

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
THE RETIREMENT SYSTEMS OF SOUTH CAROLINA
YEAR ENDED JUNE 30, 1986**

South Carolina Retirement System (SCRS)

South Carolina Police Officers Retirement System (PORS)

**Retirement System For Members of the General Assembly
of South Carolina (GARS)**

**Retirement Systems for Judges & Solicitors
of the State of South Carolina (JSRS)**

**1122 Lady Street
NBSC Building
Columbia, South Carolina 29211**

**Purvis W. Collins
Director**

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INTRODUCTORY SECTION

South Carolina Retirement Systems



PURVIS W. COLLINS
DIRECTOR

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

December 31, 1986

Honorable Carroll A. Campbell, Governor
and
State Budget and Control Board
State of South Carolina

Gentlemen:

The Comprehensive Annual Financial Report of the South Carolina Retirement Systems for the fiscal year ended June 30, 1986 is submitted herewith. This report contains information on the four retirement plans administered by the State of South Carolina; the South Carolina Retirement System providing coverage for employees of the State, public schools and other political subdivisions; the Police Officers Retirement System providing coverage for policemen and firemen; the General Assembly Retirement System providing coverage to members of the General Assembly; and the Judges and Solicitors Retirement System providing coverage to the State Judges and solicitors.

This report consists of four sections. The Introduction Section contains the Director's letter of transmittal, an organizational chart of the Agency and description of responsibilities for each section and a summary of current legislative changes. The Financial Section contains the financial statements of each retirement plan and related schedules. The Actuarial Section contains a summary of plan provisions for each System and schedules of actuarial statistics. The Statistical Section contains various tables and schedules of significant data related to the System as well as summary schedules of investments.

FINANCIAL REPORTING

It is the goal of the Systems to be in compliance with generally accepted accounting principles. The System is currently reviewing present reporting practices and developing a plan to modify systems and procedures necessary in order to be in conformance with GAAP.

REVENUES

In order for a retirement system to properly fund the payments of retirement benefits in future years, it is necessary to accumulate funds on a regular and systematic basis. There are three principal sources from which the Systems derive revenues: employee contributions, employer contributions, and earnings on investments. Investment earnings in the South Carolina Retirement System and Police Officers Retirement System continue to provide in excess of 50% of the total new funds flowing into the Systems.

Total revenues for the South Carolina Retirement System rose from \$677.9 million for 1985 to \$820.6 million for 1986, an increase of almost \$143 million or 21%. The Police Officers Retirement System sustained a revenue growth rate of 38.2% with total revenues increasing from \$56.6 million in 1985 to \$78.3 million in 1986. A substantial portion of overall revenue growth is attributable to the growth in investment earnings.

EXPENSES

Expenses of the Systems consist primarily of payments of monthly annuities to retired members and their beneficiaries and the refund of member contributions upon termination. Other programs administered by the Systems include a group life insurance plan for both active and retired members, and an accidental death plan for police officers. Total annuity payments, including supplements, increased from \$171.2 million in 1985 to \$191 million in 1986, a growth of \$19.8 million or 11.6%.

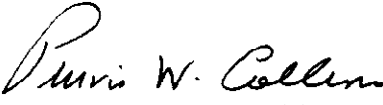
The operating costs of the Systems are funded by transfers from the systems' assets to an administrative fund.

A summary of operating costs is shown below:

	1986	1985
Personal Service:		
Salaries	\$2,917,307	\$1,762,682
Fringe Benefits	<u>545,928</u>	<u>326,504</u>
Total Personal Service	3,463,235	2,089,186
Operating Expenses:		
Contractual Services	1,133,732	561,184
Supplies	219,868	157,821
Rents & Fixed Charges	402,935	265,044
Travel	59,703	39,738
Equipment	259,529	175,965
Other	<u>13,400</u>	<u>11,709</u>
Total Operating Expenses	<u>2,089,167</u>	<u>1,211,461</u>
Total Cost of Operations	<u>\$5,552,402</u>	<u>\$3,300,647</u>

The remainder of this report contains various financial and statistical information useful in presenting a complete overview of the Systems.

Respectfully submitted,


Purvis W. Collins

JB

ADMINISTRATION

Governing Board - State Budget and Control Board
His Excellency Governor Carroll A. Campbell, Jr.
Honorable Grady L. Patterson, Jr.
Honorable Earle E. Morris, Jr.
Honorable Rembert C. Dennis

Honorable Robert N. McLellan

Jesse P. Coles, Jr., Ph. D.

Consulting Actuary
Donald M. Overholser
George B. Buck Consulting Actuaries, Inc.

Retirement System Staff

Administration

Purvis W. Collins
Joseph A. Mack
E. D. Goodwin, Jr.

Joseph C. Griffith

Henry R. Blackwell, Jr.

Brenda M. Bryant

Financial Services Division

Wayne D. Pruitt, CPA
Emory M. Kinard
Bob Davis

Beverly K. Abdalla

Insurance Benefits Division

Phyllis B. Belghley
James R. Davis

Connie L. Branham

Coralee D. Quick

Judith H. Allen

Counseling & Refunds Division

Holly Kednocker
Elvena Bickley
Phyllis C. Gardner

Information Services Division

Michael Nivens
Frances Gantt
Joyce Comisky

Chairman, Ex Officio
State Treasurer
Comptroller General
Chairman of Senate
Finance Committee

Chairman of House Ways &
Means Committee

Executive Director

Director
Deputy Director
Assistant Director,
Financial Services
Assistant Director,
Counseling
Assistant Director,
Information Services
Administration of
Social Security

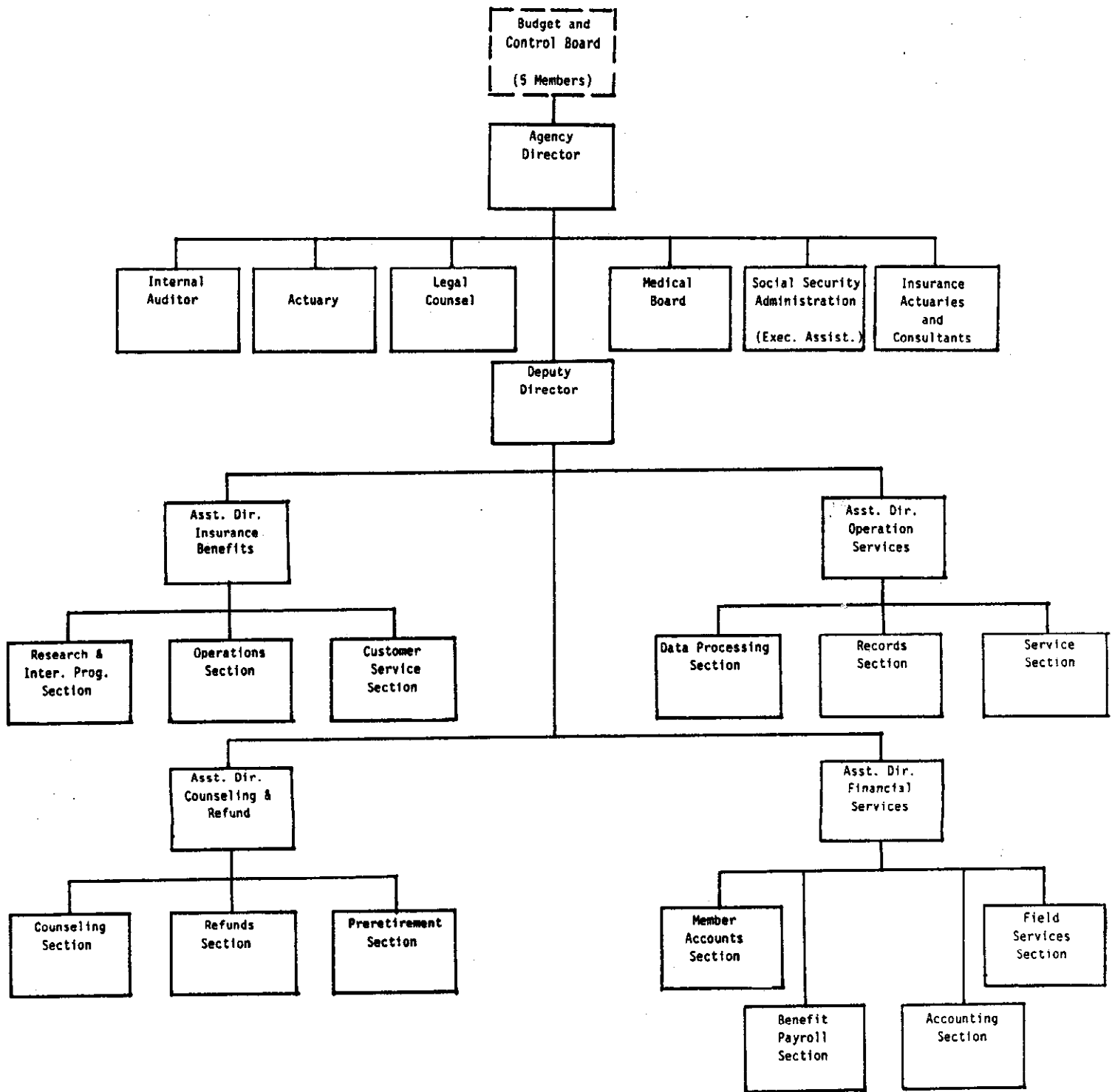
Controller
Accounting Manager
Manager, Insurance
Accounting
Benefits Payroll

Assistant Director
Manager, Research &
Intervention Section
Administration &
Enrollment Supervisor
Insurance Benefits
Supervisor
Insurance Benefits
Supervisor

Counseling Supervisor
Refund Supervisor
Pre-Retirement Education

Data Processing Manager
Records Supervisor
Service Department

SOUTH CAROLINA RETIREMENT SYSTEMS



ORGANIZATIONAL DESCRIPTION:

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:

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. Responsible for maintenance of financial records over all insurance programs.

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.

Insurance Benefits Division:

Research and Intervention Section - Responsible for performing research and evaluation functions over insurance programs and preparation of statistical information as well as evaluation of the insurance programs.

Operations Section - Responsible for the enrollment of and changes in coverage of all participants in the various available coverages.

Customer Service - Responsible for providing counseling services to participants of various health and dental programs.

Information Services Division:

Data Processing Section - 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.

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

Counseling Section - Responsible for counseling members relating to retirement, 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 section 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.

CURRENT LEGISLATION

R500 Authorizes an active member to purchase up to 5 years additional retirement service credit. The member must have at least 25 years of service credit, the amount purchased must establish eligibility to retire and the member must retire within 90 days after purchase.

The member must pay full actuarial cost and, if under the state health and dental insurance program and wishes to continue coverage, must pay the employer and employee cost for the period purchased.

*Members of Police System must be under age 55 to be eligible for purchase.

R512 Authorizes an active member to purchase a portion of out-of-state service (public service) or federal service on a one-time basis. Prior to this change, a member was required to purchase all or none.

R619 Excludes from the benefit calculation payments for unused sick leave, single special payments at retirement, bonus and incentive-type payments, or any other payments not considered a part of the regular salary base. These payments are also excluded from the contribution base. The exception is up to 45 days pay for unused annual leave at retirement.

This amendment also changes the period for which a disability application is valid from 6 months to 9 months.

The following changes were approved in the State Appropriations Bill:

1. Increased the earnings limitation from \$7,500 to \$8,000 annually. A retired member who returns to employment with an employer covered by the System is authorized to earn up to \$8,000 in a fiscal year. The month following the month (counting from July 1) in which \$8,000 is exceeded, the retirement allowance is discontinued for the remainder of the fiscal year.
2. Effective July 1, 1986, members retiring under the System will have the benefit calculated on the average of the 12 highest consecutive quarters of salary in lieu of the 3 highest consecutive fiscal years. Quarters are defined as July through September, October through December, January through March and April through June. This change is applicable to the employee-teacher and police Systems.

FINANCIAL SECTION

STATEMENT OF ASSETS AND FUND BALANCES

SOUTH CAROLINA RETIREMENT SYSTEM

ASSETS	June 30, 1986	June 30, 1985
Cash	\$ 305,417	\$ 192,194
Accounts Receivable	41,288,156	42,438,781
Investments, at adjusted amortized cost	4,197,355,754	3,580,529,729
	<u>\$4,238,949,327</u>	<u>\$3,623,160,704</u>
 LIABILITIES		
Cash Overdraft		\$ 157,956
 FUND BALANCES		
Employee Annuity Savings Fund	\$1,114,708,721	\$ 979,989,936
Employer Annuity Accumulation Fund	3,087,669,940	2,596,876,902
Employer Cost of Living Fund	-0-	9,230,937
Employer Group Life Insurance Fund	36,570,666	36,904,973
Total Fund Balances	<u>4,238,949,327</u>	<u>3,623,002,748</u>
Total Liabilities & Fund Balances	<u>\$4,238,949,327</u>	<u>\$3,623,160,704</u>

See notes to financial statements.

SOUTH CAROLINA RETIREMENT SYSTEM

Revenues

\$ 57,887,511
56,283,097
17,130,194

131,300,802

26,356,158

26,356,158

(32,366,609)

48,718,242

16,351,633

121, 296, 277

858, 693, 659

\$ 979,989,936

**STATEMENT OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)**

SOUTH CAROLINA RETIREMENT SYSTEM

Employer Annuity
Accumulation Fund
Year Ended June 30
1986 1985

Revenues:

Contributions by Employers

State Department Employers	\$ 75,302,155	\$ 68,076,51
Public School Employers	74,096,494	67,084,41
Other Political Subdivision Employers	20,012,058	18,226,21

Supplemental Retirement Benefits Funded by the State	10,024,135	11,517,61
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Investment Transactions Earnings on Investments	476,076,698	368,580,12
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Total Revenues	655,511,540	533,485,10
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Expenditures:

Regular Retirement Benefits	146,047,086	131,568,51
Supplemental Retirement Benefits	10,024,135	11,517,69
Group Life Insurance Payments		
Administrative Costs	3,526,876	2,707,97

Total Expenditures	159,598,097	145,794,18
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**Interfund Transfers According to
Statutory Requirements:**

Contributions by Members at Retirement	39,791,315	32,366,60
Interest Credited by Members' Accounts	(55,732,837)	(48,718,24
Termination of Cost of Living Fund	10,821,117	-0-

Net Interfund Transfers	(5,120,405)	(16,351,63
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Net Change in Fund Balance	490,793,038	371,339,28
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Fund Balance at Beginning of Year	2,596,876,902	2,225,537,61
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Fund Balance at End of Year	<u><u>\$3,087,669,940</u></u>	<u><u>\$2,596,876,90</u></u>
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Employer Cost of
Living Fund
Year Ended June 30,
1986 1985

Employer Group Life
Insurance Fund
Year Ended June 30,
1986 1985

\$ 9,205,221 \$ 5,210,602
9,061,646 5,131,533
2,676,390 1,602,094

\$ 3,126,708
3,079,076
846,773

1,232,010 1,155,589

\$ 5,804,977 4,429,835

22,175,267 13,099,818

\$ 5,804,977 11,482,392

20,585,087 15,470,996

6,139,294 3,380,653

20,585,087 15,470,996

6,139,284 3,380,653

(10,821,117)

(10,821,117)

(9,230,937) (2,371,178)

(334,307) 8,101,739

9,230,937 11,602,115

36,904,973 28,803,234

- 0 -

\$ 9,230,937

\$36,570,666

\$36,904,973

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

ASSETS	JUNE 30, 1986	JUNE 30, 1985
Cash	\$ 25,516	\$ 19,412
Accounts Receivable	6,645,832	2,608,456
Investments, at adjusted amortized cost	354,038,326	293,902,740
	<u>\$360,709,674</u>	<u>\$296,530,608</u>
FUND BALANCES		
Employee Annuity Savings Fund	\$ 67,079,916	\$ 56,527,952
Employer Annuity Accumulation Fund	286,189,178	233,765,812
Employer Accidental Death Fund	2,555,718	2,125,293
Employer Group Life Insurance Fund	4,884,862	4,111,551
	<u>\$360,709,674</u>	<u>\$296,530,608</u>
Total Liabilities and Fund Balances	<u>\$360,709,674</u>	<u>\$296,530,608</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 Fund 1986	1985
Revenues:		
Employee Contributions		
State Department Employees	\$ 4,552,099	\$ 3,720,254
Other Political Subdivision Employees	6,875,337	4,630,547
Total Revenues	11,427,436	8,350,801
Expenditures:		
Refunds to Members	1,982,784	1,961,273
Interfund Transfers According to Statutory Requirements:		
Contributions by Members at Retirement	(2,172,067)	(1,902,728)
Interest Credited to Members' Accounts	3,279,379	2,795,369
Net Interfund Transfers	1,107,312	892,641
Net Change in Fund Balance	10,551,964	7,282,169
Fund Balance at Beginning of Year	56,527,952	49,245,783
Fund Balance at End of Year	<u>\$67,079,916</u>	<u>\$56,527,952</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 Fund Year Ended June 30,	
	1986	1985
Revenues:		
Employer Contributions		
State Departments	\$ 9,176,961	\$ 7,563,413
Other Political Subdivisions	15,483,075	9,465,317
Supplemental Retirement Benefits Funded by the State	288,135	362,558
Investment Transactions Earnings on Investments	40,193,939	29,616,919
Total Revenues	65,142,110	47,008,207
Expenditures:		
Regular Retirement Benefits	11,034,570	9,707,783
Supplemental Retirement Benefits	288,135	362,558
Administrative Costs	288,727	218,718
Group Life Insurance Benefits		
Accidental Death Benefits		
Total Expenditures	11,611,432	10,289,059
Interfund Transfers According to Statutory Requirements:		
Contributions by Members at Retirement	2,172,067	1,902,728
Interest Credited to Members' Accounts	(3,279,379)	(2,795,369)
Net Interfund Transfers	(1,107,312)	(892,641)
Net Change In Fund Balance	52,423,366	35,826,507
Fund Balance at Beginning of Year	233,765,812	197,939,305
Fund Balance at End of Year	\$286,189,178	\$233,765,812

See notes to financial statements.

Employer Accidental
Death Fund
Year Ended June 30,
1986 1985

\$ 175,559	\$ 145,670
199,659	175,406

294,315	218,521
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<u>669,533</u>	<u>539,597</u>
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<u>239,108</u>	<u>237,473</u>
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239,108	237,473
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<u>430,425</u>	<u>302,124</u>
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<u>2,125,293</u>	<u>1,823,169</u>
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<u><u>\$2,555,718</u></u>	<u><u>\$2,125,293</u></u>
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Employer Group Life
Insurance Fund
Year Ended June 30,
1986 1985

\$ 351,087	\$ 291,339
381,319	338,682

619,707	479,523
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<u>1,352,113</u>	<u>1,109,544</u>
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578,802	332,706
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578,802	332,706
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<u>773,311</u>	<u>776,838</u>
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<u>4,111,551</u>	<u>3,334,713</u>
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<u><u>\$4,884,862</u></u>	<u><u>\$4,111,551</u></u>
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STATEMENT OF ASSETS AND FUND BALANCES
RETIREMENT SYSTEM FOR MEMBERS OF THE GENERAL ASSEMBLY
OF THE STATE OF SOUTH CAROLINA

ASSETS	June 30, 1986	June 30, 1985
Cash	\$ 6,747	\$ 2,411
Accounts Receivable	1,360	1,360
Investments, at adjusted amortized cost	<u>13,582,660</u>	<u>11,724,940</u>
	<u><u>\$13,590,767</u></u>	<u><u>\$11,728,711</u></u>
 FUND BALANCES		
Employee Annuity Savings Fund	\$ 2,971,721	\$ 2,601,845
Employer Annuity Accumulation Fund	<u>10,619,046</u>	<u>9,126,866</u>
	<u><u>\$13,590,767</u></u>	<u><u>\$11,728,711</u></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, 1986	Employee Annuity Accumulation Fund Year Ended June 30, 1986	1985
Revenues:			
Employer Contributions		\$ 934,290	
Earnings on Investments		1,114,401	
Contributions by Members	\$ 323,783		
Total Revenues	323,783	2,048,691	
Expenditures:			
Retirement Benefits		1,012,837	
Group Life Insurance Benefits		12,000	
Administrative Costs		9,045	
Refunds to Members	18,409		
Total Expenditures	18,409	1,033,882	
Interfund Transfers According to Statutory Requirements:			
Contributions by Members at Retirement	(88,401)	88,401	147,854
Interest Credited to Members' Accounts	152,903	(152,903)	(133,080)
Net Interfund Transfers	(64,502)	64,502	(14,774)
Net Change in Fund Balance	369,876	1,492,180	1,029,583
Fund Balance at Beginning of Year	2,601,845	9,126,866	8,097,283
Fund Balance at End of Year	\$2,971,721	\$10,619,046	\$9,126,866

See notes to financial statements.

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

ASSETS	June 30, 1986	June 30, 1985
Cash	\$ 3,736	\$ 3,667
Accounts Receivable	41,380	38,670
Investments, at adjusted amortized cost	<u>16,272,245</u>	<u>12,190,463</u>
	<u>\$16,317,361</u>	<u>\$12,232,800</u>
 FUND BALANCES		
Employee Annuity Savings Fund	\$ 3,527,820	\$ 3,063,316
Employer Annuity Accumulation Fund	<u>12,789,541</u>	<u>9,169,484</u>
	<u>\$16,317,361</u>	<u>\$12,232,800</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	
	1986	1985	1986	1985
Revenues:				
Employer Contributions			\$2,924,580	\$2,561,450
Earnings on Investments			2,623,498	1,592,886
Contributions by Members	\$ 501,426	\$ 505,001		
Total Revenues	501,426	505,001	5,548,078	4,154,336
Expenditures:				
Retirement Benefits			1,885,386	1,580,177
Group Life Insurance Benefits			67,641	68,807
Administrative Costs			11,916	8,000
Total Expenditures			1,964,943	1,656,984
Interfund Transfers According to Statutory Requirements:				
Contributions by Members	(211,739)	(155,080)	211,739	155,080
at Retirement				
Interest Credited to	174,817	148,770	(174,817)	(148,770)
Members' Accounts				
Net Interfund Transfers	(36,922)	(6,310)	36,922	6,310
Net Change in Fund Balance	464,504	498,691	3,620,057	2,503,662
Fund Balance at Beginning of Year	3,063,316	2,564,625	9,169,484	6,665,822
Fund Balance at End of Year	\$3,527,820	\$3,063,316	\$12,789,541	\$9,169,484

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS
THE RETIREMENT SYSTEMS OF SOUTH CAROLINA**

DESCRIPTION OF PLANS AND TERMS:

The State of South Carolina, through the Retirement Division of the State Budget and Control Board, administers four (4) contributory defined benefit pension plans as follows:

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.

Employee contributions under this system are established by law at 4% of the first \$4,800 in annual earnings and 6% of all earnings over \$4,800 per year for Class II members. Class I members contribute 3% of the first \$4,800 in annual earnings and 5% of all earnings over \$4,800 per year. Employer contributions, as required by law, are established by the Budget and Control Board at rates sufficient to cover both the liability for current service and the accrued liabilities for past service.

Employer contribution rates at June 30, 1986, were as follows:

	Class II	Class I
State Agencies	7.00%	N/A
Public Schools	7.00%	N/A
Local Subdivisions	6.15%	3.70%

Included in the above rates is a .50% contribution to a special cost-of-living fund used to fund post-retirement cost-of-living increases. In addition, the System offers a group life insurance program under which participating employers contribute .3% of covered payroll.

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.

Employee contributions under this system are established by law at 5% of annual earnings for Class II members and \$16 per month for Class I members. Employer contribution rates, as required by law, are established by the Budget and Control Board at rates sufficient to cover both the liability for current service and the accrued liabilities for past service.

Employer contribution rates at June 30, 1986 were as follows:

	Class II	Class I
State Agencies	10.3%	7.8%
Local Subdivisions	10.3%	7.8%

Description of Plans and Terms continued....

In addition, the System offers a group life insurance program under which participating employers contribute .4% of covered payroll and an accidental death plan under which employers contribute .2% of covered payroll.

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.

Employee contributions are established by law at 10% of each member's earnable compensation. Employer contributions are established annually by the Budget and Control Board at such amounts as are necessary to fund both the cost of current service and accrued liabilities for past service. The employer contribution for FY 85-86 was \$1,333,772 which includes the cost of a group life insurance plan.

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.

Employee contributions are established by law at 7% of earnable compensation. The employer contribution rate is established by the Budget and Control Board at a rate sufficient to cover the liability for both current service and past service. The employer contribution for FY 85-86 was \$2,924,580 which includes the cost of a group life insurance plan.

The number and types of employers contributing to each System and the annual covered payroll of each type for the year ended June 30, 1985 are as follows:

	State*	School	Other	Total
SCRS				
Number of Employers	166	111	363	640
Annual Covered Payroll	\$1,146,551,024	\$1,133,231,849	\$346,107,711	\$2,625,890,584
Average Number of Contributing Members	59,463	66,455	25,395	151,313
PORS				
Number of Employers	34		178	212
Annual Covered Payroll	\$ 87,590,959		\$106,468,647	\$ 194,059,606
Average Number of Contributing Members	4,974		6,291	11,265

Description of Plans and Terms continued...

	State*	School	Other	Total
GARS				
Number of Employers	2			2
Annual Covered Payroll	\$ 2,302,882			\$ 2,302,882
Average Number of Contributing Members	170			170
JSRS				
Number of Employers	2			2
Annual Covered Payroll	\$ 7,131,007			\$ 7,131,007
Average Number of Contributing Members	104			104

*Note: Each State Agency is considered a separate employer for reporting purposes.

The Systems provide benefits including normal annuity payments, early retirement annuities, deferred annuities, disability retirement benefits, accidental death benefits (PORS only), and group life insurance benefits.

A summary of retirees and beneficiaries at June 30, 1986 follows:

	SCRS	PORS	GARS	JSRS
Service retirees	27,641	1,459	92	33
Disability retirees	2,829	307		2
Beneficiaries	2,297	282	19	19
Total	32,767	2,048	111	54

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Investments are valued at adjusted amortized cost (amortized cost plus unamortized deferred yield adjustments). The Systems amortize bond premium and accrete bond discount for all securities using the straight-line method based upon maturity dates. Gains and losses on bond exchanges are accounted for under the deferral and amortization method of accounting whereby net gains and losses on bond exchanges are deferred and amortized over the shorter of the life of the bond sold or purchased.

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. Any gains and losses arising from non-exchange bond transactions are not deferred and are recognized as current year gains and losses.

Summary of Significant Accounting Policies Continued...

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

Retirement and annuity benefits, group life insurance claims and refunds to members are recorded on the cash basis of accounting.

The costs of administering the Retirement Systems are based on budgeted expenditures as authorized by the State Appropriations Act. Funds are disbursed from the respective Retirement Systems to an administrative expense fund from which actual expenditures are made.

ACTUARIAL INFORMATION

Actuarial valuations of the Systems are performed by an independent actuary. The most recent valuations completed are as of June 30, 1985, 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-five.

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 - \$210,042,646.

Unfunded Accrued Liability Liquidation Period - 4 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.

Actuarial Information continued...

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 - \$25,573,813 (Includes cost of all current and future cost-of-living adjustments to retired members and active members eligible for service retirement).

Unfunded Accrued Liability Liquidation Period - 4 years.

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 - \$9,783,310 (Includes cost of all current and future cost-of-living adjustments to retired members and active members eligible for service retirement).

Unfunded Accrued Liability Liquidation Period - 21 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.

Actuarial Information continued...

Separation's - Rates of separation due to withdrawal, disability and death are based upon assumed rates varying from approximately .15% at age 25 to approximately 9.75% at age 69.

Unfunded Accrued Liability - \$31,963,886 (Includes cost of all current and future cost-of-living adjustments to retired members and active members eligible for service retirement).

Unfunded Accrued Liability Liquidation Period - 30 years.

Cost of Living Fund

By action of the Budget and Control Board on March 26, 1985, employer contributions payable to the group life insurance fund were reallocated to the cost of living fund for fiscal year 1985-86.

In addition, effective June 30, 1986, the cost of living fund was transferred to the regular employer contributions fund. The employer contributions fund then assumed the liability for payment of all cost of living increments granted to retirees.

INVESTMENTS

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.

Adjusted amortized costs of investments for the respective Systems are shown on the following schedules:

INVESTMENTS SOUTH CAROLINA RETIREMENT SYSTEM

	June 30, 1986	June 30, 1985
	Par Value	Par Value
	Amortized Cost	Amortized Cost
Short Term Investments:		
Repurchase Agreements	\$ 119,675,000	\$ 76,315,000
Treasury Bills	151,500,000	97,143,244
Discount Notes	139,000,000	10,167,540
	<u>410,175,000</u>	<u>183,625,784</u>
U.S. Government, Agencies & Government Insured:		
Treasury Notes	247,600,000	108,398,721
Treasury Bonds	945,777,000	816,049,322
Treasury Bonds (zero coupons)	2,145,090,225	259,863,344
U.S. Government Agencies Insured Merchant Marine Bonds	715,027,827	713,945,852
	<u>154,805,718</u>	<u>321,634,519</u>
	<u>4,208,300,770</u>	<u>2,219,891,758</u>
State of South Carolina Institutions	1,668,000	2,022,000
Corporate Bonds:		
Industrials	245,760,000	228,955,928
Utilities	642,901,000	528,954,911
Rails	130,373,473	405,505
Financial & Other	<u>1,019,034,473</u>	<u>146,658,805</u>
	<u>\$5,639,178,243</u>	<u>904,975,149</u>
Total		<u>3,310,514,691</u>
Add Unamortized Deferred Yield Adjustment	229,160,416	270,015,038
Adjusted Amortized Cost of Securities	<u>580,633,589</u>	<u>\$3,580,529,729</u>
	<u>127,929,024</u>	
	<u>937,723,029</u>	
	<u>3,974,877,995</u>	
	<u>222,477,759</u>	
	<u>\$4,197,355,754</u>	

INVESTMENTS SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

	June 30, 1986		June 30, 1985	
	Par Value	Amortized Cost	Par Value	Amortized Cost
Short Term Investments:				
Repurchase Agreements	\$ 18,235,000	\$ 18,235,000	\$ 10,100,000	\$ 10,100,000
Treasury Bills	16,425,000	16,027,646	9,400,000	9,329,647
Discount Notes	10,000,000	9,685,588		
	<u>44,660,000</u>	<u>43,948,234</u>	<u>19,500,000</u>	<u>19,429,647</u>
U. S. Government, Agencies & Government Insured:				
Treasury Notes	40,150,000	40,067,565	3,400,000	3,390,154
Treasury Bonds	79,810,000	76,252,571	76,810,000	73,170,262
Treasury Bonds (Zero Coupons)	172,366,413	45,118,562	114,054,913	19,169,740
U.S. Government Agencies	59,057,539	55,568,035	69,046,554	65,281,796
Insured Merchant Marine Bonds	11,415,505	11,415,506	25,686,775	25,686,775
	<u>362,799,457</u>	<u>228,422,259</u>	<u>288,998,242</u>	<u>186,698,727</u>
Corporate Bonds:				
Industrials	22,460,000	21,059,738	15,635,000	14,156,443
Utilities	44,495,000	41,219,085	55,094,000	51,048,628
Financial and Others	6,700,000	6,702,209	6,800,000	6,802,532
	<u>73,655,000</u>	<u>68,981,032</u>	<u>77,529,000</u>	<u>72,007,603</u>
Total	<u>\$481,114,457</u>	<u>341,351,525</u>	<u>\$386,027,242</u>	<u>278,135,977</u>
Add Unamortized Deferred Yield Adjustment		12,686,800		15,766,763
Adjusted Amortized Cost of Securities		<u>\$354,038,326</u>		<u>\$293,902,740</u>

INVESTMENTS

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

	June 30, 1986		June 30, 1985	
	Par Value	Amortized Cost	Par Value	Amortized Cost
Short Term Investments:				
Repurchase Agreements	\$ 465,000	\$ 465,000	\$ 435,000	\$ 435,000
Treasury Bills	1,000,000	974,622	1,000,000	993,062
	<u>1,465,000</u>	<u>1,439,622</u>	<u>1,435,000</u>	<u>1,428,062</u>
U.S. Government, Agencies & Government Insured:				
Treasury Notes	2,400,000	2,390,131	1,250,000	1,248,111
Treasury Bonds	2,920,000	2,795,087	2,240,000	2,297,025
Treasury Bonds (Zero Coupons)	1,346,875	937,670	346,875	69,044
U.S. Government Agencies Insured Merchant Marine Bonds	2,712,302	2,454,498	3,241,849	2,974,197
	<u>534,333</u>	<u>534,333</u>	<u>703,820</u>	<u>703,820</u>
	<u>9,913,510</u>	<u>9,111,719</u>	<u>7,962,544</u>	<u>7,292,197</u>
Corporate Bonds:				
Industrials	500,000	462,700	500,000	461,156
Utilities	1,750,000	1,604,079	1,550,000	1,406,319
Financial & Others	200,000	199,650	200,000	199,632
	<u>2,450,000</u>	<u>2,266,429</u>	<u>2,250,000</u>	<u>2,067,107</u>
Total	<u>\$13,828,510</u>	<u>12,817,770</u>	<u>\$11,647,544</u>	<u>10,787,366</u>
Add Unamortized Deferred Yield Adjustment		764,890		937,574
Adjusted Amortized Cost of Securities		<u>\$13,582,660</u>		<u>\$11,724,940</u>

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

	JUNE 30, 1986		JUNE 30, 1985	
	Par Value	Amortized Cost	Par Value	Amortized Cost
Short Term Investments:				
Repurchase Agreements	\$ 1,120,000	\$ 1,120,000	\$ 215,000	\$ 215,000
Treasury Bills	415,000	415,000		
	<u>1,535,000</u>	<u>1,535,000</u>	<u>215,000</u>	<u>215,000</u>
U.S. Government, Agencies & Government Insured:				
Treasury Notes	2,200,000	2,193,677	1,790,000	1,787,236
Treasury Bonds	2,800,000	2,730,408	2,300,000	2,234,525
Treasury Bonds (zero coupons)	10,093,750	5,630,668	5,000,000	1,562,543
Government Agencies	300,000	482,996	2,250,000	2,232,382
Insured Merchant Marine Bonds	15,593,750	11,057,749	1,000,000	1,000,000
	<u>27,987,000</u>	<u>21,074,498</u>	<u>12,340,000</u>	<u>8,816,686</u>
Corporate Bonds:				
Utilities	3,675,000	3,648,516	3,175,000	3,122,806
	<u>3,675,000</u>	<u>3,648,516</u>	<u>3,175,000</u>	<u>3,122,806</u>
Total	\$20,803,750	16,241,265	\$15,730,000	12,154,492
Add Unamortized Deferred Yield Adjustment		30,980		35,971
Adjusted Amortized Cost of Securities		<u>\$16,272,245</u>		<u>\$12,190,463</u>

ACTUARIAL SECTION

SUMMARY OF BASIC PROVISIONS

	SORS	FORs	GARS	JSRS														
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.	All persons are required to participate upon taking office as a member of the General Assembly.	All solicitors, Judges of a Circuit or Family Court and Justices of the Court of Appeals and Supreme Court are required to participate upon taking office.														
2. Employee Contributions	<table><tr><td>Salary</td><td></td></tr><tr><td>Under</td><td>Over</td></tr><tr><td>\$4800</td><td>\$4800</td></tr><tr><td>Class I</td><td>3%</td></tr><tr><td>Class II</td><td>4%</td></tr><tr><td></td><td>5%</td></tr><tr><td></td><td>6%</td></tr></table>	Salary		Under	Over	\$4800	\$4800	Class I	3%	Class II	4%		5%		6%	Class I - \$16 per month. Class II - 5% of salary.	10% of normal compensation.	7% of total salary.
Salary																		
Under	Over																	
\$4800	\$4800																	
Class I	3%																	
Class II	4%																	
	5%																	
	6%																	
3. Employer Contributions	Class I - 3.7% of salary. Class II - 7.0% of salary for State Departments and Public Schools. 6.15% of salary for all other participating employers.	Class I - 7.8% of salary. 10.3% of salary	Annual lump-sum appropriation.	Annual lump-sum appropriation.														
Group Life Insurance	.3% of salary.	.4% of salary.	Included within annual lump-sum appropriation.	Included within annual lump-sum appropriation.														
Accidental Death Program	N/A	.2% of salary.	N/A	N/A														
4. Vesting Requirements	5 years - entitled to a deferred annuity commencing at age 60.	5 years - entitled to a deferred annuity commencing at age 55.	8 years.	N/A														

	SCRS	FORs	GARS	JSRS
5. Normal Retirement Age	Age 65.	Age 55 with 5 years of service.	Age 60.	Age 72.
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.	Age 60 or 30 years of credited service.	Age 72 with 10 years service, age 70 with 15 years service, age 65 with 20 years service, 25 years service regardless of age.
7. Early Retirement	Age 60 with 5% reduction for each year under age 65.	Age 50 with 25 years service, reduced by 5% for each year under age 55.	N/A	N/A
8. 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 II - 1.25% of AFC up to \$4800 of AFC, plus 1.65% 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.	4.5% of normal compensation times years of credited service.	Annual allowance of two-thirds of the current active salary of the position occupied at retirement.
9. Requirements for Disability Retirement	Five years of credited service unless disability is direct result of on-the-job injury.	Five years of credited service unless disability is direct result of on-the-job injury.	Five years of credited service unless disability is direct result of on-the-job injury.	Five years of credited service unless disability is direct result of on-the-job injury.
10. 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.	The greater of: 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.	Service retirement formula.

SCORES	PURS	GAERS	JPRS
Maximum Benefit Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death. Option 1 Reduced benefit with lump sum payment of accumulated contributions balance reduced by 10% per year during the first ten years of retirement. Option 2 Provides a reduced continued benefit of equal amount to the beneficiary of retiree. Option 3 Provides a continued benefit of 50% of the retiree's annuity payable to the retiree's beneficiary. Option 4 Provides inflated benefit until social security payments begin, then annuity reduced to provide approximate level retirement income.	Maximum Benefit Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death. Option 1 Provides a reduced continued benefit of equal amount to the beneficiary of retiree. Option 2 Provides a continued benefit of 50% of the retiree's annuity payable to the retiree's beneficiary. Option 3 Provides inflated benefit until social security payments begin, then annuity reduced to provide approximate level retirement income.	Maximum Benefit Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death. Option 1 Provides a reduced continued benefit of equal amount to the beneficiary of retiree. Option 2 Provides one-half of retired member's benefit to a surviving designated beneficiary.	Maximum Benefit Benefit as calculated in item 8. Continued benefit of one-third of retiree's benefit to a spouse beneficiary upon death of retiree. Optional Allowance Provides a reduced retirement allowance to retiree with a continued benefit of one-third of the retiree's allowance to a non-spouse beneficiary.
Revert to Maximum This feature will allow your benefits to be changed to the Maximum Benefit if you select Option 2 or 3 and your beneficiary predeceases you.	Revert to Maximum This feature will allow your benefits to be changed to the Maximum Benefit if you select Option 1 or 2 and your beneficiary predeceases you.	Revert to Maximum This feature will allow your benefits to be changed to the Maximum Benefit if you select Option 1 or 2 and your beneficiary predeceases you.	N/A

12. Post Retirement Increases	4% per year, provided Consumer Price Index for prior calendar year was 3% or higher. Actual CPI given if less than 3%.	4% per year, provided Consumer Price Index for prior calendar year was 3% or higher. Actual CPI given if less than 3%.	As legislated.	N/A
13. 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.	N/A	N/A
14. 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.	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.
15. Withdrawal of Employee Contributions	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.	No service requirement for death resulting from actual performance of duties.
	Lump sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.	Lump sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.	Lump sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.	Lump sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.
	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.	Accumulated contributions and credited interest payable within 6 months after termination of all covered employment.
16. Actuarial Valuation Method	Projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability.	Projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability.	Projected benefit method with entry age normal cost and open-end unaccrued liability.	Projected benefit method with entry age normal cost and open-end unfunded accrued liability.

17. Interest Rate Assumption	7½ per annum, compounded annually.	7½ per annum, compounded annually.	7½ per annum, compounded annually.
18. Unfunded Accrued Liability (at 6-30-85)	\$210,042,646	\$25,573,813	\$9,783,310
19. Unfunded Accrued Liability Liquidation Period (6-30-85)	4 Years	4 Years	21 Years
			30 Years

SOUTH CAROLINA RETIREMENT SYSTEM
DISTRIBUTION OF RETIREE POPULATION & AVERAGE BENEFIT

	Service Retirees			Disability Retirees			Beneficiaries			Total	
	Number	Average Monthly Benefit		Number	Average Monthly Benefit		Number	Average Monthly Benefit		Number	Average Monthly Benefit
June 1986											
State Agency	8,939	\$496.84		1,345	\$395.02		1,195	\$344.04		11,479	\$469.01
Public Schools	15,637	483.53		1,703	431.98		681	327.15		17,391	474.22
Other	3,065	299.57		411	403.11		421	216.54		3,897	296.37
Total	27,641	467.44		2,829	500.30		2,297	315.67		32,767	451.24
June 1985											
State Agency	8,284	462.21		1,223	376.17		1,123	316.04		10,630	436.87
Public Schools	14,967	454.73		974	420.30		643	308.85		16,584	447.05
Other	2,987	287.36		377	342.55		392	208.13		3,756	284.63
Total	26,238	438.04		2,574	387.95		2,158	294.29		30,970	423.86
June 1984											
State Agency	7,777	430.28		997	370.62		1,090	293.99		9,864	409.19
Public Schools	14,488	433.08		811	409.89		632	282.36		15,931	425.92
Other	2,922	269.05		332	337.06		373	197.57		3,627	267.93
Total	25,187	413.18		2,140	380.29		2,095	273.32		29,422	400.83
June 1983											
State Agency	6,794	406.49		1,617	323.78		782	289.07		9,193	381.96
Public Schools	13,403	409.62		1,401	373.21		429	277.82		15,233	402.56
Other	2,629	251.03		565	275.22		275	195.62		3,469	250.57
Total	22,826	390.42		3,583	335.45		1,486	268.53		27,895	376.87
June 1982											
State Agency	6,227	380.33		1,513	300.95		741	276.99		8,481	357.14
Public Schools	12,648	386.46		1,336	360.71		411	261.77		14,395	380.51
Other	2,425	238.18		542	261.24		264	191.86		3,231	238.32
Total	21,300	367.79		3,391	318.20		1,416	256.70		26,107	355.32

Above statistics based upon payments in the month of June of each year.

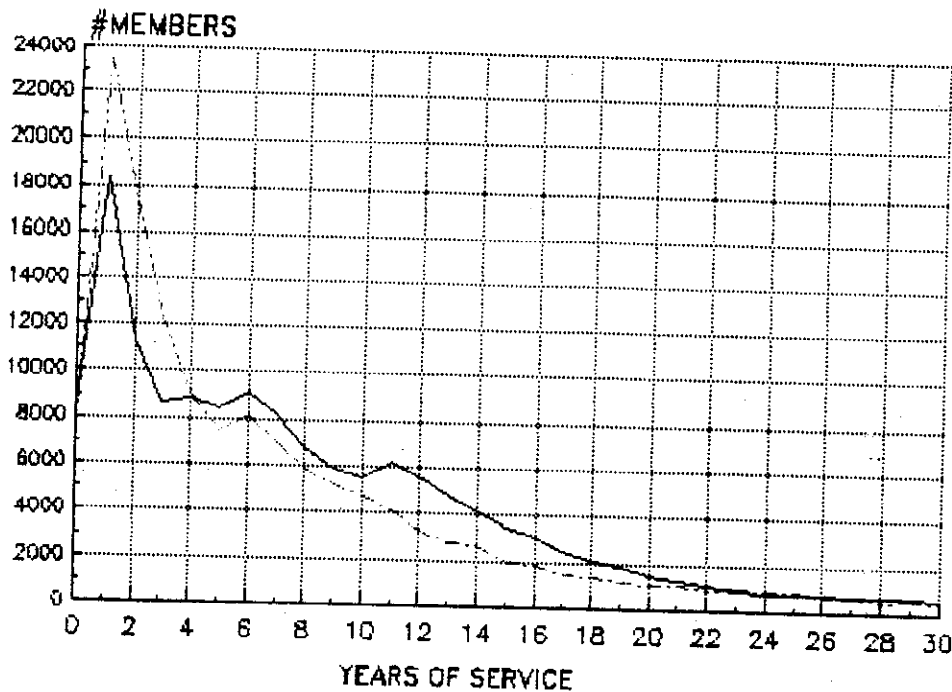
*In FY 84 beneficiaries of disability retirees were reclassified from the "Disability Retirees" category to the "Beneficiaries" category.

SOUTH CAROLINA RETIREMENT SYSTEM

DISTRIBUTION OF ACTIVE MEMBERS BY YEARS OF SERVICE

1985

1980

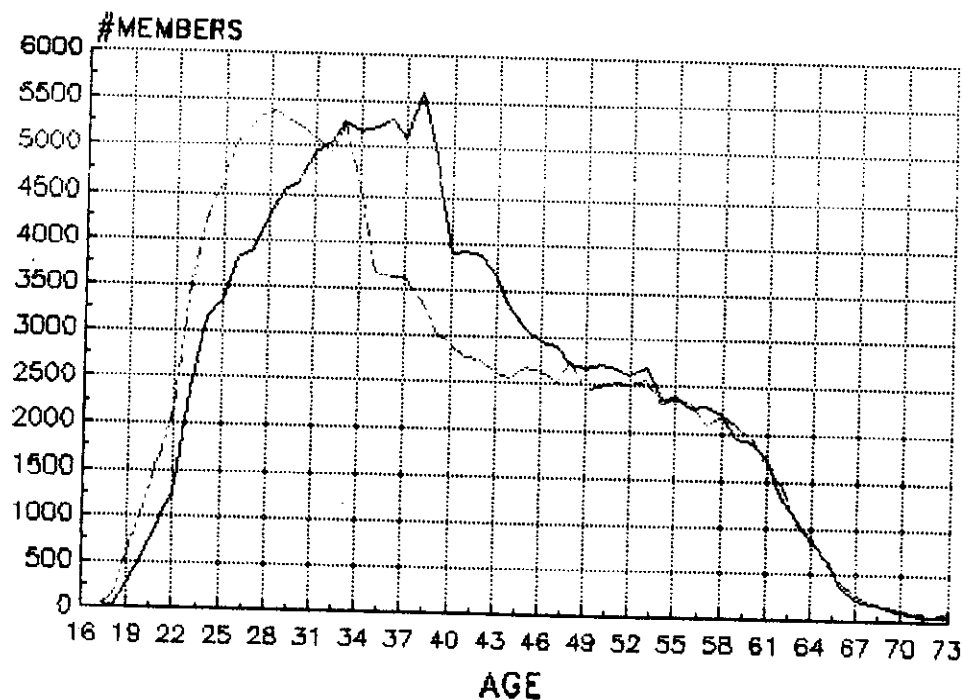


SOUTH CAROLINA RETIREMENT SYSTEM

DISTRIBUTION OF ACTIVE MEMBERS BY AGE

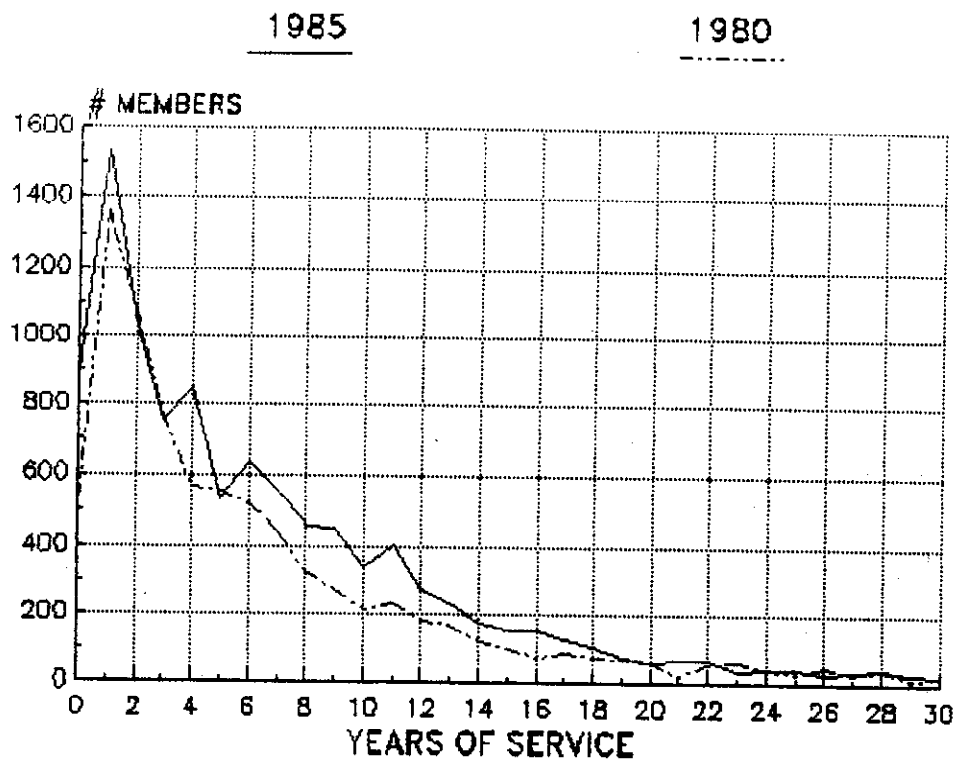
1985

1980



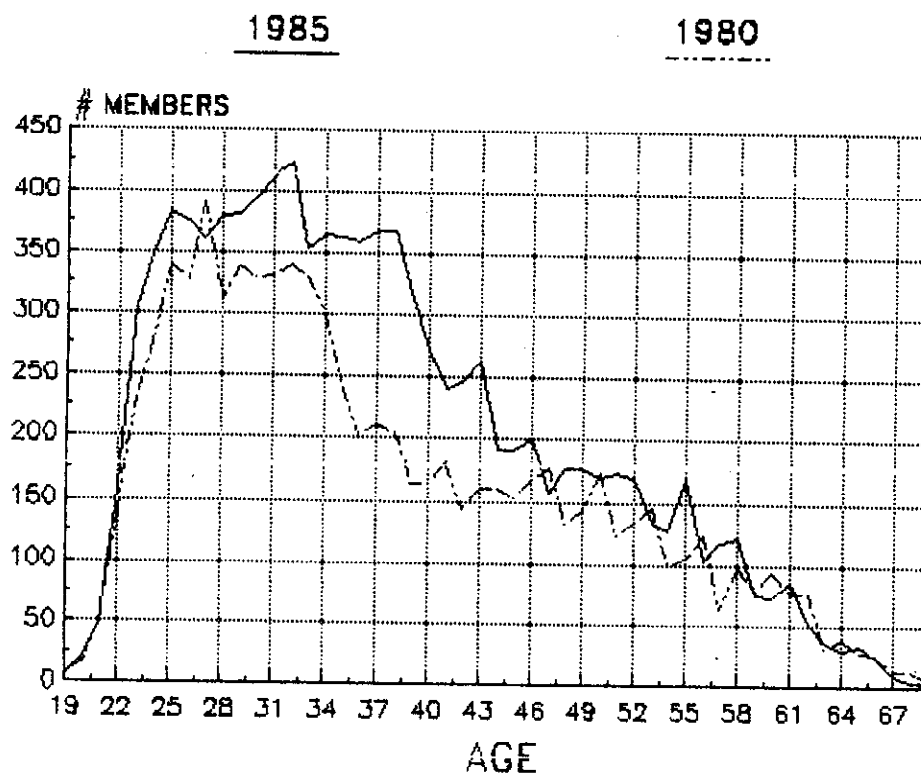
POLICE OFFICERS RETIREMENT SYSTEM

DISTRIBUTION OF ACTIVE MEMBERS BY YEARS OF SERVICE



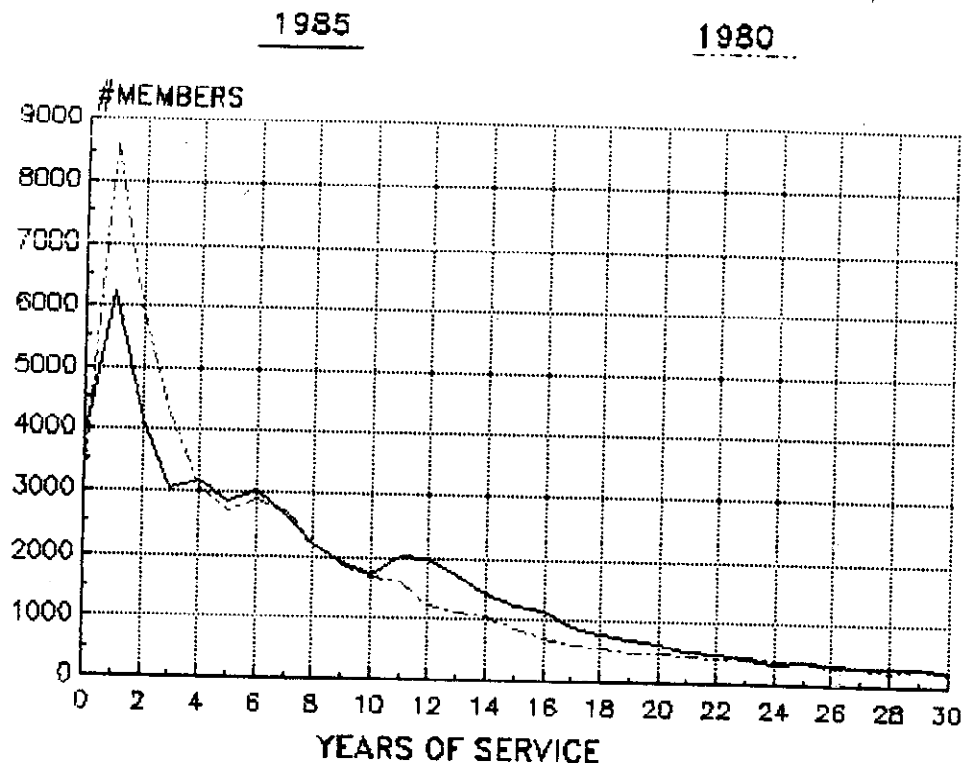
POLICE OFFICERS RETIREMENT SYSTEM

DISTRIBUTION OF ACTIVE MEMBERS BY AGE



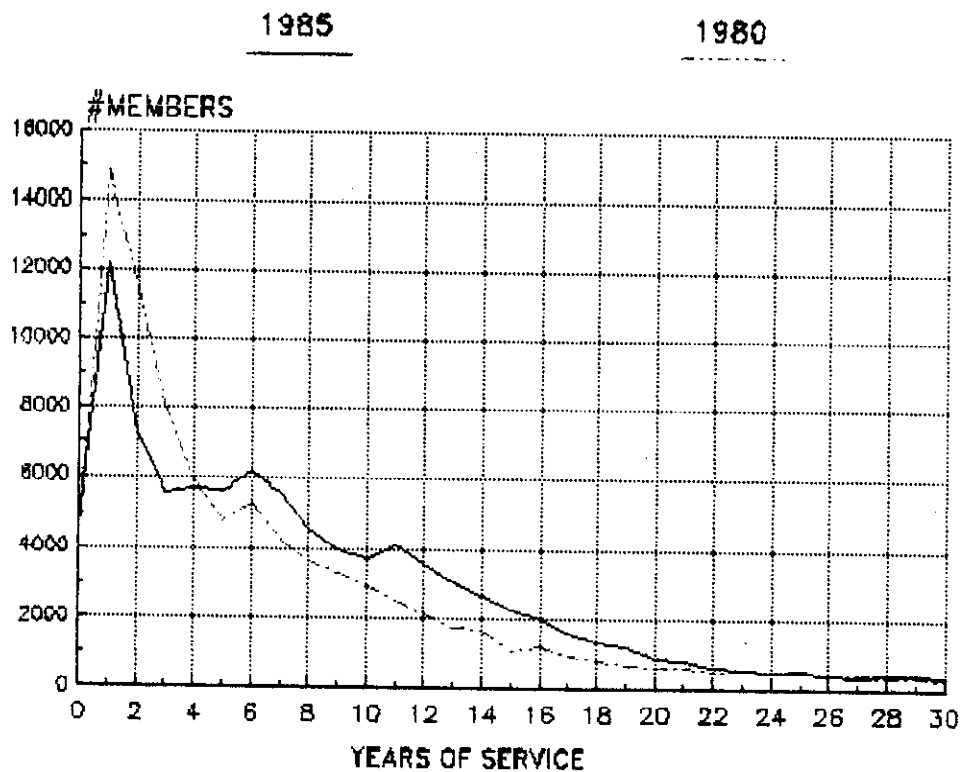
SOUTH CAROLINA RETIREMENT SYSTEM

DISTRIBUTION OF ACTIVE MEMBERS BY YEARS OF SERVICE - MALES



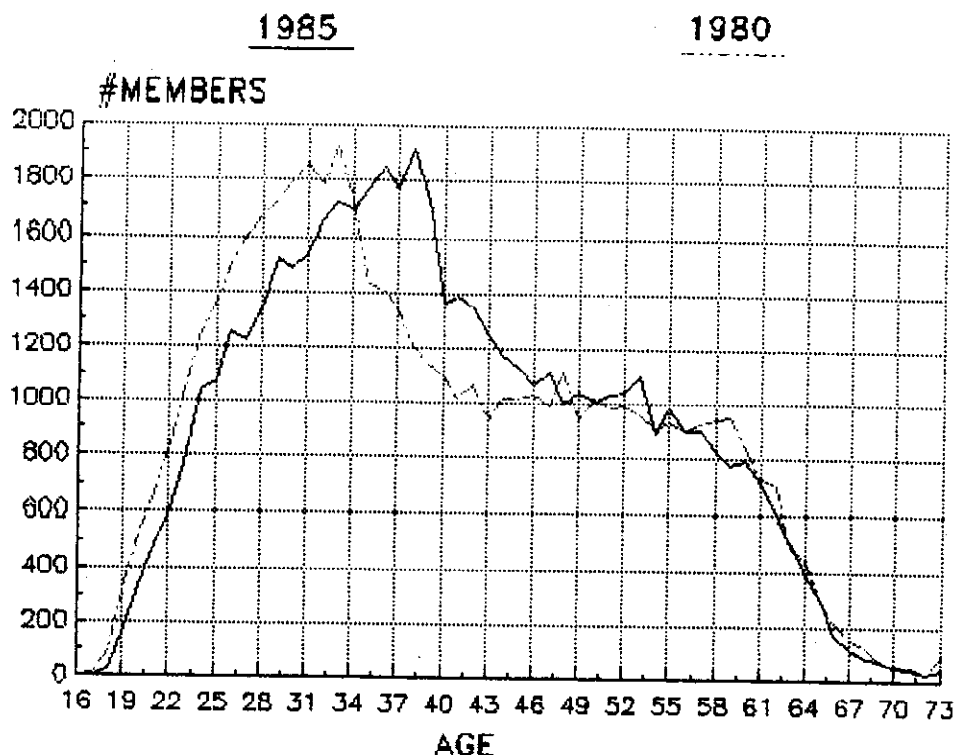
SOUTH CAROLINA RETIREMENT SYSTEM

DISTRIBUTION OF ACTIVE MEMBERS BY YEARS OF SERVICE - FEMALES



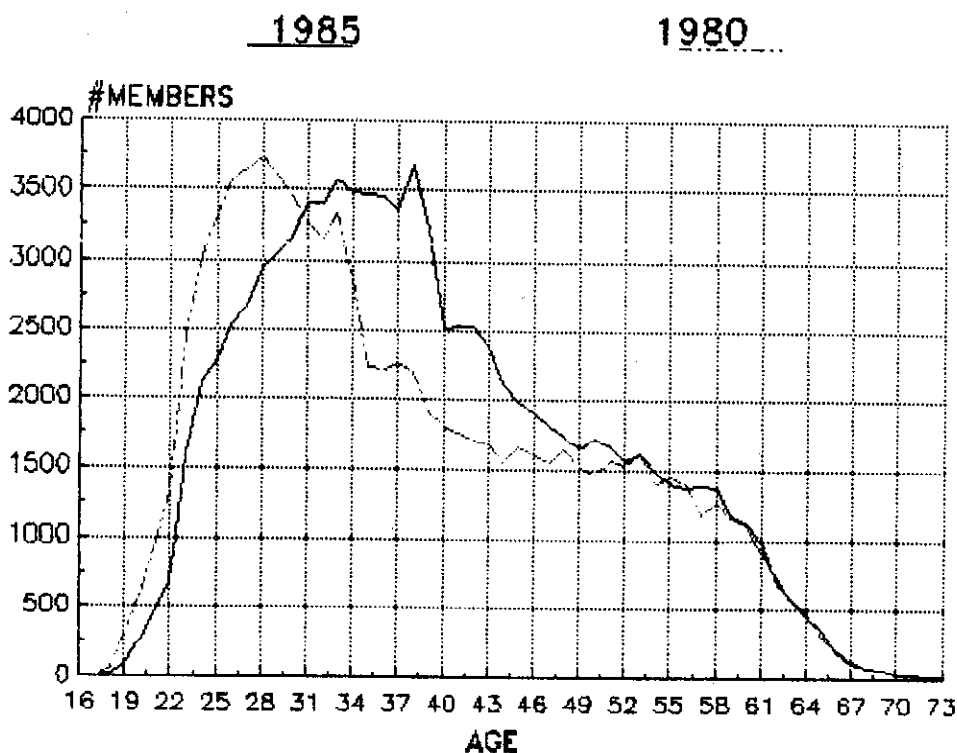
SOUTH CAROLINA RETIREMENT SYSTEM

DISTRIBUTION OF ACTIVE MEMBERS BY AGE – MALES



SOUTH CAROLINA RETIREMENT SYSTEM

DISTRIBUTION OF ACTIVE MEMBERS BY AGE – FEMALES



SUMMARY OF ACCRUED AND UNFUNDED ACCRUED LIABILITIES
(000'S OMITTED)

Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Assets as a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Members Payroll	UAL as a % of Active Member Payroll
SCRS						
6-30-85	\$3,576,867	\$3,786,909	94.5%	\$210,043	\$2,391,292	8.8%
6-30-84	3,084,231	3,325,601	92.7%	241,370	2,098,264	11.5%
6-30-83	2,700,203	3,088,347	87.4%	388,144	2,038,466	19.0%
6-30-82	2,353,301	2,746,850	85.7%	393,549	1,839,109	21.4%
6-30-81	2,052,820	2,469,109	83.1%	416,289	1,737,171	24.0%
6-30-80	1,780,540	2,239,178	79.5%	458,638	1,615,219	28.4%
6-30-78	1,363,722	1,809,493	75.4%	445,771	1,255,175	35.5%
6-30-77	1,199,823	1,607,912	74.7%	408,089	1,135,652	35.9%
6-30-76	1,052,052	1,454,850	72.3%	402,798	1,019,389	39.5%
6-30-75	914,850	1,312,195	69.7%	397,345	917,784	43.3%
PORS						
6-30-85	\$ 290,294	\$ 315,868	91.9%	\$ 25,574	\$ 168,495	15.2%
6-30-84	247,185	273,080	90.5%	25,895	147,723	17.5%
6-30-83	211,736	220,626	96.0%	8,889	135,556	6.6%
6-30-82	180,801	199,483	90.6%	18,682	126,097	14.8%
6-30-81	153,844	175,065	87.9%	21,221	116,526	18.2%
6-30-80	130,193	151,037	86.2%	20,844	103,446	20.1%
6-30-79	110,297	150,774	73.2%	40,477	90,035	45.0%
6-30-78	94,325	117,750	80.1%	23,425	78,589	29.8%
6-30-77	80,824	100,035	80.8%	19,211	72,109	26.6%
6-30-76	68,793	91,996	74.8%	23,203	62,263	37.3%

Note: No valuation of the SCRS was performed at June 30, 1979.
 Effective 6-30-80, certain actuarial assumptions were changed: a) valuation interest rate changed from 5.25% to 7.0%. b) strengthened assumed rates of salary increase.
 Effective 6-30-84, PORS aggregate accrued liability reflected all current and future cost of living increases for current retirees and active members eligible for service retirement.

**SOLVENCY TEST
(000'S OMITTED)**

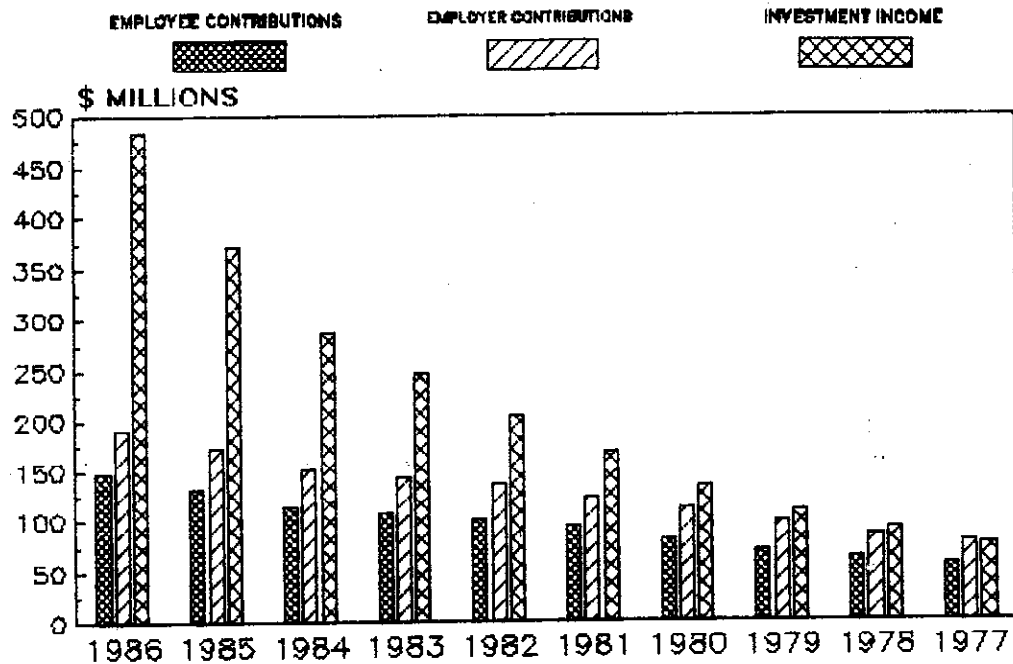
Aggregate Accrued Liabilities for:						
Valuation Date	(1) Active Member Contributions	(2) Retirees & Beneficiaries		(3) Active Members (Employer Funded Portion)	Portion of Accrued Liabilities Covered by Assets	
					(1) Valuation Assets	(2) Liabilities Covered by Assets (3)
SCRS						
6-30-85	\$979,990	\$1,146,521		\$1,660,398	\$3,576,867	100%
6-30-84	858,694	1,000,570		1,466,337	3,084,231	100%
6-30-83	760,154	902,510		1,425,683	2,700,203	100%
6-30-82	664,047	825,829		1,256,974	2,353,301	100%
6-30-81	587,275	743,064		1,138,770	2,052,729	100%
6-30-80	516,679	672,400		1,050,098	1,780,540	100%
6-30-78	393,902	586,211		829,380	1,363,722	100%
6-30-77	346,354	518,018		743,540	1,199,823	100%
6-30-76	311,032	454,169		689,649	1,052,052	100%
6-30-75	270,696	390,792		650,707	914,850	100%
PORS						
6-30-85	\$ 56,528	\$ 115,403		\$ 143,937	\$ 290,294	100%
6-30-84	49,246	99,105		124,729	247,185	100%
6-30-83	43,065	62,000		115,561	211,736	100%
6-30-82	37,141	65,312		97,030	180,801	100%
6-30-81	32,352	54,734		87,980	153,844	100%
6-30-80	28,368	46,743		75,926	130,193	100%
6-30-79	24,434	39,831		86,509	110,297	100%
6-30-78	21,352	34,543		61,855	94,325	100%
6-30-77	18,287	32,675		49,073	80,824	100%
6-30-76	16,599	25,509		49,888	68,793	100%

Note: No valuation of the SCRS was performed at June 30, 1979.

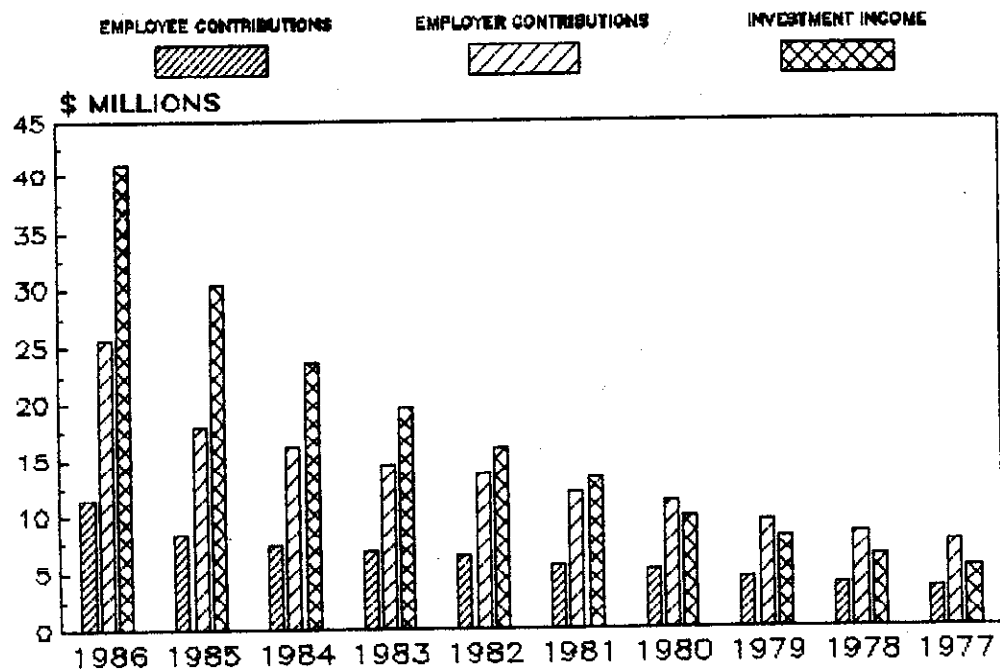
Effective 6-30-80, certain actuarial assumptions were changed: a) valuation interest rate changed from 5.25% to 7.0%; b) strengthened assumed rates of salary increases.
Effective 6-20-84, PORS aggregate accrued liabilities reflect all current and future cost-of-living increases for current retirees and active members eligible for service retirement.

STATISTICAL SECTION

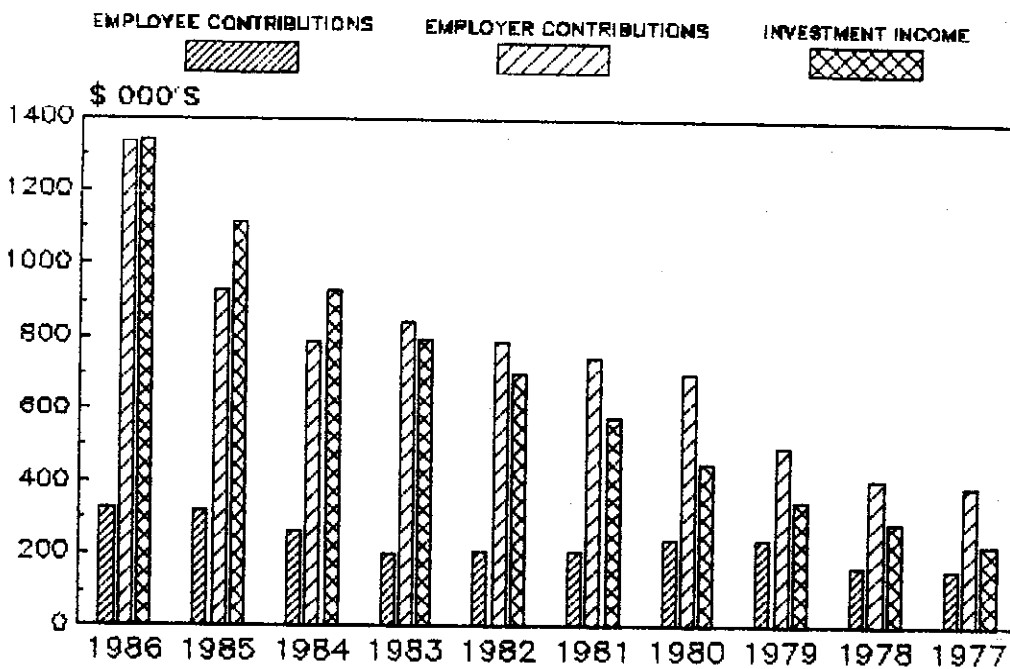
SOUTH CAROLINA RETIREMENT SYSTEM REVENUE GROWTH



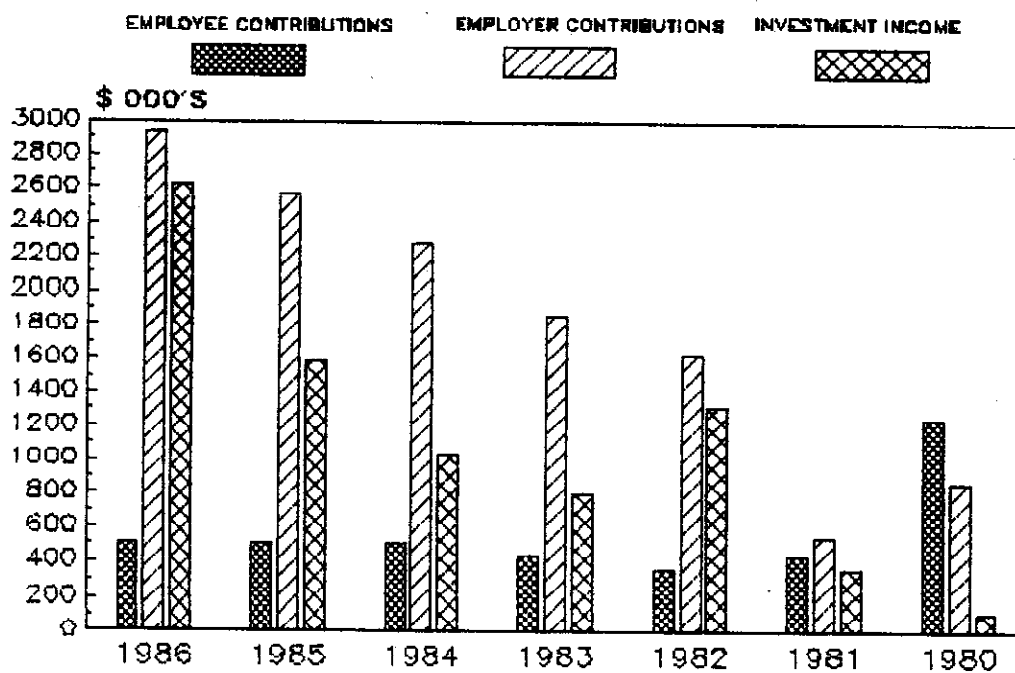
POLICE OFFICERS RETIREMENT SYSTEM REVENUE GROWTH



GENERAL ASSEMBLY RETIREMENT SYSTEM REVENUE GROWTH



JUDGES & SOLICITORS RETIREMENT SYSTEM REVENUE GROWTH



REVENUES BY SOURCE

SOUTH CAROLINA RETIREMENT SYSTEM

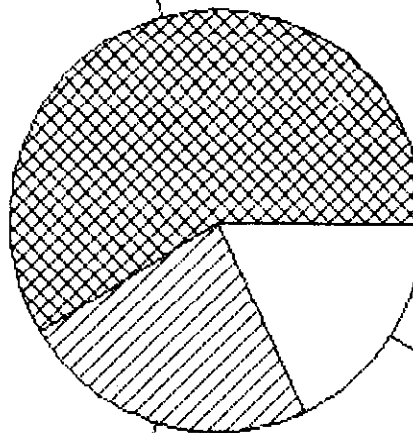
YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	% OF TOTAL REVENUE	TOTAL EMPLOYER CONTRIBUTIONS	% OF TOTAL REVENUE	INVESTMENT INCOME	% OF TOTAL REVENUE	TOTAL REVENUE
1986	\$147,136,085	30.5%	\$190,353,964	23.2%	\$483,113,685	58.9%	\$820,603,734
1985	131,300,802	35.1%	172,384,069	25.4%	374,165,546	55.2%	677,850,417
1984	114,357,357	39.9%	151,153,288	27.4%	286,914,292	51.9%	552,424,937
1983	106,818,858	43.2%	142,507,009	28.7%	247,246,582	49.8%	496,572,449
1982	100,890,443	49.3%	136,031,102	30.8%	204,824,438	46.4%	441,745,983
1981	92,854,161	55.0%	123,376,695	32.0%	168,736,224	43.8%	384,967,080
1980	82,024,561	61.2%	110,642,424	33.9%	134,051,802	41.0%	326,718,787
1979	71,003,693	65.2%	97,268,653	35.1%	108,852,848	39.3%	277,125,194
1978	63,043,933	68.9%	87,021,874	36.0%	91,474,148	37.9%	241,539,955
1977	56,621,748	72.3%	78,777,335	36.9%	78,327,366	36.6%	213,726,449

POLICE OFFICERS RETIREMENT SYSTEM

YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	% OF TOTAL REVENUE	TOTAL EMPLOYER CONTRIBUTIONS	% OF TOTAL REVENUE	INVESTMENT INCOME	% OF TOTAL REVENUE	TOTAL REVENUE
1986	\$11,427,436	14.6%	\$25,767,660	32.9%	\$41,107,961	52.5%	\$78,303,057
1985	8,350,801	14.7%	17,979,827	31.7%	30,314,963	53.5%	56,645,591
1984	7,450,803	15.8%	16,099,062	34.1%	23,695,631	50.2%	47,245,496
1983	6,728,789	16.5%	14,554,031	35.7%	19,523,578	47.8%	40,806,398
1982	6,314,772	17.6%	13,603,000	37.9%	16,015,790	44.6%	35,933,562
1981	5,567,740	17.9%	12,156,810	39.2%	13,311,197	42.9%	31,035,747
1980	5,136,127	19.6%	11,351,584	43.2%	9,772,555	37.2%	26,260,266
1979	4,270,381	19.7%	9,414,232	43.3%	8,035,658	37.0%	21,720,271
1978	3,796,488	20.6%	8,397,291	45.6%	6,221,276	33.8%	18,415,055
1977	3,362,792	20.8%	7,640,719	47.2%	5,198,886	32.1%	16,202,397

SOUTH CAROLINA RETIREMENT SYSTEM DISTRIBUTION OF REVENUE

INVESTMENT 58.9%

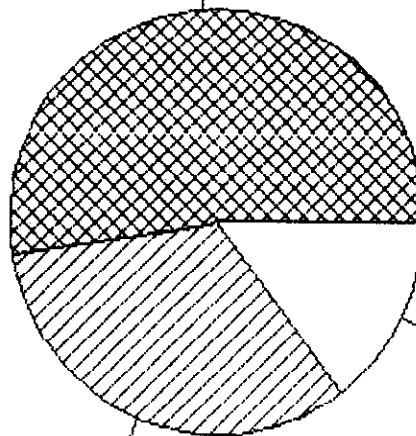


EMPLOYEE 17.9%

EMPLOYER 23.2%

POLICE OFFICERS RETIREMENT SYSTEM DISTRIBUTION OF REVENUE

INVESTMENT 52.5%



EMPLOYEE 14.6%

EMPLOYER 32.9%

REVENUES BY SOURCE

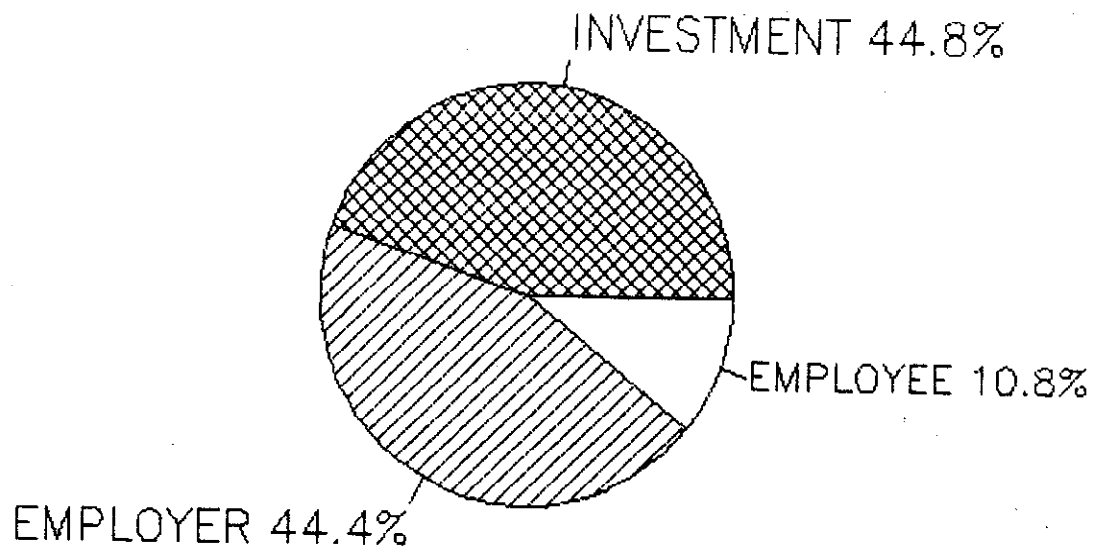
GENERAL ASSEMBLY RETIREMENT SYSTEM

YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	% OF TOTAL REVENUE	TOTAL EMPLOYER CONTRIBUTIONS	% OF TOTAL REVENUE	INVESTMENT INCOME	% OF TOTAL REVENUE	TOTAL REVENUE
1986	\$323,783	10.8%	\$1,333,772	44.4%	\$1,343,976	44.8%	\$3,001,531
1985	315,410	13.3%	934,290	39.5%	1,114,401	47.1%	2,364,101
1984	262,975	13.3%	784,491	39.6%	934,254	47.1%	1,981,720
1983	198,482	10.8%	840,781	45.9%	791,455	43.2%	1,830,718
1982	202,133	12.0%	789,360	46.7%	697,081	41.3%	1,688,574
1981	205,476	13.5%	741,548	48.6%	579,727	38.0%	1,526,751
1980	238,297	17.2%	696,899	50.2%	453,929	32.7%	1,389,125
1979	234,166	21.9%	492,500	46.1%	340,767	31.9%	1,067,433
1978	160,279	18.7%	410,080	47.8%	288,376	33.6%	858,735
1977	157,021	20.4%	390,000	50.6%	223,274	29.0%	770,295

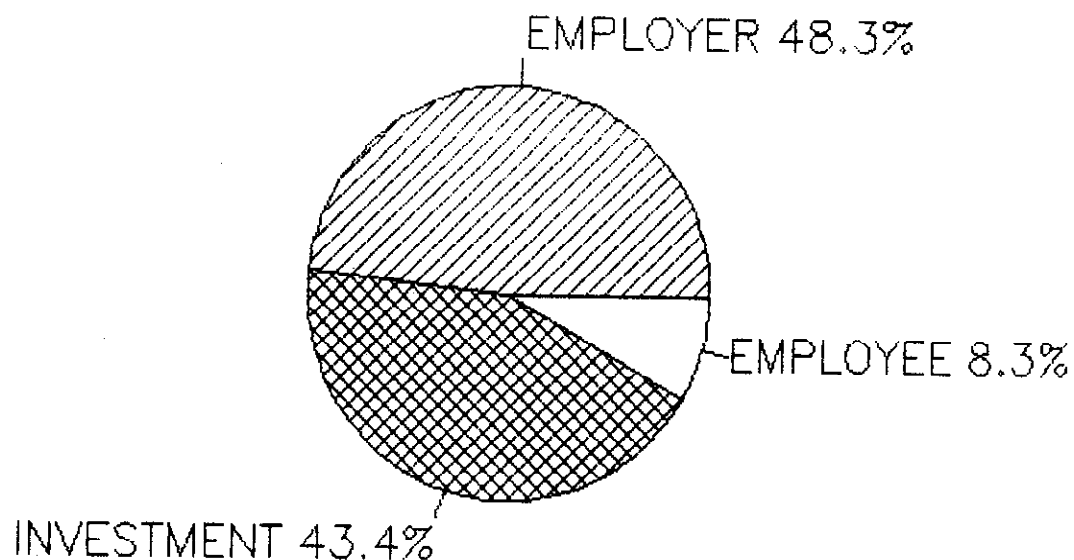
JUDGES & SOLICITORS RETIREMENT SYSTEM

YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	% OF TOTAL REVENUE	TOTAL EMPLOYER CONTRIBUTIONS	% OF TOTAL REVENUE	INVESTMENT INCOME	% OF TOTAL REVENUE	TOTAL REVENUE
1986	\$501,426	8.3%	\$2,924,580	48.3%	\$2,623,498	43.4%	\$6,049,504
1985	505,001	10.8%	2,561,450	55.0%	1,592,886	34.2%	4,659,337
1984	507,682	13.3%	2,274,363	59.6%	1,035,337	27.1%	3,817,382
1983	443,791	14.3%	1,858,150	59.9%	800,696	25.8%	3,102,637
1982	357,450	10.8%	1,634,011	49.4%	1,314,525	39.8%	3,305,986
1981	437,678	32.6%	548,117	40.9%	355,311	26.5%	1,341,106
1980	1,251,203	55.8%	874,336	39.0%	115,553	5.2%	2,241,092

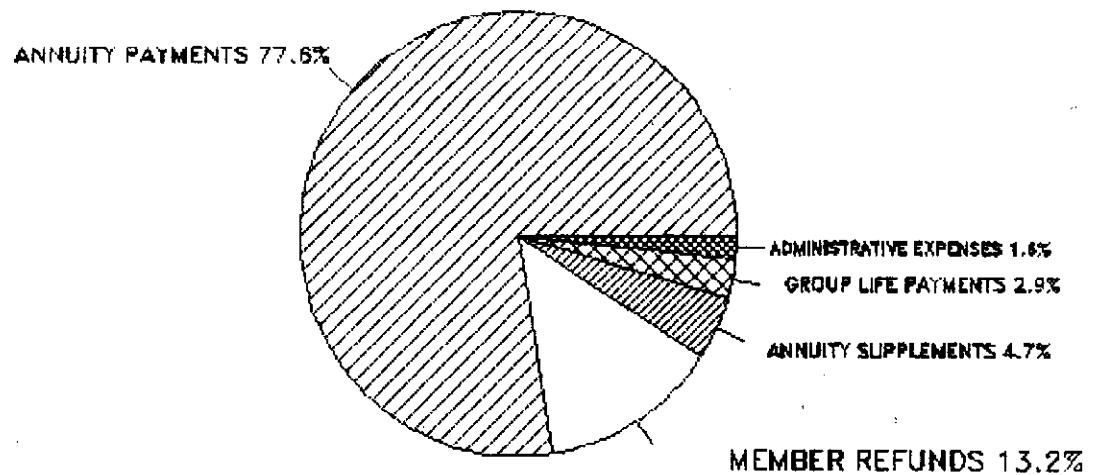
GENERAL ASSEMBLY RETIREMENT SYSTEM DISTRIBUTION OF REVENUE



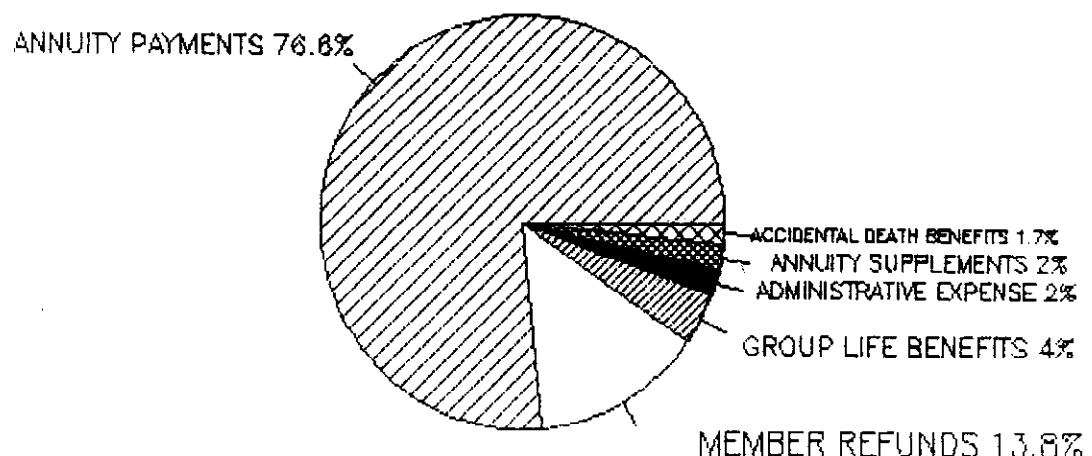
JUDGES & SOLICITORS RETIREMENT SYSTEM DISTRIBUTION OF REVENUE



SOUTH CAROLINA RETIREMENT SYSTEM DISTRIBUTION OF EXPENDITURES JUNE 30, 1986



POLICE OFFICERS RETIREMENT SYSTEM DISTRIBUTION OF EXPENDITURES JUNE 30, 1986



SUMMARY OF EXPENDITURES BY TYPE

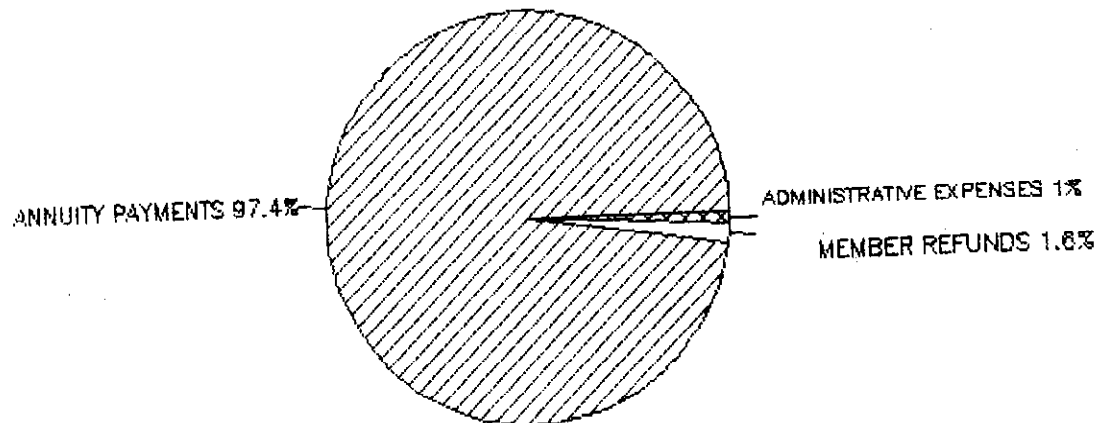
South Carolina Retirement System

YEAR ENDED JUNE 30,	MEMBER REFUNDS AMOUNT	MEMBER REFUNDS % INCREASE	ANNUITY PAYMENTS AMOUNT	ANNUITY PAYMENTS % INCREASE	GROUP LIFE PAYMENTS AMOUNT	GROUP LIFE PAYMENTS % INCREASE	ANNUITY SUPPLEMENTS AMOUNT	ANNUITY SUPPLEMENTS % INCREASE	ADMINISTRATIVE EXPENSES AMOUNT	ADMINISTRATIVE EXPENSES % INCREASE	TOTAL EXPENSES
1986	\$2,358,821	7.6%	\$166,632,173	13.3%	\$6,139,284	81.6%	\$10,024,135	-13.0%	\$3,526,876	30.2%	\$214,681,289
1985	2,635,158	5.3%	147,039,511	12.3%	3,580,653	-8.0%	11,517,696	13.6%	2,707,974	20.6%	191,001,992
1984	25,022,129	18.4%	130,923,246	14.4%	3,676,039	15.6%	10,135,441	11.5%	2,245,183	-1.2%	172,002,038
1983	21,139,706	-14.5%	114,485,452	14.2%	3,178,733	-14.5%	9,090,680	-17.4%	2,273,348	18.9%	150,167,919
1982	24,732,705	31.3%	100,275,017	15.0%	3,716,227	12.2%	11,007,651	16.5%	1,911,389		141,642,989
1981	18,837,067	8.2%	87,206,355	14.1%	3,313,313	8.5%	9,447,144	16.3%			118,803,879
1980	17,403,607	6.8%	76,429,603	14.7%	3,053,662	8.0%	8,123,331	17.5%			105,010,203
1979	16,294,460	6.9%	66,640,125	14.0%	2,826,971	13.0%	6,915,186	8.1%			92,676,742
1978	15,244,971	25.4%	58,456,468	16.2%	2,502,441	2.9%	6,397,326	12.7%			82,601,206
1977	12,161,638	25.1%	50,320,254	21.3%	2,431,210	-2.3%	5,674,104	11.9%			70,587,206
1976	9,723,373		41,484,980		2,489,156		5,072,481				58,769,990

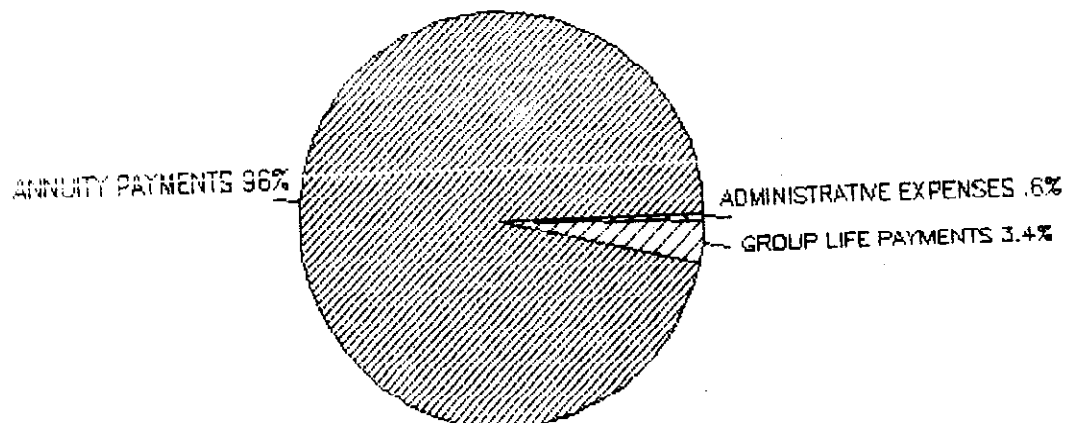
Police Officers Retirement System

YEAR ENDED JUNE 30,	MEMBER REFUNDS AMOUNT	MEMBER REFUNDS % INCREASE	ANNUITY PAYMENTS AMOUNT	ANNUITY PAYMENTS % INCREASE	ACCIDENTAL DEATH BENEFITS AMOUNT	ACCIDENTAL DEATH BENEFITS % INCREASE	GROUP LIFE BENEFITS AMOUNT	GROUP LIFE BENEFITS % INCREASE	ANNUITY SUPPLEMENTS AMOUNT	ANNUITY SUPPLEMENTS % INCREASE	ADMINISTRATIVE EXPENSE AMOUNT	ADMINISTRATIVE EXPENSE % INCREASE	TOTAL EXPENSES
1986	\$1,982,784	1.1%	\$11,034,570	13.7%	\$239,108	0.7%	\$578,802	74.0%	\$288,135	-20.5%	\$288,727	32.0%	\$14,412,126
1985	1,961,273	8.3%	9,707,783	14.5%	237,473	12.0%	332,706	-6.9%	362,598	33.5%	218,718	23.2%	12,820,511
1984	1,810,832	36.8%	8,480,614	17.4%	212,110	13.6%	357,538	2.2%	271,661	31.4%	177,488	7.9%	11,310,243
1983	1,324,175	-7.5%	7,222,965	15.5%	186,656	4.6%	349,811	-18.2%	206,718	-33.6%	164,470	28.5%	9,454,795
1982	1,432,299	22.6%	6,255,737	19.4%	178,429	2.2%	427,731	-5.0%	311,106	34.4%	128,033		8,733,335
1981	1,168,447	6.9%	5,240,569	18.0%	174,638	18.1%	450,109	80.3%	231,531	35.7%			7,265,294
1980	1,093,052	6.3%	4,441,694	17.0%	147,850	22.5%	249,649	2.3%	170,590	42.7%			6,102,835
1979	1,028,224	10.2%	3,797,302	18.3%	120,674	5.1%	243,930	6.3%	119,543	-15.7%			5,309,673
1978	\$953,193	16.6%	3,209,332	25.2%	114,185	7.1%	229,478	-25.2%	141,782	2.9%			4,627,970
1977	\$800,570	62.5%	2,563,078	23.1%	106,628	7.7%	306,878	-1.1%	137,841	-21.8%			3,914,995

GENERAL ASSEMBLY RETIREMENT SYSTEM
DISTRIBUTION OF EXPENDITURES
JUNE 30, 1986



JUDGES & SOLICITORS RETIREMENT SYSTEM
DISTRIBUTION OF EXPENSES
JUNE 30, 1986



SUMMARY OF EXPENDITURES BY TYPE

General Assembly Retirement System

YEAR ENDED JUNE 30,	MEMBER REFUNDS AMOUNT	ANNUITY PAYMENTS AMOUNT	GROUP LIFE PAYMENTS AMOUNT	ADMINISTRATIVE EXPENSES AMOUNT	TOTAL EXPENSES
		\$ INCREASE	\$ INCREASE	\$ INCREASE	
1986	\$18,409	\$1,109,644	\$12,000	\$11,422	\$1,139,475
1985	38,739	1,012,837		9,045	1,072,621
1984	10,948	766,841	24,000	7,608	809,397
1983	61,676	645,365	10,000	7,270	724,311
1982	670	568,997		6,296	575,963
1981	48,240	490,921			539,161
1980	37,799	358,224	20,000		416,023
1979	21,646	284,925			306,571
1978	3,970	209,235			213,205
1977	11,347	193,114	14,000		218,461

Judges & Solicitors Retirement System

YEAR ENDED JUNE 30,	MEMBER REFUNDS AMOUNT	ANNUITY PAYMENTS AMOUNT	GROUP LIFE PAYMENTS AMOUNT	ADMINISTRATIVE EXPENSES AMOUNT	TOTAL EXPENSES
		\$ INCREASE	\$ INCREASE	\$ INCREASE	
1986		\$1,885,386	\$67,641	\$11,916	\$1,897,302
1985		1,580,177	68,807	8,000	1,588,177
1984		1,271,133	54,174	5,538	1,276,671
1983	\$12,711	1,003,383	50,584	4,199	1,020,293
1982	11,913	860,230	109,528	2,822	874,965
1981	7,439	706,978			714,417
1980	22,429	410,420	44,275		432,849

SUMMARY OF INVESTMENT GROWTH

POLICE OFFICERS RETIREMENT SYSTEM

YEAR ENDED JUNE 30,	ADJUSTED AMORTIZED COST OF		NET INCOME FROM		AVERAGE YIELD
	INVESTMENTS 000's OMITTED	% INCREASE FOR YEAR	INVESTMENTS 000's OMITTED	% INCREASE FOR YEAR	
1986	\$354,038	20.5%	\$41,108	35.6%	13.55%
1985	293,903	17.7%	30,315	27.9%	11.81%
1984	249,690	16.8%	23,696	21.4%	10.78%
1983	213,754	17.4%	19,524	21.9%	10.38%
1982	182,134	17.6%	16,016	20.3%	9.98%
1981	154,872	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%	8.15%
1978	94,362	18.8%	6,221	19.7%	7.43%
1977	79,417	18.2%	5,199	19.5%	7.35%

SOUTH CAROLINA RETIREMENT SYSTEM

YEAR ENDED JUNE 30	ADJUSTED AMORTIZED COST OF		NET INCOME FROM		AVERAGE YIELD
	INVESTMENTS 000's OMITTED	% INCREASE FOR YEAR	INVESTMENTS 000's OMITTED	% INCREASE FOR YEAR	
1986	\$4,197,356	17.2%	\$483,114	29.1%	13.25%
1985	3,580,530	15.9%	374,166	30.4%	11.89%
1984	3,089,825	14.3%	286,914	16.0%	10.42%
1983	2,702,318	15.1%	247,247	20.7%	10.29%
1982	2,348,343	15.2%	204,824	21.4%	9.80%
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%

SUMMARY OF INVESTMENT GROWTH

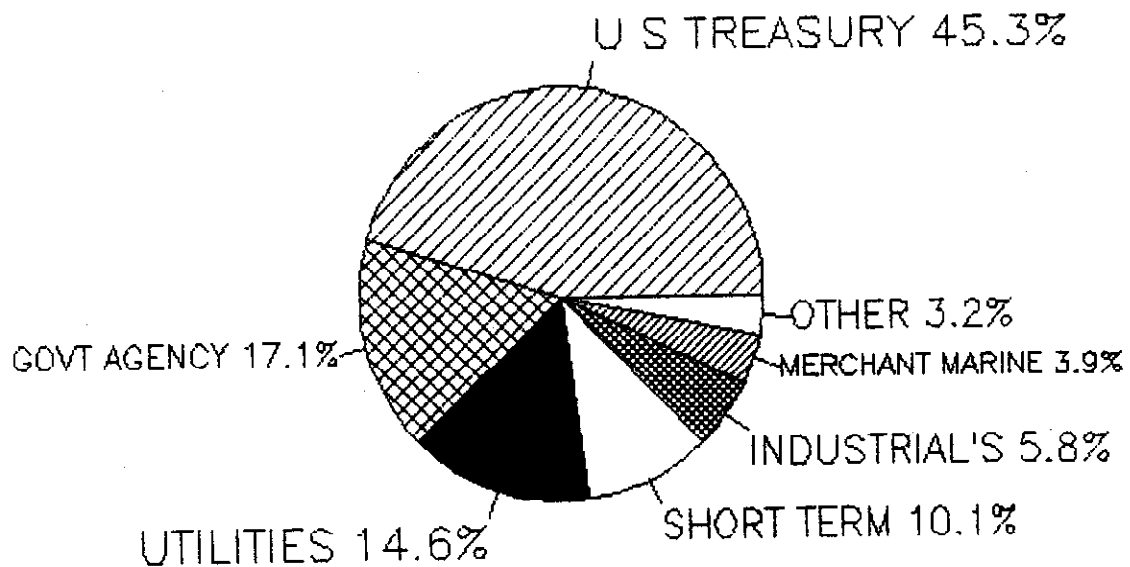
GENERAL ASSEMBLY RETIREMENT SYSTEM

JUNE 30 YEAR ENDED	ADJUSTED AMORTIZED		NET INCOME		YIELD AVERAGE
	COST OF INVESTMENTS	FOR YEAR % INCREASE	FROM INVESTMENTS	FOR YEAR % INCREASE	
1986	\$13,582,660	15.8%	\$1,343,976	20.6%	11.22%
1985	11,724,940	12.4%	1,114,401	19.3%	10.59%
1984	10,430,058	12.6%	934,254	18.0%	9.96%
1983	9,263,342	13.6%	791,455	13.5%	9.52%
1982	8,154,989	15.9%	697,081	20.2%	9.62%
1981	7,038,389	16.4%	579,727	27.7%	9.27%
1980	6,049,221	18.5%	453,929	33.2%	8.48%
1979	5,106,287	18.3%	340,767	18.2%	7.50%
1978	4,317,255	17.3%	288,376	29.2%	7.48%
1977	3,679,271	31.2%	223,274	15.5%	7.13%

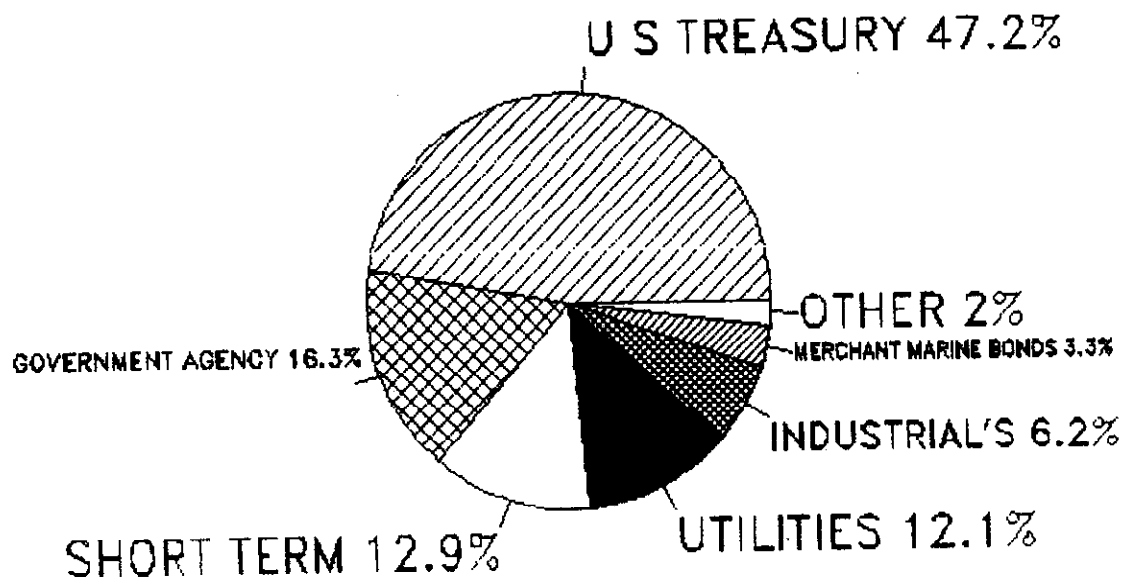
JUDGES & SOLICITORS RETIREMENT SYSTEM

JUNE 30 YEAR ENDED	ADJUSTED AMORTIZED		NET INCOME		YIELD AVERAGE
	COST OF INVESTMENTS	FOR YEAR % INCREASE	FROM INVESTMENTS	FOR YEAR % INCREASE	
1986	\$16,272,245	33.5%	\$2,623,498	64.7%	20.31%
1985	12,190,463	32.6%	1,592,886	53.9%	16.10%
1984	9,195,374	37.4%	1,035,337	29.3%	13.94%
1983	6,693,772	43.0%	800,696	-39.1%	15.15%
1982	4,680,238	49.5%	1,314,525	270.0%	40.47%
1981	3,130,007	107.2%	355,311	207.5%	16.58%
1980	1,510,886		115,553		16.56%

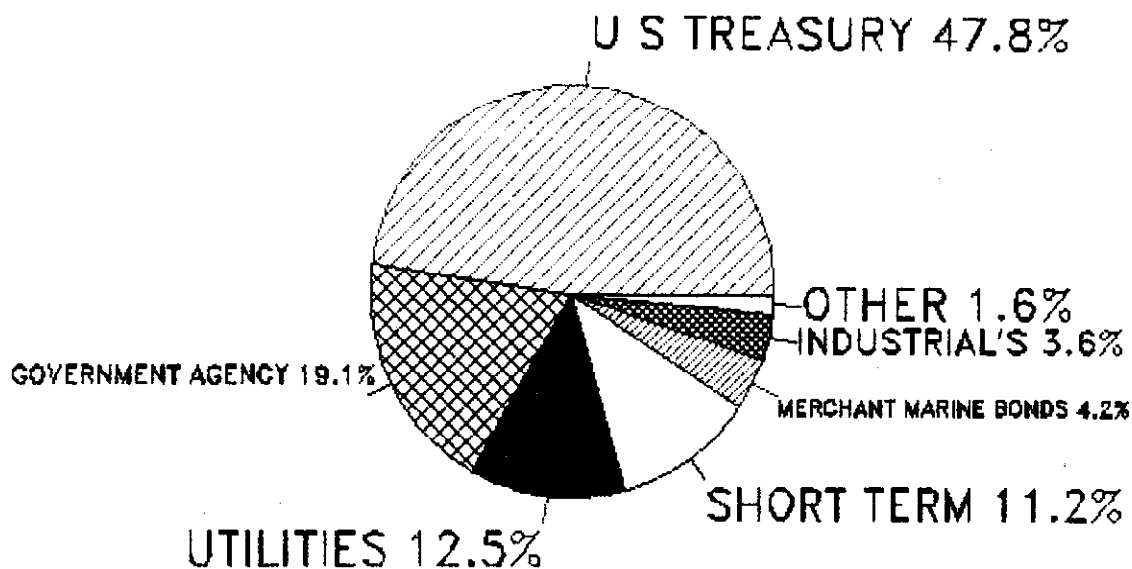
SOUTH CAROLINA RETIREMENT SYSTEM DISTRIBUTION OF INVESTMENTS JUNE 30, 1986



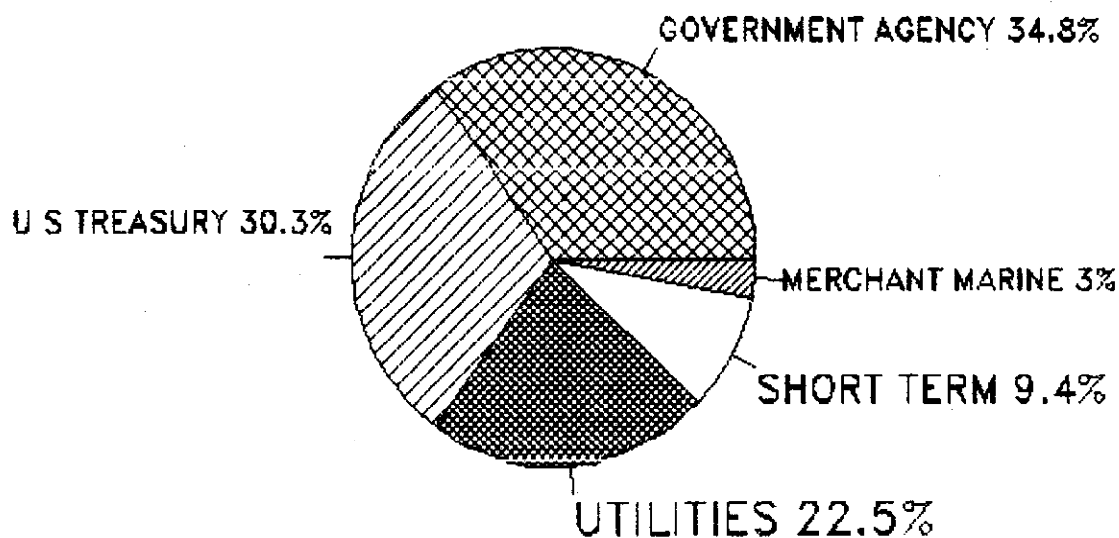
POLICE OFFICERS RETIREMENT SYSTEM DISTRIBUTION OF INVESTMENTS JUNE 30, 1986



GENERAL ASSEMBLY RETIREMENT SYSTEM
DISTRIBUTION OF INVESTMENTS
JUNE 30, 1986



JUDGES & SOLICITORS RETIREMENT SYSTEM
DISTRIBUTION OF INVESTMENTS
JUNE 30, 1986



**INVESTMENTS
SOUTH CAROLINA RETIREMENT SYSTEM**

	June 30, 1986	June 30, 1985	June 30, 1984	
	Par Value	Amortized Cost	Par Value	Amortized Cost
	\$ of Total	\$ of Total	\$ of Total	\$ of Total
Short Term Investments:				
Repurchase Agreements	\$ 119,675,000	\$ 119,675,000	\$ 23,895,000	\$ 23,895,000
Treasury Bills	151,500,000	147,748,919	135,050,000	133,892,229
Treasury Notes	139,000,000	134,971,479	5,000,000	4,778,750
Discount Notes	410,175,000	402,395,398	163,945,000	162,565,979
U.S. Government, Agencies & Government Insured:				
Treasury Notes	247,600,000	247,077,641	60,000,000	59,820,749
Treasury Bonds	945,777,000	904,764,847	773,337,000	732,085,575
Treasury Bonds (zero coupons)	2,145,090,225	647,619,566	515,171,500	62,303,522
U.S. Government Agencies Insured Merchant Marine Bonds	715,027,827	678,951,471	600,065,017	566,535,031
	154,805,718	154,678,043	420,495,084	420,307,756
	4,208,300,770	2,633,091,568	2,369,068,601	1,841,052,633
State of South Carolina Institutions	1,668,000	1,668,000	2,365,000	2,365,000
Corporate Bonds:				
Industrials	245,760,000	229,160,416	184,179,087	171,082,493
Utilities	642,901,000	580,633,589	537,615,000	473,198,725
Rails	130,373,473	127,929,024	833,332	833,332
Financial & Other	1,019,034,473	937,723,029	160,281,817	156,478,603
	3,974,877,995	3,974,877,995	882,909,236	801,593,153
Total	\$5,639,178,243	\$5,639,178,243	\$3,418,287,837	\$3,418,287,837
Add Unamortized Deferred Yield Adjustments		222,477,759		282,247,797
Adjusted Amortized Cost of Securities		\$4,197,355,754		\$3,089,824,562

INVESTMENTS
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

	June 30, 1986	June 30, 1985	June 30, 1984	
	Par Value	Amortized Cost	% of Total	Par Value
Short Term Investments:				
Repurchase Agreements	\$ 18,235,000	\$ 18,235,000	5.3	\$ 400,000
Treasury Bills	16,425,000	16,027,646	4.7	6,335,000
Discount Notes	10,000,000	9,685,588	2.9	4,809,564
	<u>44,660,000</u>	<u>43,948,234</u>	<u>12.9</u>	<u>11,490,302</u>
U.S. Government Agencies & Government Insured:				
Treasury Notes	40,150,000	40,067,565	11.7	3,000,000
Treasury Bonds	79,810,000	76,252,571	22.3	69,810,000
Treasury Bonds (zero coupons)	172,366,413	45,118,562	13.2	22,011,875
U.S. Government Agencies Insured Merchant Marine Bonds	59,057,539	55,568,055	16.3	55,446,288
	<u>11,415,505</u>	<u>11,415,506</u>	<u>3.3</u>	<u>34,648,225</u>
	<u>362,799,457</u>	<u>228,422,259</u>	<u>66.8</u>	<u>158,193,108</u>
Corporate Bonds:				
Industrials	22,460,000	21,059,738	6.2	12,585,000
Utilities	44,495,000	41,219,085	12.1	47,494,000
Financial & Others	6,700,000	6,702,209	2.0	6,800,000
	<u>73,655,000</u>	<u>68,981,032</u>	<u>20.3</u>	<u>66,879,000</u>
Total	<u>\$481,114,457</u>	<u>341,351,525</u>	<u>100.0</u>	<u>\$263,505,388</u>
Add Unamortized Deferred Yield Adjustments		<u>12,686,800</u>		<u>231,296,275</u>
Adjusted Amortized Cost of Securities		<u>\$354,038,326</u>		<u>\$249,690,102</u>

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

	June 30, 1986			June 30, 1985			June 30, 1984		
	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total
Short Term Investments:									
Repurchase Agreements	\$ 465,000	\$ 465,000	3.6	\$ 435,000	\$ 435,000	4.0	\$ 195,000	\$ 195,000	2.1
Treasury Bills	1,000,000	974,622	7.6	1,000,000	993,062	9.2	1,320,000	1,302,724	13.7
	<u>1,465,000</u>	<u>1,439,622</u>	<u>11.2</u>	<u>1,435,000</u>	<u>1,428,062</u>	<u>13.2</u>	<u>1,515,000</u>	<u>1,497,724</u>	<u>15.8</u>
U.S. Government, Agencies and Government Insured:									
Treasury Notes	2,400,000	2,390,131	18.7	1,250,000	1,248,111	11.6	1,250,000	1,247,647	13.1
Treasury Bonds	2,920,000	2,795,087	21.8	2,420,000	2,297,025	21.3	2,220,000	2,098,431	22.1
Treasury Bonds (zero coupons)	1,346,875	937,670	7.3	346,875	69,044	.6	346,875	50,924	.5
U.S. Government Agencies Insured Exchange Marine Bonds	2,712,302	2,454,498	19.1	3,241,849	2,974,197	27.6	1,355,000	1,082,714	11.4
	<u>534,333</u>	<u>534,333</u>	<u>4.2</u>	<u>703,820</u>	<u>703,820</u>	<u>6.5</u>	<u>1,460,756</u>	<u>1,460,756</u>	<u>15.4</u>
	<u>9,913,510</u>	<u>9,111,719</u>	<u>71.1</u>	<u>7,962,544</u>	<u>7,292,197</u>	<u>67.6</u>	<u>6,632,631</u>	<u>5,940,472</u>	<u>62.5</u>
Corporate Bonds:									
Industrials	500,000	462,700	3.6	500,000	461,156	4.3	500,000	459,612	4.8
Utilities	1,750,000	1,604,079	12.5	1,550,000	1,406,319	13.0	1,550,000	1,401,843	14.8
Financial and Others	200,000	199,650	1.6	200,000	199,632	1.9	200,000	199,615	2.1
	<u>2,450,000</u>	<u>2,266,429</u>	<u>17.7</u>	<u>2,250,000</u>	<u>2,067,107</u>	<u>19.2</u>	<u>2,250,000</u>	<u>2,061,070</u>	<u>21.7</u>
	<u>\$13,828,510</u>	<u>12,817,770</u>	<u>100.0</u>	<u>\$11,647,544</u>	<u>10,787,366</u>	<u>100.0</u>	<u>\$10,397,631</u>	<u>9,499,266</u>	<u>100.0</u>
Total									
Add Unamortized Deferred Yield Adjustment		764,890			937,574			930,792	
Adjusted Amortized Cost of Securities		<u>\$13,582,660</u>			<u>\$11,724,940</u>			<u>\$10,430,058</u>	

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

	June 30, 1986	June 30, 1986	June 30, 1986	June 30, 1985	June 30, 1984	% of Total
	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total
Short Term Investments:						
Repurchase Agreements	\$ 1,120,000	\$ 1,120,000	6.9	\$ 215,000	\$ 215,000	1.8
Treasury Bills	415,000	415,000	2.5	380,000	374,049	4.1
	<u>1,535,000</u>	<u>1,535,000</u>	<u>9.4</u>	<u>540,000</u>	<u>534,049</u>	<u>5.8</u>
U.S. Government, Agencies and Government Insured:						
Treasury Notes	2,200,000	2,193,677	13.5	1,790,000	1,787,236	14.7
Treasury Bonds	2,800,000	2,730,408	16.8	2,300,000	2,234,525	18.4
Treasury Bonds (zero coupons)				5,000,000	1,562,543	12.8
Government Agencies	10,093,750	5,650,668	34.8	2,250,000	2,232,382	18.4
Insured Merchant Marine Bonds	5,000,000	482,996	3.0	1,000,000	1,000,000	8.2
	<u>15,593,750</u>	<u>11,057,749</u>	<u>68.1</u>	<u>12,340,000</u>	<u>8,816,686</u>	<u>72.5</u>
Corporate Bonds:						
Utilities	3,675,000	3,648,516	22.5	3,175,000	3,122,806	25.7
	<u>\$20,803,750</u>	<u>16,241,265</u>	<u>100.0</u>	<u>\$15,730,000</u>	<u>12,154,492</u>	<u>100.0</u>
Total						
Add Unamortized Deferred Yield Adjustment		30,980			35,971	
Adjusted Amortized Cost of Securities		<u>\$16,272,245</u>			<u>\$9,195,374</u>	

SUMMARY OF GROUP LIFE INSURANCE PROGRAM

Year Ended June 30,	Employer Contributions Paid By:				Claims Paid		No. Claims Paid		Average Payment	
	State Agencies	Public Schools	Political Subdivisions	Other	Investment Income	Active Members	Retired Members	Active Members	Retired Members	Members
SORS										
1986	\$3,126,708	\$3,079,076	\$846,773		\$5,804,977	\$4,628,284	\$1,511,000	254	713	\$18,222
1985	2,830,535	2,559,643	788,080		4,429,835	3,380,653		196		17,248
1984	2,655,413	2,438,039	739,017		3,269,957	3,676,039		234		15,710
1983	2,619,501	2,301,121	695,690		2,032,385	3,178,733		224		14,191
1982	2,451,124	2,119,228	632,218		2,172,379	3,716,227		254		14,631
1981	2,225,480	1,887,136	545,674		1,441,064	3,313,313		246		13,469
1980	1,911,425	1,709,270	485,216		954,449	3,053,662		241		12,671
1979	1,688,838	1,481,426	486,593		540,115	2,826,971		245		11,539
1978	1,512,942	1,369,769	432,229		282,279	2,502,441		240		10,427
1977					158,329	2,431,210		258		9,423
PORS										
1986	351,087		381,319		619,707	477,802	101,000	23	51	20,774
1985	291,339		338,682		479,523	332,706		20		16,635
1984	253,034		310,291		304,443	357,538		20		17,877
1983	225,844		280,000		250,475	349,811		24		14,575
1982	214,185		260,150		324,083	427,731		27		15,842
1981	197,331		232,243		223,401	450,109		30		15,004
1980	178,234		203,880		174,852	249,649		21		11,888
1979	208,870		241,001		105,812	243,930		22		11,088
1978	181,972		220,429		61,469	229,478		21		10,928
1977	217,972		276,166		43,119	306,878		28		10,960

Contribution Rate Changes:

Note: Contributions for FY 85-86 were allocated to the Retirement Cost of Living Fund.

PORS - Rate decreased from .75% to .55% effective 7-1-77.

Rate decreased from .55% to .40% effective 7-1-79.

Effective 7-1-85, the Group Life Program began providing limited benefits to retired members.