

Financial Services - Accounting Dept.

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June 30, 1979

THE RETIREMENT SYSTEMS OF SOUTH CAROLINA

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)

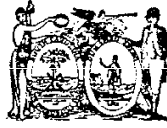
ANNUAL REPORT

JUNE 30, 1979

## CONTENTS

Letter of Transmittal	Page 1
Governing Board and Administration	2
Statements from the Director:	
Organization Chart	3
Operations	4 - 6
Summary of Basic Provisions	8 - 10
Revenues	11 - 14
Investments	15 - 18
Expenditures	19 - 23
Current Legislation	24 - 25
Financial Statements:	26
Statement of Assets and Fund Balances - SCRS	27
Statement of Revenues and Expenditures and Changes in Fund Balances - SCRS	28 - 29
Statement of Assets and Fund Balances - PORS	30
Statement of Revenues and Expenditures and Changes in Fund Balances - PORS	31 - 33
Statement of Assets and Fund Balances - GARS	34
Statement of Revenues and Expenditures and Changes in Fund Balances - GARS	35
Notes to Financial Statements	36 - 39
Report of the State Agent for Social Security:	40
Comments	41 - 45
Statement of Assets and Fund Balance	46
Statement of Cash Receipts and Disbursements and Changes in Fund Balance	47

# South Carolina Retirement System



PURVIS W. COLLINS  
DIRECTOR

P. O. BOX 11960 - CAPITOL STATION  
COLUMBIA, S. C. 29211

October 15, 1979

Honorable Richard W. Riley, Governor  
and  
State Budget and Control Board  
State of South Carolina

I am pleased to present the annual report for the Retirement Systems of the State of South Carolina and the report of the State Agent for Social Security for the fiscal year ended June 30, 1979.

Respectfully submitted,

*Purvis W. Collins*  
Purvis W. Collins

## ADMINISTRATION

### Governing Board - State Budget and Control Board

His Excellency Governor Richard W. Riley	Chairman, Ex-Officio
Honorable Grady L. Patterson, Jr.	State Treasurer
Honorable Earle E. Morris, Jr.	Comptroller General
Honorable Rembert C. Dennis	Chairman of Senate Finance Committee
Honorable Tom G. Mangum	Chairman of House Ways & Means Committee
Mr. William T. Putnam	Executive Director

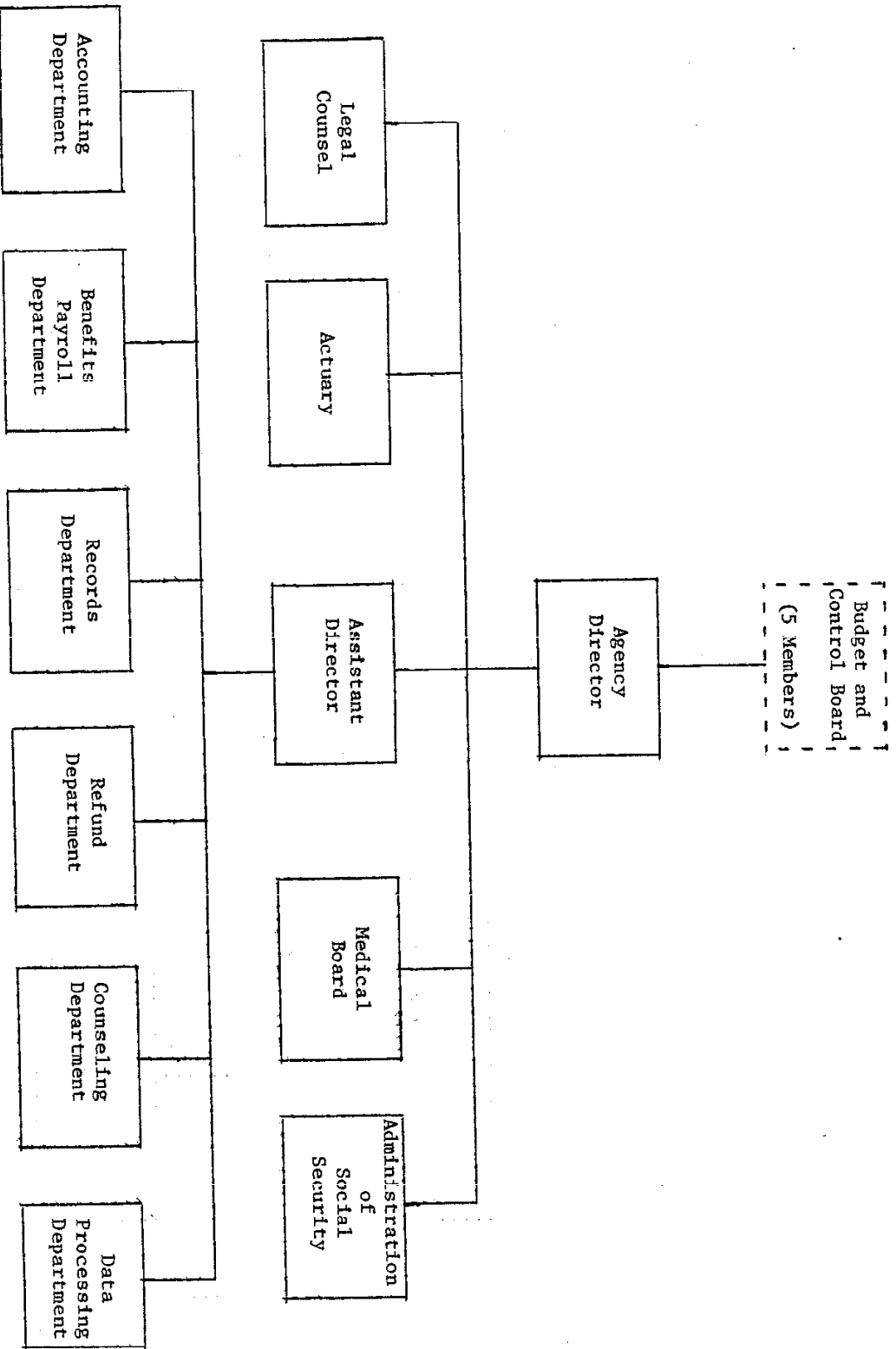
### Consulting Actuary

Hugh Gillespie  
George B. Buck Co., Inc.

### Retirement System Staff

Purvis W. Collins	Director
Joseph C. Griffith	Assistant Director/ Counseling Department
E. D. Goodwin, Jr.	Accounting Department
Beverly K. Abdalla	Benefits Payroll Department
(Mrs.) Jimmie D. McGhee	Records Department
Elvena S. Bickley	Refund Department
Henry R. Blackwell, Jr.	Data Processing Department
Catherine F. Bond	Administration of Social Security

# THE RETIREMENT SYSTEMS OF SOUTH CAROLINA



## OPERATIONS:

The administration of the Retirement Systems and the administration of Social Security coverage for public entities is vested with Retirement Division of the State Budget and Control Board. An Agency director, appointed by the Board, is responsible for the overall operation of the Systems.

The structural organization of the Agency is depicted on the chart shown on the facing page. A brief description of the primary functions performed by each department follows:

Accounting Department - Responsible for maintenance of records of all receipts and disbursements, financial accounting records, investment accounting, field representative services, and financial control of member contribution records.

Benefits Payroll Department - Responsible for the disbursement of monthly annuity benefit payments to all retired members.

Records Department - Responsible for the processing of applications of new employers requesting participation in the Systems as well as the enrollment of all new members and maintenance of complete historical records of each member.

Refund Department - Responsible for the disbursement of lump sum payments to members who terminate covered employment prior to retirement.

Counseling Department - Responsible for counseling members relating to retirement, establishing various past service, and processing all retirement documents upon actual retirement of a member.

Data Processing Department - Performs a support function to all other departments. Responsible for the design and implementation of all automation applications within the Division.

Operational costs for the Retirement Division are appropriated from the General Fund of the State.

The following is a summary of the costs incurred in the operations of the Division for the years ended June 30, 1979 and 1978:

	<u>1979</u>	<u>1978</u>
Personal Service:		
Salaries	\$ 961,716	\$ 877,724
Fringe Benefits	150,607	135,621
	<hr/>	<hr/>
Total Personal Service	1,112,323	1,013,345
Operating Expenses:		
Contractual Services	76,996	65,909
Supplies	92,348	96,830
Rents	125,702	113,736
Travel	21,748	16,072
Equipment	6,679	9,499
Other	9,926	-
	<hr/>	<hr/>
Total Operating Expenses	333,399	302,046
	<hr/>	<hr/>
Total Cost of Operations	<u>\$1,445,722</u>	<u>\$1,315,391</u>

In our continued effort to modernize our Systems and increase our service to participating employers as well as our membership, several significant advances have been made recently.

Our field representative services were expanded to add a second representative in June, 1978, with future plans calling for a total of four representatives. These individuals perform a variety of functions for the Systems as well as for our membership. These services include:

- a. Meeting with governing bodies of various entities considering obtaining coverage under one or more of our programs to explain procedures involved and obligations created under the Systems.
- b. Conducting workshops with employers to explain reporting procedures and policies, amendments to the Retirement Act, etc.



- c. Conducting on premise review of employer records to determine conformity with provisions of Retirement Act and social security coverage agreements.
- d. Assisting departments within the System in resolving any problems in the field that cannot be handled within the retirement office.

In July, 1979 we initiated a pre-retirement counseling program. Our primary objective under this program is to better prepare the membership for retirement by assuring their maximum potential for enjoyment through planning for economic security, health and safety, housing, location and meaningful use of time. This objective will be fulfilled through conducting seminars and meetings with employer representatives in a training program designed to enable these representatives to better counsel employees in these areas.

As a part of our overall automation plan for the Systems, we have initiated a two year project to accumulate data to create an automated file of all members retirement service credit. Upon completion of this project we will have the capability to provide members an annual statement of total service credit, retirement benefit estimates, eligibility status, and accumulated contributions. We will also be able to provide more timely and accurate information to the System's Actuary as well as greatly speed up the processing of retirement applications, particularly during peak periods.

In addition to our annual report, this Agency publishes annual brochures describing the benefits available under the SCRS and PORS, as well as a brochure explaining retirement service credit. Detailed employer manuals are also published providing instructions for the enrollment of and reporting of employees, processing forms necessary for retirement, and obtaining refunds of employee contributions.

# SUMMARY OF BASIC PROVISIONS

	SCRS	PORS	GARS										
1. Membership	Generally all employees are required to participate in System as a condition of employment.	Generally all full time employees whose principle duties are the preservation of public order, protection of life and property or prevention and control of property destruction by fire.	All persons are required to participate upon taking office as a member of the General Assembly.										
2. Employee Contributions	<table><tr><td></td><td>Salary</td></tr><tr><td></td><td>Under Over</td></tr><tr><td></td><td><u>\$4800</u> <u>\$4800</u></td></tr><tr><td>Class I</td><td>3% 5%</td></tr><tr><td>Class II</td><td>4% 6%</td></tr></table>		Salary		Under Over		<u>\$4800</u> <u>\$4800</u>	Class I	3% 5%	Class II	4% 6%	Class I - \$16 per month Class II - 5% of salary	10% of normal compensation
	Salary												
	Under Over												
	<u>\$4800</u> <u>\$4800</u>												
Class I	3% 5%												
Class II	4% 6%												
3. Employer Contributions													
Retirement	Class I 3.5% of salary  Class II 6.8% of salary for State Departments and Public Schools 5.95% of salary for all other participating employers	Class I 7.5% of salary  Class II 10% of salary  (7.8% and 10.3% respectively effective July 1, 1979)	Annual lump-sum appropriation										
Group Life Insurance	.3% of salary	.55% of salary (.4% effective July 1, 1979)	Included within annual lump-sum appropriation										
Accidental Death Program	N/A	.35% of salary (.20% effective July 1, 1979)	N/A										

4. Normal Retirement Age	Age 65	Age 55 with 5 years of service	Age 60
5. Requirements for Full Service Retirement	Age 65 or 30 years of credited service.	Age 55 with 5 years of service or 30 years of credited service	Age 60 or 30 years of credited service
6. Formula for Normal Service Retirement	<p>Class I 1% of Average Final Compensation up to \$4800 of AFC, plus 1.3% of AFC over \$4800 times years of credited service.</p> <p>Class II 1.25% of AFC up to \$4800 of AFC, plus 1.65% of AFC over \$4800 times years of credited service</p>	<p>Class I \$9 per month for each year of credited service</p> <p>Class II 1.75% of AFC times years of credited service</p>	4.5% of normal compensation times years of credited service
7. Requirements for Disability Retirement	5 years of credited service	5 years of credited service	5 years of credited service
8. Formula for Disability Retirement	Service retirement benefit based upon continued service to age 65 with no change in compensation.	Service retirement benefit based upon continued service to age 55 with no change in compensation.	<p>The greater of:</p> <p>a. Service benefit based upon actual credited service.</p> <p>b. 50% of service benefit based upon continued service to earlier of age 60 or 35 years service</p>

# SUMMARY OF BASIC PROVISIONS (CONTINUED)

## 9. Benefit Options

### SCRS

Maximum Benefit  
Formula benefit as  
calculated in item 6.  
Any unrecovered con-  
tributions paid upon  
death.

Option 1  
Reduced benefit with  
lump-sum payment of  
accumulated contribu-  
tions balance reduced  
by 10% per year dur-  
ing first ten years  
of retirement.

Option 2  
Provides a reduced  
continued benefit of  
equal amount to the  
beneficiary of  
retirant.

Option 3  
Provides a continued  
benefit of 50% of the  
retirant's annuity  
payable to the  
retirant's benefici-  
ary.

### PORS

Maximum Benefit  
Formula benefit as  
calculated in item 6.  
Any unrecovered con-  
tributions paid upon  
death.

Option 1  
Provides a reduced  
continued benefit of  
equal amount to the  
beneficiary of  
retirant.

Option 2  
Provides a continued  
benefit of 50% of the  
retirant's annuity  
payable to the  
retirant's benefici-  
ary.

Option 3  
Provides inflated  
benefit until social  
security payments  
begin, then annuity  
reduced to provide  
approximate level  
retirement income.

### GARS

Maximum Benefit  
Formula benefit as  
calculated in item 6.  
Any unrecovered con-  
tributions paid upon  
death.

Option 1  
Provides a reduced  
continued benefit of  
equal amount to the  
beneficiary of  
retirant.

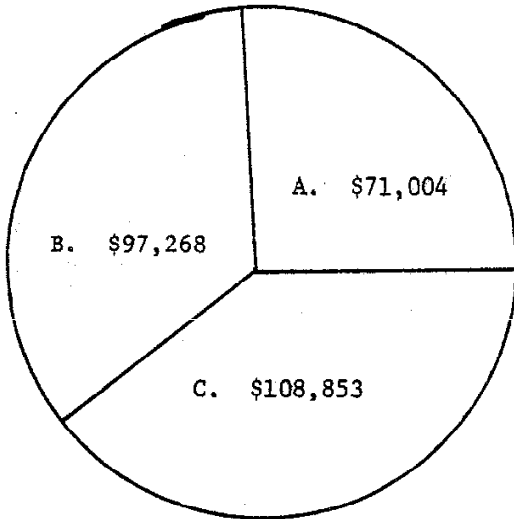
Option 2  
Provides a continued  
benefit of 50% of the  
retirant's annuity  
payable to the  
retirant's benefici-  
ary.

Option 4 Provides inflated benefit until social security payments begin, then annuity reduced to provide approximate level retirement income.			
10. Group Life Insurance Benefit	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.	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.
	No service requirement for death resulting from actual performance of duties.	No service requirement for death resulting from actual performance of duties.	No service requirement for death resulting from actual performance of duties.
11. Accidental Death Program	N/A	Provides an annuity to the widow (or specified beneficiary) of a member whose death was while in the performance of duty. Annuity would equal 50% of member's compensation at time of death.	N/A
12. Withdrawal of Employee Contributions	Accumulated contributions and credited interest payable within 6 months but not less than 90 days after termination of all covered employment.	Accumulated contributions and credited interest payable within 6 months but not less than 90 days after termination of all covered employment.	Accumulated contributions and credited interest payable within 6 months after termination of all covered employment.

# REVENUE DISTRIBUTION

(000'S OMITTED)

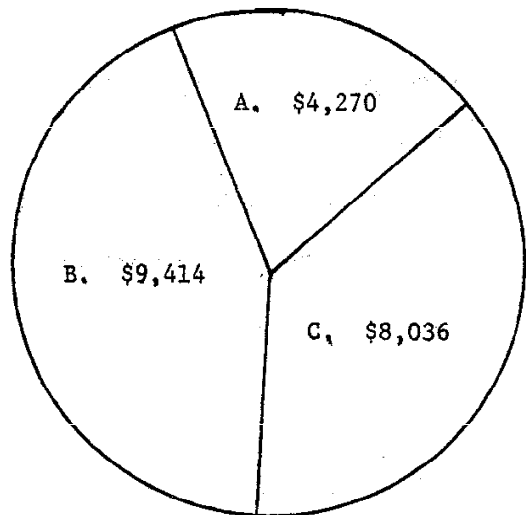
## SCRS



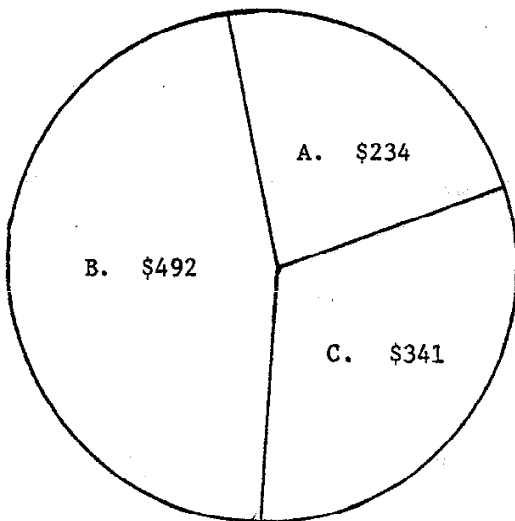
	Percentage of Total Revenue	
	79	78
A. Employee Contributions	25.6%	26.1%
B. Employer Contributions	35.1%	36.0%
C. Investment Income	39.3%	37.9%

## PORS

	Percentage of Total Revenue	
	79	78
A. Employee Contributions	19.7%	20.6%
B. Employer Contributions	43.3%	45.6%
C. Investment Income	37.0%	33.8%



## GARS



	Percentage of Total Revenue	
	79	78
A. Employee Contributions	22.0%	18.7%
B. Employer Contributions	46.1%	47.8%
C. Investment Income	31.9%	33.5%

## REVENUES:

The Systems derive revenue from three primary sources; contributions from members, matching contributions from employers, and income earned on investments. Collection of employee and employer contributions is made on a monthly basis. Each entity submits a monthly summary report of member wages paid and contributions collected together with the matching employer contributions due. Quarterly, detailed reports listing each members' wages and contributions are submitted to the System and are the basis from which detail computerized member contribution records are derived.

In the past year we have made a concerted effort to encourage larger entities to report detail member contributions by means of magnetic tape or other machine readable form. Approximately 51,000 members were reported on magnetic tape for the quarter ended June 30, 1979. This represents 34% of the approximate 150,000 members reported for the quarter.

There are three basic types of entities covered under one or more of the Systems; State Departments (including institutions of higher learning), Public Schools, and Other Political Subdivisions (cities, counties, etc.).

The following schedules present comparisons of the distribution of our revenue by type of entity as well as the distribution of our entity population by category for 1979:

COMBINED CONTRIBUTIONS BY TYPE OF ENTITY  
(000'S OMITTED)

	SCRS		PORS	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
State Departments	\$ 78,391	46.6%	\$ 6,084	44.5%
Public Schools	69,237	41.1%	-	-
Other Political Subdivisions	20,644	12.3%	7,600	55.5%
	<u>\$168,272</u>	<u>100.0%</u>	<u>\$13,684</u>	<u>100.0%</u>

NUMBER OF ENTITIES BY TYPE

	SCRS		PORS	
	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>
State Departments	145	24.7%	25	12.6%
Public Schools	114	19.5%	-	-
Other Political Subdivisions	327	55.8%	174	87.4%
	<u>586</u>	<u>100.0%</u>	<u>199</u>	<u>100.0%</u>

Members of the GARS are reported as State Department employees (the Senate and House of Representatives).

Current contributing members of the Systems may, under various sections of the Retirement Act, establish credit for past service, service credit while in the military as well as service cancelled by previous withdrawal of contributions. Costs involved in establishing these types of service vary between Systems, classes of membership within the Systems, as well as by years involved.

The following page presents five (5) year comparisons of member and employer contributions.



MEMBER CONTRIBUTIONS  
(000'S OMITTED)

Year Ended June 30,	SCRS		PORS		GARS	
	Amount	% Increase For Year	Amount	% Increase For Year	Amount	% Increase For Year
1979	\$71,004	12.6%	\$4,270	12.5%	\$234	46.3%
1978	63,044	11.3%	3,796	12.9%	160	2.1%
1977	56,622	6.2%	3,363	10.2%	157	10.0%
1976	53,328	15.7%	3,052	(9.7)%	143	23.6%
1975	46,093	19.9%	3,381	48.4%	116	21.8%

COMBINED EMPLOYER CONTRIBUTIONS  
(000'S OMITTED)

Year Ended June 30,	SCRS		PORS		GARS	
	Amount	% Increase For Year	Amount	% Increase For Year	Amount	% Increase For Year
1979	\$97,268	11.8%	\$9,414	12.1%	\$492	20.0%
1978	87,022	10.5%	8,397	9.9%	410	5.1%
1977	78,777	7.4%	7,641	12.2%	390	34.5%
1976	73,383	14.7%	6,811	6.9%	290	-
1975	63,971	17.2%	6,371	28.1%	290	11.5%

GROWTH OF INVESTMENTS AND INVESTMENT INCOME  
(000'S OMITTED)

SCRS

<u>Year Ended June 30,</u>	<u>Total Net Investments</u>	<u>Percent Increase For Year</u>	<u>Net Income From Investments</u>	<u>Percent Increase For Year</u>	<u>Rate of Return</u>
1979	\$1,536,200	14.5%	\$108,853	19.0%	7.86%
1978	1,341,838	13.8%	91,474	16.8%	7.53%
1977	1,179,302	15.0%	78,327	20.4%	7.37%
1976	1,025,424	15.5%	65,067	20.3%	7.04%
1975	887,729	14.9%	54,076	18.1%	6.73%

PORS

1979	\$ 110,993	17.6%	\$ 8,036	29.2%	8.14%
1978	94,362	18.8%	6,221	19.7%	7.43%
1977	79,416	18.2%	5,199	19.5%	7.35%
1976	67,200	20.2%	4,351	29.8%	7.33%
1975	55,896	22.6%	3,353	19.1%	6.83%

GARS

1979	\$ 5,106	18.3%	\$ 341	18.2%	7.50%
1978	4,317	17.3%	288	29.2%	7.48%
1977	3,679	31.2%	223	15.5%	7.13%
1976	2,805	7.4%	193	8.2%	7.40%
1975	2,612	21.7%	179	37.8%	7.80%

## INVESTMENTS:

The responsibility for investment of all funds of the Systems rests with the State Treasurer. Restrictions on investments imposed by law generally require purchase of high grade fixed income securities and government obligations. The State Treasurer and the Retirement Systems constantly monitor the flow of revenue and expenditures as part of a continuously improving cash management program.

In Fiscal Year 77-78 a zero balance banking system was initiated. Under this system funds remain invested in short term obligations until actually required on a given day to clear checks presented for payment. This system generated over \$124,000 in additional revenue during the current fiscal year and over \$84,000 in Fiscal Year 77-78.

Over the past three years great advances have been made in the automation of investment activity. At this time this massive project is virtually complete. This system has the capability of maintaining complete inventories of investments, generation of reports of principal and interest payments due, as well as providing necessary information required by the State Treasurer to fulfill the custodial function and provide information required by the Retirement Systems to maintain complete investment accounting records.

The accompanying schedules present various statistical information relating to investments and investment income.

DISTRIBUTION OF INVESTMENTS BY TYPE  
(000'S OMITTED)

SCRS	June 30, 1979		June 30, 1978		June 30, 1977	
	<u>Par Value</u>	<u>% of Total</u>	<u>Par Value</u>	<u>% of Total</u>	<u>Par Value</u>	<u>% of Total</u>
U. S. Treasury Bills	\$ 256,205	16.6%	\$ 116,870	8.7%	\$ 78,645	6.7%
U. S. Government Agencies	172,162	11.1%	151,793	11.3%	103,951	8.8%
Insured Merchant Marine Bonds	157,233	10.2%	114,969	8.5%	97,270	8.2%
State of South Carolina Institutions	4,545	.3%	13,116	1.0%	14,000	1.2%
Corporate Bonds:						
Industrials	454,712	29.3%	482,050	35.8%	480,375	40.7%
Utilities	405,541	26.2%	386,319	28.7%	364,195	30.8%
Rails	18,352	1.2%	18,731	1.4%	19,078	1.6%
Financial & Other	78,600	5.1%	62,600	4.6%	23,600	2.0%
	<u>\$1,547,350</u>	<u>100.0%</u>	<u>\$1,346,448</u>	<u>100.0%</u>	<u>\$1,181,114</u>	<u>100.0%</u>

PORS						
U. S. Treasury Bills	\$ 15,735	14.1%	\$ 9,865	10.4%	\$ 9,215	11.6%
U. S. Government Agencies	26,406	23.6%	25,049	26.5%	19,823	25.0%
Insured Merchant Marine Bonds	8,922	8.0%	4,500	4.7%	2,000	2.5%
Corporate Bonds:						
Industrials	26,549	23.8%	27,521	29.1%	25,702	32.4%
Utilities	19,215	17.2%	18,310	19.4%	18,310	23.0%
Financial & Other	14,900	13.3%	9,380	9.9%	4,380	5.5%
	<u>\$ 111,727</u>	<u>100.0%</u>	<u>\$ 94,625</u>	<u>100.0%</u>	<u>\$ 79,430</u>	<u>100.0%</u>

# DISTRIBUTION OF INVESTMENTS BY TYPE (CONTINUED)

(000'S OMITTED)

GARS	June 30, 1979		June 30, 1978		June 30, 1977	
	<u>Par Value</u>	<u>% of Total</u>	<u>Par Value</u>	<u>% of Total</u>	<u>Par Value</u>	<u>% of Total</u>
U. S. Treasury Bills	\$ 835	16.3%	\$ 420	9.7%	\$ 470	12.8%
U. S. Government Agencies	1,900	37.0%	1,900	44.0%	1,600	43.6%
Insured Merchant Marine Bonds	400	7.8%	-0-	-0-	-0-	-0-
Corporate Bonds:						
Industrials	1,500	29.2%	1,500	34.7%	1,300	35.4%
Utilities	300	5.8%	300	7.0%	300	8.2%
Financial & Other	200	3.9%	200	4.6%	-0-	-0-
	<u>\$ 5,135</u>	<u>100.0%</u>	<u>\$ 4,320</u>	<u>100.0%</u>	<u>\$ 3,670</u>	<u>100.0%</u>

# DISTRIBUTION OF INVESTMENTS BY MATURITY DATE

(000'S OMITTED)

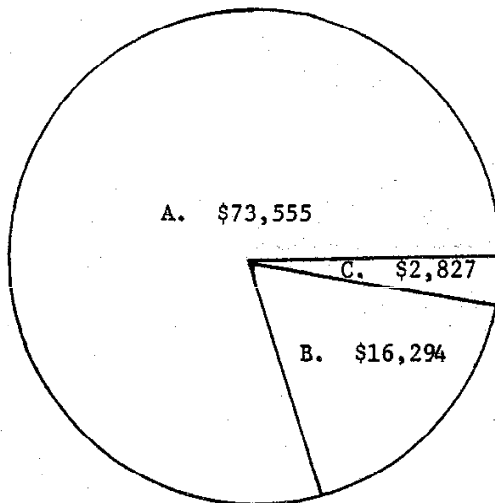
JUNE 30, 1979

	SCRS		PORS		GARS	
	<u>Par Value</u>	<u>% of Total</u>	<u>Par Value</u>	<u>% of Total</u>	<u>Par Value</u>	<u>% of Total</u>
0 - 5 Years	\$ 293,381	19.0%	\$ 30,935	27.7%	\$ 835	16.3%
6 - 10 Years	46,978	3.0%	10,508	9.4%	400	7.8%
11 - 15 Years	29,066	1.9%	3,824	3.4%	-	-
16 - 20 Years	254,668	16.4%	17,859	16.0%	1,700	33.1%
21 - 25 Years	476,504	30.8%	20,303	18.2%	1,200	23.4%
26 - 30 Years	380,408	24.6%	25,393	22.7%	1,000	19.4%
Over 30 Years	66,345	4.3%	2,905	2.6%	-	-
	<u>\$1,547,350</u>	<u>100.0%</u>	<u>\$111,727</u>	<u>100.0%</u>	<u>\$5,135</u>	<u>100.0%</u>

# EXPENDITURES DISTRIBUTION

(000'S OMITTED)

## SCRS

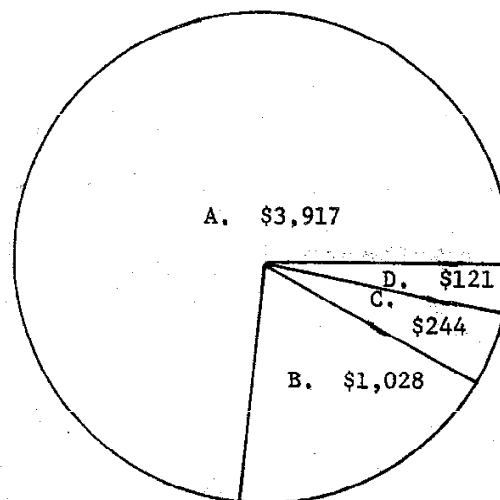


- A. Annuity Benefits
- B. Member Refunds
- C. Group Life Benefits

Percentage of  
Expenditures

79	78
79.3%	78.5%
17.6%	18.5%
3.1%	3.0%

## PORS

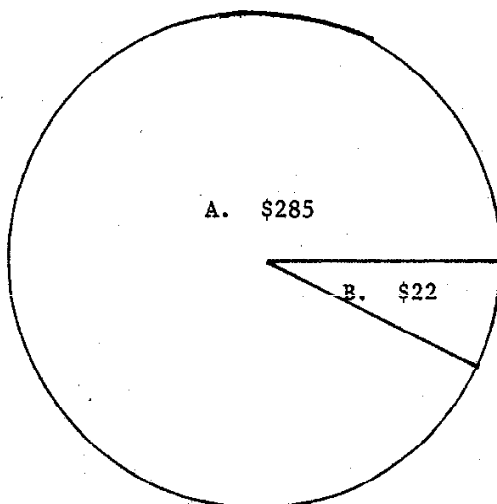


- A. Annuity Benefits
- B. Member Refunds
- C. Group Life Benefits
- D. Accidental Death Benefits

Percentage of  
Expenditures

79	78
73.8%	72.4%
19.3%	20.2%
4.6%	4.9%
2.3%	2.5%

## GARS



- A. Annuity Benefits
- B. Member Refunds
- C. Group Life Benefits

Percentage of  
Expenditures

79	78
92.9%	98.1%
7.1%	1.9%
-0-	-0-

## EXPENDITURES:

The Systems' disbursements consist of monthly annuity benefits, refunds of member contributions, and payments of group life insurance benefits. We disburse monthly benefits to former members based upon normal service retirement as well as disability retirement.

A summary of our retirant population follows:

<u>June 30,</u>	<u>SCRS</u>		<u>PORS</u>		<u>GARS</u>	
	<u>Number</u>	<u>% Increase</u>	<u>Number</u>	<u>% Increase</u>	<u>Number</u>	<u>% Increase</u>
1979	21,385	7.2%	1,265	10.8%	49	14.0%
1978	19,946	7.3%	1,142	10.8%	43	(2.2)%
1977	18,591	12.6%	1,031	12.9%	44	1.6%

Based upon disbursements by the SCRS for the month of June, 1979, there were 12,284 public school retirees receiving an average benefit of \$312 as compared to 11,661 public school retirees receiving an average benefit of \$295 for June, 1978. In addition, there were 6,604 State employees receiving an average annuity of \$295, and 2,497 retirees from other political subdivisions receiving an average annuity of \$196 for the month of June, 1979.

June disbursements by the PORS reflected a total of 1,265 retirees receiving an average annuity of \$256 for 1979 as opposed to 1,142 retirees receiving an average \$238 annuity for 1978.

Under the SCRS disability retirement program, there were 2,365 retirees receiving an average benefit of \$273 and 182 retirees under the PORS program receiving an average benefit of \$239.

A five year comparison of annuity benefits follows:

Year Ended June 30,	SCRS		PORS		GARS	
	<u>Amount</u>	<u>% Increase</u>	<u>Amount</u>	<u>% Increase</u>	<u>Amount</u>	<u>% Increase</u>
1979	\$73,555,311	13.4%	\$3,916,845	17.1%	\$284,924	36.2%
1978	64,853,794	15.8%	3,347,173	23.7%	209,235	8.3%
1977	55,994,358	20.3%	2,704,860	19.8%	193,114	47.3%
1976	46,557,461	18.1%	2,258,458	26.6%	131,117	50.8%
1975	39,429,153	26.1%	1,779,809	7.7%	86,920	10.7%

In addition to the benefits originally calculated for retired members, periodic cost of living increases are provided. Effective July 1, 1979 a total of 18,837 SCRS retirees and 1,070 PORS retirees were eligible for a 4% per month cost of living increase totaling approximately \$216,000 and \$10,400 respectively. These retirees also received a special one time 2% cost of living increase approved by the General Assembly, effective July 1, 1979.

Each of the Systems also administers a group life insurance program under which a lump sum benefit is payable to the beneficiary or estate of a covered employee. The benefit under this program is equal to the annual earnable compensation of the member at the time of death.

During fiscal year 78-79 the SCRS disbursed 245 insurance claims totaling \$2,826,971, or an average of \$11,539, compared to 240 claims averaging \$10,427 for the fiscal year ended June 30, 1978.

The PORS paid an average group life insurance claim of \$11,088 to 22 beneficiaries during fiscal year 78-79. A total of \$229,478 was disbursed to 21 beneficiaries in fiscal year 77-78, resulting in an average claim of \$10,927.



There have been no group life insurance claims submitted to the GARS in the past two fiscal years.

The PORS administers an accidental death program under which the beneficiary of a member killed in the actual performance of duty receives a monthly benefit equal to 50% of the member's compensation at the time of death. The beneficiaries of 28 members were receiving an average monthly benefit of \$417 in the month of June, 1979.

Refunds of employee contributions and accumulated interest are made to members who leave covered service prior to retirement. During fiscal year 78-79 a total of \$16,294,460 was paid to 15,312 SCRS members, resulting in an average benefit of \$1,064. This compares to an average benefit of \$835 paid in fiscal year 77-78.

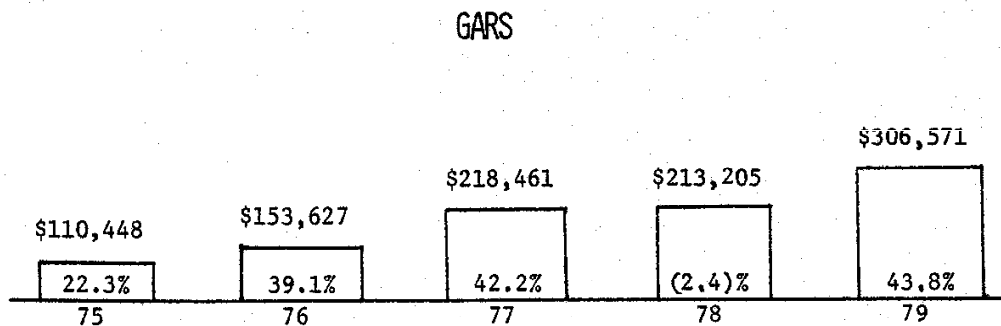
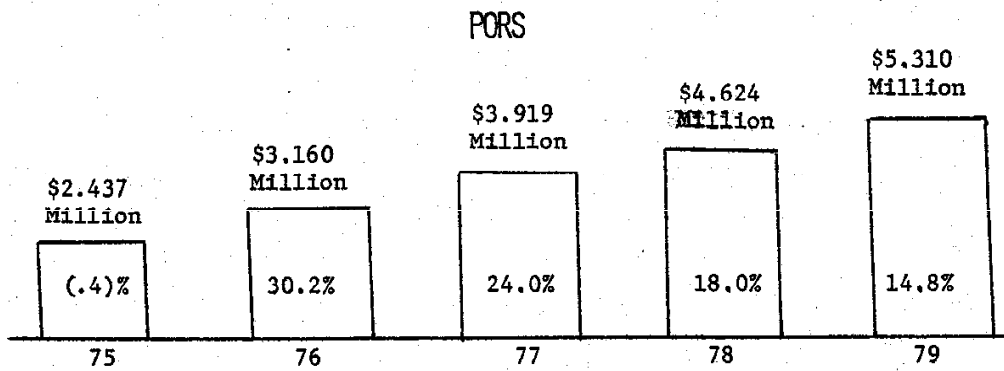
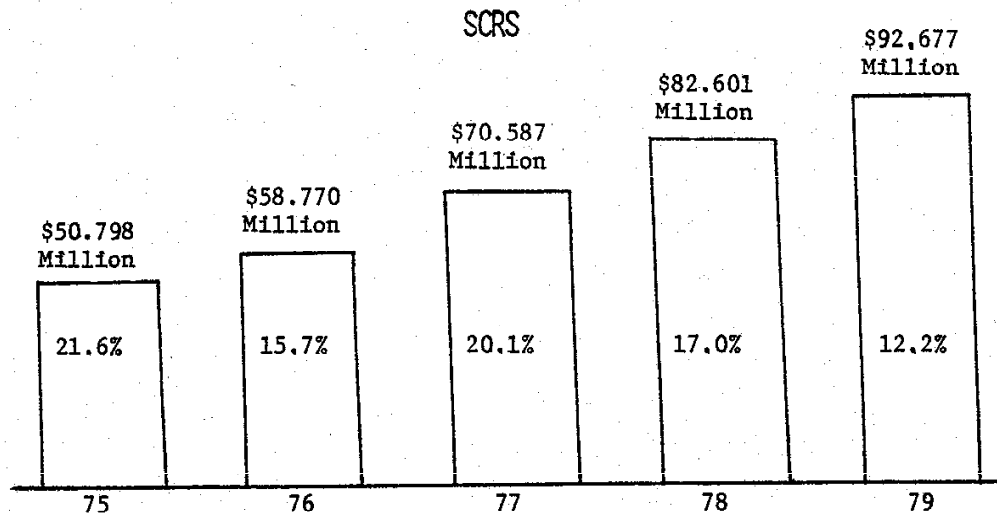
The PORS disbursed a total of 956 checks equaling \$1,028,224 in fiscal year 78-79 while the GARS disbursed 9 checks for a total of \$21,646.

A five year comparison of refund payments follows:

Year Ended June 30,	SCRS		PORS		GARS	
	Amount	% Change	Amount	% Change	Amount	% Change
1979	\$16,294,460	6.9%	\$1,028,224	10.2%	\$21,646	445.2%
1978	15,244,971	25.4%	933,193	16.6%	3,970	(65.0)%
1977	12,161,638	25.1%	800,570	62.5%	11,347	(26.8)%
1976	9,723,373	10.4%	492,653	41.1%	15,510	(20.6)%
1975	8,810,675	4.6%	349,204	(13.8)%	19,528	150.5%

## GROWTH OF EXPENDITURES

Total expenditures and percentage increases over the past five (5) years were as follows:



## CURRENT LEGISLATION:

A summary of amendments to the Retirement Act made during the 1979 Session of the Legislature follows:

Act 16 removes the early retirement penalty for those retirees under the SCRS who retired prior to July 1, 1975 with at least 30 years of service but less than 35 years of service and who were under 65 years of age.

Act 31 prohibits the mandatory retirement of teachers, solely due to age, prior to the attainment of age 70.

Act 82 reduces the vesting period under the SCRS from 15 years to 5 years and from 20 years to 5 years for the PORS, thus, a member with at least 5 years of service credit who leaves his contributions on deposit with the System will be eligible for a monthly benefit beginning at age 60 under the SCRS and at age 55 under the PORS.

Act 102 extends the period for which a disability retirement application is valid from 90 days to 6 months for all three Systems.

The 1979 General Appropriation Act contained the following provisions:

- a. Raised the earnings limitation for retirees returning to covered employment from \$4000 to \$4500 per year. This provision is applicable to retirees under the SCRS and PORS.
- b. Effective July 1, 1979 adds a one time 2% cost of living increase for those retirees who have been retired for two Decembers. This is in addition to the 4% cost of living increase granted by the System. This provision is applicable to retirees under the SCRS and PORS.
- c. Effective July 1, 1980 the State will pay basic hospitalization cost for retired State employees and teachers.

Act 150 of the Acts and Joint Resolution of South Carolina, 1979 established, effective July 1, 1979, the Retirement System for Judges and Solicitors of the State of South Carolina for the purpose of providing retirement allowances and other benefits for judges and solicitors.

## FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND FUND BALANCES  
SOUTH CAROLINA RETIREMENT SYSTEM

	JUNE 30, 1979	JUNE 30, 1978
<b>ASSETS</b>		
Cash	\$ 1,272,193	\$ 2,935,713
Accounts Receivable	24,557,817	25,892,991
Investments, at adjusted amortized cost	1,536,200,162	1,341,837,830
	<u>\$1,562,030,172</u>	<u>\$1,370,666,534</u>
<b>FUND BALANCES</b>		
Employee Annuity Savings Fund	\$ 450,853,114	\$ 393,901,596
Employer Annuity Accumulation Fund	1,102,413,877	969,820,812
Employer Group Life Insurance Fund	8,763,181	6,944,126
	<u>\$1,562,030,172</u>	<u>\$1,370,666,534</u>

See notes to financial statements.

STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
SOUTH CAROLINA RETIREMENT SYSTEM

	Employee Annuity Savings Fund	
	Year Ended June 30,	
	<u>1979</u>	<u>1978</u>
Revenues:		
Contributions by Members		
State Department Employees	\$ 32,937,762	\$ 28,627,262
Public School Employees	28,840,668	25,967,433
Other Political Subdivision Employees	9,225,263	8,449,238
Contributions by Employers		
State Department Employers		
Public School Employers		
Other Political Subdivision Employers		
Supplemental Retirement Benefits Funded by the State		
Investment Transactions		
Earnings on investments		
Amortization of July 1, 1971 deferred yield adjustment		
Total Revenues	71,003,693	63,043,933
Expenditures:		
Regular Retirement Benefits		
Supplemental Retirement Benefits		
Group Life Insurance Payments		
Refunds of Contributions to Members	16,294,460	15,244,971
Total Expenditures	16,294,460	15,244,971
Interfund Transfers According to Statutory Requirements:		
Contributions by Members at Retirement	(12,819,696)	(13,486,960)
Interest Credited to Members' Accounts	15,061,981	13,235,510
Net Interfund Transfers	2,242,285	(251,450)
Net Change in Fund Balance	56,951,518	47,547,512
Fund Balance at Beginning of Year	393,901,596	346,354,084
Fund Balance at End of Year	<u>\$450,853,114</u>	<u>\$393,901,596</u>

See notes to financial statements.

Employer Annuity  
Accumulation Fund  
Year Ended June 30,  
1979                      1978

\$ 43,541,811	\$ 39,187,659
38,687,287	34,016,658
10,933,644	10,160,700
6,915,186	6,397,326
109,270,465	92,149,601
<u>(957,732)</u>	<u>(957,732)</u>
208,390,661	180,954,212
66,640,125	58,456,468
6,915,186	6,397,326
<u>73,555,311</u>	<u>64,853,794</u>
12,819,696	13,486,960
<u>(15,061,981)</u>	<u>(13,235,510)</u>
<u>(2,242,285)</u>	<u>251,450</u>
132,593,065	116,351,868
<u>969,820,812</u>	<u>853,468,944</u>
<u>\$1,102,413,877</u>	<u>\$969,820,812</u>

Employer Group Life  
Insurance Fund  
Year Ended June 30,  
1979                      1978

\$1,911,425	\$1,688,838
1,709,270	1,481,426
485,216	486,593
540,115	282,279
<u>4,646,026</u>	<u>3,939,136</u>
2,826,971	2,502,441
<u>2,826,971</u>	<u>2,502,441</u>
1,819,055	1,436,695
<u>6,944,126</u>	<u>5,507,431</u>
<u>\$8,763,181</u>	<u>\$6,944,126</u>



STATEMENT OF ASSETS AND FUND BALANCES  
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

	JUNE 30, 1979	JUNE 30, 1978
<b>ASSETS</b>		
Cash	\$ 291,066	\$ 395,674
Accounts Receivable	1,464,802	1,460,490
Investments, at adjusted amortized cost	110,992,863	94,362,426
	<hr/>	<hr/>
	<u>\$112,748,731</u>	<u>\$96,218,590</u>
 <b>FUND BALANCES</b>		
Employee Annuity Savings Funds	\$ 24,434,475	\$21,352,433
Employer Annuity Accumulation Funds	85,862,521	72,972,100
Employer Accidental Death Fund	902,296	656,371
Employer Group Life Insurance Fund	1,549,439	1,237,686
	<hr/>	<hr/>
	<u>\$112,748,731</u>	<u>\$96,218,590</u>

See notes to financial statements.

STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

	Employee Annuity Savings Funds Year Ended June 30, <u>1979</u>	<u>1978</u>
Revenues:		
Employee Contributions		
State Department Employees	\$ 1,940,001	\$ 1,679,972
Other Political Subdivision Employees	<u>2,330,380</u>	<u>2,116,516</u>
Total Revenues	4,270,381	3,796,488
Expenditures:		
Refunds to Members	1,028,224	933,193
Interfund Transfers According to Statutory Requirements:		
Contributions by Members at Retirement	(964,608)	(500,479)
Interest Credited to Members' Accounts	<u>804,493</u>	<u>702,962</u>
Net Interfund Transfers	<u>(160,115)</u>	<u>202,483</u>
Net Change in Fund Balance	3,082,042	3,065,778
Fund Balance at Beginning of Year	<u>21,352,433</u>	<u>18,286,655</u>
Fund Balance at End of Year	<u>\$24,434,475</u>	<u>\$21,352,433</u>

See notes to financial statements.

STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)  
AND CHANGES IN FUND BALANCES  
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

	Employer Annuity Accumulation Funds Year Ended June 30,	
	<u>1979</u>	<u>1978</u>
Revenues:		
Employer Contributions		
State Departments	\$ 3,802,607	\$ 3,323,696
Other Political Subdivisions	4,866,615	4,406,477
Supplemental Retirement Benefits		
Funded by the State	119,543	137,841
Investment Transactions		
Earnings on Investments	7,868,560	6,126,791
Amortization of July 1, 1971 deferred yield adjustment	<u>(10,174)</u>	<u>(10,174)</u>
Total Revenues	16,647,151	13,984,631
Expenditures:		
Regular Retirement Benefits	3,797,302	3,209,332
Supplemental Retirement Benefits	119,543	137,841
Group Life Insurance Benefits		
Accidental Death Benefits		
Total Expenditures	3,916,845	3,347,173
Interfund Transfers According to Statutory Requirements:		
Contributions by Members at Retirement	964,608	500,479
Interest Credited to Members' Accounts	<u>(804,493)</u>	<u>(702,962)</u>
Net Interfund Transfers	<u>160,115</u>	<u>(202,483)</u>
Net Change in Fund Balance	12,890,421	10,434,975
Fund Balance at Beginning of Year	<u>72,972,100</u>	<u>62,537,125</u>
Fund Balance at End of Year	<u>\$85,862,521</u>	<u>\$72,972,100</u>

See notes to financial statements.

Employer Accidental  
Death Fund  
Year Ended June 30,  
1979                      1978

\$132,947                      \$116,241  
162,192                      148,476

71,460                      43,190

366,599                      307,907

120,674                      114,185

120,674                      114,185

245,925                      193,722

656,371                      462,649

\$902,296                      \$656,371

Employer Group Life  
Insurance Fund  
Year Ended June 30,  
1979                      1978

\$ 208,870                      \$ 181,972  
241,001                      220,429

105,812                      61,469

555,683                      463,870

243,930                      229,478

243,930                      229,478

311,753                      234,392

1,237,686                      1,003,294

\$1,549,439                      \$1,237,686

STATEMENT OF ASSETS AND FUND BALANCES  
RETIREMENT SYSTEM FOR MEMBERS OF THE GENERAL ASSEMBLY  
OF THE STATE OF SOUTH CAROLINA

	JUNE 30, 1979	JUNE 30, 1978
<b>ASSETS</b>		
Cash	\$ 7,911	\$ 37,081
Accounts Receivable	1,000	-0-
Investments, at adjusted amortized cost	5,106,287	4,317,255
	<u>\$5,115,198</u>	<u>\$4,354,336</u>
 <b>FUND BALANCES</b>		
Employee Annuity Savings Fund	\$1,455,099	\$1,220,771
Employer Annuity Accumulation Fund	3,660,099	3,133,565
	<u>\$5,115,198</u>	<u>\$4,354,336</u>

See notes to financial statements.

STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
RETIREMENT SYSTEM FOR MEMBERS OF THE GENERAL ASSEMBLY  
OF THE STATE OF SOUTH CAROLINA

	Employee Annuity Savings Fund		Employer Annuity Accumulation Fund	
	Year Ended June 30,		Year Ended June 30,	
	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>
Revenues:				
State Appropriations			\$ 492,500	\$ 410,080
Earnings on Investments			340,767	288,376
Contributions by Members	\$ 234,166	\$ 160,279		
Total Revenues	234,166	160,279	833,267	698,456
Expenditures:				
Retirement Benefits			284,925	209,235
Refunds to Members	21,646	3,970		
Total Expenditures	21,646	3,970	284,925	209,235
Interfund Transfers According to Statutory Requirements:				
Contributions by Members at Retirement	(25,833)	(5,915)	25,833	5,915
Interest Credited to Members' Accounts	47,641	41,102	(47,641)	(41,102)
Net Interfund Transfers	21,808	35,187	(21,808)	(35,187)
Net Change in Fund Balance	234,328	191,496	526,534	454,034
Fund Balance at Beginning of Year	<u>1,220,771</u>	<u>1,029,275</u>	<u>3,133,565</u>	<u>2,679,531</u>
Fund Balance at End of Year	<u>\$1,455,099</u>	<u>\$1,220,771</u>	<u>\$3,660,099</u>	<u>\$3,133,565</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS  
THE RETIREMENT SYSTEMS OF SOUTH CAROLINA

AUTHORIZING LEGISLATION

The South Carolina Retirement System was established, effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the 1976 South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for teachers and employees of the State and political subdivisions thereof.

The South Carolina Police Officers Retirement System was established, effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen.

The Retirement System for Members of the General Assembly of the State of South Carolina (GARS) was created, effective January 1, 1966, pursuant to the provisions of Section 9-9-20 of the Code of Laws to provide retirement allowances and other benefits for members of the General Assembly.

Responsibility for the investment of all funds of the Systems is vested in the State Treasurer under the restrictions imposed by Section 11-9-660 of the Code of Laws.

The costs of administering the Systems are appropriated annually by the General Assembly and are not reflected in the accounts of the Systems.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prior to July 1, 1971 the Systems followed accounting practices which produced carrying values in the investment portfolio which were in excess of the values as determined in conformity with acceptable methods of accounting for securities transactions. The excess of security carrying values in the investment portfolio as determined according to the accounting procedures followed by the System, and the values as determined using a deferred yield adjustment method of accounting, at July 1, 1971 was \$19,154,639 for the SCRS, \$203,480 for the PORS, and \$0 for the GARS. The respective excess carrying values are being amortized through charges to current operations using the straight-line method over a twenty year period beginning July 1, 1971.

Investments are currently valued at adjusted amortized cost (amortized cost plus unamortized deferred yield adjustments). The Systems amortize bond premium and accrete bond discount for all securities acquired after July 1, 1971 using the straight-line method based upon maturity dates.

The deferred yield adjustment method of accounting for bond exchanges prescribes when exchanges have taken place (bonds being replaced with similar bonds), the current operating statement should not show gains or losses from bond exchanges nor should the statement of assets available for retirement benefits disclose materially different carrying values for similar bonds. Under this method, the difference between the proceeds from

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
THE RETIREMENT SYSTEMS OF SOUTH CAROLINA

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the sale of a bond (which are reinvested in a similar bond) and the book value of the bond sold is not recorded as a gain or loss, but is recorded as an amount to be amortized over the future life of the bond exchanged or acquired, whichever is shorter, to offset the future interest income including accretion of any discount or amortization of any premium which results in the purchase of bonds to replace the bonds sold. Recognizing the long-term yield objectives of investing, the deferred yield adjustment method provides a more reasonable basis within a public employee retirement system to account for bond exchanges and accordingly, the use of this method provides financial information which more properly reflects the substance of the transactions.

Earnings on investments consist of interest actually received during the year (net of accrued interest on bonds purchased), less amortization of bond premium, plus accretion of bond discount, and the amortization of the deferred yield adjustment for bond exchanges since July 1, 1971. Any gains and losses arising from non-exchange bond transactions are not deferred and are recognized as current year gains and losses.

Contributions from members and employers are recorded on the accrual basis of accounting.

Interest is credited annually at the rate of 4% per annum to members' accounts based upon balances in the accounts on June 30th of the preceding year by transferring the amounts earned from the respective employer annuity accumulation funds to the members' accounts in the employee annuity savings funds.

Retirement benefits and refunds to members are not recorded until disbursed.

INVESTMENTS

Adjusted amortized cost of investments for the respective Systems is computed as follows:

SCRS

	<u>June 30, 1979</u>	<u>June 30, 1978</u>
Par value of securities	\$1,547,349,787	\$1,346,447,817
Add (deduct):		
Net unaccreted discount	(71,476,455)	(49,137,433)
Amortized cost of securities	1,475,873,332	1,297,310,384
Add unamortized deferred yield adjustments	60,326,830	44,527,446
Adjusted amortized cost	<u>\$1,536,200,162</u>	<u>\$1,341,837,830</u>



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
THE RETIREMENT SYSTEMS OF SOUTH CAROLINA

INVESTMENTS (CONTINUED)

PORS

	<u>June 30, 1979</u>	<u>June 30, 1978</u>
Par value of securities	\$111,727,039	\$94,624,858
Add (deduct):		
Net unaccreted discount	<u>(2,991,352)</u>	<u>(1,190,143)</u>
Amortized cost of securities	108,735,687	93,434,715
Add unamortized deferred yield adjustments	<u>2,257,176</u>	<u>927,711</u>
Adjusted amortized cost	<u>\$110,992,863</u>	<u>\$94,362,426</u>

GARS

Par value of securities	\$ 5,135,000	\$ 4,320,000
Add (deduct):		
Net unaccreted discount	<u>(56,499)</u>	<u>(32,469)</u>
Amortized cost of securities	5,078,501	4,287,531
Add unamortized deferred yield adjustment	<u>27,786</u>	<u>29,724</u>
Adjusted amortized cost	<u>\$ 5,106,287</u>	<u>\$ 4,317,255</u>

Contributions to and earnings of the Systems are expected to exceed retirement and withdrawal payments for an extended period of time. As a consequence of this cash flow, no provision is considered necessary for possible losses on disposal of securities in the investment portfolio because the Systems have the ability and intend to either hold the securities to maturity or exchange such securities and do not expect to realize any significant losses. Market value is one of the factors considered in the overall management of the portfolios which are governed primarily by specific statutory requirements. Independent investment counsel is retained to assist in the investment process.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
THE RETIREMENT SYSTEMS OF SOUTH CAROLINA

UNFUNDED LIABILITY

According to the latest reports issued by George B. Buck, Consulting Actuaries, Inc. the accrued liability contributions for past service costs which were not covered by assets held by the Systems as of June 30, 1978 were \$445,770,567 with respect to the SCRS, \$23,425,224 with respect to the PORS, and \$4,200,645 with respect to the GARS. Unfunded vested benefits are not calculated in the actuaries' reports.

REPORT OF THE STATE AGENT  
FOR  
SOCIAL SECURITY

On July 22, 1954, the Director of the South Carolina Retirement System on behalf of the State of South Carolina signed the Master Federal-State Agreement with the Department of Health, Education, and Welfare, as authorized by the Social Security Act, Title II, Section 218, permitting social security coverage to be extended to employees of the State and its political subdivisions.

Administration of the Social Security Act was delegated to the Director of the South Carolina Retirement System as State Agent. The responsibilities of the State Agent include negotiating Modifications to the Master Federal-State Agreement, overseeing the processing of quarterly reports of wage information and remittance of tax collected as well as providing information and consultation on the various procedures available under federal and state statutes concerning adoption of coverage.

The agreement between the State and the Social Security Administration requires that the State and all counties, municipalities, boards of education and public agencies of the State make quarterly reports of wages paid to their employees who are covered by Social Security pursuant to the Agreement. The State Agent receives these reports with the Social Security contributions (taxes), reviews and summarizes them, and forwards them to the Social Security Administration.

The State Agency processed an average of 805 quarterly Social Security wage reports in each quarter of fiscal year 78-79 covering approximately 187,000 public employees of the State, its political subdivisions and instrumentalities. Total Social Security contributions of over \$195 million were transmitted to the Social Security Administration to cover employer and employee tax liability on these reports.

The Social Security Administration has published a final regulation effective July 1, 1980, which will require the deposit of contributions in the federal reserve system within 15 days after the first two months, and 45 days after the third month of each calendar quarter. The current contribution schedule requires deposits within 45 days after the close of each quarter.

At the State level we currently require employers to remit contributions within 30 days after the close of each quarter. This schedule gives us 15 days to edit, correct and perform other necessary audit procedures to meet the 45 day deadline.

It will be necessary under the new 15-15-45 day regulation for employers to remit contributions to the State Agent within 7 days after the close of the first two months, and 30 days after the third month of each quarter. This will allow a minimum time period to perform the necessary functions at the State level prior to the deposit deadline.

The Social Security Administration has also published regulations changing from the present quarterly reporting of wages to an annual reporting plan similar to that initiated for private enterprise entities. The scheduled implementation date for this change is January 1, 1981.

Modifications to the South Carolina State Social Security Agreement approved during the year ended June 30, 1979 were as follows:

Modification No. 347, amends the effective date of Modification No. 342 from October 1, 1976 to April 1, 1957 and extends coverage to all coverage groups of employees' services.

Modification No. 348, extends coverage to employees of the Laurens County Water Resources Commission whose services are covered by the South Carolina Retirement System. The effective date of coverage was February 1, 1977.

Modification No. 349, amends Modification No. 12 by deleting Lexington County Department of Education and identifying Lexington County School District No. 1, Lexington County School District No. 2, Lexington County School District No. 3, Lexington County School District No. 4, and Lexington County School District No. 5 as additional political subdivisions participating in the South Carolina Retirement System, all effective as of the effective date of Modification No. 12.

Modification No. 350, extends coverage to employees of the Town of Sharon as an absolute coverage group. Services of elected positions, part-time positions, and positions compensated on the basis of fees are excluded from coverage. The effective date of coverage was April 1, 1978.

Modification No. 351, extends coverage to employees of the South Greenville Fire District as an absolute coverage group. Services in part-time positions were excluded from coverage. The effective date of coverage was January 1, 1978.

Modification No. 352, extends coverage to employees of the Santee-Waterloo Regional Transportation Authority as an absolute coverage group. Services in elected positions and services in positions compensated on the basis of fees are excluded from coverage. The effective date of coverage was June 15, 1978.

Modification No. 353, extends coverage to all employees of the Grand Strand Water and Sewer Authority whose services are covered by the South Carolina Retirement System. The effective date of coverage was September 1, 1978.

Modification No. 354, extended coverage to employees of the Town of Atlantic Beach as an absolute coverage group, with no exclusions from coverage. The effective date of coverage was January 1, 1979.

Modification No. 355, identified the Marion County Library as an additional political subdivision participant of the South Carolina Retirement System. The effective date of coverage was July 1, 1970.

Modification No. 356, extended coverage to employees of the Darlington County Water and Sewer Authority as an absolute coverage group, with no exclusions from coverage. The effective date of coverage was November 20, 1978.

Modification No. 357, extended coverage to employees of Piedmont Multi-County Retardation Board whose services are covered by the South Carolina Retirement System. The effective date of coverage was April 1, 1979.

Modification No. 358, extended coverage to the employees of the Town of Eutawville as an absolute coverage group. Services of elected positions, part-time positions, and positions compensated on the basis of fees are excluded from coverage. The effective date of coverage was January 1, 1979.

Modification No. 359, amended Modification No. 23 to delete the exclusion of services in 'all classes of elective positions' and extended coverage to such services for the Town of Hampton. The effective date of coverage for such services was June 1, 1977.

Modification No. 360, amended the effective date of Modification No. 353 from September 1, 1978 to September 1, 1977.

Modification No. 361, extended coverage to the employees of the Housing Authority of the City of York as an absolute coverage group. Services in all classes of elective positions and services in positions compensated on a fee basis are excluded from coverage. The effective date of coverage was September 30, 1977.

Modification No. 362, amended Modification No. 12 by deleting Orangeburg County Board of Education and adding Orangeburg County School District 1, Orangeburg County School District 2, Orangeburg County School District 3, Orangeburg County School District 4, Orangeburg County School District 6, Orangeburg County School District 7, and Orangeburg County School District 8 as additional political subdivision participants in the South Carolina Retirement System. The effective date of coverage was July 1, 1955.

Modification No. 363, extended coverage to employees of the Town of Livingston whose services are covered by the South Carolina Retirement System. The effective date of coverage was April 1, 1979.

Modification No. 364, extended coverage to employees of the Six Mile Rural Community Water District whose services are covered by the South Carolina Retirement System. The effective date of coverage was April 12, 1979.

Modification No. 365, extended coverage to the employees of the Town of Trenton as an absolute coverage group. Services of part-time positions, elected positions, and positions compensated on a fee basis are excluded from coverage. The effective date of coverage was June 21, 1979.

Statistical data for the quarter ended March 31, 1979 follows:

		<u>State Employees</u>	<u>Public School Employees</u>	<u>Municipal, County and Other Employees</u>	<u>Total</u>
Number of reports with contributions within specified range:					
Contributions					
From	To				
\$ 0	\$ 1,000	31	1	106	138
1,000	5,000	26	0	170	196
5,000	10,000	12	5	73	90
10,000	50,000	30	13	146	189
50,000	100,000	18	8	32	58
100,000	200,000	14	3	11	28
200,000	500,000	14	15	8	37
500,000	1,000,000	2	18	3	23
1,000,000	Over	8	43	1	52
		<u>155</u>	<u>106</u>	<u>550</u>	<u>811</u>

Distribution of quarterly reports by  
number of employees reported:

Number of Employees					
From	To				
No Covered Wages		4	1	7	12
1	10	50	8	183	241
11	50	29	14	170	213
51	100	12	7	59	78
101	1,000	48	50	123	221
1,001	5,000	8	24	8	40
5,001	Over	4	2	0	6
		<u>155</u>	<u>106</u>	<u>550</u>	<u>811</u>
Average number of employees per report		397	680	98	231
Average employee wages reported		\$3,031	\$2,127	\$2,022	\$2,394
Total wages reported (millions)		\$186.5	\$153.3	\$108.7	\$448.5
Percent distribution of wages		41.6%	34.2%	24.2%	100.0%



STATEMENT OF ASSETS AND FUND BALANCE  
SOCIAL SECURITY CONTRIBUTION TRUST FUND

JUNE 30, 1979

ASSETS

Cash	\$ 302,062
Accounts Receivable (Payable)	(146,756)

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\$ 155,306

FUND BALANCE

Fund Balance	<u>\$ 155,306</u>
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STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
AND CHANGES IN FUND BALANCE  
SOCIAL SECURITY CONTRIBUTION TRUST FUND

	YEAR ENDED JUNE 30, 1979
<b>RECEIPTS:</b>	
Employee and employer contributions	\$164,355,719
Employer contributions for public schools paid by the Department of Education	30,983,670
Interest assessments collected and corrections to prior reports	19,148
Total Revenues	<u>195,358,537</u>
<b>DISBURSEMENTS:</b>	
Employee and employer contributions remitted to Social Security Administration	195,186,718
Remittances to Social Security Administration for interest assessments and corrections to prior reports	19,148
Total Expenditures	<u>195,205,866</u>
Net Change in Fund Balance	<u>152,671</u>
Fund balance at beginning of year	2,635
Fund balance at end of year	<u>\$ 155,306</u>