

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)

RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS
OF THE STATE OF SOUTH CAROLINA (JSRS)

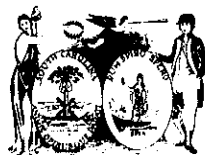
ANNUAL REPORT

JUNE 30, 1981

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South Carolina Retirement Systems



P. O. BOX 11860 - CAPITOL STATION
COLUMBIA, S. C. 29211

PURVIS W. COLLINS
DIRECTOR

December 1, 1981

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, 1981.

In the past year significant progress has been made in several areas.

Service Automation - This major project, initiated in fiscal year 1979-80 will have the capability of providing up to date information to members as to their accumulated service, retirement benefit estimates, eligibility status and accumulated contributions. As of June 30, 1981 this project is approximately 40% complete, representing completion of the analysis of 60,000 active member records.

Effective for fiscal year 1981-82 a quarterly service reporting plan was implemented to be merged with the "prior service" automation project in order to create a modern reporting system capable of providing prompt and accurate information to our membership.

Internal Audit - Effective July 1, 1980 the Agency established an internal audit position, with the responsibility of developing and implementing internal audit programs and procedures as deemed necessary to properly monitor financial and operational activity of the Systems.

Cash Receipts Automation - An automated cash receipts system was developed and implemented in the summer of 1980. The system enables us to process, deposit and invest all funds on the date of receipt, resulting in a substantial decrease in the lag time in deposit of funds in spite of an approximate 50% increase in volume of transactions.

In our continuing goal of providing the best possible service to our membership further progress has been made in the automation of many of the calculations needed to provide various benefit estimates to prospective retirees.

Honorable Richard W. Riley, Governor

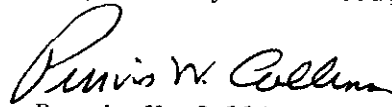
Page 2

Presently over 95% of all retirement benefit calculations are automated. This allows our retirement counselors greater time to properly analyze and interpret various alternatives available to a retiree in order to provide the best possible counseling.

Our pre-retirement education program continues to develop programs for presentation to our membership. We consider this program a vital part in the successful transition from active membership to retirement. Programs are tailored to cover such problems as "making ends meet", keeping well and fit, housing, legal concerns, as well as other factors likely to concern future retirees.

The following pages contain various statistical and financial charts and information useful in presenting a complete picture of the Systems.

Respectfully submitted,


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

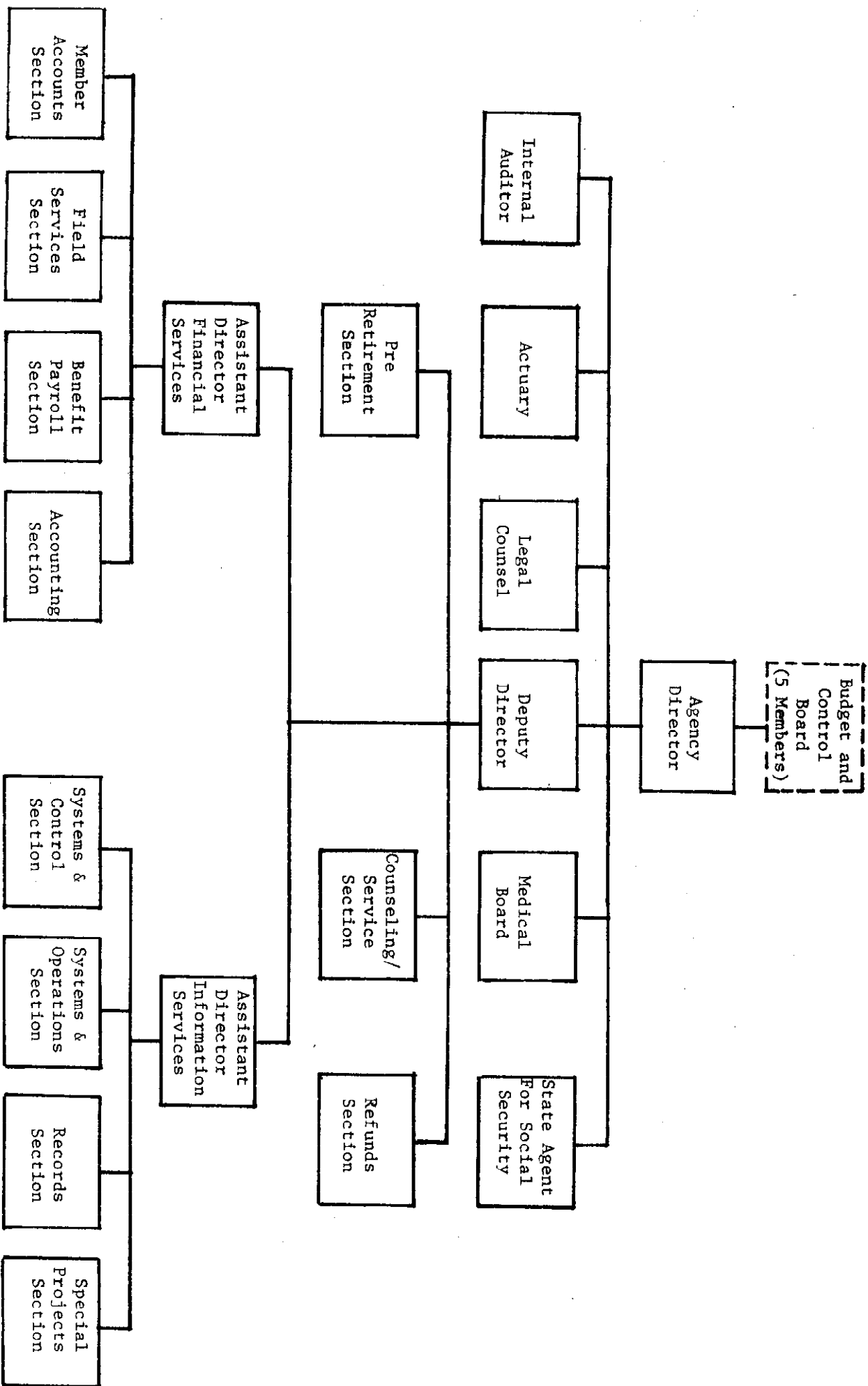
Consulting Actuary

Thomas J. Cavanaugh, F.S.A.
George B. Buck Consulting Actuaries, Inc.

Retirement System Staff

Purvis W. Collins	Director
Joseph C. Griffith	Deputy Director/ Counseling Department
E. D. Goodwin, Jr.	Assistant Director Financial Services
Henry R. Blackwell, Jr.	Assistant Director Information Services
Beverly K. Abdalla	Benefits Payroll Department
Marjorie E. Benter	Records Department
Elvena S. Bickley	Refunds Department
Brenda M. Bryant	Administration of Social Security
Phyllis C. Gardner	Pre-Retirement Education

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:

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

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

Pre-Retirement Section - A new section established in 1979 with the overall objective of better preparing the membership for retirement through conducting seminars and meetings with employer representatives covering areas such as planning for economic security, health and safety, housing and meaningful use of time.

Financial Services Division:

Accounting Section - Responsible for maintenance of records of all receipts and disbursements, investment accounting, financial accounting records, and financial control of member contribution records.

Member Accounts Section - Responsible for financial control over all detail member contribution records.

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

Field Services Section - Primary functions are to meet with governing bodies of various entities considering obtaining coverage under one or more of our programs and meeting with employers concerning reporting procedures and policies.

Information Services Division:

Systems Control and Operations Sections - Responsible for the design, implementation and control over all automation applications within the Agency.

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.

Special Projects Section - Responsible for the compiling and automation of prior retirement service credit for all members of the Retirement Systems.

The following is a summary of the costs incurred in the operations of the Division for the years ended June 30, 1981 and 1980:

	<u>1981</u>	<u>1980</u>
Personal Service		
Salaries	\$1,338,836	\$1,131,052
Fringe Benefits	213,469	172,988
	<hr/>	<hr/>
Total Personal Service	1,552,305	1,304,040
Operating Expenses:		
Contractual Services	106,028	142,048
Supplies	98,061	109,501
Rents	129,670	120,678
Travel	24,445	20,888
Equipment	11,208	14,865
Other	4,956	9,599
	<hr/>	<hr/>
Total Operating Expenses	374,368	417,579
	<hr/>	<hr/>
Total Cost of Operations	<u>\$1,926,673</u>	<u>\$1,721,619</u>

SUMMARY OF BASIC PROVISIONS

SCRS

PORS

1. Membership

Generally all employees are required to participate in the System as a condition of employment.

Generally all full time employees whose principle duties are the preservation of public order, protection or prevention and control of property destruction by fire.

2. Employee Contributions

	<u>Salary</u>	
	<u>Under</u>	<u>Over</u>
	<u>\$4800</u>	<u>\$4800</u>

Class I	3%	5%
Class II	4%	6%

Class I - \$16 per month
Class II - 5% of salary

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
7.8% of salary

Class II
10.3% of salary

Group Life Insurance

.3% of salary

.4% of salary

Accidental Death Program

N/A

.2% of salary

4. Vesting Requirements

5 years

5 years

5. Normal Retirement Age

Age 65

Age 55 with 5 years of service.

6. 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.

7. Formula for Normal Service Retirement

Class I
1% of Average Final Compensation up to \$4800 of AFC, plus 1.3% of AFC over \$4800 times years of credited service.

Class I
\$9 per month for each year of credited service.

Class II
1.75% of AFC times years of credited service.

*Rates increased to 3.7% for Class I, 7.0% and 6.15% respectively, effective July 1, 1981.

GARS

All persons are required to participate upon taking office as a member of the General Assembly.

10% of normal compensation.

Annual lump-sum appropriation.

Included within annual lump-sum appropriation.

N/A

8 years.

Age 60.

Age 60 or 30 years of credited service.

4.5% of normal compensation times years of credited service.

JSRS

All Solicitors, judges of a circuit or family court and justices of the Supreme Court are required to participate upon taking office.

7% of total salary.

Annual lump-sum appropriation.

Included within annual lump-sum appropriation.

N/A

N/A

Age 72.

Age 72 with 10 years service, Age 70 with 15 years service, Age 65 with 20 years service, 25 years service regardless of age.

Annual allowance of two-thirds of the current active salary of the position occupied at retirement.

SUMMARY OF BASIC PROVISIONS (CONTINUED)

SCRS

PORS

7. (Continued)	<p>Class II</p> <p>1.25% of AFC up to \$4800 of AFC, plus 1.65% of AFC over \$4800 times years of credited service.</p>	
8. Requirements for Disability Retirement	5 years of credited service.	5 years of credited service.
9. 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.
10. Benefit Options	<p>Maximum Benefit</p> <p>Formula benefit as calculated in item 7. Any unrecovered contributions paid upon death.</p> <p>Option 1</p> <p>Reduced benefit with lump sum payment of accumulated contributions balance reduced by 10% per year during the first ten years of retirement.</p> <p>Option 2</p> <p>Provides a reduced continued benefit of equal amount to the beneficiary of retirant.</p> <p>Option 3</p> <p>Provides a continued benefit of 50% of the retirant's annuity payable to the retirant's beneficiary.</p>	<p>Maximum Benefit</p> <p>Formula benefit as calculated in item 7. Any unrecovered contributions paid upon death.</p> <p>Option 1</p> <p>Provides a reduced continued benefit of equal amount to the beneficiary of retirant.</p> <p>Option 2</p> <p>Provides a continued benefit of 50% of the retirant's annuity payable to the retirant's beneficiary.</p> <p>Option 3</p> <p>Provides inflated benefit until social security payments begin, then annuity reduced to provide approximate level retirement income.</p>

GARS

JSRS

5 years of credited service.

5 years of credited service.

The greater of:

Service retirement formula.

- a. Service benefit based upon actual credited service.
- b. 50% of service benefit based upon continued service to earlier of age 60 or 35 years service.

Maximum Benefit

Formula benefit as calculated in item 7. Any unrecovered contributions paid upon death.

Maximum Benefit

Benefit as calculated in item 7. Continued benefit of one-third of retirant's benefit to a spouse beneficiary upon death of retirant.

Option 1

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

Optional Allowance

Provides a reduced retirement allowance to retirant with a continued benefit of one-third of the retirant's allowance to a non-spouse beneficiary.

Option 2

Provides one half of retired member's benefit to a surviving designated beneficiary.

SUMMARY OF BASIC PROVISIONS (CONTINUED)

	SCRS	PORS
10. (Continued)	Option 4 Provides inflated benefit until social security payments begin, then annuity reduced to provide approximate level retirement income.	
11. Accidental Death Program	N/A	Provides an annuity to the widow (or specified beneficiary) of a member whose death was while in performance of duty. Annuity would equal 50% of member's compensation at the time of death.
12. 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. No service requirement for death resulting from actual performance of duties.	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.
13. 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.

GARS

JSRS

N/A

N/A

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.

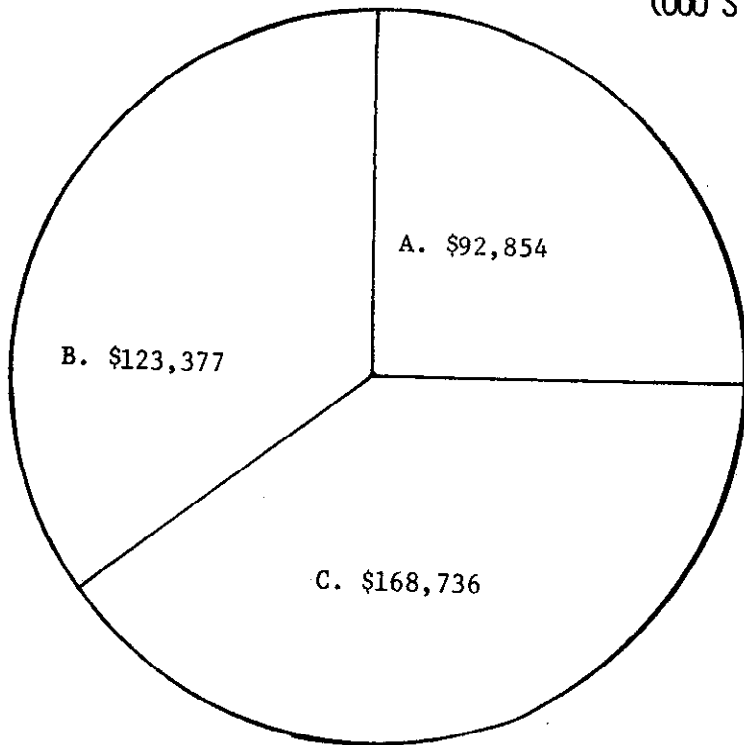
No service requirement for death resulting from actual performance of duties.

Accumulated contributions and credited interest payable within 6 months 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)

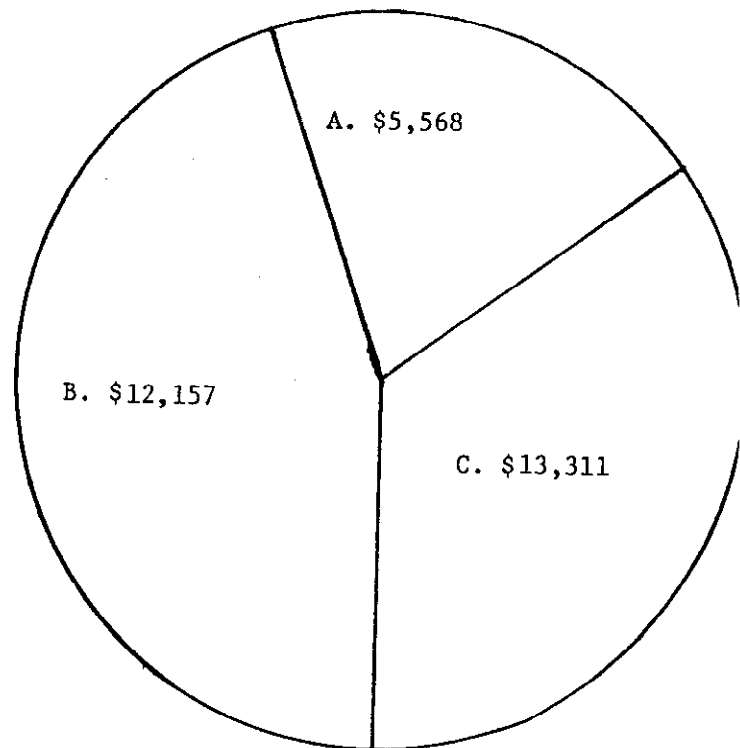


SCRS

	Percentage of Total Revenue	
	<u>81</u>	<u>80</u>
A. Employee Contributions	24.1%	25.1%
B. Employer Contributions	32.1%	33.9%
C. Investment Income	43.8%	41.0%

PORS

	Percentage of Total Revenue	
	<u>81</u>	<u>80</u>
A. Employee Contributions	17.9%	19.6%
B. Employer Contributions	39.2%	43.2%
C. Investment Income	42.9%	37.2%



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.

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 schedule presents comparisons of the distribution of our contribution revenue by type of entity:

	SCRS		PORS	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
State Departments	\$102,031	47.2%	\$ 7,881	44.5%
Public Schools	87,328	40.4%	-0-	-0-
Other Political Subdivisions	<u>26,872</u>	<u>12.4%</u>	<u>9,843</u>	<u>55.5%</u>
	<u>\$216,231</u>	<u>100.0%</u>	<u>\$17,724</u>	<u>100.0%</u>

DISTRIBUTION OF INVESTMENTS BY TYPE
(000'S OMITTED)

SCRS	June 30, 1981		June 30, 1980		June 30, 1979	
	<u>Par</u> <u>Value</u>	<u>% of</u> <u>Total</u>	<u>Par</u> <u>Value</u>	<u>% of</u> <u>Total</u>	<u>Par</u> <u>Value</u>	<u>% of</u> <u>Total</u>
U. S. Government and Agencies	\$1,109,254	55.6%	\$ 780,224	44.5%	\$ 585,600	37.9%
State of South Carolina Institutions	3,494	.2%	3,890	.2%	4,545	.3%
Corporate Bonds:						
Industrials	343,900	17.2%	446,867	25.5%	454,712	29.3%
Utilities	444,364	22.3%	425,641	24.2%	405,541	26.2%
Rails	2,485	.1%	17,938	1.0%	18,352	1.2%
Financial & Other	<u>92,798</u>	<u>4.6%</u>	<u>81,253</u>	<u>4.6%</u>	<u>78,600</u>	<u>5.1%</u>
	<u>\$1,996,295</u>	<u>100.0%</u>	<u>\$1,755,813</u>	<u>100.0%</u>	<u>\$1,547,350</u>	<u>100.0%</u>

PORS

U. S. Government and Agencies	\$ 91,869	59.7%	\$ 66,478	50.8%	\$ 51,063	45.7%
Corporate Bonds:						
Industrials	24,849	16.1%	26,899	20.6%	26,549	23.8%
Utilities	22,215	14.4%	22,215	17.0%	19,215	17.2%
Financial & Other	<u>15,100</u>	<u>9.8%</u>	<u>15,300</u>	<u>11.6%</u>	<u>14,900</u>	<u>13.3%</u>
	<u>\$ 154,033</u>	<u>100.0%</u>	<u>\$ 130,892</u>	<u>100.0%</u>	<u>\$ 111,727</u>	<u>100.0%</u>

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 revenues and expenditures as part of a continuously improving cash management program.

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

SCRS

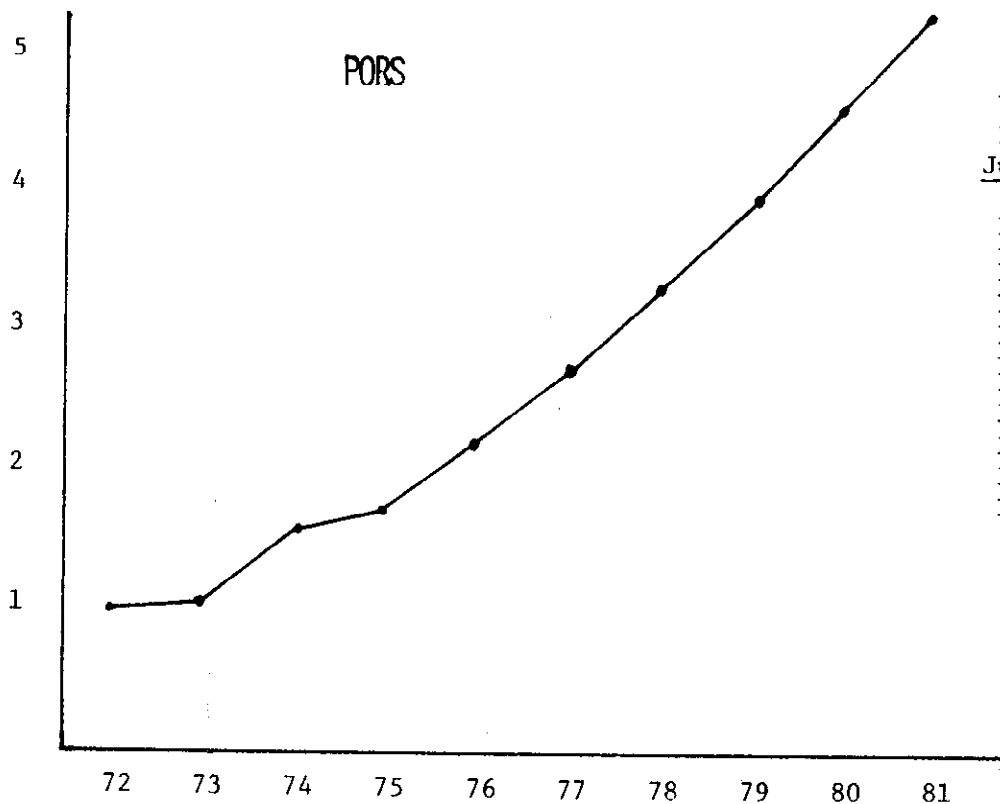
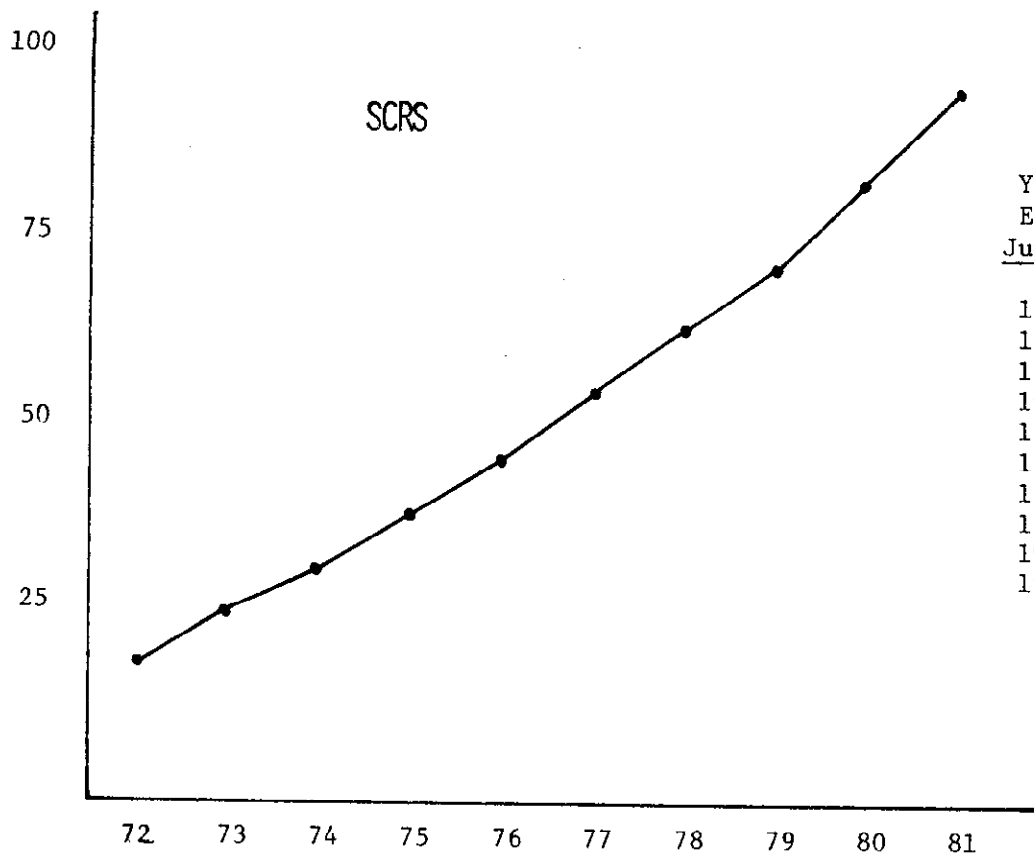
<u>Year Ended June 30,</u>	<u>Total Net Investments (000'S OMITTED)</u>	<u>Percent Increase For Year</u>	<u>Net Income From Investments (000'S OMITTED)</u>	<u>Percent Increase For Year</u>	<u>Rate of Return</u>
1981	\$2,038,004	15.5%	\$ 168,736	25.9%	9.29%
1980	1,765,251	14.9%	134,052	23.1%	8.46%
1979	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%

PORS

<u>Year Ended June 30,</u>	<u>Total Net Investments (000'S OMITTED)</u>	<u>Percent Increase For Year</u>	<u>Net Income From Investments (000'S OMITTED)</u>	<u>Percent Increase For Year</u>	<u>Rate of Return</u>
1981	\$ 154,311	18.3%	\$ 13,311	36.2%	9.77%
1980	130,912	17.9%	9,773	21.6%	8.42%
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%

GROWTH OF ANNUITY PAYMENTS

Millions of
Dollars



*Includes supplemental amounts paid by State, if applicable.

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>	SCRS		PORS	
	<u>Number</u>	<u>% Increase</u>	<u>Number</u>	<u>% Increase</u>
1981	24,415	6.9%	1,481	9.8%
1980	22,846	6.8%	1,349	6.6%
1979	21,385	7.2%	1,265	10.8%
1978	19,946	7.3%	1,142	10.8%
1977	18,591	12.6%	1,031	12.9%

Based upon disbursements by the SCRS for the month of June, 1981, there were 13,648 public school retirees receiving an average benefit of \$362 as compared to 12,916 public school retirees receiving an average benefit of \$337 for June, 1980. In addition, there were 7,784 State employees receiving an average annuity of \$337, and 2,983 retirees from other political subdivisions receiving an average annuity of \$226 for the month of June, 1981.

June disbursements by the PORS reflected a total of 1,481 retirees receiving an average annuity of \$315 for 1981 as opposed to 1,349 retirees receiving an average \$287 annuity for 1980.

Under the SCRS disability retirement program, there were 3,051 retirees receiving an average benefit of \$309 and 252 retirees under the PORS program receiving an average benefit of \$326.

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.

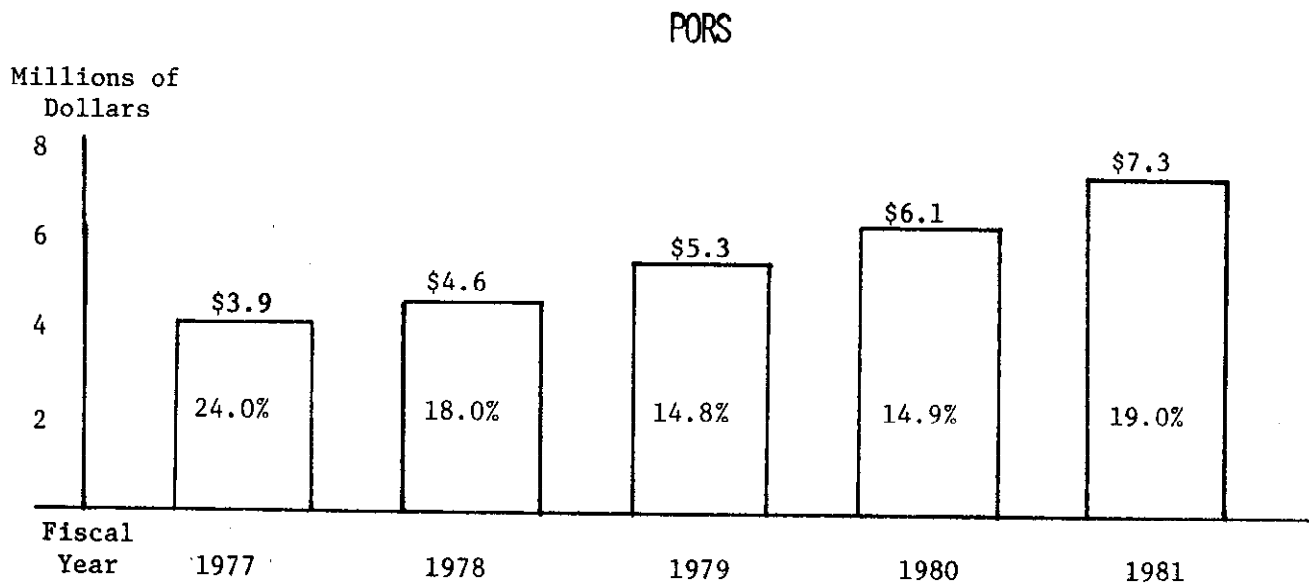
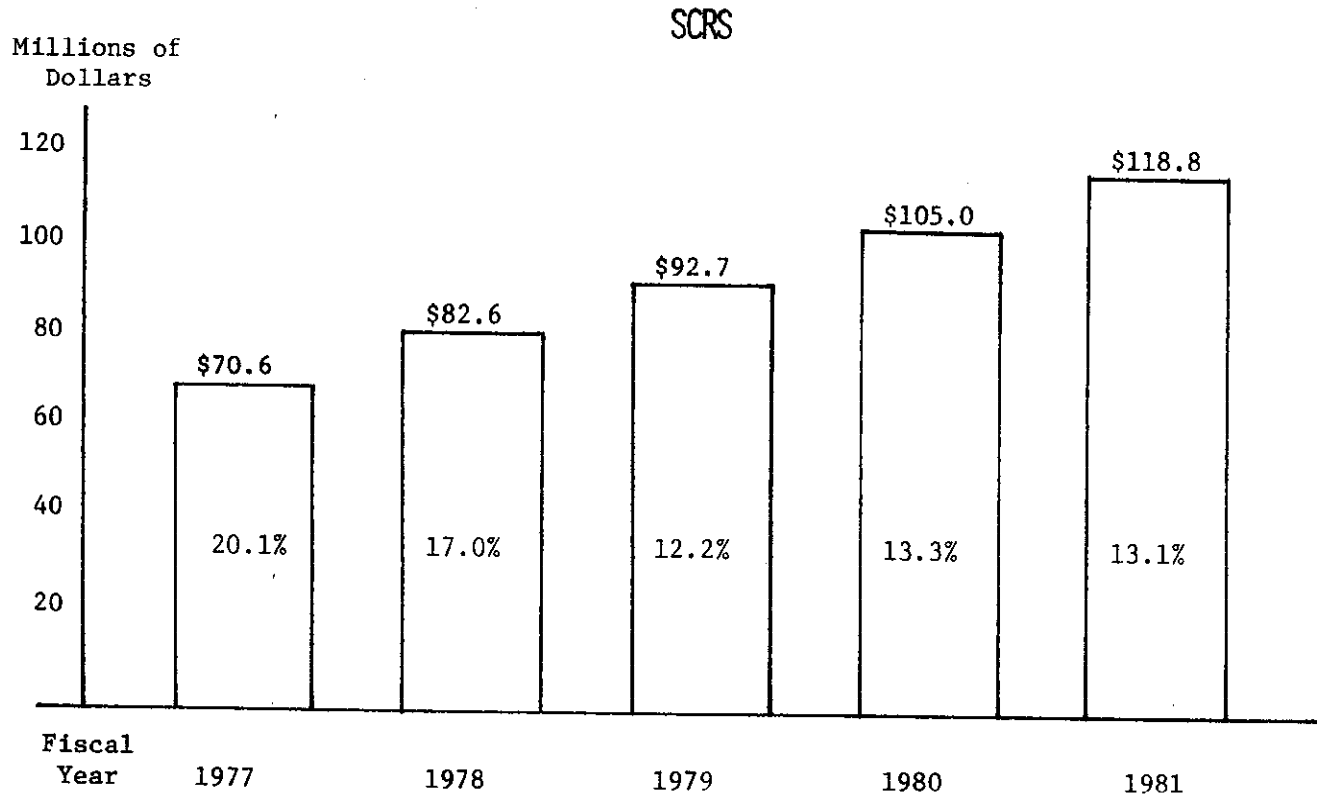
The PORS administers an accidental death program under which the beneficiary of a member killed in the actual performance of duty receives a monthly benefit equal to 50% of the member's compensation at the time of death.

Refunds of employee contributions and accumulated interest are made to members who leave covered service prior to retirement. During fiscal year 1980-81 a total of \$18,837,067 was paid to former SCRS members. This compares to a total of \$17,403,607 paid in fiscal year 1979-80.

The PORS disbursed refunds totaling \$1,168,447 in fiscal year 1980-81, compared to \$1,093,052 for fiscal year 1979-80.

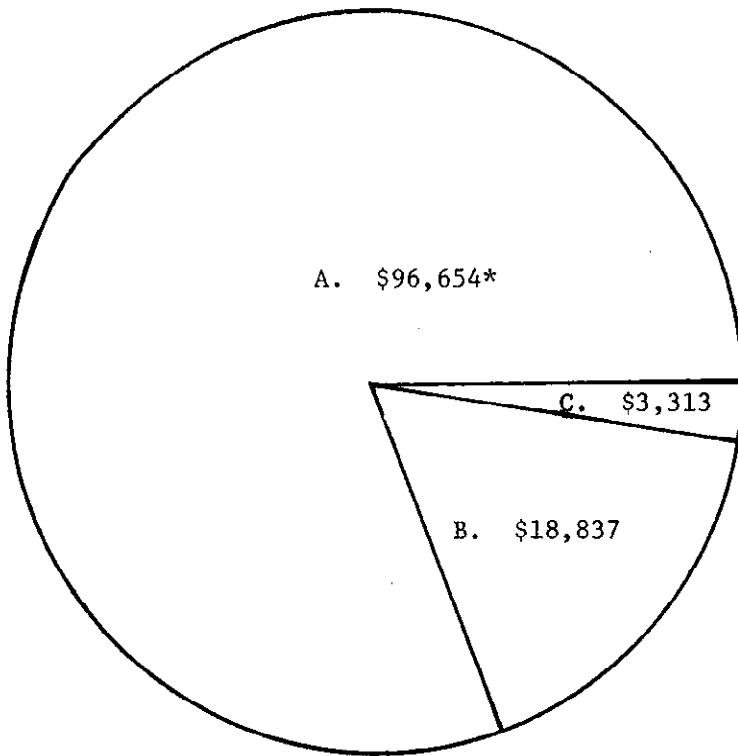
GROWTH OF EXPENDITURES

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



EXPENDITURE DISTRIBUTION (000'S OMITTED)

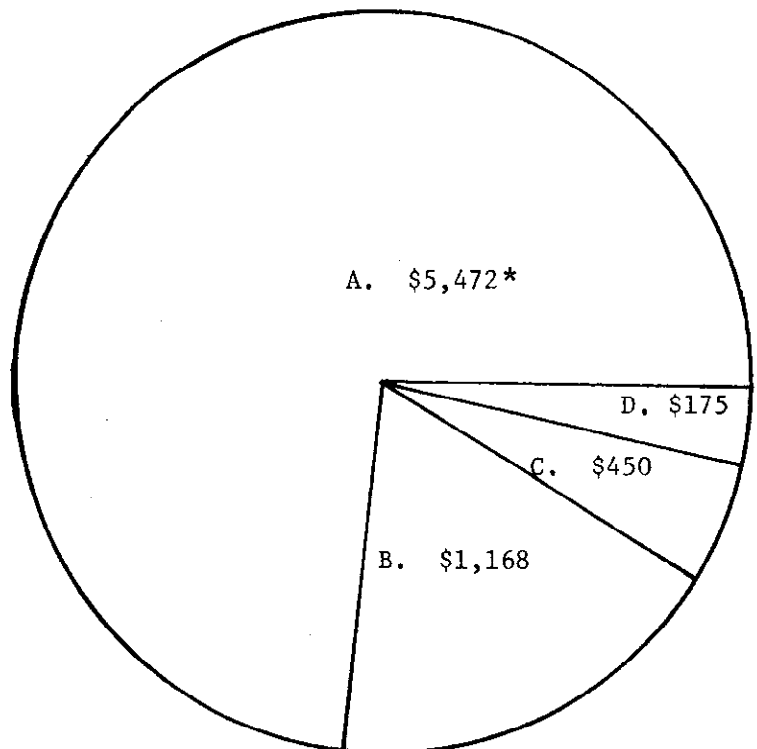
SCRS



	Percentage of Expenditures	
	<u>81</u>	<u>80</u>
A. Annuity Benefits	81.4%	80.5%
B. Member Refunds	15.8%	16.6%
C. Group Life Benefits	2.8%	2.9%

PORS

	Percentage of Expenditures	
	<u>81</u>	<u>80</u>
A. Annuity Benefits	75.3%	75.6%
B. Member Refunds	16.1%	17.9%
C. Group Life Benefits	6.2%	4.1%
D. Accidental Death Benefits	2.4%	2.4%



*Includes supplemental benefits paid by State.

CURRENT LEGISLATION:

Changes enacted during the 1981 Session of the General Assembly are as follows:

Survivor Eligibility

The beneficiary of an active member who dies in service with at least 15 years service credit is now eligible to receive a monthly allowance for life in lieu of a refund of contributions and the Group Life Insurance payment. The amendment does not change the survivor allowance eligibility for those members with at least 30 years service credit, or age 60 with 20 years, or age 65. The surviving beneficiary of these members may receive a monthly payment for life and the Group Life Insurance.

Earnings Limitation

The earnings limitation for retired members has been increased from \$5,000 to \$5,500 during a fiscal year. Retired members receiving a service allowance may return to employment for an employer covered by the Retirement Systems and earn up to \$5,500 during a fiscal year without penalty. There is no limitation if the employer is not covered by the Retirement Systems.

Cost of Living Increases

Retired members under the South Carolina Retirement System and the Police Officers Retirement System who have received a monthly allowance for at least two Decembers will receive a 4% increase effective July 1, 1981. The increase will be reflected in the check received at the end of July. In addition, the General Assembly has approved a one time increase of 2% for those retired members eligible to receive the 4% increase.

Retired members who receive the 4% cost of living increase at the end of July, and who are receiving an allowance at the beginning of November, will receive a separate check at the end of November, 1981 equal to 2% of the gross monthly benefit multiplied by twelve.

Changes in Disability Retirement

Effective July 1, 1981 the average final salary for disability retirement will be the average of the three highest consecutive fiscal years (same as service retirement). Previously, the current salary at the time of disability was used in the benefit calculation.

Also, the Act was amended to permit a disability retiree to earn a greater amount under gainful employment without penalty.

Part-Time Elected Officials

Elected officials who are considered less than full time and whose salary is \$9,000 or less annually will have an optional privilege on System membership. The amount was previously \$4,000 annually.

Act 407, passed in the 1980 legislative session created a Special Fund for the South Carolina Retirement System (employee system) to pay the 4% annual cost of living increases beginning with the increase on July 1, 1981. Previously, the increases have been paid from the regular System assets by extending the unfunded liability period. The Special Fund approach is a recommendation of the Actuary resulting from a twenty year projection study on funding.

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND FUND BALANCES
SOUTH CAROLINA RETIREMENT SYSTEM

	JUNE 30, 1981	June 30, 1980
ASSETS		
Cash	\$ 29,756	\$ 271,163
Accounts Receivable	29,438,827	26,340,147
Investments, at adjusted amortized cost	2,038,003,849	1,765,250,777
	<hr/>	<hr/>
	<u>\$2,067,472,432</u>	<u>\$1,791,862,087</u>
 FUND BALANCES		
Employee Annuity Savings Fund	\$ 587,274,724	\$ 516,679,204
Employer Annuity Accumulation Fund	1,465,545,129	1,263,860,625
Employer Group Life Insurance Fund	14,652,579	11,322,258
	<hr/>	<hr/>
	<u>\$2,067,472,432</u>	<u>\$1,791,862,087</u>

See notes to financial statements.

Employee Annuity
Savings Fund
Year Ended June 30,
1981 1980

Contributions by Members		
State Department Employees	\$ 43,734,195	\$ 39,038,044
Public School Employees	36,928,565	32,551,835
Other Political Subdivision Employees	12,191,401	10,434,682
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	92,854,161	82,024,561
Expenditures:		
Regular Retirement Benefits		
Supplemental Retirement Benefits		
Group Life Insurance Payments		
Refunds of Contributions to Members	18,837,067	17,403,607
Total Expenditures	18,837,067	17,403,607
Interfund Transfers According to Statutory Requirements:		
Contributions by Members at Retirement	(23,022,564)	(15,970,905)
Interest Credited by Members' Accounts	19,600,990	17,176,041
Net Interfund Transfers	(3,421,574)	1,205,136
Net Change in Fund Balance	70,595,520	65,826,090
Fund Balance at Beginning of Year	516,679,204	450,853,114
Fund Balance at End of Year	\$587,274,724	\$516,679,204

Employer Annuity
Accumulation Fund
Year Ended June 30,
1981 1980

Employer Group Life
Insurance Fund
Year Ended June 30,
1981 1980

\$ 55,845,768	\$ 50,690,462
48,280,177	43,059,112
14,048,180	12,234,560
9,447,144	8,123,331
168,252,892	134,055,085
<u>(957,732)</u>	<u>(957,732)</u>
294,916,429	247,204,818
87,206,355	76,429,603
9,447,144	8,123,331
<u>96,653,499</u>	<u>84,552,934</u>
23,022,564	15,970,905
<u>(19,600,990)</u>	<u>(17,176,041)</u>
<u>3,421,574</u>	<u>(1,205,136)</u>
201,684,504	161,446,748
<u>1,263,860,625</u>	<u>1,102,413,877</u>
<u>\$1,465,545,129</u>	<u>\$1,263,860,625</u>

\$ 2,451,124	\$ 2,225,480
2,119,228	1,887,136
632,218	545,674
1,441,064	954,449
<u>6,643,634</u>	<u>5,612,739</u>
3,313,313	3,053,662
<u>3,313,313</u>	<u>3,053,662</u>
<u>3,330,321</u>	<u>2,559,077</u>
<u>11,322,258</u>	<u>8,763,181</u>
<u>\$14,652,579</u>	<u>\$11,322,258</u>

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

	JUNE 30, 1981	JUNE 30, 1980
ASSETS		
Cash	\$ 15,994	\$ 124,671
Accounts Receivable	2,190,615	2,039,652
Investments, at adjusted amortized cost	154,872,127	130,912,429
	<hr/>	<hr/>
	<u>\$ 157,078,736</u>	<u>\$ 133,076,752</u>
 FUND BALANCES		
Employee Annuity Savings Fund	\$ 32,351,945	\$ 28,368,301
Employer Annuity Accumulation Funds	121,492,356	101,824,711
Employer Accidental Death Fund	1,174,813	1,026,984
Employer Group Life Insurance Fund	2,059,622	1,856,756
	<hr/>	<hr/>
	<u>\$ 157,078,736</u>	<u>\$ 133,076,752</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>1981</u>	<u>1980</u>
Revenues:		
Employee Contributions		
State Department Employees	\$ 2,496,525	\$ 2,261,888
Other Political Subdivision Employees	<u>3,071,215</u>	<u>2,874,239</u>
Total Revenues	5,567,740	5,136,127
Expenditures:		
Refunds to Members	1,168,447	1,093,052
Interfund Transfers According to Statutory Requirements:		
Contributions by Members at Retirement	(1,483,069)	(1,031,824)
Interest Credited to Members' Accounts	<u>1,067,420</u>	<u>922,575</u>
Net Interfund Transfers	<u>(415,649)</u>	<u>(109,249)</u>
Net Change in Fund Balance	3,983,644	3,933,826
Fund Balance at Beginning of Year	<u>28,368,301</u>	<u>24,434,475</u>
Fund Balance at End of Year	<u>\$32,351,945</u>	<u>\$28,368,301</u>

See notes to financial statements.

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

	Employer Annuity Accumulation Funds Year Ended June 30,	
	<u>1981</u>	<u>1980</u>
Revenues:		
Employer Contributions		
State Departments	\$ 5,088,717	\$ 4,601,031
Other Political Subdivisions	6,418,609	6,172,764
Supplemental Retirement Benefits		
Funded by the State	231,531	170,590
Investment Transactions		
Earnings on Investments	12,995,413	9,531,014
Amortization of July 1, 1971 deferred yield adjustment	<u>(10,174)</u>	<u>(10,174)</u>
Total Revenues	24,724,096	20,465,225
Expenditures:		
Regular Retirement Benefits	5,240,569	4,441,694
Supplemental Retirement Benefits	231,531	170,590
Group Life Insurance Benefits		
Accidental Death Benefits		
Total Expenditures	5,472,100	4,612,284
Interfund Transfers According to Statutory Requirements:		
Contributions by Members at Retirement	1,483,069	1,031,824
Interest Credited to Members' Accounts	<u>(1,067,420)</u>	<u>(922,575)</u>
Net Interfund Transfers	<u>415,649</u>	<u>109,249</u>
Net Change in Fund Balance	19,667,645	15,962,190
Fund Balance at Beginning of Year	<u>101,824,711</u>	<u>85,862,521</u>
Fund Balance at End of Year	<u>\$121,492,356</u>	<u>\$101,824,711</u>

See notes to financial statements.

Employer Accidental
Death Fund
Year Ended June 30,
1981 1980

\$ 98,676 \$ 89,119
121,234 106,556

102,557 76,863

322,467 272,538

174,638 147,850

174,638 147,850

147,829 124,688

1,026,984 902,296

\$1,174,813 \$1,026,984

Employer Group Life
Insurance Fund
Year Ended June 30,
1981 1980

\$ 197,331 \$ 178,234
232,243 203,880

223,401 174,852

652,975 556,966

450,109 249,649

450,109 249,649

202,866 307,317

1,856,756 1,549,439

\$2,059,622 \$1,856,756

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

	JUNE 30, 1981	JUNE 30, 1980
ASSETS		
Cash	\$ 7,501	\$ 5,804
Accounts Receivable	-0-	3,275
Investments, at adjusted amortized cost	7,038,389	6,049,221
	<hr/>	<hr/>
	<u>\$ 7,045,890</u>	<u>\$ 6,058,300</u>
FUND BALANCES		
Employee Annuity Savings Fund	\$ 1,694,211	\$ 1,647,635
Employer Annuity Accumulation Fund	5,351,679	4,410,665
	<hr/>	<hr/>
	<u>\$ 7,045,890</u>	<u>\$ 6,058,300</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 Year Ended June 30,		Employer Annuity Accumulation Fund Year Ended June 30,	
	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
Revenues:				
State Appropriations			\$ 741,548	\$ 696,899
Earnings on Investments			579,727	453,929
Contributions by Members	\$ 205,476	\$ 238,297		
Total Revenues	205,476	238,297	1,321,275	1,150,828
Expenditures:				
Retirement Benefits			490,921	358,224
Group Life Insurance				20,000
Benefits				
Refunds to Members	<u>48,240</u>	<u>67,799</u>		
Total Expenditures	48,240	67,799	490,921	378,224
Interfund Transfers According to Statutory Requirements:				
Contributions by Members at Retirement	(170,632)	(34,549)	170,632	34,549
Interest Credited to Members' Accounts	<u>59,972</u>	<u>56,587</u>	<u>(59,972)</u>	<u>(56,587)</u>
Net Interfund Transfers	<u>(110,660)</u>	<u>22,038</u>	<u>110,660</u>	<u>(22,038)</u>
Net Change in Fund Balance	46,576	192,536	941,014	750,566
Fund Balance at Beginning of Year	<u>1,647,635</u>	<u>1,455,099</u>	<u>4,410,665</u>	<u>3,660,099</u>
Fund Balance at End of Year	<u>\$1,694,211</u>	<u>\$1,647,635</u>	<u>\$5,351,679</u>	<u>\$4,410,665</u>

See notes to financial statements.

STATEMENT OF ASSETS AND FUND BALANCES
RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS
OF THE STATE OF SOUTH CAROLINA

	June 30, 1981	June 30, 1980
ASSETS		
Cash	\$ 755	\$ 3,029
Accounts Receivable	26,303	250,053
Investments, at adjusted amortized cost	3,130,007	1,510,886
	<hr/>	<hr/>
	<u>\$ 3,157,065</u>	<u>\$ 1,763,968</u>
 FUND BALANCES		
Employee Annuity Savings Fund	\$ 1,449,432	\$ 1,107,765
Employer Annuity Accumulation Fund	1,707,633	656,203
	<hr/>	<hr/>
	<u>\$ 3,157,065</u>	<u>\$ 1,763,968</u>

See notes to financial statements

STATEMENT OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCES
RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS
OF THE STATE OF SOUTH CAROLINA

	Employee Annuity Savings Fund		Employer Annuity Accumulation Fund	
	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
Revenues:				
State Appropriations			\$1,314,525	\$ 874,336
Earnings on Investments			355,311	115,553
Contributions by Members	\$ 437,678	\$1,251,203		
Total Revenues	437,678	1,251,203	1,669,836	989,889
Expenditures:				
Retirement Benefits			706,978	410,420
Group Life Insurance Benefits			-0-	44,275
Refunds to Members	7,439	22,429		
Total Expenditures	7,439	22,429	706,978	454,695
Interfund Transfers According to Statutory Requirements:				
Contributions by Members at Retirement	(129,789)	(124,446)	129,789	124,446
Interest Credited to Members' Accounts	41,217	3,437	(41,217)	(3,437)
Net Interfund Transfers	(88,572)	(121,009)	88,572	121,009
Net Change in Fund Balance	341,667	1,107,765	1,051,430	656,203
Fund Balance at Beginning of Year	1,107,765	-0-	656,203	-0-
Fund Balance at End of Year	<u>\$1,449,432</u>	<u>\$1,107,765</u>	<u>\$1,707,633</u>	<u>\$ 656,203</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.

The Retirement System for Judges and Solicitors of the State of South Carolina (JSRS) was created, effective July 1, 1979, for the purpose of providing retirement allowances and other benefits for judges and solicitors.

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 Systems, 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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

similar bonds. Under this method, the difference between the proceeds from 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 fund.

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, 1981</u>	<u>June 30, 1980</u>
Par value of securities	\$1,996,295,316	\$1,755,813,442
Add (deduct)		
Net unaccreted discount	<u>(108,250,333)</u>	<u>(81,962,694)</u>
Amortized cost of securities	1,888,044,983	1,673,850,748
Add unamortized deferred yield adjustments	<u>149,958,866</u>	<u>91,400,029</u>
Adjusted amortized cost	<u>\$2,038,003,849</u>	<u>\$1,765,250,777</u>

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

INVESTMENTS (CONTINUED)

PORS

	<u>June 30, 1981</u>	<u>June 30, 1980</u>
Par value of securities	\$154,033,473	\$130,892,078
Add (deduct):		
Net unaccreted discount	<u>(4,828,197)</u>	<u>(4,310,307)</u>
	149,205,276	126,581,771
Add unamortized deferred yield adjustments	<u>5,666,851</u>	<u>4,330,658</u>
Adjusted amortized cost	<u>\$154,872,127</u>	<u>\$130,912,429</u>

GARS

Par value of securities	\$ 6,901,672	\$ 6,058,623
Add (deduct):		
Net unaccreted discount	<u>(75,282)</u>	<u>(110,018)</u>
Amortized cost of securities	6,826,390	5,948,605
Add unamortized deferred yield adjustment	<u>211,999</u>	<u>100,616</u>
Adjusted amortized cost	<u>\$ 7,038,389</u>	<u>\$ 6,049,221</u>

JSRS

Par value of securities	\$ 3,186,000	\$ 1,550,000
Add (deduct):		
Net unaccreted discount	<u>(55,993)</u>	<u>(39,114)</u>
Amortized cost of securities	<u>\$ 3,130,007</u>	<u>\$ 1,510,886</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.

ACTUARIAL INFORMATION:

Actuarial valuations of the Systems are performed annually by an independent actuary. The most recent valuations completed are as of June 30, 1980, results of which are summarized below:

SCRS

Valuation Method - Projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability. Gains and losses are reflected in the period remaining to liquidate the unfunded accrued liability.

Interest Rate - 7% per annum, compounded annually.

Salary Increase - Range progressively from approximately 11.3% at age twenty to approximately 5.3% at age sixty-four.

Separations - Rates of separation due to withdrawal, death, service retirement, and disability are based upon tables constructed from past experience of the System.

Unfunded Accrued Liability - \$458,637,583 (includes one additional cost of living increase).

Unfunded Accrued Liability Liquidation Period - 12 years.

PORS

Valuation Method - Projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability. Gains and losses are reflected in the period remaining to liquidate the unfunded accrued liability.

Interest Rate - 7% per annum, compounded annually.

Salary Increase - Range progressively from 11.29% at age twenty to approximately 5.30% at age sixty-four.

Separations - Rates of separation due to withdrawal, death, service retirement, and disability are based upon tables constructed from past experience of the System.

Unfunded Accrued Liability - \$20,844,375 (includes five (5) additional cost of living increases).

Unfunded Accrued Liability Liquidation Period - 6 years.

ACTUARIAL INFORMATION (CONTINUED):

GARS

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

Interest Rate - 7% per annum, compounded annually.

Salary Increase - Assumed increase of 5% per annum.

Separations - Rates of separation due to withdrawal, death, disability and service retirement are based upon rates of death and disability of male and female teachers; the mortality table for service pensioners, and the disability mortality table for male teachers in use under the South Carolina Retirement System.

Unfunded Accrued Liability - \$3,297,660.

Unfunded Accrued Liability Liquidation Period - 26 years.

JSRS

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

Interest Rate - 7% per annum, compounded annually.

Salary Increase - 6% per annum, compounded annually.

Separations - Rates of separation due to withdrawal, disability and death are based upon assumed rates varying from approximately .05% at age 25 to approximately 5.0% at age 69.

Unfunded Accrued Liability - \$17,401,711.

Unfunded Accrued Liability Liquidation Period - 29 years.

INVESTMENTS
SOUTH CAROLINA RETIREMENT SYSTEM

<u>June 30, 1981</u>	<u>Par Value</u>	<u>Amortized Cost</u>
U. S. Government and Agencies	\$1,109,253,873	\$1,074,864,156
State of South Carolina Institutions	3,494,000	3,494,000
Corporate Bonds:		
Industrials	343,900,640	338,938,821
Utilities	444,364,000	376,383,679
Rails	2,485,080	2,485,080
Financial and Other	<u>92,797,723</u>	<u>91,879,247</u>
	<u>\$1,996,295,316</u>	<u>\$1,888,044,983</u>

<u>June 30, 1980</u>		
U. S. Government and Agencies	\$ 780,224,264	\$ 768,206,050
State of South Carolina Institutions	3,890,000	3,890,000
Corporate Bonds:		
Industrials	446,867,229	443,901,314
Utilities	425,641,000	359,698,540
Rails	17,937,949	17,937,949
Financial and Other	<u>81,253,000</u>	<u>80,216,896</u>
	<u>\$1,755,813,442</u>	<u>\$1,673,850,749</u>

INVESTMENTS

SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

<u>June 30, 1981</u>	<u>Par Value</u>	<u>Amortized Cost</u>
U. S. Government and Agencies	\$ 91,869,473	\$ 89,897,132
Corporate Bonds:		
Industrials	24,849,000	24,636,259
Utilities	22,215,000	19,601,513
Financial and Other	<u>15,100,000</u>	<u>15,070,372</u>
	<u>\$154,033,473</u>	<u>\$149,205,276</u>

<u>June 30, 1980</u>		
U. S. Government and Agencies	\$ 66,478,078	\$ 65,187,337
Corporate Bonds:		
Industrials	26,899,000	26,695,008
Utilities	22,215,000	19,430,391
Financial & Other	<u>15,300,000</u>	<u>15,269,035</u>
	<u>\$130,892,078</u>	<u>\$126,581,771</u>

INVESTMENTS

RETIREMENT SYSTEM FOR MEMBERS OF THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA

<u>June 30, 1981</u>	<u>Par Value</u>	<u>Amortized Cost</u>
U. S. Government and Agencies	\$4,601,672	\$4,583,095
Corporate Bonds:		
Industrials	1,500,000	1,497,861
Utilities	600,000	545,870
Financial and Other	<u>200,000</u>	<u>199,564</u>
	<u>\$6,901,672</u>	<u>\$6,826,390</u>

<u>June 30, 1980</u>		
U. S. Government and Agencies	\$3,758,623	\$3,722,128
Corporate Bonds:		
Industrials	1,300,000	1,295,488
Utilities	600,000	529,116
Financial and Other	<u>400,000</u>	<u>401,873</u>
	<u>\$6,058,623</u>	<u>\$5,948,605</u>

INVESTMENTS
RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS
OF THE STATE OF SOUTH CAROLINA

<u>June 30, 1981</u>	<u>Par Value</u>	<u>Amortized Cost</u>
U. S. Government and Agencies	\$3,180,000	\$3,124,007
Repurchase Agreement	<u>6,000</u>	<u>6,000</u>
	<u>\$3,186,000</u>	<u>\$3,130,007</u>
 <u>June 30, 1980</u>		
U. S. Government and Agencies	\$1,400,000	\$1,360,886
Repurchase Agreement	<u>150,000</u>	<u>150,000</u>
	<u>\$1,550,000</u>	<u>\$1,510,886</u>

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 Federal-State Agreement with the Department of Health and Human Services, 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 Federal-State Agreement, overseeing the processing of numerous 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 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.

Effective July 1, 1980 the Social Security Administration required remittance of contributions on a monthly basis. This plan requires the State Agent to deposit contributions in the federal reserve system thirty (30) days after the close of each month.

Regulations were also issued by the Social Security Administration eliminating the present detail quarterly wage reports and instituting an annual reporting plan similar to that in effect for private enterprise entities.

Modifications to the South Carolina State Social Security Agreement approved during the year ended June 30, 1981 are summarized below.

Modification No. 379, extended coverage to the employees of the Town of Sellers as an additional political subdivision participant of the South Carolina Retirement System. The effective date of coverage was July 1, 1980.

Modification No. 380, amended Modification No. 69 to delete the exclusion of services in 'services in part-time positions' and extended coverage to such services for the Kershaw County Hospital Board. The effective date of coverage was January 1, 1977.

Modification No. 381, extended coverage to the employees of The Hartsville Community Center Building Commission as an absolute coverage group. There are no exclusions. The effective date of coverage was November 1, 1980.

Modification No. 382, amended Modification No. 19 to delete the exclusion of services in 'services in part-time positions' and extended coverage to such services for The Mullins Hospital. The effective date of coverage was January 1, 1977.

Modification No. 383, amended Modification No. 12 by extending coverage to the employees of the Defender Corporation of Lancaster and Chester Counties as an absolute coverage group. There are no exclusions. The effective date of coverage was July 1, 1978.

Modification No. 384, identifies additional political subdivisions joining the South Carolina Retirement System.

Modification No. 385, amended Modification No. 109 to delete the exclusion of services in 'services in part-time positions' and extended coverage to such services for the Town of Wagener. The effective date of coverage was January 1, 1978.

STATEMENT OF ASSETS AND FUND BALANCE
SOCIAL SECURITY CONTRIBUTION TRUST FUND

	JUNE 30, 1981	JUNE 30, 1980
ASSETS		
Cash	\$ 237,037	\$ 140,154
Accounts Receivable	54,783	13,578
	<hr/>	<hr/>
	<u>\$ 291,820</u>	<u>\$ 153,732</u>
FUND BALANCE		
Fund Balance	<u>\$ 291,820</u>	<u>\$ 153,732</u>

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
AND CHANGES IN FUND BALANCE
SOCIAL SECURITY CONTRIBUTION TRUST FUND

	YEAR ENDED JUNE 30, 1981	YEAR ENDED JUNE 30, 1980
RECEIPTS:		
Employee and employer contributions	\$256,990,195	\$189,105,640
Employer contributions for public schools paid by the Department of Education	48,193,510	34,787,236
Interest assessments collected and corrections to prior reports	26,480	38,967
	<hr/>	<hr/>
Total Revenues	305,210,185	223,931,843
DISBURSEMENTS:		
Employee and employer contributions remitted to Social Security Administration	305,045,617	223,894,450
Remittances to Social Security Administration for interest assessments and corrections to prior reports	26,480	38,967
	<hr/>	<hr/>
Total Expenditures	305,072,097	223,933,417
	<hr/>	<hr/>
Net Change in Fund Balance	138,088	(1,574)
Fund balance at beginning of year	153,732	155,306
	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 291,820</u>	<u>\$ 153,732</u>