206
Period 07/01/2013 to 06/30/2014								
Average Monthly benefit	\$ 271.83	\$ 870.08	\$ 1,202.89	\$ 1,448.14	\$ 2,051.64	\$ 2,370.10	\$ 4,282.03	\$ 1,483.77
Average AFC	\$ 43,936.82	\$ 40,561.75	\$ 43,507.03	\$ 45,089.53	\$ 50,432.14	\$ 52,417.06	\$ 76,060.04	\$ 46,699.88
Number of Retired members	86	144	147	125	85	145	22	754
Period 07/01/2014 to 06/30/2015								
Average Monthly benefit	\$ 234.63	\$ 720.92	\$ 996.98	\$ 1,380.11	\$ 1,925.16	\$ 2,562.38	\$ 3,486.38	\$ 1,510.89
Average AFC	\$ 40,466.25	\$ 39,933.72	\$ 42,077.87	\$ 43,569.64	\$ 49,751.77	\$ 57,069.30	\$ 66,611.71	\$ 46,930.20
Number of Retired members	60	173	131	152	145	176	28	865
Period 07/01/2015 to 06/30/2016								
Average Monthly benefit	\$ 294.38	\$ 767.25	\$ 1,098.37	\$ 1,446.53	\$ 2,029.49	\$ 2,458.05	\$ 3,375.67	\$ 1,581.72
Average AFC	\$ 44,567.82	\$ 41,390.04	\$ 42,669.93	\$ 45,791.64	\$ 52,667.52	\$ 54,734.15	\$ 61,777.51	\$ 48,181.21
Number of Retired members	67	153	137	128	118	204	35	842
Period 07/01/2016 to 06/30/2017								
Average Monthly benefit	\$ 249.11	\$ 757.30	\$ 1,111.47	\$ 1,574.59	\$ 1,967.60	\$ 2,644.64	\$ 3,763.61	\$ 1,735.30
Average AFC	\$ 43,820.41	\$ 42,185.08	\$ 44,977.17	\$ 48,721.56	\$ 51,139.16	\$ 58,377.87	\$ 71,064.90	\$ 50,978.56
Number of Retired members	78	127	148	141	131	221	61	907
Period 07/01/2017 to 06/30/2018								
Average Monthly benefit	\$ 309.68	\$ 728.12	\$ 1,105.43	\$ 1,635.16	\$ 1,956.24	\$ 2,768.18	\$ 3,923.16	\$ 1,812.93
Average AFC	\$ 46,210.83	\$ 45,715.89	\$ 45,557.76	\$ 50,962.75	\$ 50,534.34	\$ 61,582.57	\$ 69,295.20	\$ 52,817.05
Number of Retired members	66	122	154	130	138	223	62	895
Period 07/01/2018 to 06/30/2019								
Average Monthly benefit	\$ 287.33	\$ 706.64	\$ 1,108.21	\$ 1,648.20	\$ 2,150.23	\$ 2,785.54	\$ 3,903.62	\$ 1,910.46
Average AFC	\$ 48,890.66	\$ 47,608.00	\$ 47,293.28	\$ 54,261.38	\$ 56,095.02	\$ 61,554.29	\$ 70,200.52	\$ 55,535.85
Number of Retired members	71	121	128	123	138	246	74	901
Period 07/01/2019 to 06/30/2020								
Average Monthly benefit	\$ 329.02	\$ 664.44	\$ 1,100.29	\$ 1,679.74	\$ 2,184.25	\$ 2,895.35	\$ 4,041.14	\$ 2,010.57
Average AFC	\$ 47,920.14	\$ 45,940.02	\$ 47,586.88	\$ 54,612.81	\$ 56,779.47	\$ 64,007.50	\$ 73,555.50	\$ 56,657.81
Number of Retired members	47	95	129	123	139	243	62	838
Period 07/01/2020 to 06/30/2021								
Average Monthly benefit	\$ 252.73	\$ 759.32	\$ 1,182.89	\$ 1,674.53	\$ 2,228.11	\$ 3,018.27	\$ 4,435.13	\$ 2,170.71
Average AFC	\$ 49,294.61	\$ 46,789.11	\$ 51,262.25	\$ 55,461.31	\$ 58,074.69	\$ 67,731.35	\$ 78,898.05	\$ 59,900.35
Number of Retired members	62	113	155	118	149	325	91	1,013
Period 07/01/2021 to 06/30/2022								
Average Monthly benefit	\$ 279.94	\$ 711.42	\$ 1,257.57	\$ 1,699.04	\$ 2,315.99	\$ 2,973.18	\$ 4,369.95	\$ 2,077.87
Average AFC	\$ 53,216.91	\$ 48,250.35	\$ 52,331.06	\$ 55,657.60	\$ 60,175.52	\$ 67,135.00	\$ 77,529.93	\$ 59,716.45
Number of Retired members	67	128	161	124	171	318	65	1,034
Ten year Averages								
Average Monthly benefit	\$ 271.06	\$ 733.67	\$ 1,125.53	\$ 1,567.59	\$ 2,077.19	\$ 2,709.22	\$ 4,003.05	\$ 1,807.32
Average AFC	\$ 46,219.97	\$ 43,167.09	\$ 45,932.94	\$ 49,885.74	\$ 53,564.11	\$ 60,466.00	\$ 72,394.56	\$ 52,732.69
Number of Retired members	684	1,346	1,454	1,325	1,399	2,522	525	9,255

*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 Average Final Compensation (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							Aves/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
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			\$ 2,313.46		\$ 2,547.40	\$ 1,387.75
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	\$ 2,256.56		\$ 1,440.18
Average AFC			\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00		\$ 22,400.00
Number of Retired members			3	4	3	1		11
Period 07/01/2015 to 06/30/2016								
Average Monthly benefit	\$ 407.65				\$ 1,798.98	\$ 4,151.47		\$ 2,038.75
Average AFC	\$ 22,400.00				\$ 22,400.00	\$ 43,400.00		\$ 27,650.00
Number of Retired members	1				2	1		4
Period 07/01/2016 to 06/30/2017								
Average Monthly benefit	\$ 342.95		\$ 1,169.65	\$ 1,489.83	\$ 2,008.43	\$ 1,696.83	\$ 2,202.97	\$ 1,528.00
Average AFC	\$ 26,000.00		\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,760.00
Number of Retired members	1		1	3	1	3	1	10
Period 07/01/2017 to 06/30/2018								
Average Monthly benefit			\$ 813.02	\$ 1,240.47	\$ 1,507.91	\$ 2,207.87		\$ 1,316.00
Average AFC			\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00		\$ 22,400.00
Number of Retired members			2	1	1	1		5
Period 07/01/2018 to 06/30/2019								
Average Monthly benefit		\$ 584.50		\$ 1,304.07	\$ 2,030.88	\$ 2,554.87		\$ 1,555.50
Average AFC		\$ 22,400.00		\$ 22,400.00	\$ 22,400.00	\$ 22,400.00		\$ 22,400.00
Number of Retired members		2		4	2	2		10
Period 07/01/2019 to 06/30/2020								
Average Monthly benefit	\$ 179.95	\$ 719.79	\$ 926.42					\$ 608.00
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00					\$ 22,400.00
Number of Retired members	1	1	1					3
Period 07/01/2020 to 06/30/2021								
Average Monthly benefit		\$ 668.72	\$ 1,169.65	\$ 1,371.86	\$ 1,593.22	\$ 2,082.76	\$ 3,914.38	\$ 1,635.44
Average AFC		\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 33,400.00	\$ 23,622.22
Number of Retired members		2	2	1	1	2	1	9
Period 07/01/2021 to 06/30/2022								
Average Monthly benefit	\$ 108.94			\$ 1,579.01	\$ 1,649.64			\$ 1,298.80
Average AFC	\$ 22,400.00			\$ 22,400.00	\$ 22,400.00			\$ 22,400.00
Number of Retired members	1			3	1			5
Ten year Averages								
Average Monthly benefit	\$ 238.49	\$ 656.82	\$ 1,017.88	\$ 1,392.20	\$ 1,862.19	\$ 2,203.09	\$ 2,555.34	\$ 1,517.78
Average AFC	\$ 23,120.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,625.00	\$ 24,015.38	\$ 23,971.42	\$ 22,890.00
Number of Retired members	5	7	14	18	16	13	7	80

*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 Average Final Compensation (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						Aves/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus
<b>Period 07/01/2012 to 06/30/2013</b>							
Average Monthly benefit			\$ 4,309.38	\$ 7,974.96	\$ 7,905.00		\$ 10,490.48
Average AFC			\$ 130,689.00	\$ 134,221.00	\$ 133,043.66		\$ 139,873.00
Number of Retired members			2	1	3		1
<b>Period 07/01/2013 to 06/30/2014</b>							
Average Monthly benefit				\$ 6,962.75	\$ 7,765.10	\$ 9,405.95	\$ 10,066.58
Average AFC				\$ 132,455.00	\$ 130,689.00	\$ 134,221.00	\$ 134,221.00
Number of Retired members				2	1	1	2
<b>Period 07/01/2014 to 06/30/2015</b>							
Average Monthly benefit				\$ 7,920.42	\$ 7,931.71	\$ 8,891.35	\$ 10,808.40
Average AFC				\$ 133,303.00	\$ 135,705.00	\$ 136,905.50	\$ 144,112.00
Number of Retired members				1	3	2	1
<b>Period 07/01/2015 to 06/30/2016</b>							
Average Monthly benefit							\$ 9,808.35
Average AFC							\$ 136,906.00
Number of Retired members							6
<b>Period 07/01/2016 to 06/30/2017</b>							
Average Monthly benefit	\$ 2,828.74				\$ 6,449.04	\$ 8,983.69	\$ 10,880.55
Average AFC	\$ 141,354.00				\$ 137,634.00	\$ 141,354.00	\$ 145,074.00
Number of Retired members	1				1	2	1
<b>Period 07/01/2017 to 06/30/2018</b>							
Average Monthly benefit		\$ 3,236.95			\$ 8,177.75	\$ 8,810.26	\$ 11,159.55
Average AFC		\$ 141,354.00			\$ 137,634.00	\$ 141,354.00	\$ 148,794.00
Number of Retired members		1			2	3	1
<b>Period 07/01/2018 to 06/30/2019</b>							
Average Monthly benefit		\$ 8,398.78	\$ 5,242.65			\$ 8,399.66	\$ 10,601.55
Average AFC		\$ 141,354.00	\$ 137,634.00			\$ 141,354.00	\$ 141,354.00
Number of Retired members		1	1			1	1
<b>Period 07/01/2019 to 06/30/2020</b>							
Average Monthly benefit		\$ 11,255.18	\$ 11,405.27	\$ 11,111.60	\$ 11,530.19	\$ 14,396.55	\$ 11,587.44
Average AFC		\$ 189,428.00	\$ 191,954.00	\$ 189,428.00	\$ 186,902.00	\$ 191,954.00	\$ 189,708.66
Number of Retired members		2	1	4	1	1	9
<b>Period 07/01/2020 to 06/30/2021</b>							
Average Monthly benefit		\$ 8,280.61	\$ 10,228.96	\$ 11,015.54	\$ 11,953.29	\$ 14,585.96	\$ 11,323.41
Average AFC		\$ 186,902.00	\$ 191,954.00	\$ 191,890.50	\$ 191,827.33	\$ 194,479.50	\$ 191,480.08
Number of Retired members		2	1	4	3	2	12
<b>Period 07/01/2021 to 06/30/2022</b>							
Average Monthly benefit							\$ 14,756.40
Average AFC							\$ 196,752.00
Number of Retired members							1

#### Ten year Averages

Average Monthly benefit	\$ 2,828.74	\$ 7,415.76	\$ 8,099.68	\$ 9,254.91	\$ 9,798.19	\$ 11,249.92	\$ 9,438.53
Average AFC	\$ 141,354.00	\$ 162,093.25	\$ 150,568.00	\$ 159,728.38	\$ 155,272.30	\$ 152,161.76	\$ 155,819.95
Number of Retired members	1	8	7	18	13	17	64

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							
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	Avg's/Tot
Period 07/01/2012 to 06/30/2013								
Average Monthly benefit				\$ 50.00	\$ 61.66	\$ 88.02	\$ 100.00	\$ 72.69
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				50	105	48	57	260
Period 07/01/2013 to 06/30/2014								
Average Monthly benefit				\$ 50.00	\$ 61.96	\$ 90.71	\$ 100.00	\$ 71.78
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				34	79	28	35	176
Period 07/01/2014 to 06/30/2015								
Average Monthly benefit				\$ 50.00	\$ 62.50	\$ 90.27	\$ 100.00	\$ 76.27
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				26	68	36	47	177
Period 07/01/2015 to 06/30/2016								
Average Monthly benefit				\$ 50.00	\$ 61.20	\$ 89.48	\$ 100.00	\$ 73.56
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				28	91	49	38	206
Period 07/01/2016 to 06/30/2017								
Average Monthly benefit				\$ 50.00	\$ 61.73	\$ 90.31	\$ 100.00	\$ 73.45
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				30	95	48	38	211
Period 07/01/2017 to 06/30/2018								
Average Monthly benefit				\$ 50.00	\$ 61.42	\$ 89.57	\$ 100.00	\$ 73.56
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				31	84	35	45	195
Period 07/01/2018 to 06/30/2019								
Average Monthly benefit				\$ 50.00	\$ 61.15	\$ 90.76	\$ 100.00	\$ 74.43
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				26	104	39	54	223
Period 07/01/2019 to 06/30/2020								
Average Monthly benefit				\$ 50.00	\$ 62.58	\$ 89.08	\$ 100.00	\$ 74.58
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				32	89	49	45	215
Period 07/01/2020 to 06/30/2021								
Average Monthly benefit				\$ 50.00	\$ 64.79	\$ 88.35	\$ 100.00	\$ 74.78
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				40	97	42	55	234
Period 07/01/2021 to 06/30/2022								
Average Monthly benefit				\$ 50.00	\$ 63.21	\$ 89.88	\$ 100.00	\$ 76.86
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				30	87	43	62	222
Ten year Averages								
Average Monthly benefit				\$ 50.00	\$ 62.12	\$ 89.58	\$ 100.00	\$ 74.20
Average AFC				\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired members				327	899	417	476	2,119

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 2022 and Ten Years Prior Fiscal Year 2013

	Fiscal Year 2022					Fiscal Year 2013				
	Covered		Percentage	Total	Total	Covered		Percentage	Total	Total
	Employees <sup>1</sup>	Rank	of Total	Active	Working	Employees <sup>1</sup>	Rank	of Total	Active	Working
<u>Participating Government</u>	<u>Employees<sup>1</sup></u>	<u>Rank</u>	<u>System</u>	<u>Members</u>	<u>Retirees</u>	<u>Employees<sup>1</sup></u>	<u>Rank</u>	<u>System</u>	<u>Members</u>	<u>Retirees</u>
State Agency <sup>2</sup>	30,961	1	13.09%	28,786	2,175	31,761	1	14.19%	26,912	4,849
School District of Greenville County	10,004	2	4.23%	9,223	781	8,898	2	3.97%	7,587	1,311
MUSC Hospital	9,199	3	3.89%	8,996	203	5,179	8	2.31%	4,871	308
University of South Carolina	6,550	4	2.77%	6,020	530	5,346	5	2.38%	4,284	1,062
Horry County School District	6,250	5	2.64%	5,917	333	5,282	7	2.36%	4,570	712
Charleston County School District	5,546	6	2.34%	5,283	263	5,608	3	2.50%	4,862	746
Lexington Medical Center	5,339	7	2.25%	5,099	240	5,493	4	2.45%	5,263	230
Lexington County School District 1	4,286	8	1.81%	4,031	255	3,685		1.65%	3,175	510
Berkeley County Department of Educati	4,235	9	1.79%	3,910	325	3,859	10	1.72%	3,417	442
Clemson University	4,099	10	1.73%	3,760	339	3,516		1.57%	2,918	598
Spartanburg Regional Medical Center	3,166		1.34%	2,952	214	5,340	6	2.38%	5,014	326
Richland County School District 1	4,023		1.70%	3,603	420	4,209	9	1.88%	3,441	768
All Other	142,783		60.42%	131,640	11,143	135,556		60.64%	117,344	18,212
Total <sup>3</sup>	236,441		100.00%	219,220	17,221	223,732		100.00%	193,658	30,074

In 2022, "All Other" consisted of:				In 2013, "All Other" consisted of:			
Type	Number	Employees		Type	Number	Employees	
Higher Ed/Quasi-State	30	15,427		Higher Ed/Quasi-State	28	14,914	
City/County	577	57,588		City/County	574	52,090	
Public Schools	109	69,768		Public Schools	112	68,552	
Total	716	142,783		Total	714	135,556	

<sup>1</sup> Employers 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 for fiscal year 2013 TERI participants.

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

<sup>3</sup> Fiscal Year 2022 total includes 728 governmental entities and fiscal year 2013 total includes 728 governmental entities.

# Police Officers Retirement System

## Principal Participating Employers in Fiscal Year 2022 and Ten Years Prior Fiscal Year 2013

	Fiscal Year 2022					Fiscal Year 2013				
	Covered		Percentage	Total	Total	Covered		Percentage	Total	Total
<u>Participating Government</u>	<u>Employees<sup>1</sup></u>	<u>Rank</u>	<u>of Total</u>	<u>Active</u>	<u>Working</u>	<u>Employees<sup>1</sup></u>	<u>Rank</u>	<u>of Total</u>	<u>Active</u>	<u>Working</u>
			<u>System</u>	<u>Members</u>	<u>Retirees</u>			<u>System</u>	<u>Members</u>	<u>Retirees</u>
State Agency <sup>2</sup>	8,952	1	27.75%	8,258	694	10,689	1	33.88%	9,777	912
Horry County Council	1,180	2	3.65%	1,119	61	938	3	2.97%	833	105
Greenville County Council	964	3	2.98%	840	124	856	5	2.71%	696	160
County Council of Richland County	895	4	2.77%	728	167	997	2	3.16%	814	183
City of Charleston	837	5	2.59%	806	31	781	7	2.47%	750	31
City of Columbia	836	6	2.59%	772	64	865	4	2.74%	782	83
County of Lexington	665	7	2.06%	599	66	633	8	2.00%	545	88
County of Charleston	656	8	2.03%	559	97	812	6	2.57%	662	150
City of North Charleston	601	9	1.86%	571	30	596	9	1.88%	563	33
Spartanburg County Council	586	10	1.81%	474	112	569	10	1.80%	442	127
All Other	16,081		49.91%	14,225	1,856	13,810		43.82%	11,704	2,106
Total <sup>3</sup>	32,253		100.00%	28,951	3,302	31,546		100.00%	27,568	3,978

In 2022, "All Other" consisted of:			In 2013, "All Other" consisted of:		
	<u>Type</u>	<u>Number</u>	<u>Employees</u>		
Higher Ed/Quasi-State		28	657	Higher Ed/Quasi-State	28
City/County		319	15,223	City/County	307
Public Schools		55	201	Public Schools	53
Total		402	16,081	Total	388

<sup>1</sup> Employers 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.

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

<sup>3</sup> Fiscal Year 2022 total includes 412 governmental entities and fiscal year 2013 total includes 398 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.

Prior to fiscal year 2012, the employee contribution rates for SCRS and PORS were fixed by statute and had historically been changed infrequently. Any contribution increases determined by the annual actuarial valuations of the systems were made in the employer contribution rate. Retirement reform legislation enacted in 2012 set an increased contribution schedule for SCRS and PORS employee and employer contribution rates. The Retirement Funding and Administration Act of 2017 again increased, but also established a ceiling for, employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

## Employee Contribution Rates

Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS Class II & III	PORS Class II & III	GARS <sup>1</sup>	JSRS	SCNG
2022	9.00%	9.75%	11.00%	10.00%	N/A
2021	9.00%	9.75%	11.00%	10.00%	N/A
2020	9.00%	9.75%	11.00%	10.00%	N/A
2019	9.00%	9.75%	11.00%	10.00%	N/A
2018	9.00%	9.75%	11.00%	10.00%	N/A
2017	8.66%	9.24%	11.00%	10.00%	N/A
2016	8.16%	8.74%	11.00%	10.00%	N/A
2015	8.00%	8.41%	11.00%	10.00%	N/A
2014	7.50%	7.84%	11.00%	10.00%	N/A
2013	7.00%	7.00%	11.00%	10.00%	N/A

<sup>1</sup> The 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 Rates<sup>1</sup>

Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS - Class II & III <sup>2</sup>		PORS - Class II & III <sup>2</sup>			JSRS <sup>3</sup>
	All Employers	Death Benefit	All Employers	Death Benefit	Accidental Death	All Employers
2022	16.410%	0.15%	18.840%	0.20%	0.20%	62.94%
2021	15.410%	0.15%	17.840%	0.20%	0.20%	62.94%
2020	15.410%	0.15%	17.840%	0.20%	0.20%	62.94%
2019	14.410%	0.15%	16.840%	0.20%	0.20%	52.49%
2018	13.410%	0.15%	15.840%	0.20%	0.20%	49.42%
2017	11.410%	0.15%	13.840%	0.20%	0.20%	47.97%
2016	10.910%	0.15%	13.340%	0.20%	0.20%	47.97%
2015	10.750%	0.15%	13.010%	0.20%	0.20%	47.97%
2014	10.450%	0.15%	12.440%	0.20%	0.20%	47.33%
2013	10.450%	0.15%	11.900%	0.20%	0.20%	45.09%

<sup>1</sup> This 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.

<sup>2</sup> For 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.

<sup>3</sup> The contribution rate includes the cost of incidental death benefits.

# 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 184-186 and pages 192-194.

A list of the number of employers currently participating in the SCRS and PORS systems is presented in this section. Participation by state agencies, institutions of higher education, and public-school districts is mandated by South Carolina State Statute. The list of participating employers includes only other employers covered by an Employer Resolution and Application. This list includes employers for which contributions were reported during the fiscal year ending June 30, 2022.

	<u>SCRS</u>	<u>PORS</u>
State Agencies/Quasi-State and Institutions of Higher Education	34	29
Public Schools	115	55
Participating Employers Covered by an Employer Resolution and Application	<u>579</u>	<u>328</u>
Total	728	412



## Participating Employers

Participating Employers Covered by an Employer Resolution and Application  
As of June 30, 2022

<u>Name</u>	<u>SCRS</u>	<u>PORS</u>
ABBEVILLE COUNTY COUNCIL	Y	Y
AIKEN BAMBERG BARNWELL EDGEFIELD REGIONAL LIBRARY BOARD	Y	
AIKEN COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	
ALLENDALE COUNTY COUNCIL	Y	Y
ALLENDALE COUNTY OFFICE ON AGING	Y	
ALLENDALE HAMPTON JASPER REGIONAL LIBRARY	Y	
ALLENDALE-BARNWELL DISABILITIES & SPECIAL NEEDS BOARD	Y	
ALLIGATOR RURAL WATER & SEWER CO	Y	
ANDERSON COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	
ANDERSON COUNTY COUNCIL	Y	Y
ANDERSON COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
ANDERSON COUNTY FIRE PROTECTION COMMISSION	Y	Y
ANDERSON COUNTY LIBRARY BOARD	Y	
ANDERSON COUNTY SOIL & WATER CONSERVATION DISTRICT	Y	
ANDERSON REGIONAL JOINT WATER SYSTEM	Y	
AXIS I CENTER OF BARNWELL	Y	
BAMBERG BOARD OF PUBLIC WORKS	Y	
BAMBERG COUNTY COUNCIL	Y	Y
BAMBERG COUNTY DISABILITIES & SPECIAL NEEDS BOARD	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 DISTRICT	Y	
BEAUFORT-JASPER COUNTY WATER AUTHORITY	Y	
BEECH ISLAND RURAL COMMUNITY WATER DISTRICT	Y	
BELMONT FIRE & SANITATION DISTRICT COMMISSION	Y	Y
BELTON-HONEA PATH WATER AUTHORITY	Y	
BEREA PUBLIC SERVICE DISTRICT COMMISSION	Y	
BERKELEY CHARLESTON DORCHESTER COUNCIL	Y	
BERKELEY CHARLESTON DORCHESTER RTMA	Y	
BERKELEY COUNTY GOVERNMENT	Y	Y
BETHUNE RURAL WATER COMPANY, INC.	Y	
BIG CREEK WATER AND SEWERAGE DISTRICT	Y	
BLUE RIDGE RURAL WATER COMPANY, INC.	Y	
BLUFFTON TOWNSHIP FIRE DISTRICT	Y	Y
BOILING SPRINGS FIRE DEPARTMENT		Y
BOILING SPRINGS FIRE DISTRICT, GREENVILLE	Y	Y
BROADWAY WATER AND SEWER DISTRICT	Y	
BROWNS CREEK WATER COMPANY, INC.	Y	Y
BUCKSPORT WATER SYSTEM, INC.	Y	
BURTON CENTER FOR DISABILITIES & SPECIAL NEEDS	Y	Y
BURTON FIRE DISTRICT	Y	Y
CALHOUN COUNTY COUNCIL	Y	Y
CALHOUN COUNTY COUNCIL ON AGING	Y	Y

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
CALHOUN COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
CAROMI VILLAGE VOLUNTEER FIRE DEPARTMENT		Y
CATAWBA AREA AGENCY ON AGING	Y	
CATAWBA REGIONAL COUNCIL OF GOVERNMENTS	Y	
CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS	Y	
CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY	Y	
CHARLESTON COMMISSIONERS OF PUBLIC WORKS	Y	
CHARLESTON COUNTY AIRPORT DISTRICT	Y	Y
CHARLESTON COUNTY HOUSING & REDEVELOPMENT AUTHORITY	Y	
CHARLESTON COUNTY HUMAN SERVICES PALMETTO COMMUNITY ACTION	Y	
CHARLESTON COUNTY LIBRARY	Y	
CHARLESTON COUNTY PARK AND RECREATION COMMISSION	Y	Y
CHARLESTON NAVAL COMPLEX REDEVELOPMENT	Y	
CHEROKEE COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	
CHEROKEE COUNTY COUNCIL	Y	Y
CHEROKEE COUNTY DEVELOPMENT BOARD	Y	
CHEROKEE COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
CHEROKEE COUNTY PUBLIC LIBRARY	Y	
CHEROKEE COUNTY RECREATION DISTRICT	Y	
CHEROKEE SPRINGS FIRE DISTRICT		Y
CHESCO SERVICES	Y	Y
CHESTER COUNTY BOARD OF DIRECTORS	Y	Y
CHESTER COUNTY HOSPITAL & NURSING CENTER, INC.	Y	
CHESTER COUNTY LIBRARY	Y	
CHESTER METRO DISTRICT	Y	
CHESTER SEWER DISTRICT	Y	
CHESTER/LANCASTER COUNTY DISABILITIES & SPECIAL NEEDS BOARD, INC.	Y	
CHESTERFIELD COUNTY COUNCIL	Y	Y
CHESTERFIELD COUNTY RURAL WATER CO, INC.	Y	Y
CHESTERFIELD SOIL & WATER CONSERVATION DISTRICT	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
CITY OF BELTON	Y	Y
CITY OF BENNETTSVILLE	Y	Y
CITY OF CAMDEN & MUNICIPAL UTILITIES	Y	Y
CITY OF CAYCE	Y	Y
CITY OF CHARLESTON	Y	Y
CITY OF CHESTER	Y	Y
CITY OF CLEMSON	Y	Y
CITY OF CLINTON	Y	Y
CITY OF COLUMBIA	Y	Y
CITY OF CONWAY	Y	Y
CITY OF DARLINGTON	Y	Y
CITY OF DENMARK	Y	Y
CITY OF DILLON	Y	Y

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
CITY OF EASLEY	Y	Y
CITY OF FLORENCE	Y	Y
CITY OF FOLLY BEACH	Y	Y
CITY OF FOREST ACRES	Y	Y
CITY OF FOUNTAIN INN	Y	Y
CITY OF GAFFNEY	Y	Y
CITY OF GEORGETOWN	Y	Y
CITY OF GOOSE CREEK	Y	Y
CITY OF GREENVILLE	Y	Y
CITY OF GREENWOOD	Y	Y
CITY OF GREER	Y	Y
CITY OF HANAHAN	Y	Y
CITY OF HARDEEVILLE	Y	Y
CITY OF HARTSVILLE	Y	Y
CITY OF INMAN	Y	Y
CITY OF ISLE OF PALMS	Y	Y
CITY OF JOHNSONVILLE	Y	Y
CITY OF LAKE CITY	Y	Y
CITY OF LANCASTER	Y	Y
CITY OF LAURENS	Y	Y
CITY OF LIBERTY	Y	Y
CITY OF LORIS	Y	Y
CITY OF MANNING	Y	Y
CITY OF MARION	Y	Y
CITY OF MAULDIN	Y	Y
CITY OF MULLINS	Y	Y
CITY OF MYRTLE BEACH	Y	Y
CITY OF NEW ELLENTON	Y	Y
CITY OF NEWBERRY	Y	Y
CITY OF NORTH AUGUSTA	Y	Y
CITY OF NORTH CHARLESTON	Y	Y
CITY OF NORTH MYRTLE BEACH		Y
CITY OF ORANGEBURG	Y	Y
CITY OF PICKENS	Y	Y
CITY OF ROCK HILL	Y	Y
CITY OF SENECA	Y	Y
CITY OF SIMPSONVILLE	Y	Y
CITY OF SPARTANBURG	Y	Y
CITY OF SUMTER	Y	Y
CITY OF TEGA CAY	Y	Y
CITY OF TRAVELERS REST	Y	Y
CITY OF UNION	Y	Y
CITY OF WALHALLA	Y	Y
CITY OF WALTERBORO	Y	Y
CITY OF WEST COLUMBIA	Y	Y
CITY OF WOODRUFF	Y	Y
CITY OF YORK	Y	Y
CLARENDON COUNTY	Y	Y
CLARENDON COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
CLARENDON COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	Y
CLEAR SPRING FIRE-RESCUE	Y	Y
CLINTON NEWBERRY NATURAL GAS AUTHORITY	Y	
COLLETON COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
COLUMBIA HOUSING AUTHORITY	Y	
COLUMBIA MUSEUM OF ART	Y	
COMBINED UTILITY SYSTEM – EASLEY	Y	
COMMISSION OF PUBLIC WORKS MUNICIPAL UTILITIES – NINETY SIX	Y	
COMMISSION ON PUBLIC WORKS – SUMMERVILLE	Y	
CONVERSE FIRE DISTRICT		Y
COUNTY COUNCIL FOR DORCHESTER COUNTY	Y	Y
COUNTY COUNCIL OF BEAUFORT COUNTY	Y	Y
COUNTY COUNCIL OF NEWBERRY COUNTY	Y	Y
COUNTY COUNCIL OF PICKENS COUNTY	Y	Y
COUNTY COUNCIL OF RICHLAND COUNTY	Y	Y
COUNTY OF AIKEN	Y	Y
COUNTY OF CHARLESTON	Y	Y
COUNTY OF COLLETON	Y	Y
COUNTY OF HAMPTON	Y	Y
COUNTY OF LAURENS	Y	Y
COUNTY OF LEXINGTON	Y	Y
COUNTY OF MARLBORO	Y	Y
COUNTY OF MCCORMICK	Y	Y
CROFT FIRE DISTRICT		Y
CULTURAL & HERITAGE COMMISSION OF YORK COUNTY	Y	
DARLINGTON COUNTY COMMUNITY ACTION AGENCY	Y	
DARLINGTON COUNTY COUNCIL	Y	Y
DARLINGTON COUNTY COUNCIL ON AGING	Y	
DARLINGTON COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
DARLINGTON COUNTY SOIL & WATER CONSERVATION DISTRICT	Y	
DARLINGTON COUNTY WATER & SEWER COMMISSION	Y	
DARLINGTON COURT LIBRARY COMMISSION	Y	
DAUFUSKIE ISLAND FIRE DISTRICT	Y	Y
DILLON COUNTY COUNCIL	Y	Y
DILLON SOIL & WATER CONSERVATION DISTRICT	Y	
DONALDS-DUE WEST WATER & SEWER AUTHORITY	Y	
DONALDSON FIRE SERVICE AREA	Y	
DORCHESTER COUNTY BOARD OF DISABILITIES & SPECIAL NEEDS	Y	
DORCHESTER COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	Y
DORCHESTER COUNTY LIBRARY	Y	
DORCHESTER COUNTY WATER AUTHORITY	Y	
DORCHESTER SENIORS, INC.	Y	
DUNCAN CHAPEL FIRE DISTRICT	Y	
EASLEY CENTRAL WATER DISTRICT	Y	
EAST RICHLAND COUNTY PUBLIC SERVICE DISTRICT	Y	
EDGEFIELD COUNTY COUNCIL	Y	Y
EDGEFIELD COUNTY WATER & SEWER AUTHORITY	Y	
ELLOREE COMMISSION OF PUBLIC WORKS	Y	
FAIRFIELD BEHAVIORAL HEALTH SERVICES	Y	

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
FAIRFIELD COUNTY COUNCIL	Y	Y
FAIRFIELD COUNTY COUNCIL ON AGING	Y	
FAIRFIELD COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
FAIRFIELD COUNTY LIBRARY	Y	
FAIRFIELD MEMORIAL HOSPITAL	Y	
FLINT HILL FIRE DISTRICT	Y	Y
FLORENCE COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	
FLORENCE COUNTY COUNCIL	Y	Y
FLORENCE COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
FLORENCE REGIONAL AIRPORT	Y	Y
FORRESTER CENTER FOR BEHAVIORAL HEALTH	Y	
FRIPP ISLAND PUBLIC SERVICE DISTRICT	Y	Y
GAFFNEY BOARD OF PUBLIC WORKS	Y	
GANTT FIRE SEWER AND POLICE DISTRICT	Y	Y
GASTON RURAL COMMUNITY WATER DISTRICT	Y	
GATEWAY COUNSELING CENTER	Y	
GENERATIONS UNLIMITED	Y	
GEORGETOWN COUNTY ALCOHOL & DRUG ABUSE COMMISSION	Y	
GEORGETOWN COUNTY COUNCIL	Y	Y
GEORGETOWN COUNTY DISABILITIES & SPECIAL NEED BOARD	Y	
GEORGETOWN COUNTY WATER AND SEWER DISTRICT	Y	
GEORGETOWN SOIL & WATER CONSERVATION DISTRICT	Y	
GILBERT-SUMMIT RURAL WATER DISTRICT	Y	
GLASSY MOUNTAIN FIRE SERVICE AREA	Y	
GLEAMNS HUMAN RESOURCES COMMISSION	Y	
GLENDALE FIRE DEPARTMENT		Y
GLENN SPRINGS-PAULINE FIRE DEPARTMENT		Y
GRAND STRAND WATER & SEWER AUTHORITY	Y	
GRASSY POND WATER COMPANY, INC.	Y	
GREATER GREENVILLE SANITATION COMMISSION	Y	
GREENVILLE AIRPORT COMMISSION	Y	
GREENVILLE AREA DEVELOPMENT CORPORATION	Y	
GREENVILLE COMMISSION OF PUBLIC WORKS	Y	
GREENVILLE COUNTY COMMISSION ON ALCOHOL-DRUG ABUSE	Y	
GREENVILLE COUNTY COUNCIL	Y	Y
GREENVILLE COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	Y
GREENVILLE COUNTY LIBRARY	Y	Y
GREENVILLE COUNTY MUSEUM COMMISSION	Y	
GREENVILLE REDEVELOPMENT AUTHORITY	Y	
GREENVILLE-SPARTANBURG AIRPORT DISTRICT	Y	Y
GREENWOOD COMMISSION OF PUBLIC WORKS	Y	
GREENWOOD COUNTY COUNCIL	Y	Y
GREENWOOD COUNTY LIBRARY	Y	
GREENWOOD METROPOLITAN DISTRICT COMMISSION	Y	
GREER COMMISSION OF PUBLIC WORKS	Y	Y
GREER DEVELOPMENT CORPORATION	Y	
HAMPTON COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
HANNAH SALEM FRIENDFIELD FIRE DISTRICT		Y
HARTSVILLE COMMUNITY CENTER BUILDING COMMISSION	Y	

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
HARVIN CLARENDON COUNTY LIBRARY	Y	
HAZEL PITTMAN CENTER	Y	
HIGH HILLS RURAL WATER COMPANY	Y	
HILLTOP FIRE DISTRICT		Y
HILTON HEAD NO 1 PUBLIC SERVICE DISTRICT	Y	
HOLLY SPRINGS FIRE-RESCUE DISTRICT		Y
HOMELAND PARK WATER DISTRICT	Y	
HORRY COUNTY COUNCIL	Y	Y
HORRY COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
HORRY COUNTY SOLID WASTE AUTHORITY, INC.	Y	
HORRY SOIL CONSERVATION DISTRICT	Y	
HOUSING AUTHORITY OF CITY OF NEWBERRY	Y	
HOUSING AUTHORITY OF CITY OF SUMTER	Y	
HOUSING AUTHORITY OF CITY OF UNION	Y	Y
HOUSING AUTHORITY OF DARLINGTON	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	
HOUSING AUTHORITY OF THE CITY OF CHARLESTON	Y	Y
HOUSING AUTHORITY OF THE CITY OF CHESTER	Y	
HOUSING AUTHORITY OF THE CITY OF CONWAY	Y	
HOUSING AUTHORITY OF THE CITY OF EASLEY	Y	
HOUSING AUTHORITY OF THE CITY OF GAFFNEY	Y	
HOUSING AUTHORITY OF THE CITY OF GREENWOOD	Y	
HOUSING AUTHORITY OF THE CITY OF MYRTLE BEACH	Y	
HOUSING AUTHORITY OF THE CITY OF NORTH CHARLESTON	Y	
HOUSING AUTHORITY OF THE CITY OF SPARTANBURG	Y	
HOUSING AUTHORITY OF TOWN OF WOODRUFF	Y	
HOWE SPRINGS FIRE DISTRICT	Y	Y
INMAN COMMUNITY FIRE DEPARTMENT		Y
INMAN-CAMPOBELLO WATER DISTRICT	Y	Y
IRMO CHAPIN RECREATION DISTRICT	Y	Y
IRMO FIRE DISTRICT	Y	Y
ISLE OF PALMS WATER & SEWER COMMISSION	Y	
JAMES ISLAND PUBLIC SERVICE DISTRICT COMMISSION	Y	
JASPER COUNTY BOARD OF DISABILITIES & SPECIAL NEEDS	Y	
JASPER COUNTY COUNCIL	Y	Y
JOHNSONVILLE FIRE DEPARTMENT	Y	Y
JOINT MUNICIPAL WATER & SEWER COMMISSION	Y	
KEOWEE FIRE TAX DISTRICT		Y
KERSHAW COUNTY BOARD OF DISABILITIES & SPECIAL NEEDS	Y	
KERSHAW COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	
KERSHAW COUNTY COUNCIL	Y	Y
LADY'S ISLAND-ST HELENA FIRE DISTRICT	Y	Y
LAKE CITY HOUSING AUTHORITY	Y	
LAKE CUNNINGHAM FIRE DISTRICT	Y	Y
LANCASTER COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	
LANCASTER COUNTY COUNCIL	Y	Y

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
LANCASTER COUNTY COUNCIL ON AGING	Y	Y
LANCASTER COUNTY NATURAL GAS AUTHORITY	Y	
LANCASTER COUNTY WATER & SEWER DISTRICT	Y	
LANCASTER SOIL & WATER CONSERVATION DISTRICT	Y	
LAURENS COMMISSIONERS OF PUBLIC WORKS	Y	
LAURENS COUNTY DEVELOPMENT CORPORATION	Y	
LAURENS COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
LAURENS COUNTY WATER & SEWER COMMISSION	Y	Y
LEE COUNTY COUNCIL	Y	Y
LEE COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
LESSLIE RURAL FIRE TAX DISTRICT		Y
LEXINGTON MEDICAL CENTER	Y	Y
LEXINGTON/RICHLAND ALCOHOL & DRUG ABUSE COUNCIL	Y	
LIBERTY-CHESNEE-FINGERVILLE WATER DISTRICT	Y	
LITTLE RIVER WATER & SEWER COMPANY, INC.	Y	
LOWCOUNTRY COUNCIL OF GOVERNMENTS	Y	
LOWCOUNTRY REGIONAL EMS COUNCIL	Y	
LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY	Y	
LOWCOUNTRY REGIONAL WATER SYSTEM	Y	
LOWER SAVANNAH COUNCIL OF GOVERNMENTS	Y	
LUGOFF FIRE DISTRICT		Y
LUGOFF WATER DISTRICT OF KERSHAW COUNTY	Y	
MARCO RURAL WATER COMPANY, INC.	Y	
MARION COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	
MARION COUNTY COUNCIL	Y	Y
MARION COUNTY LIBRARY	Y	
MARION-DILLON COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
MARLBORO COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
MARLBORO WATER COMPANY	Y	
MCCORMICK COMMISSION OF PUBLIC WORKS	Y	
MCCORMICK COUNTY COUNCIL ON AGING	Y	
MCCORMICK COUNTY WATER & SEWER AUTHORITY	Y	
METROPOLITAN SEWER SUB-DISTRICT	Y	
METROPOLITAN SUBDISTRICT B WATER & SEWER	Y	
MID COUNTY WATER COMPANY, INC.	Y	
MONCK'S CORNER WATER WORKS COMMISSION	Y	
MT PLEASANT WATER & SEWER COMMISSION	Y	
MUNICIPAL ASSOCIATION OF SOUTH CAROLINA	Y	
MURRELLS INLET-GARDEN CITY FIRE DISTRICT	Y	Y
NEW ELLENTON COMMISSION OF PUBLIC WORKS	Y	
NEW LIFE CENTER	Y	
NEWBERRY COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
NEWBERRY COUNTY LIBRARY	Y	
NEWBERRY COUNTY WATER AND SEWER AUTHORITY	Y	
NORTH CHARLESTON SEWER DISTRICT	Y	
NORTH GREENVILLE FIRE DISTRICT		Y
NORTH SPARTANBURG AREA FIRE & RESCUE DISTRICT	Y	Y
OCONEE COUNTY	Y	Y
OCONEE DISABILITIES & SPECIAL NEEDS BOARD	Y	

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
OCONEE JOINT REGIONAL SEWER AUTHORITY	Y	
OLANTA RURAL FIRE DEPARTMENT		Y
OLD NINETY SIX TOURISM COMMISSION	Y	
OLD TOWN FIRE AND RESCUE DEPARTMENT	Y	
OLDE ENGLISH DISTRICT TOURISM COMMISSION	Y	
ORANGEBURG COUNTY COUNCIL	Y	Y
ORANGEBURG COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	Y
ORANGEBURG DEPARTMENT OF PUBLIC UTILITIES	Y	
PALMETTO STATE TEACHERS ASSOCIATION	Y	
PARKER SEWER & FIRE SUBDISTRICT	Y	Y
PEE DEE REGIONAL COUNCIL OF GOVERNMENTS	Y	
PEE DEE REGIONAL EMS, INC.	Y	
PEE DEE REGIONAL TRANSPORTATION AUTHORITY	Y	Y
PELHAM BATESVILLE FIRE DEPARTMENT	Y	Y
PENDLETON DISTRICT HISTORICAL & RECREATIONAL COMMISSION	Y	
PICKENS COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	
PICKENS COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
PIEDMONT PARK FIRE DISTRICT	Y	Y
PIEDMONT PUBLIC SERVICE DISTRICT		Y
PINE RIDGE FIRE DEPARTMENT	Y	Y
PIONEER RURAL WATER DISTRICT	Y	
POPLAR SPRINGS FIRE DEPARTMENT		Y
POWDERSVILLE WATER DISTRICT	Y	
RECREATION DISTRICT & RECREATION COMMISSION OF RICHLAND COUNTY	Y	Y
RECREATION DISTRICT LEXINGTON COUNTY	Y	Y
REIDVILLE FIRE DISTRICT		Y
RENEWABLE WATER RESOURCES (RE-WA)	Y	
RICHLAND COUNTY PUBLIC LIBRARY	Y	Y
RICHLAND LEXINGTON AIRPORT DISTRICT	Y	Y
RICHLAND/LEXINGTON COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
RICHLAND MEMORIAL/PALMETTO HEALTH	Y	
RIVERBANKS PARK COMMISSION	Y	Y
ROCKY CREEK WATER COMPANY, INC.	Y	
ROEBUCK FIRE DEPARTMENT		Y
RUBICON	Y	
RURAL COMMUNITY WATER DISTRICT OF GEORGETOWN CO	Y	
SALUDA COMMISSION OF PUBLIC WORKS	Y	
SALUDA COUNTY COUNCIL	Y	Y
SALUDA COUNTY WATER & SEWER AUTHORITY	Y	
SANDY SPRINGS WATER COMPANY	Y	
SANTEE COOPER COUNTIES PROMOTION COMMISSION	Y	
SANTEE FIRE SERVICE DISTRICT	Y	Y
SANTEE-LYNCHES COUNCIL FOR GOVERNMENTS	Y	
SANTEE-WATEREE REGIONAL TRANSPORTATION AUTHORITY	Y	
SANTUCK HEBRON WATER COMPANY, INC.	Y	
SARDIS-TIMMONSVILLE FIRE DEPARTMENT		Y
SC APPALACHIAN COUNCIL OF GOVERNMENTS	Y	
SC ASSOCIATION OF COUNTIES	Y	
SC ASSOCIATION OF SCHOOL ADMINISTRATORS	Y	



<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
SC ASSOCIATION OF SCHOOL BOARDS	Y	
SC ATHLETIC COACHES ASSOCIATION	Y	
SC EDUCATION ASSOCIATION	Y	
SC HIGH SCHOOL LEAGUE	Y	
SC LAW ENFORCEMENT OFFICERS ASSOCIATION	Y	
SC MIDLANDS EMERGENCY MEDICAL SERVICES MANAGEMENT ASSOCIATION	Y	
SC STATE CREDIT UNION	Y	
SC STATE EMPLOYEES' ASSOCIATION	Y	
SC STATE FIREFIGHTERS' ASSOCIATION	Y	Y
SHELDON FIRE DISTRICT	Y	Y
SHORELINE BEHAVIORAL HEALTH SERVICES	Y	
SIX MILE RURAL WATER DISTRICT	Y	
SLATER-MARIETTA FIRE DEPARTMENT		Y
SOUTH CAROLINA SHERIFFS' ASSOCIATION	Y	
SOUTH CAROLINA TECHNOLOGY & AVIATION CENTER	Y	
SOUTH GREENVILLE AREA FIRE DISTRICT	Y	Y
SOUTH ISLAND PUBLIC SERVICE DISTRICT	Y	
SOUTH LYNCHES FIRE DEPARTMENT		Y
SOUTHSIDE RURAL COMMUNITY WATER DISTRICT	Y	
SPARTANBURG COMMISSIONERS OF PUBLIC WORKS	Y	
SPARTANBURG COUNTY COUNCIL	Y	Y
SPARTANBURG PUBLIC LIBRARY	Y	Y
SPARTANBURG REGIONAL MEDICAL CENTER	Y	Y
SPARTANBURG SANITARY SEWER DISTRICT	Y	
ST ANDREWS PARISH PARKS & PLAYGROUNDS	Y	
ST ANDREWS PUBLIC SERVICE DISTRICT COMMISSION	Y	Y
ST GEORGE WATER AND SEWER DEPARTMENT	Y	
ST JOHN'S FIRE DISTRICT	Y	Y
ST PAUL'S FIRE DISTRICT	Y	Y
STARR-IVA WATER COMPANY	Y	
STARTEX JACKSON WELLFORD DUNCAN WATER DISTRICT	Y	
SUMTER CONSERVATION DISTRICT	Y	
SUMTER COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	
SUMTER COUNTY COUNCIL	Y	Y
SUMTER COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	Y
SUMTER COUNTY LIBRARY	Y	
TAYLORS FIRE AND SEWER DISTRICT	Y	Y
THE ERNEST E. KENNEDY CENTER	Y	
THE PEE DEE TOURISM COMMISSION	Y	
THE RIVER ALLIANCE	Y	
THREE RIVERS SOLID WASTE AUTHORITY	Y	
TIGERVILLE FIRE DEPARTMENT	Y	Y
TOWN OF ALLENDALE	Y	Y
TOWN OF ANDREWS	Y	Y
TOWN OF ATLANTIC BEACH	Y	Y
TOWN OF AYNOR	Y	Y
TOWN OF BATESBURG-LEESVILLE	Y	Y
TOWN OF BETHUNE	Y	Y
TOWN OF BISHOPVILLE	Y	Y

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
TOWN OF BLACKSBURG	Y	Y
TOWN OF BLACKVILLE	Y	Y
TOWN OF BLUFFTON	Y	Y
TOWN OF BLYTHEWOOD	Y	Y
TOWN OF BONNEAU		Y
TOWN OF BOWMAN	Y	Y
TOWN OF BRANCHVILLE	Y	Y
TOWN OF BRIARCLIFFE ACRES	Y	Y
TOWN OF BRUNSON	Y	
TOWN OF BURNETTOWN	Y	Y
TOWN OF CALHOUN FALLS	Y	Y
TOWN OF CAMERON	Y	Y
TOWN OF CAMPOBELLO	Y	Y
TOWN OF CARLISLE	Y	
TOWN OF CENTRAL	Y	Y
TOWN OF CHAPIN	Y	Y
TOWN OF CHERAW	Y	Y
TOWN OF CHESNEE	Y	Y
TOWN OF CHESTERFIELD	Y	Y
TOWN OF CLIO	Y	Y
TOWN OF CLOVER	Y	Y
TOWN OF CORDOVA	Y	
TOWN OF COTTAGEVILLE	Y	Y
TOWN OF COWARD	Y	Y
TOWN OF COWPENS	Y	Y
TOWN OF DUE WEST	Y	Y
TOWN OF DUNCAN	Y	Y
TOWN OF EASTOVER	Y	
TOWN OF EDGEFIELD	Y	Y
TOWN OF EDISTO BEACH	Y	Y
TOWN OF EHRHARDT	Y	Y
TOWN OF ELGIN	Y	Y
TOWN OF ELKO	Y	
TOWN OF ELLOREE	Y	Y
TOWN OF ESTILL	Y	Y
TOWN OF EUTAWVILLE	Y	Y
TOWN OF FAIRFAX	Y	Y
TOWN OF FORT LAWN	Y	Y
TOWN OF FORT MILL	Y	Y
TOWN OF GASTON	Y	Y
TOWN OF GIFFORD		Y
TOWN OF GILBERT	Y	
TOWN OF GRAY COURT	Y	
TOWN OF GREAT FALLS	Y	Y
TOWN OF GREELEYVILLE	Y	Y
TOWN OF HAMPTON	Y	Y
TOWN OF HARLEYVILLE	Y	Y
TOWN OF HEATH SPRINGS	Y	
TOWN OF HEMINGWAY	Y	Y

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

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
TOWN OF PERRY	Y	Y
TOWN OF PINE RIDGE	Y	Y
TOWN OF PINWOOD	Y	
TOWN OF POMARIA	Y	
TOWN OF PORT ROYAL	Y	Y
TOWN OF PROSPERITY	Y	Y
TOWN OF QUINBY	Y	Y
TOWN OF RAVENEL	Y	
TOWN OF REEVESVILLE	Y	
TOWN OF RIDGE SPRING	Y	Y
TOWN OF RIDGELAND	Y	Y
TOWN OF RIDGEVILLE	Y	
TOWN OF RIDGEWAY	Y	
TOWN OF RUBY	Y	
TOWN OF SALLEY	Y	Y
TOWN OF SALUDA	Y	Y
TOWN OF SANTEE	Y	Y
TOWN OF SCRANTON	Y	
TOWN OF SEABROOK ISLAND	Y	Y
TOWN OF SIX MILE	Y	
TOWN OF SNELLING	Y	
TOWN OF SOCIETY HILL	Y	Y
TOWN OF SOUTH CONGAREE	Y	Y
TOWN OF SPRINGDALE	Y	Y
TOWN OF SPRINGFIELD	Y	Y
TOWN OF ST GEORGE	Y	Y
TOWN OF ST MATTHEWS	Y	Y
TOWN OF ST STEPHEN	Y	Y
TOWN OF SULLIVAN’S ISLAND	Y	Y
TOWN OF SUMMERTON	Y	Y
TOWN OF SUMMERVILLE	Y	Y
TOWN OF SURFSIDE BEACH	Y	Y
TOWN OF SWANSEA	Y	Y
TOWN OF TIMMONSVILLE	Y	Y
TOWN OF TRENTON	Y	Y
TOWN OF TURBEVILLE	Y	
TOWN OF VARNVILLE	Y	Y
TOWN OF WAGENER	Y	Y
TOWN OF WARE SHOALS	Y	Y
TOWN OF WELLFORD	Y	Y
TOWN OF WEST PELZER	Y	Y
TOWN OF WEST UNION	Y	Y
TOWN OF WESTMINSTER	Y	Y
TOWN OF WHITMIRE	Y	Y
TOWN OF WILLIAMSTON	Y	Y
TOWN OF WILLISTON	Y	Y
TOWN OF WINNSBORO	Y	Y
TOWN OF YEMASSEE	Y	Y
TRI-COUNTY COMMISSION ON ALCOHOL & DRUG ABUSE	Y	

<b><u>Name</u></b>	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
TRI-COUNTY SOLID WASTE AUTHORITY	Y	
TYGER RIVER FIRE DISTRICT		Y
UNA FIRE DEPARTMENT		Y
UNION COUNTY CARNEGIE LIBRARY	Y	
UNION COUNTY COUNCIL OF AGING	Y	
UNION COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	Y
UNION COUNTY SUPERVISOR	Y	Y
UPPER SAVANNAH COUNCIL OF GOVERNMENTS	Y	
VALLEY PUBLIC SERVICE AUTHORITY	Y	
WACCAMAW ECONOMIC OPPORTUNITY COUNCIL	Y	
WACCAMAW REGIONAL COUNCIL OF GOVERNMENTS	Y	
WACCAMAW REGIONAL TRANSPORTATION AUTHORITY	Y	
WADE HAMPTON FIRE & SEWER DISTRICT	Y	Y
WEST FLORENCE RURAL VOLUNTEER FIRE DISTRICT		Y
WESTVIEW BEHAVIORAL HEALTH SERVICES	Y	
WESTVIEW-FAIRFOREST FIRE DEPARTMENT	Y	Y
WHITESVILLE RURAL VOLUNTEER FIRE DEPARTMENT	Y	Y
WHITMIRE COMMISSION OF PUBLIC WORKS	Y	
WHITNEY AREA FIRE DEPARTMENT		Y
WILLIAMSBURG COUNTY COUNCIL	Y	Y
WILLIAMSBURG COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
WILLIAMSBURG COUNTY LIBRARY	Y	
WINDY HILL VOLUNTEER FIRE COMPANY		Y
WOODRUFF ROEBUCK WATER DISTRICT	Y	
YORK COUNTY	Y	Y
YORK COUNTY CONVENTION & VISITORS BUREAU	Y	
YORK COUNTY COUNCIL ON AGING	Y	
YORK COUNTY DISABILITIES & SPECIAL NEEDS BOARD	Y	
YORK COUNTY LIBRARY	Y	
YORK SOIL & WATER CONSERVATION DISTRICT	Y	

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**PEBA**<sup>SM</sup>  
SC Retirement Systems  
and State Health Plan

**South Carolina Public Employee Benefit Authority**

*Serving those who serve South Carolina*

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202 Arbor Lake Drive | Columbia, SC 29223

803.737.6800 | 888.260.9430

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