

**COMPONENT UNIT FINANCIAL REPORT
THE SOUTH CAROLINA RETIREMENT SYSTEMS
YEAR ENDED JUNE 30, 1988**

COMPONENT UNIT FINANCIAL REPORT
THE SOUTH CAROLINA RETIREMENT SYSTEMS
YEAR ENDED JUNE 30, 1988

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 & Solicitors
of the State of South Carolina (JSRS)

1122 Lady Street
NBSC Building
Columbia, South Carolina 29211

Purvis W. Collins
Director

Report prepared by the Staff of the System's
Accounting Department

Wayne D. Pruitt, CPA, Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The South Carolina
Retirement Systems

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 1987

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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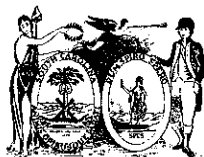
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INTRODUCTORY SECTION

South Carolina Retirement Systems



P. O. BOX 11960 - CAPITOL STATION

COLUMBIA, S. C. 29211

November 23, 1988

Purvis W. Collins
Director

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

Gentlemen:

The component unit financial report of the South Carolina Retirement Systems for the fiscal year ended June 30, 1988 is submitted herewith. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Systems. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the Systems. All disclosures necessary to enable the reader to gain an understanding of the System's financial activities have been included. 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 policeman 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 five sections. The Introductory 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 opinion of our independent accountants, financial statements of the retirement plans and related schedules. The Actuarial Section contains our independent consulting actuary's certification, 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 Systems. The Investments Section contains schedules of Investments, Investment growth as well as the report from the State Treasurer.

The four retirement systems (pension trust funds) are considered a component unit of the State of South Carolina financial reporting entity and are included in the comprehensive annual financial report of the State.

MAJOR INITIATIVES

The 1988 legislative session produced changes in the benefit structure of both the South Carolina Retirement System and the Police Officers Retirement System.

Effective July 1, 1988 the benefit formula under the South Carolina Retirement System was changed to 1.7% of average earnings for each year of credited service. Prior to this change the benefit formula was a two step formula; 1.25% of the first \$4,800 in average earnings plus 1.65% of average earnings over \$4,800 for each year of credited service. Additionally, the employee contribution rate in this System was changed to a straight 6% of compensation.

The Police Officers Retirement System benefit formula was changed to 2.0% of average earnings for each year of credited service from the previous factor of 1.75% of earnings. Employee contributions were increased from 5.0% to 6.5% of earnings. Employer contributions were raised to the pre-1987 level of 10.3%. Additionally, the minimum years of service necessary to retire under the Police Officers Retirement System was reduced from 30 years service to 25 years.

Employees retired prior to the effective date of these enhancements received increases in annuities equivalent to the new benefit provisions.

Actuarial assumptions were also reviewed in connection with these changes; resulting in a revision of the interest assumption from 7.0% to 7.5% for all Systems.

On the national level two major issues were finally resolved in the final days of the 100th Congress. The first dealt with mandatory distribution of benefits for members who are still actively employed after age 70½. This item, although not of a significant nature financially would have created significant additional administrative duties as well as project a negative image for public employees who would be perceived as being "double dippers"; receiving a public pension, while receiving a salary from public funds and continuing to accrue additional pension credits.

The second issue relates to an interpretation of the Internal Revenue Service which would essentially include, on an accrual or "as earned" basis, the value of many basic employee benefits (sick and annual leave, etc.) in determining limitations of deferrals under deferred compensation plans (457 plans).

Legislation (HR4333) was enacted to exempt State and local government employees from the mandatory distribution rule and also exempted legitimate involuntary deferrals such as sick and vacation leave from the deferral limitations under Section 457.

FINANCIAL INFORMATION

The Systems' management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Systems are protected from loss or misuse and to ensure that an adequate system of accounts exists in order to compile accurate and reliable data for preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met.

Assets and Investments - Total assets, on a combined basis reached \$6 billion this year; an overall growth of 13.1% over 1987. A summary of the growth of assets, by System follows:

	<u>1988</u>	<u>1987</u>	<u>Increase</u>	
	(Millions)	(Millions)	(Millions)	(Percent)
SCRS	\$ 5,476.3	\$ 4,849.3	\$ 627.0	12.9%
PORS	484.5	423.3	61.2	14.5%
GARS	17.4	15.5	1.9	12.3%
JSRS	<u>23.8</u>	<u>19.9</u>	<u>3.9</u>	19.6%
TOTAL	<u>\$ 6,002.0</u>	<u>\$ 5,308.0</u>	<u>\$ 694.0</u>	13.1%

Investments grew 14.2% for the fiscal year, increasing to approximately \$5.7 billion at June 30th; generating investment income of \$534.7 million or over 55% of total revenue for the year. The conservative investment policies of the Systems continue to provide steady reliable growth in investment income with a high degree of security.

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.

The following schedule presents a summary of revenues for the Systems for the fiscal year ended June 30, 1988 and the amount and percentage increases over prior year revenues.

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>	<u>INCREASE</u>	<u>PERCENT INCREASE</u>
	(amounts in thousands)						
Contribution Revenue							
Employee	\$ 171,570	\$ 13,634	\$ 297	\$ 592	\$ 186,093	\$ 13,337	7.7%
Employer	213,497	20,330	1,414	3,079	238,320	4,268	1.8%
Investment Income	484,487	46,512	1,470	2,185	534,654	15,938	3.1%
Other	<u>7,888</u>	<u>179</u>			<u>8,067</u>	<u>(324)</u>	(3.9)%
Total	<u>\$ 877,442</u>	<u>\$ 80,655</u>	<u>\$ 3,181</u>	<u>\$ 5,856</u>	<u>\$ 967,134</u>	<u>\$ 33,219</u>	3.6%

The small net increase in employer contributions is due to a reduction in employer contributions under the Police Officers Retirement System and contributions to the group life insurance plan for both the South Carolina Retirement System and Police Officers Retirement System for fiscal '88. On a combined basis investment income represented over 55% of income from all sources.

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. The following schedule presents a summary of expenditures for the Systems for the fiscal year ended June 30, 1988 and the amount and percentage increases over the prior year.

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>	<u>INCREASE</u>	<u>PERCENT INCREASE</u>
	(amounts in thousands)						
Annuities	\$ 224,152	\$ 15,406	\$ 1,170	\$ 1,983	\$ 242,711	\$ 26,694	12.4%
Refunds	32,493	2,967	28		35,488	5,784	19.5%
Group Life	6,586	676			7,262	182	2.6%
Administrative Charges	<u>3,843</u>	<u>335</u>	<u>12</u>	<u>16</u>	<u>4,206</u>	<u>326</u>	8.4%
Total	<u>\$ 267,074</u>	<u>\$ 19,384</u>	<u>\$ 1,210</u>	<u>\$ 1,999</u>	<u>\$ 289,667</u>	<u>\$ 32,986</u>	12.9%

Annuity payments, which constitute almost 84% of all expenditures, continues to grow due both increases in the number of retirees and to normal cost of living increases.

Funding - The overall objective in the funding of any retirement system is to accumulate sufficient funds to pay benefits when due. As is evidenced by the growth in the funded percentage of the Pension Benefit Obligation in the following schedule, the Systems continue to make progress and improvement in the level of funding, thereby assuring all participants of the continued financial stability of the Systems.

	<u>Year Ended June 30.</u>	<u>Net Assets Available for Benefits</u> (amounts in millions)	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>
SCRS	1987	\$ 4,805.4	\$ 6,447.5	74.5%
	1986	4,202.4	5,747.5	73.1%
PORS	1987	414.7	445.2	93.1%
	1986	353.3	397.1	89.0%
GARS	1987	15.5	22.2	69.8%
	1986	13.6	21.1	64.5%
JSRS	1987	19.9	51.6	38.6%
	1986	16.3	48.9	33.3%

Analysis of the "percentage funded" over time provides one indication of the extent to which the Systems are funded. Generally, the greater the percentage, the stronger the System.

An increase in this percentage over time is an indication of improved financial stability. However, this must be tempered with a knowledge of the background of the Systems, particularly with respect to the Judges and Solicitors Retirement System which was established in 1979 and immediately assumed the liability for payment of pensions from a previous "pay as you go" arrangement. This System has made steady progress in improving its funding level over the past 9 years.

OTHER INFORMATION

AWARDS - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Carolina Retirement Systems for its annual report for the fiscal year ended June 30, 1987.


In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

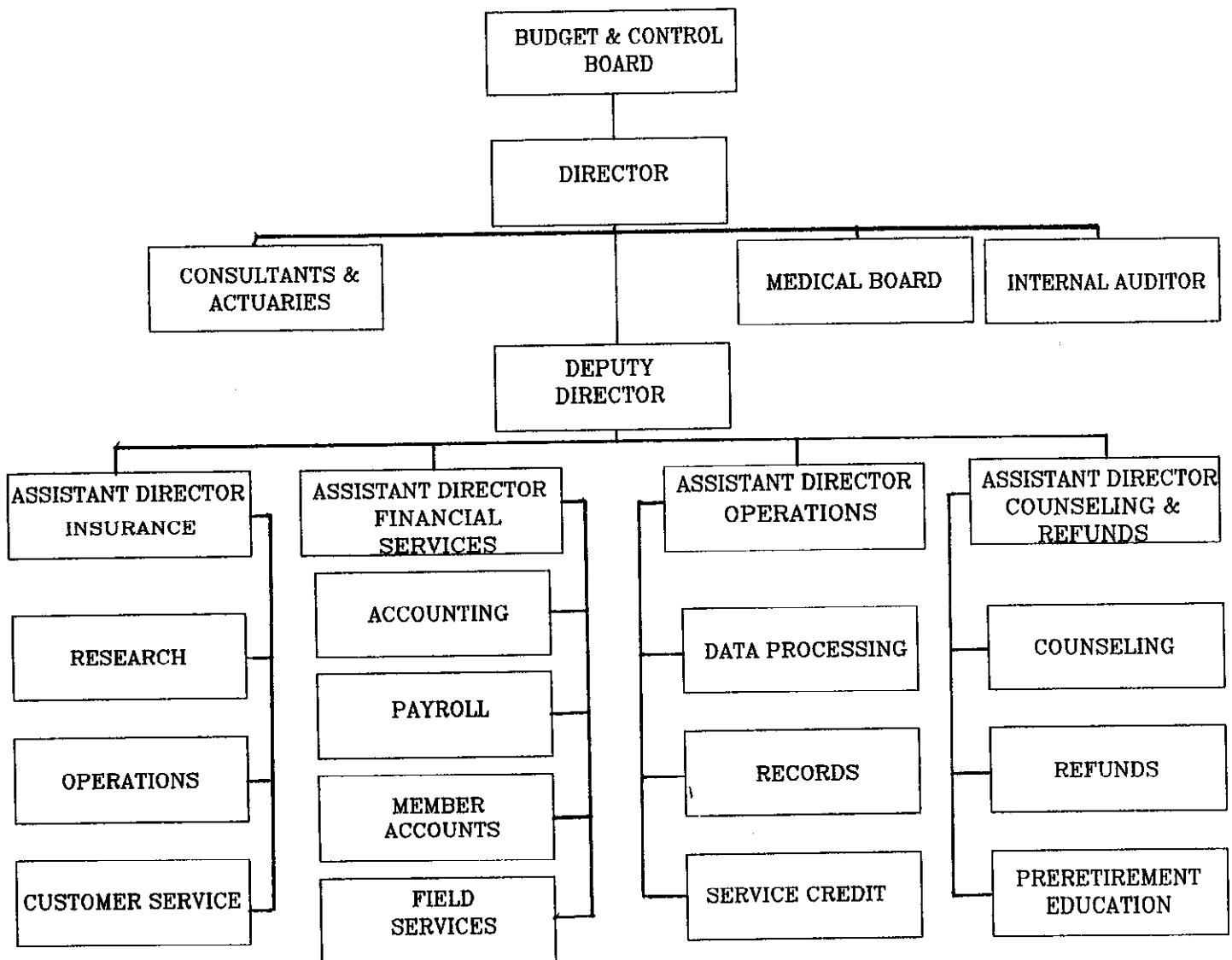
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS - The preparation of this report on a timely basis was made possible by the dedicated service of the staff of our finance department. It is intended to provide comprehensive and reliable information about the Systems and as a means of determining responsible stewardship for the assets held for our membership.

I would like to express my gratitude to the staff, the consultants, the Board and to the people who have diligently worked to assure the continued responsible and successful operations of the Systems.

Respectfully submitted,


Purvis W. Collins



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 James M. Waddell, Jr.
Honorable Robert N. McLellan

Chairman, Ex Officio
State Treasurer
Comptroller General
Chairman of Senate Finance Committee
Chairman of House Ways and Means Committee

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

Executive Director

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.
Phyllis B. Beighley
Brenda M. Bryant

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

Financial Services Division

Wayne D. Pruitt, CPA
Emory M. Kinard
Joy H. Richardson, CPA
John R. Davis
Rosemary Tien, CPA
Beverly K. Abdalla

Controller
Controller, Insurance Benefits
Manager, Retirement Accounting
Manager, Insurance Accounting
Manager, Member Accounts
Manager, Benefits Payroll

Insurance Benefits Division

James R. Davis
Charlotte Ruff
Judith H. Allen

Manager, Research and Intervention Section
Enrollment Supervisor
Insurance Benefits Supervisor

Counseling & Refunds Division

Holly Kednocker
Elvena Bickley
Phyllis C. Gardner

Counseling Supervisor
Refunds Supervisor
Pre-Retirement Education

Information Services Division

Michael Nivens
Meta Whitlock
Joyce Comisky

Data Processing Manager
Records Supervisor
Service Department Supervisor

ORGANIZATIONAL DESCRIPTION:

The structural organization of the Agency is depicted on the chart shown on the facing page. A brief description of the primary function 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 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 program.

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

Counseling & Refunds Division:

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

The following amendments were enacted during the 1988 Session of the General Assembly:

R528

The benefit formula under the SCRS has been changed from 1.25% of first \$4,800 plus 1.65% of excess average final compensation to 1.70% of average final compensation. The employee contribution rate has been changed from 4% of first \$4,800 and 6% of excess salary to a straight 6% of salary. All persons receiving a monthly benefit on June 30, 1988 receive a 10% increase effective July 1, 1988.

R463

The benefit formula under the Police Officers Retirement System has been changed from 1.75% to 2.0% of average final compensation. The service requirement for retirement eligibility has been reduced from 30 years to 25 years. The employee contribution rate has been changed from 5% to 6.50% of salary.

Under the Class I program, the benefit was increased from \$9 per month for each year of service credit to \$10.25. The employee contribution was increased from \$16 per month to \$21. All persons receiving a monthly benefit on July 30, 1988 will receive a 14.3% increase effective July 1, 1988.

R562

Retired members under Police Officers Retirement System or South Carolina Retirement System who return to covered employment for 48 consecutive months are no longer required to rejoin the System. They may join or continue under earnings limitation.

A member of South Carolina Retirement System who has Class I service credit may convert to Class II by paying 2½% of current salary for each year of service.

R470

A member with at least 25 years service credit who terminates employment may continue to pay employee and employer contributions until 30 years service credit is reached. The contributions will be made through most recent employer on regular basis and remitted to System on regular reports. Applicable only to SCRS.

The following amendments were included in the 1988 State Appropriation Act:

Earnings limitation raised from \$8,500 to \$9,000; a retired member who returns to covered employment is eligible to earn \$9,000 during fiscal year without penalty of losing benefit for remainder of fiscal year.

Those persons who are receiving a benefit prior to July 1, 1972 under SCRS and PORS will receive a one-time bonus of approximately \$200 in a separate check at the end of November, 1988.

A member of SCRS or PORS who served as Merchant Marine Seamen in active ocean-going service or civil service crew members aboard U.S. Transport Service and Naval Transportation Service vessels in ocean-going service in foreign waters during period December 7, 1941 to August 15, 1945 may establish credit in the same manner as other active military duty. Person must have honorable discharge certificate from U.S. Department of Defense.

The 24 members retired under the former Police Insurance and Annuity Fund will receive a \$50 per month increase effective July 1, 1988.

Beneficiaries under the Accidental Death Program who were receiving a benefit on July 1, 1987 will receive a 10% increase effective July 1, 1988.

Members of the Police System with accounts under teacher-employee System (SCRS) are now eligible to transfer credit to the Police System by paying the full actuarial cost.

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FINANCIAL SECTION

Price Waterhouse



Report of Independent Accountants

November 1, 1988

The South Carolina State Auditor's Office
Columbia, South Carolina

We have audited the combined financial statements of the Pension Trust Funds of the State of South Carolina (the Funds) as of and for the year ended June 30, 1988, as listed in the table of contents. These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audit.

As described in Note 1, the combined financial statements present only the Pension Trust Funds of the State of South Carolina and are not intended to present fairly the financial position and results of operations of the State of South Carolina in conformity with generally accepted accounting principles. As described in Note 6, the Pension Trust Funds of the State of South Carolina have extensive transactions and relationships with other departments, funds, and account groups of the State of South Carolina.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements audited by us present fairly, in all material respects, the financial position of the Funds at June 30, 1988 and the results of their operations and the changes in their financial position for the year then ended in conformity with generally accepted accounting principles.

The Required Supplementary Information on pages 35 and 36 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

November 1, 1988
The South Carolina State Auditor's Office
Columbia, South Carolina
Page 2



Our audit was made for the purpose of forming an opinion on the combined financial statements of the Pension Trust Funds of the State of South Carolina taken as a whole. The combining, individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements of the Pension Trust Funds of the State of South Carolina. Such information has been subjected to the auditing procedures applied in the examination of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Price Waterhouse

COMBINED BALANCE SHEET
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
JUNE 30, 1988
(amounts expressed in thousands)

Assets

Investments, at amortized cost (market \$ 6,037,681):	
Short-term investments	\$ 296,405
United States Government securities	2,465,042
United States Government agencies and government-insured securities	1,044,579
Corporate bonds	1,554,358
Financial and other	<u>310,331</u>
Total investments	5,670,715
Deferred yield adjustment for security exchanges	171,174
Receivables:	
Contributions	55,048
Accrued interest	97,111
Cash	<u>7,912</u>
Total assets	<u>\$6,001,960</u>

Liabilities and fund balances

Liabilities:	
Accounts payable - unsettled investment purchases	\$ 16,497
Accrued expenses	<u>1,196</u>
Total liabilities	17,693
Fund balances:	
Employee fund	1,512,922
Employer fund	4,417,018
Group life insurance fund	50,804
Accidental death fund	<u>3,523</u>
Total fund balances	<u>5,984,267</u>
Total liabilities and fund balances	<u>\$6,001,960</u>

See notes to financial statements.

COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 1988
(amounts expressed in thousands)

Operating revenues:

Employee contributions:	
State department employees	\$ 80,256
Public school employees	75,271
Other political subdivision employees	30,566
Employer contributions:	
State department employers	106,420
Public school employers	94,568
Other political subdivision employers	37,332
Supplemental retirement benefits funded by the State	8,067
Investment income	<u>534,654</u>
Total operating revenues	967,134

Operating expenses:

Refunds of contributions to members	35,488
Regular retirement benefits	234,326
Supplemental retirement benefits	8,067
Group life insurance payments	7,262
Accidental death benefits	318
Administrative charges	<u>4,206</u>
Total operating expenses	<u>289,667</u>

Net income 677,467

Fund balances at beginning of year 5,306,800

Fund balances at end of year \$5,984,267

See notes to financial statements.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 1988
(amounts expressed in thousands)

Sources of working capital:

Operations - net income	<u>\$677.467</u>
-------------------------	------------------

Net increase in working capital	<u>\$677.467</u>
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Elements of net increase
in working capital:

Cash	\$ 4,565
Investments	703,560
Deferred yield adjustment	(30,301)
Receivables	16,206
Accounts payable and accrued expenses	<u>(16,563)</u>

Net increase in working capital	<u>\$677.467</u>
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See notes to financial statements.

**NOTES TO COMBINED FINANCIAL STATEMENTS
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS**

1- BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION:

The combined pension trust fund financial statements present the Balance Sheet, Statement of Revenues, Expenses and Changes in Fund Balances, and Statement of Changes in Financial Position of the following entities:

- 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)

Each System operates on an autonomous basis; funds may not be transferred from one plan to another or utilized for any purpose other than for the benefit of each plan's participants. The SCRS and PORS are cost-sharing multiple-employer plans. The GARS and JSRS are considered single-employer plans.

The pension trust funds are considered a component unit of the State of South Carolina financial reporting entity and are included in the Comprehensive Annual Financial Report of the State of South Carolina.

Financial statements are prepared on the accrual basis of accounting in accordance with National Council on Governmental Accounting Statement 1. Financial statement disclosures are prepared in accordance with standards established by the Governmental Accounting Standards Board Statement 5.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of Funds-The Employee Fund is credited with all contributions made by active members of the Systems. Interest is added to each member's individual account at an annual rate of 6 per cent. Upon termination of employment prior to retirement, employee contributions and accumulated interest are refunded from this fund to the employee. Upon retirement, member's accumulated contributions and interest are transferred to the Employer Fund for subsequent payment of benefits.

The Employer Fund is the fund to which all employer retirement contributions and investment earnings of the Employee and Employer Funds are credited. Interest earnings allocated to individual member accounts in the Employee Fund are transferred from the Employer Fund. At retirement, accumulated employee contributions and interest are transferred from the Employee Fund to the Employer Fund. All annuities and administrative expenses of the Systems are paid from the Employer Fund.

The Group Life Insurance Fund is the fund to which participating employers contribute for the purpose of providing a life insurance benefit to active and retired members of the Systems. Employer contributions and earnings are credited to this fund. Group life insurance benefit payments are charged to this fund.

The Accidental Death Fund is the fund to which participating employers in the PORS contribute for the purpose of providing annuity benefits to beneficiaries of police officers and

firemen killed in the actual performance of their duties. This fund and its benefits are independent of any other retirement benefit available to the beneficiary. Employer contributions and investment earnings are credited to this fund. Monthly annuities are disbursed from this fund.

Investments- Investments are valued at amortized cost. The Systems amortize bond premiums and accrete bond discounts using the effective interest method. Securities and securities transactions are reflected in the financial statements on a trade-date basis. Gains and losses on bond exchanges are accounted for under the deferral and amortization method whereby net gains and losses on bond exchanges are deferred and amortized on a straight-line basis over the shorter of the life of the bond sold or purchased. Any gains or losses arising from non-exchange bond transactions are not deferred and are recognized as current year investment income. Investment income consists of interest earned during the year, amortization of premiums and accretion of discounts, and amortization of the deferred yield adjustment on securities exchanges and gains/losses on non-exchange bond transactions.

Contributions - Employee and employer contributions are reported on the accrual basis. Substantially all contributions receivable are collected within 30 days of year end.

Accrued expenses - Retirement and annuity benefits and group life insurance claims are recorded on the accrual basis of accounting.

2- DESCRIPTION OF PLANS:

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 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 was created, effective July 1, 1979, pursuant to the provisions of Section 9-8-20 of the Code of Laws for the purpose of providing retirement allowances and other benefits for judges and solicitors.

A brief summary of benefit provisions, eligibility criteria and vesting is presented below:

MEMBERSHIP:

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

PORS - Generally all full time employees whose principle duties are the preservation of public order, protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment.

GARS - All persons are required to participate in and contribute to the System upon taking office as a member of the General Assembly.

JSRS - All solicitors, judges of a Circuit or Family Court and justices of the Court of Appeals and Supreme Court are required to participate in and contribute to the System upon taking office.

PENSION BENEFITS:

SCRS - Monthly pension payable at age 65 or 30 years credited service regardless of age. Reduced pension benefits are payable as early as age 60. Member is vested for a deferred annuity with 5 years service.

PORS - Monthly pension payable at age 55 with minimum 5 years service or 30 years credited service regardless of age. Reduced pension benefits are payable as early as age 50. Member is vested for a deferred annuity with 5 years service.

GARS - Member is eligible for a monthly pension at age 60 or 30 years of credited service. Member is vested for a deferred annuity with 8 years service.

JSRS - Pension benefit payable at age 72 with 10 years service, age 70 with 15 years service, age 65 with 20 years service or with 25 years service regardless of age.

Membership, benefits and employee and employer contribution requirements are prescribed in Title 9 of the S.C. Code of Laws of 1976 (as amended).

The number and types of employers contributing to each System and the annual payroll of each type for the year ended June 30, 1988 are as follows:

	State*	School	Other	Total
SCRS				
Number of Employers	194	110	387	691
Annual Covered Payroll (000's omitted)	\$ 1,269,513	\$ 1,315,908	\$ 430,914	\$ 3,016,335
Average Number of Contributing Members	59,972	68,932	29,537	158,441
PORS				
Number of Employers	41		197	238
Annual Covered Payroll (000's omitted)	\$ 133,014		\$ 128,176	\$ 261,190
Average Number of Contributing Members	7,010		6,890	13,900

	State*	School	Other	Total
GARS				
Number of Employers	2			2
Annual Covered Payroll (000's omitted)	\$ 2,312			\$ 2,312
Average Number of Contributing Members	170			170
JSRS				
Number of Employers	2			2
Annual Covered Payroll (000's omitted)	\$ 7,511			\$ 7,511
Average Number of Contributing Members	104			104

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

Based upon the most recent complete actuarial valuation (June 30, 1987) the membership of the System was as follows:

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>
a) Retirees and beneficiaries receiving benefits and terminated employees entitled to benefits but not yet receiving them	114,665	5,916	221	55	120,857
b) Fully vested active employees	91,702	5,874	43	71	97,690
Nonvested active employees	<u>60,683</u>	<u>7,567</u>	<u>158</u>	<u>33</u>	<u>68,441</u>
Total active employees	152,385	13,441	201	104	166,131
 Total	 <u>267,050</u>	 <u>19,357</u>	 <u>422</u>	 <u>159</u>	 <u>286,988</u>

3- INVESTMENTS AND DEPOSITS:

The following table presents market values of investments at June 30, 1988. All investments are insured or registered, or held by the State or its agent in the name of the State Treasurer as custodian.

<u>Investment</u>	Fair Market Value (Amounts in thousands)				<u>TOTAL</u>
	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	
Short-term investments	\$ 274,415	\$ 20,985	\$ 410	\$ 595	\$ 296,405
U.S. Government securities	2,520,249	209,688	8,726	12,921	2,751,584
U.S. Government agencies and government-insured securities	1,010,389	102,659	3,502	4,055	1,120,605
Corporate bonds	1,403,220	141,942	4,716	6,956	1,556,834
Financial and other	<u>296,509</u>	<u>15,572</u>	<u>172</u>		<u>312,253</u>
	<u>\$5,504,782</u>	<u>\$ 490,846</u>	<u>\$17,526</u>	<u>\$24,527</u>	<u>\$6,037,681</u>

No provision is considered necessary for possible losses due to decline in market value of securities as 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.

As prescribed by Statute, the State Treasurer is the custodian and investment manager of all investments and deposits of the Systems. The Systems may invest in a variety of instruments including obligations of the United States and its agencies and securities fully guaranteed by the United States, certain corporate obligations, certain shares of Federal savings and loan associations and State chartered savings and loan associations, and collateralized repurchase agreements.

All deposits with financial institutions are insured or collateralized with securities held by the State or its agent in the State Treasurer's name as custodian. Deposits consist of approximately \$5.6 million on deposit with the State Treasurer and \$2.3 million on deposit with financial institutions.

Through a custodial agent, the SCRS and PORS participate in a securities lending program whereby securities are loaned to selected brokers for the purpose of generating additional income to the Systems. Securities loaned under this program are collateralized by securities at 102% of the market value of the securities loaned. Securities under loan are maintained on the Systems' financial records. As the Systems do not trade or sell the collateral received in the securities lending program, such collateral is not considered an asset of the Systems and a corresponding liability is not required on the balance sheet. Book value of securities on loan at June 30, 1988 totaled \$576.1 million for the SCRS and \$46.0 million for the PORS.

4- FUNDING STATUS AND PROGRESS:

The pension benefit obligation as shown in the following schedule is the actuarial present value of credited projected benefits. This is the standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the Systems' funding status on a going-concern basis and assess progress made in accumulating sufficient assets to pay benefits when due. This is the required disclosure measure as prescribed by Governmental Accounting Standards Board Statement 5. This measure is independent of the actuarial funding method used to determine contributions to the Systems.

The pension benefit obligation was determined based on the actuarial valuations performed as of June 30, 1987.

Significant actuarial assumptions used to compute the pension benefit obligations are as follows:

Interest rate - 7% per annum, compounded annually, effective for all plans.

Salary scales -	SCRS	PORS	GARS	JSRS
a) Inflation	4%	4%	4%	4%
b) Merit or seniority	2%	2%	1%	2%

Salary scales for the SCRS and PORS are on a graded scale based on age. The above figures are representative of that scale.

Post retirement benefit increases -	4%	4%	-0-	4%
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Separations - Rates of separation due to withdrawal, death, service retirement and disability are based upon tables constructed from past experience of the plans.

Pension benefit obligation (based on June 30, 1987 actuarial valuation) -

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>
	(All Amounts In Millions)				
Pension benefit obligation:					
a) Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	\$ 2,339.8	\$ 161.7	\$ 11.4	\$ 26.7	\$ 2,539.6
b) Current employees:					
Accumulated employee contributions including allocated investment income	1,182.2	72.1	2.4	4.2	1,260.9
Employer-financed vested	847.4	69.3	3.3	2.9	922.9
Employer-financed nonvested	<u>2,078.1</u>	<u>142.1</u>	<u>5.1</u>	<u>17.8</u>	<u>2,243.1</u>
	<u>4,107.7</u>	<u>283.5</u>	<u>10.8</u>	<u>24.9</u>	<u>4,426.9</u>
Total pension benefit obligation	6,447.5	445.2	22.2	51.6	6,966.5
Net assets available for benefits, at amortized cost	<u>4,805.4</u>	<u>414.7</u>	<u>15.5</u>	<u>19.9</u>	<u>5,255.5</u>
Unfunded pension benefit obligation	\$ <u>1,642.1</u>	\$ <u>30.5</u>	\$ <u>6.7</u>	\$ <u>31.7</u>	\$ <u>1,711.0</u>

Net assets available for benefits at June 30, 1987 at market value were \$5,060.0 million for SCRS, \$451.7 million for PORS, \$16.2 million for GARS, and \$21.7 million for JSRS.

5- FUNDING POLICY:

The actuarial cost method used by the Systems to determine the contributions from employers is the projected benefit method with entry age normal cost and open-end unfunded accrued liability. Under this method the actuarial present value of total benefits is determined and a percentage is computed to allocate pension cost to each year as a level percentage of salary.

The unfunded accrued liability liquidation periods at June 30, 1987 were as follows:

SCRS	PORS	GARS	JSRS
16 years	2 years	19 years	25 years

The significant actuarial assumptions used in determining funding requirements are the same as those used to calculate the pension benefit obligation, except that for funding purposes, post-retirement benefit increases are only anticipated for retired members and members eligible to retire under SCRS and PORS.

The actuarial value of assets used in this method is the same as the net asset values presented in the financial statements except for the exclusion of assets attributed to the group life insurance (SCRS & PORS) and the accidental death program (PORS).

All participating employers are required to contribute monthly (SCRS & PORS) or annually (GARS & JSRS) to the Systems. All required employer contributions to the Systems have been made in the normal course of business.

Effective July 1, 1987, contributions under the SCRS and PORS group life insurance programs were reduced from .3% and .4% to .15% and .2%, respectively. The unfunded accrued liability contribution rate for the PORS was reduced from 4.11% to 1.11%, effective July 1, 1987.

Actuarially established employer contribution rates for the fiscal year ended June 30, 1988 were as follows:

	<u>Normal</u>	<u>Unfunded Accrued Liability</u>	<u>Accidental Death Program</u>	<u>Group Life Insurance Program</u>	<u>Total</u>
SCRS					
State and Schools	3.74%	3.26%	N/A	.15%	7.15%
Local	3.19%	2.96%	N/A	.15%	6.30%
PORS	6.19%	1.11%	.20%	.20%	7.70%
JSRS	20.62%	19.22%	N/A	1.09%	40.93%

Actuarially established employer contribution amounts for the GARS for the fiscal year ended June 30, 1988 were as follows:

Normal	\$ 719,550
Unfunded Accrued Liability	690,292
Group life insurance	4,320
Total	<u>\$1,414,162</u>

The following chart shows actual employee and employer contributions for the fiscal year ended June 30, 1988.

	Employee Contributions (000's omitted)	% of Covered Payroll	Employer Contributions (000's omitted)	% of Covered Payroll
SCRS	\$ 171,570	5.7%	\$ 213,497	7.1%
PORS	13,634	5.2%	20,330	7.8%
GARS	297	12.8%	1,414	61.2%
JSRS	<u>592</u>	7.9%	<u>3,079</u>	41.0%
Total	\$ <u>186,093</u>		\$ <u>238,320</u>	

The ten year historical trend information presented immediately following Note 7 provides information about progress made in accumulating sufficient assets to pay benefits when due.

6- RELATED PARTY TRANSACTIONS:

The pension plans provide pension and other fringe benefits to employees of all State agencies. Revenues attributed to these agencies are recorded in the financial statements as State department employee and employer contributions and constitute approximately 44% of combined contribution revenues.

Administrative charges of approximately \$4.2 million were paid to an internal service fund of the Retirement Division of the State Budget and Control Board for the administration of the pension plans. In addition, the plans receive certain services from other agencies at no cost, primarily the custodial and related services provided by the State Treasurer.

Contributions receivable of approximately \$15.8 million were due from other agencies and departments of the State at June 30, 1988.

7- SUBSEQUENT EVENTS:

Effective for the plan year beginning July 1, 1988 the following changes in actuarial assumptions and benefit provisions were enacted.

The interest rate assumption for actuarial purposes was increased from 7.0% to 7.5%, compounded annually. This change was effective for all plans.

Additionally, benefit provisions were enhanced as follows:

SCRS The retirement benefit formula was changed from 1.25% of the first \$4,800 in average final compensation plus 1.65% of average final compensation above \$4,800 to 1.7% of average final compensation times years of credited service.

PORS The retirement benefit formula was changed from 1.75% of average final compensation to 2.0% of average final compensation times years of credited service. In addition, the required years of service necessary to establish retirement eligibility was reduced from 30 years of service to 25 years.

The employee contribution rate for members of the SCRS was increased from 4% of the first \$4,800 in salary and 6% of salary over \$4,800 to a straight 6% of salary. The employee contribution rate under the PORS was increased from 5% to 6.5% of salary and the employer contribution rate was increased from 7.3% to 10.3% of salary.

As a result of the above changes the estimated increase (decrease) in the pension benefit obligation as of June 30, 1987 is as follows:

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>
	(amounts expressed in millions)				
a. Change in interest assumption	\$(506)	\$(38)	\$(2)	\$(5)	\$(551)
b. Enhancement in benefit provisions	462	56			518
	—	—	—	—	—
Net impact on pension benefit obligation	\$ <u>(44)</u>	\$ <u>18</u>	\$ <u>(2)</u>	\$ <u>(5)</u>	\$ <u>(33)</u>

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited):

COMBINED EXPENSES BY TYPE (amounts expressed in thousands)

Year Ended June 30,	Member Refunds	Annuity Payments*	Group Life		Accidental Death Payments	Total
			Insurance Payments	Administrative Expenses		
1988	\$ 35,488	\$ 242,393	\$ 7,262	\$ 4,206	\$ 318	\$ 289,667
1987	29,704	215,729	7,080	3,880	289	256,682
1986	30,360	190,974	6,786	3,839	239	232,198
1985	28,356	171,221	3,794	2,944	237	206,552
1984	26,844	151,849	4,113	2,436	212	185,454
1983	22,538	132,655	3,589	2,449	187	161,418
1982	26,178	119,279	4,253	2,049	178	151,937
1981	20,061	103,324	3,763		175	127,323
1980	18,557	89,934	3,367		148	112,006
1979	17,344	77,757	3,071		121	98,293

*Includes both regular and supplemental retirement benefits.

COMBINED REVENUES BY SOURCE

Year Ended June 30,	Employer Contributions	% of Covered Payroll**	Employee Contributions	Investment Income	Other Income	Total
1988	\$ 238,320	7.3%	\$ 186,093	\$ 534,654	\$ 8,067	\$ 967,134
1987	234,053	7.7%	172,756	518,716	8,390	933,915
1986	220,380	7.8%	159,389	528,189	10,312	918,270
1985	193,860	7.6%	140,472	407,188	11,880	753,400
1984	170,311	7.6%	122,579	312,580	10,407	615,877
1983	159,760	7.3%	114,190	268,362	9,298	551,610
1982	152,057	7.7%	107,765	222,852	11,319	493,993
1981	136,823	7.4%	99,065	182,982	9,679	428,549
1980	123,565	7.2%	88,650	144,394	8,294	364,903
1979	107,176	7.0%	75,508	117,229	7,035	306,948

**All contributions were made in accordance with actuarial requirements.

REQUIRED SUPPLEMENTARY INFORMATION (Continued) (Unaudited):

Analysis of Funding Progress
(amounts expressed in millions)

	Year Ended June 30,	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
SCRS	1987	\$ 4,805.4	\$ 6,447.5	74.5%	\$ 1,642.1	\$ 2,796.5	58.7%
	1986	4,202.4	5,747.5	73.1%	1,545.1	2,634.4	58.7%
PORS	1987	414.7	445.2	93.1%	30.5	239.5	12.7%
	1986	353.3	397.1	89.0%	43.8	204.4	21.4%
GARS	1987	15.5	22.2	69.8%	6.7	2.7	246.2%
	1986	13.6	21.1	64.5%	7.5	2.7	274.0%
JSRS	1987	19.9	51.6	38.6%	31.7	7.4	428.4%
	1986	16.3	48.9	33.3%	32.6	7.1	459.2%

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the pension benefit obligation as a factor.

Looking at the pension benefit obligation, or the unfunded portion of the pension benefit obligation, in isolation can be misleading.

(1) Expressing net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the extent to which the Systems are funded. Analysis of this percentage over time indicates whether the Systems are becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the System.

(2) Expressing the unfunded pension benefit obligation as a percentage of the annual covered payroll approximately adjusts for the effects of inflation and aids analysis of funding progress. Generally, the smaller the unfunded percentage, the stronger the System.

COMBINING BALANCE SHEET
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
JUNE 30, 1988
(amounts expressed in thousands)

Assets	SCRS	PORS	GARS	JSRS	TOTAL
Investments, at amortized cost (market \$6,037,681):					
Short-term investments	\$ 274,415	\$ 20,985	\$ 410	\$ 595	\$ 296,405
United States Government securities	2,260,808	184,353	8,085	11,796	2,465,042
United States Government securities and government-insured securities	941,299	96,002	3,401	3,877	1,044,579
Corporate bonds	1,401,127	141,687	4,467	7,077	1,554,358
Financial and other	<u>294,329</u>	<u>15,802</u>	<u>200</u>		<u>310,331</u>
Total investments	5,171,978	458,829	16,563	23,345	5,670,715
Deferred yield adjustment for security exchanges	161,024	9,585	535	30	171,174
Receivables:					
Contributions	49,004	5,980		64	55,048
Accrued interest	86,914	9,520	347	330	97,111
Cash	<u>7,347</u>	<u>561</u>	<u>1</u>	<u>3</u>	<u>7,912</u>
Total assets	<u>\$5,476,267</u>	<u>\$ 484,475</u>	<u>\$17,446</u>	<u>\$23,772</u>	<u>\$6,001,960</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable -					
unsettled investment purchases	\$ 16,497				\$ 16,497
Accrued expenses	<u>1,143</u>	<u>53</u>			<u>1,196</u>
Total liabilities	17,640	53			17,693
Fund balances:					
Employee fund	1,415,351	88,984	\$ 3,657	\$ 4,930	1,512,922
Employer fund	3,998,351	386,036	13,789	18,842	4,417,018
Group life insurance fund	44,925	5,879			50,804
Accidental death fund	<u>5,458,627</u>	<u>3,523</u>	<u>17,446</u>	<u>23,772</u>	<u>5,984,267</u>
Total fund balances		<u>484,422</u>			
Total liabilities and fund balances	<u>\$5,476,267</u>	<u>\$ 484,475</u>	<u>\$17,446</u>	<u>\$23,772</u>	<u>\$6,001,960</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 1988
(amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	TOTAL
Operating revenues:					
Employee contributions:					
State department employees	\$ 72,425	\$ 6,942	\$ 297	\$ 592	\$ 80,256
Public school employees	75,271				75,271
Other political subdivision employees	23,874	6,692			30,566
Employer contributions:					
State department employers	91,539	10,388	1,414	3,079	106,420
Public school employers	94,568				94,568
Other political subdivision employers	27,390	9,942			37,332
Supplemental retirement benefits funded by the State	7,888	179			8,067
Investment income	<u>484,487</u>	<u>46,512</u>	<u>1,470</u>	<u>2,185</u>	<u>534,654</u>
Total operating revenues	877,442	80,655	3,181	5,856	967,134
Operating expenses:					
Refunds of contributions to members	32,493	2,967	28		35,488
Regular retirement benefits	216,264	14,909	1,170	1,983	234,326
Supplemental retirement benefits	7,888	179			8,067
Group life insurance payments	6,586	676			7,262
Accidental death benefits		318			318
Administrative charges	<u>3,843</u>	<u>335</u>	<u>12</u>	<u>16</u>	<u>4,206</u>
Total operating expenses	<u>267,074</u>	<u>19,384</u>	<u>1,210</u>	<u>1,999</u>	<u>289,667</u>
Net income	610,368	61,271	1,971	3,857	677,467
Fund balances at beginning of year	4,848,259	423,151	15,475	19,915	5,306,800
Fund balances at end of year	<u>\$5,458,627</u>	<u>\$484,422</u>	<u>\$17,446</u>	<u>\$23,772</u>	<u>\$5,984,267</u>

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 1988
(amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	TOTAL
Sources of working capital:					
Operations - net income	\$ <u>610,368</u>	\$ <u>61,271</u>	\$ <u>1,971</u>	\$ <u>3,857</u>	\$ <u>677,467</u>
Net increase in working capital	\$ <u>610,368</u>	\$ <u>61,271</u>	\$ <u>1,971</u>	\$ <u>3,857</u>	\$ <u>677,467</u>

Elements of net increase in working capital:					
Cash	\$ 4,038	\$ 530	\$ (4)	\$ 1	\$ 4,565
Investments	636,229	61,571	1,989	3,771	703,560
Deferred yield adjustment	(28,776)	(1,470)	(59)	4	(30,301)
Receivables	15,494	586	45	81	16,206
Accounts payable and accrued expenses	<u>(16,617)</u>	<u>54</u>	<u>—</u>	<u>—</u>	<u>(16,563)</u>
Net increase in working capital	\$ <u>610,368</u>	\$ <u>61,271</u>	\$ <u>1,971</u>	\$ <u>3,857</u>	\$ <u>677,467</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
SOUTH CAROLINA RETIREMENT SYSTEM
PENSION TRUST FUND
YEAR ENDED JUNE 30, 1988
(amounts expressed in thousands)

	Employee Fund	Employer Fund	Group Life Insurance Fund	Total
Operating revenues:				
Employee contributions:				
State department employees	\$ 72,425	\$ 89,622	\$ 1,917	\$ 72,425
Public school employees	75,271	92,593	1,975	75,271
Other political subdivision employees	23,874	26,824	566	23,874
Employer contributions:				
State department employers				91,539
Public school employers				94,568
Other political subdivision employers				27,390
Supplemental retirement benefits funded by the State		7,888		7,888
Investment income		<u>480,312</u>	<u>4,175</u>	<u>484,487</u>
Total operating revenues	<u>171,570</u>	<u>697,239</u>	<u>8,633</u>	<u>877,442</u>
Operating expenses:				
Refunds of contributions to members	32,493			32,493
Regular retirement benefits		216,264		216,264
Supplemental retirement benefits		7,888		7,888
Group life insurance payments			6,586	6,586
Administrative charges		<u>3,843</u>		<u>3,843</u>
Total operating expenses	<u>32,493</u>	<u>227,995</u>	<u>6,586</u>	<u>267,074</u>
Interfund transfers according to statutory requirements:				
Contributions by members at retirement	(56,067)	56,067		
Interest credited to members' accounts	<u>71,032</u>	<u>(71,032)</u>		
Net interfund transfers	<u>14,965</u>	<u>(14,965)</u>		
Net income	154,042	454,279	2,047	610,368
Fund balances at beginning of year	1,261,309	3,544,072	42,878	4,848,259
Fund balances at end of year	<u>\$ 1,415,351</u>	<u>\$3,998,351</u>	<u>\$44,925</u>	<u>\$5,458,627</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

PENSION TRUST FUND

YEAR ENDED JUNE 30, 1988

(amounts expressed in thousands)

	Employee Fund	Employer Fund	Group Life Insurance Fund	Accidental Death Fund	Total
Operating revenues:					
Employee contributions:					
State department employees	\$ 6,942				\$ 6,942
Other political subdivision employees	6,692				6,692
Employer contributions:					
State department employers		\$ 9,855	\$ 267	\$ 266	10,388
Other political subdivision employers		9,476	231	235	9,942
Supplemental retirement benefits funded by the State		179			179
Investment income	<u>45,581</u>	<u>45,581</u>	<u>600</u>	<u>331</u>	<u>46,512</u>
Total operating revenues	<u>13,634</u>	<u>65,091</u>	<u>1,098</u>	<u>832</u>	<u>80,655</u>
Operating expenses:					
Refunds of contributions to members	2,967				2,967
Regular retirement benefits		14,909			14,909
Supplemental retirement benefits		179			179
Group life Insurance payments			676		676
Accidental death benefits				318	318
Administrative charges	<u>335</u>	<u>335</u>	<u>676</u>	<u>318</u>	<u>335</u>
Total operating expenses	<u>2,967</u>	<u>15,423</u>	<u>676</u>	<u>318</u>	<u>19,384</u>
Interfund transfers according to statutory requirements:					
Contributions by members at retirement	(3,289)	3,289			
Interest credited to members' accounts	<u>4,379</u>	<u>(4,379)</u>			
Net interfund transfers	<u>1,090</u>	<u>(1,090)</u>			
Net income	11,757	48,578	422	514	61,271
Fund balances at beginning of year	77,227	337,458	5,457	3,009	423,151
Fund balances at end of year	<u>\$ 88,984</u>	<u>\$386,036</u>	<u>\$5,879</u>	<u>\$3,523</u>	<u>\$484,422</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
GENERAL ASSEMBLY RETIREMENT SYSTEM
PENSION TRUST FUND
YEAR ENDED JUNE 30, 1988
(amounts expressed in thousands)

	Employee Fund	Employer Fund	Total
Operating revenues:			
Employee contributions	\$ 297		\$ 297
Employer contributions		\$ 1,414	1,414
Investment income		<u>1,470</u>	<u>1,470</u>
Total operating revenues	<u>297</u>	<u>2,884</u>	<u>3,181</u>
Operating expenses:			
Refunds of contributions to members	28		28
Retirement benefits		1,170	1,170
Group life insurance payments			
Administrative charges		<u>12</u>	<u>12</u>
Total operating expenses	<u>28</u>	<u>1,182</u>	<u>1,210</u>
Interfund transfers according to statutory requirements:			
Contributions by members at retirement	(72)	72	
Interest credited to members' accounts	<u>190</u>	<u>(190)</u>	
Net interfund transfers	<u>118</u>	<u>(118)</u>	
Net income	387	1,584	1,971
Fund balances at beginning of year	<u>3,270</u>	<u>12,205</u>	<u>15,475</u>
Fund balances at end of year	<u>\$3,657</u>	<u>\$13,789</u>	<u>\$17,446</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
JUDGES AND SOLICITORS RETIREMENT SYSTEM
PENSION TRUST FUND
YEAR ENDED JUNE 30, 1988
(amounts expressed in thousands)

	Employee Fund	Employer Fund	Total
Operating revenues:			
Employee contributions	\$ 592		\$ 592
Employer contributions		\$ 3,079	3,079
Investment income		<u>2,185</u>	<u>2,185</u>
Total operating revenues	<u>592</u>	<u>5,264</u>	<u>5,856</u>
Operating expenses:			
Regular retirement benefits		1,983	1,983
Administrative charges		<u>16</u>	<u>16</u>
Total operating expenses		<u>1,999</u>	<u>1,999</u>
Interfund transfers according to statutory requirements:			
Contributions by members at retirement	(126)	126	
Interest credited to members' accounts	<u>251</u>	<u>(251)</u>	
Net interfund transfers	<u>125</u>	<u>(125)</u>	
Net income	717	3,140	3,857
Fund balances at beginning of year	<u>4,213</u>	<u>15,702</u>	<u>19,915</u>
Fund balances at end of year	<u>\$ 4,930</u>	<u>\$ 18,842</u>	<u>\$ 23,772</u>

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ACTUARIAL SECTION

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**BUCK
CONSULTANTS**

200 Galleria Parkway, N. W. Suite 1060
Atlanta, Georgia 30339 404/955-2488

November 11, 1988

State Budget and Control Board
South Carolina Retirement Systems
Columbia, South Carolina 29211

Gentlemen:

The laws governing the operation of the various Retirement Systems provide that actuarial valuations of the assets and liabilities of the Systems shall be made annually for the South Carolina Retirement System and the Police Officers Retirement System and no less frequently than biennially for the General Assembly Retirement System and the Judges and Solicitors Retirement System. We have submitted the results of the actuarial valuations prepared as of June 30, 1987. In preparing the valuations the actuary relied on data provided by the Systems. While not verifying the data at source, the actuary performed tests for consistency and reasonability.

The financing objective of the Systems is that contribution rates will remain relatively level over time as a percentage of payroll. Contribution rates are developed using the entry age normal cost method. Book value of plan assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded accrued liabilities that are being amortized by regular annual level dollar contributions within a 30-year period. The assumptions recommended by the actuary are in the aggregate reasonably related to the experience under the Systems and to reasonable expectations of anticipated experience under the Systems. The following schedules present summaries of the principal results of the valuations prepared as of June 30, 1987 and the actuarial methods and assumptions used to prepare the valuations.

In our opinion the Systems are operating on an actuarially sound basis. Assuming that contributions to the Systems are made by the employers from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement funds to provide the benefits called for under the Systems may be safely anticipated.

Sincerely yours,



Donald M. Overholser
Consulting Actuary

DMO:lt

SOUTH CAROLINA RETIREMENT SYSTEM
RESULTS OF THE VALUATION AS OF JUNE 30, 1987
(All dollar amounts are in thousands)

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present retired members and beneficiaries	\$ 2,181,724
	(b) Present active and inactive members	<u>6,737,647</u>
	(c) Total actuarial liabilities	\$ 8,919,371
(2)	Assets of the System	<u>4,805,381</u>
(3)	Present value of future contributions = (1)(c) - (2)	\$ 4,113,990
(4)	Present value of future contributions by members	<u>1,985,202</u>
(5)	Present value of future contributions by employers = (3) - (4)	\$2,128,788
(6)	Present values of 1 per cent of future compensation	
	(a) Class One Service	2,980
	(b) Class Two Service: State	300,969
	(c) Class Two Service: Others	45,446
(7)	Present value of future normal contributions by employers at	
	(a) 2.32% = (6)(a) x 2.32	\$ 6,914
	(b) 3.74% = (6)(b) x 3.74	1,125,624
	(c) 3.19% = (6)(c) x 3.19	<u>144,973</u>
	(d) Total	\$1,277,511
(8)	Present value of unfunded accrued liability contributions by employers = (5) - (7) (d)	851,277
(9)	Unfunded accrued liability rates	
	(a) Class One Service	1.38%
	(b) Class Two Service: State	3.26
	(c) Class Two Service: Others	2.96
(10)	Unfunded accrued liability liquidation period	16 years
(11)	Group life insurance benefit contribution rate	.15%

POLICE OFFICERS RETIREMENT SYSTEM
RESULTS OF THE VALUATION AS OF JUNE 30, 1987

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present retired members and beneficiaries	\$ 151,424,859
	(b) Present active and inactive members	<u>602,925,954</u>
	(c) Total actuarial liabilities	\$ 754,350,813
(2)	Assets of the System	<u>414,685,189</u>
(3)	Present value of future contributions = (1)(c) - (2)	\$ 339,665,624
(4)	Present value of future contributions by members	<u>149,526,490</u>
(5)	Present value of future contributions by employers = (3) - (4)	\$ 190,139,134
(6)	Present value of 1 per cent of future compensation:	
	(a) Class One Service	48,720
	(b) Class Two Service	29,875,367
(7)	Present value of future normal contributions by employers at:	
	(a) 4.59% = (6)(a) x 4.59	\$ 223,625
	(b) 6.19% = (6)(b) x 6.19	<u>184,928,522</u>
	(c) Total	\$ 185,152,147
(8)	Present value of unfunded accrued liability contributions by employers = (5) - (7)(c)	\$ 4,986,987
(9)	Unfunded accrued liability rates:	
	(a) Class One Service	.21%
	(b) Class Two Service	1.11%
(10)	Unfunded accrued liability liquidation period	2 years
(11)	Group life insurance benefit contribution rate	.20%
(12)	Accidental death benefit contribution rate	.20%

GENERAL ASSEMBLY RETIREMENT SYSTEM
RESULTS OF THE VALUATION AS OF JUNE 30, 1987

(1)	Actuarial Liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present beneficiaries and contingent beneficiaries	\$10,564,107
	(b) Present active, inactive and special members	<u>21,172,462</u>
	(c) Total actuarial liabilities	\$31,736,569
(2)	Assets of the System	<u>15,474,584</u>
(3)	Present value of future contributions = (1) (c) - (2)	\$16,261,985
(4)	Present value of future contributions by members	<u>2,777,977</u>
(5)	Present value of future contributions by the State = (3) - (4)	\$13,484,008
(6)	Present value of 1 per cent of future compensation	\$ 277,798
(7)	Present value of future normal contributions by the State at 23.20% = (6) x 23.20	6,444,914
(8)	Present value of unfunded accrued liability contributions by the State = (5) - (7)	7,039,094
(9)	Unfunded accrued liability liquidation period	19 years
(10)	Annual cost of lump sum death benefit contributions by the State	\$ 4,536

JUDGES AND SOLICITORS RETIREMENT SYSTEM
RESULTS OF THE VALUATION AS OF JUNE 30, 1987

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present beneficiaries and contingent beneficiaries	\$26,704,915
	(b) Present active members	<u>49,820,540</u>
	(c) Total actuarial liabilities	\$76,525,455
(2)	Assets of the System	<u>19,915,503</u>
(3)	Present value of future contributions = (1) (c) - (2)	\$56,609,952
(4)	Present value of future contributions by members	<u>6,389,724</u>
(5)	Present value of future contributions by the State = (3)-(4)	\$50,220,228
(6)	Present value of 1 per cent of future compensation	\$ 912,818
(7)	Present value of future normal contributions by the State at 20.62% = (6) x 20.62	\$18,822,307
(8)	Present value of unfunded accrued liability contributions by the State = (5) - (7)	\$31,397,921
(9)	Unfunded accrued liability liquidation period	25 years

SOUTH CAROLINA RETIREMENT SYSTEM
OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 7% per annum, compounded annually.

SEPARATIONS FROM SERVICE AND SALARY INCREASES: Representative values of the assumed annual rates of separation and annual rates of salary increase are as follows:

Annual Rates of								
Age	<u>With- drawal</u>	<u>Death</u>	<u>Dis- ability</u>	<u>Service Retire- ment</u>	<u>With- drawal</u>	<u>Death</u>	<u>Dis- ability</u>	<u>Service Retire- ment</u>
<u>Men Teachers</u>				<u>Women Teachers</u>				
20	11.11%	.04%	.01%		13.79%	.03%	.02%	
25	9.97	.05	.01		12.83	.03	.03	
30	7.91	.08	.02		9.12	.04	.04	
35	6.06	.12	.03		5.61	.06	.04	
40	4.67	.18	.06		3.43	.08	.07	
45	3.67	.25	.11		2.33	.13	.12	
50	2.83	.35	.20	4.00%	1.74	.20	.20	4.00%
55	2.03	.50	.34	5.50	1.18	.29	.35	6.00
60		.70	.59	7.50		.45	.61	8.00
64		.92	.94	20.00		.66	.82	35.00

Age	<u>With- drawal</u>	<u>Death</u>	<u>Dis- ability</u>	<u>Service Retire- ment</u>	<u>Salary Increase</u>
<u>Employees</u>				<u>Teachers and Employees</u>	
20	11.11%	.07%	.04%		11.31%
25	9.97	.09	.04		10.40
30	7.91	.11	.06		9.00
35	6.06	.14	.08		7.30
40	4.67	.18	.10		6.51
45	3.67	.28	.15		6.10
50	2.83	.46	.25	2.00%	5.80
55	2.03	.75	.40	3.50	5.60
60		1.08	.61	5.00	5.40
65		1.36	.85	17.50	5.30

DEATH AFTER RETIREMENT: Combined Annuity Mortality Tables, Modified and Makehamized, for service retirement and dependent beneficiaries with a 2 year setback in ages for men employees, a 3 year setback for women employees, men teachers and men dependents and a 4 year setback for women teachers and women dependents. A special mortality table is used for disability retirements.

LOADING OR CONTINGENCY RESERVES: None

VALUATION METHOD: Projected benefit 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. Lump sum death benefits are provided on a one-year term cost basis.

VALUATION BASIS: The valuation was made on the basis of the rates of separation and mortality tables in effect since June 11, 1974 and a salary scale and interest rate adopted on April 8, 1980.

ASSET VALUATION METHOD: Amortized cost.

**POLICE OFFICERS RETIREMENT SYSTEM
OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS**

INTEREST RATE: 7% per annum, compounded annually.

SEPARATION FROM SERVICE AND SALARY INCREASES: Representative values of the adopted annual rates of separation and annual rates of salary increases are as follows:

<u>Annual Rate of</u>					
<u>Age</u>	<u>Withdrawal</u>	<u>Death</u>	<u>Disability</u>	<u>Service Retirement*</u>	<u>Salary Increases**</u>
20	13.79%	.10%	.14%		11.29%
25	12.83	.13	.16		10.39
30	9.12	.16	.20		9.01
35	5.61	.20	.26		7.29
40	3.43	.27	.34		6.50
45	2.33	.40	.50		6.10
50	1.74	.57	.84		5.80
55		.88		6.50%	5.60
60		1.42		9.90	5.40
64		2.03		15.98	5.30

DEATH AFTER RETIREMENT: Combined Annuity Mortality Tables, Modified and Makehamized, for service retirement and dependent beneficiaries with a one-year setback in ages. A special mortality table is used for disability retirements.

LOADING OR CONTINGENCY RESERVES:

*A loading was included to cover additional liabilities on the basis of an expected increase in the rates of service retirement in conjunction with the improved benefits under the average final compensation formula.

**Reserves were included to provide for an annual inflation factor of 5 per cent in the flat benefit formula.

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. Lump sum death benefits are provided on one-year term cost basis.

VALUATION BASIS: The valuation was made on the basis of the rates of separation and mortality tables in effect since November 7, 1974 and a salary scale and interest rate adopted on April 8, 1980.

ASSET VALUATION METHOD: Amortized cost.

**GENERAL ASSEMBLY RETIREMENT SYSTEM
OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS**

INTEREST RATE: 7% per annum, compounded annually.

SEPARATION FROM SERVICE: Representative values of the adopted annual rates of separation are as follows:

<u>Annual Rate of</u>					
<u>Age</u>	<u>Death</u>		<u>Disability</u>		<u>Service Retirement</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
20	.04%	.03%	.01%	.02%	
25	.05	.03	.01	.03	
30	.08	.04	.02	.04	
35	.12	.06	.03	.04	
40	.18	.08	.06	.07	
45	.25	.13	.11	.12	
50	.35	.20	.20	.20	
55	.50	.29	.34	.35	
60					100%

SALARY INCREASES: Salaries are assumed to increase at an annual rate of 5.0 per cent.

MEMBER CONTRIBUTIONS: Member contributions are assumed to increase at an annual rate of 5.0 per cent.

DEATH AFTER RETIREMENT: Combined Annuity Mortality Tables, Modified and Makehamized, for service retirement and dependent beneficiaries with a 3 year setback in ages for male members with a 3 year setback for female members. A special mortality table is used for disability retirements.

SPOUSES: 100% of active and special members were assumed married with the wife four years younger.

LOADING OR CONTINGENCY RESERVES: None.

VALUATION BASIS: The valuation was made on the basis of the active death and disability rates for male and female teachers, the mortality table for service pensions, and the disability mortality table for male teachers in use under the South Carolina Retirement System. Those tables have been in effect since June 11, 1974. The interest rate assumption was adopted April 8, 1980.

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. Lump sum death benefits are provided on a one-year term cost basis.

ASSET VALUATION METHOD: Amortized Cost.

**JUDGES AND SOLICITORS RETIREMENT SYSTEM
OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHOD**

VALUATION INTEREST RATE: 7% per annum, compounded annually.

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, disability, and death are as follows:

<u>Annual Rates of</u>				
<u>Age</u>	<u>Withdrawal*</u>	<u>Disability</u>	<u>Death</u>	
			<u>Male</u>	<u>Female</u>
25	.05%	.05%	.09%	.05%
30	.05	.06	.11	.05
35	.05	.07	.14	.09
40	.05	.10	.18	.11
45	.05	.15	.28	.17
50	.05	.25	.46	.25
55	.05	.44	.75	.36
60	.05	.82	1.44	.53
65	.05	2.10	3.30	.83
69		5.20	4.50	1.28

*Solicitors only.

NORMAL RETIREMENT AGE: Judges are assumed to retire at age 68. Solicitors are assumed to retire at the age at which they are first eligible for a service retirement benefit.

SALARY INCREASE RATE: 6% per annum, compounded annually.

DEATHS AFTER RETIREMENT: Combined Annuity Mortality Tables, Modified and Makehamized, for service retirement and dependent beneficiaries with a 3 year setback in ages for male members and a 4 year setback for female members. A special mortality table is used for disability retirements.

SPOUSES: 95% of active members were assumed married with the spouse four years younger.

LOADING OR CONTINGENCY RESERVES: None.

VALUATION BASIS: The valuation was made on the basis of withdrawal disability and mortality tables, salary scale and interest rate assumptions established at the inception of the Plan (July 1 1979).

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. Lump sum death benefits are provided on a one-year term cost basis.

SOUTH CAROLINA RETIREMENT SYSTEM
THE NUMBER AND EARNABLE COMPENSATION OF ACTIVE MEMBERS
AS OF JUNE 30, 1987

<u>GROUP</u>	<u>MEN</u>	<u>WOMEN</u>	<u>TOTAL</u>
<u>EMPLOYEES</u>			
Number	40,409	46,302	86,711
Earnable Compensation (1,000's)	\$ 856,496	\$ 751,931	\$ 1,608,427
<u>TEACHERS</u>			
Number	12,886	52,788	65,674
Earnable Compensation (1,000's)	\$ 290,364	\$ 897,721	\$ 1,188,085
<u>TOTAL</u>			
Number	53,295	99,090	152,385
Earnable Compensation (1,000's)	\$ 1,146,860	\$ 1,649,652	\$ 2,796,512

NOTE: There are in addition 79,725 inactive members, 10,075 active members not on the payroll as of the valuation date, and 456 members with insufficient information. The results of the valuation were adjusted to take these members into account.

POLICE OFFICERS RETIREMENT SYSTEM
THE NUMBER AND EARNABLE COMPENSATION OF ACTIVE MEMBERS
AS OF JUNE 30, 1987

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
Men	11,369	\$ 206,849,733
Women	<u>2,072</u>	<u>32,677,085</u>
Total	13,441	\$ 239,526,818

NOTE: There are in addition 3,721 members not on the payroll as of June 30, 1987 but included in the individual accounts maintained by the System. The results of the valuation were adjusted to take these members into account.

ACTIVE MEMBERSHIP OF THE RETIREMENT SYSTEM
FOR MEMBERS OF THE GENERAL ASSEMBLY OF
THE STATE OF SOUTH CAROLINA
AS OF JUNE 30, 1987

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
Men	185	\$ 2,516,800
Women	<u>16</u>	<u>217,600</u>
Total	201	\$ 2,733,600

Note: There are in addition 103 inactive members with contributions still in the System. The results of the valuation were adjusted to take these members into account.

JUDGES AND SOLICITORS RETIREMENT SYSTEM
NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS INCLUDED IN THE VALUATION
AS OF JUNE 30, 1987

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
Men	101	\$ 7,166,502
Women	<u>3</u>	<u>197,711</u>
Total	104	\$ 7,364,213

SOUTH CAROLINA RETIREMENT SYSTEM
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
RETIRED MEMBERS AND BENEFICIARIES ON THE ROLL
AS OF JUNE 30, 1987

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES (1,000's)</u>
Service Retirements		
Employees:		
Men	7,072	\$ 47,760
Women	5,589	27,041
Teachers:		
Men	2,943	22,855
Women	<u>13,143</u>	<u>77,244</u>
Total	28,747	\$ 174,900
Disability Retirements		
Employees:		
Men	1,324	\$ 6,396
Women	868	3,858
Teachers:		
Men	386	2,331
Women	<u>1,058</u>	<u>5,515</u>
Total	3,636	\$ 18,100
Beneficiaries of Deceased Retired Members and Active Members		
Men	358	\$ 1,269
Women	<u>2,199</u>	<u>8,801</u>
Total	<u>2,557</u>	\$ <u>10,070</u>
Grand Total	<u>34,940</u>	\$ <u>203,070</u>

POLICE OFFICERS RETIREMENT SYSTEM
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
RETIRED MEMBERS AND BENEFICIARIES
AS OF JUNE 30, 1987

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES</u>
Service and Early Retirements:		
Men	1,507	\$ 9,523,753
Women	<u>62</u>	<u>302,036</u>
Total	1,569	\$ 9,825,789
Disability Retirements:		
Men	314	\$ 2,028,460
Women	<u>13</u>	<u>54,082</u>
Total	327	\$ 2,082,542
Beneficiaries of Deceased Members:		
Men	7	\$ 13,538
Women	<u>292</u>	<u>1,161,708</u>
Total	<u>299</u>	\$ <u>1,175,246</u>
Grand Total	<u>2,195</u>	\$ <u>13,083,577</u>

GENERAL ASSEMBLY RETIREMENT SYSTEM
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
BENEFICIARIES AND CONTINGENT BENEFICIARIES
AS OF JUNE 30, 1987

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES</u>
Beneficiaries:		
Men	87	\$ 959,018
Women	<u>4</u>	<u>15,824</u>
Total	91	\$ 974,842
Contingent Beneficiaries:		
Men	4	\$ 27,484
Women	<u>23</u>	<u>195,425</u>
Total	<u>27</u>	\$ <u>222,909</u>
Grand Total	<u>118</u>	\$ <u>1,197,751</u>

JUDGES AND SOLICITORS RETIREMENT SYSTEM
NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF
BENEFICIARIES AND CONTINGENT BENEFICIARIES
AS OF JUNE 30, 1987

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES</u>
Service Retirements:		
Men	34	\$ 1,587,183
Women	<u>0</u>	<u>0</u>
Total	34	\$ 1,587,183
Disability Retirements:		
Men	2	\$ 95,156
Women	<u>0</u>	<u>0</u>
Total	2	\$ 95,156
Beneficiaries of Deceased Members:		
Men	0	0
Women	<u>19</u>	\$ <u>287,846</u>
Total	<u>19</u>	\$ <u>287,846</u>
Grand Total	<u>55</u>	\$ <u>1,970,185</u>

SCHEDULE OF
RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

	<u>SCRS</u>			<u>PORS</u>		
Valuation Date	Added	Deleted	Balance	Added	Deleted	Balance
06-30-87	3,205	1,007	34,940	234	84	2,195
06-30-86	2,796	1,031	32,742	188	55	2,045
06-30-85	2,470	895	30,977	161	52	1,912
06-30-84	2,436	871	29,402	174	72	1,803
06-30-83	2,526	839	27,837	164	53	1,701
06-30-82	2,482	718	26,150	150	40	1,590
06-30-81	2,327	774	24,386	173	42	1,480
06-30-80	4,127*	1,254*	22,833	135	51	1,349
06-30-79	NO VALUATION PERFORMED			160	41	1,265

	<u>GARS</u>			<u>JSRS</u>		
Valuation Date	Added	Deleted	Balance	Added	Deleted	Balance
06-30-87	7	0	118	1	0	55
06-30-86	6	3	111	5	0	54
06-30-85	12	3	108	5	1	49
06-30-84	7	2	99	6	0	45
06-30-83	21*	2*	94	11*	1*	39
06-30-82	NO VALUATION PERFORMED			NO VALUATION PERFORMED		
06-30-81	24	2	75	6	1	29
06-30-80	7	3	53	24	0	24
06-30-79	7	1	49			

* For the two year period

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

Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Assets as of % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Members Payroll	UAL as a % of Active Member Payroll
SCRS						
6-30-87	\$ 4,805,381	\$ 5,656,658	85.0%	\$ 851,277	\$ 2,796,512	30.4%
6-30-86	4,202,379	5,028,250	83.6%	825,871	2,634,443	31.3%
6-30-85	3,576,867	3,786,910	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%
6-30-79	NO VALUATION PERFORMED					
6-30-78	1,363,722	1,809,493	75.4%	445,771	1,255,175	35.5%
PORS						
6-30-87	\$ 414,685	\$ 419,672	98.8%	\$ 4,987	\$ 239,527	2.1%
6-30-86	353,269	369,432	95.6%	16,163	204,405	7.9%
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	220,625	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%

Note: 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.
Effective 6-30-86, SCRS aggregate accrued liability reflected all current and future cost of living increases for current retirees and active members eligible for service retirement.

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

Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Assets of a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Members Payroll	UAL as a % of Active Member Payroll
GARS						
6-30-87	\$ 15,475	\$ 22,514	68.7%	\$ 7,039	\$ 2,734	257.5%
6-30-86	13,591	21,473	63.3%	7,882	2,734	288.3%
6-30-85	11,729	21,512	54.5%	9,783	2,720	359.7%
6-30-84	10,437	19,862	52.5%	9,425	2,364	398.7%
6-30-83	9,265	14,404	64.3%	5,139	2,436	211.0%
6-30-82	NO VALUATION PERFORMED					
6-30-81	7,046	10,666	66.1%	3,620	1,840	196.7%
6-30-80	6,058	9,356	64.7%	3,298	1,930	170.9%
6-30-79	5,115	10,227	50.0%	5,112	1,990	256.9%
6-30-78	4,354	8,555	50.9%	4,201	1,930	217.7%
JSRS						
6-30-87	\$ 19,916	\$ 51,314	38.8%	\$ 31,398	\$ 7,364	426.4%
6-30-86	16,317	49,020	33.3%	32,703	7,073	462.4%
6-30-85	12,233	44,197	27.7%	31,964	6,662	479.8%
6-30-84	9,230	39,297	23.5%	30,067	5,988	502.1%
6-30-83	6,744	28,525	23.6%	21,781	5,250	414.9%
6-30-82	NO VALUATION PERFORMED					
6-30-81	3,157	21,502	14.7%	18,345	4,708	389.7%
6-30-80	1,764	19,166	9.2%	17,402	4,138	420.5%

NOTE: The JSRS was established effective 7-1-79.

SOLVENCY TEST
(000'S OMITTED)

Aggregate Accrued Liabilities for:						
Valuation Date	(1)		(2)		(3)	
	Active Member Contributions	Retirees & Beneficiaries	Active Members (Employer Funded Portion)	Valuation Assets	Liabilities (1)	Accrued Assets (2) (3)
SCRS						
6-30-87	\$1,261,309	\$ 2,181,724	\$ 2,213,625	\$ 4,805,381	100%	61.5%
6-30-86	1,114,709	1,920,109	1,993,432	4,202,379	100%	58.6%
6-30-85	979,990	1,146,521	1,660,399	3,576,867	100%	87.3%
6-30-84	858,694	1,000,570	1,466,337	3,084,231	100%	83.5%
6-30-83	760,154	902,510	1,425,683	2,700,203	100%	72.8%
6-30-82	664,047	825,829	1,256,974	2,353,301	100%	68.7%
6-30-81	587,275	743,064	1,138,770	2,052,820	100%	63.4%
6-30-80	516,679	672,400	1,050,098	1,780,540	100%	56.3%
6-30-79	NO VALUATION PERFORMED					
6-30-78	393,902	586,211	829,380	1,363,722	100%	46.3%
PORS						
6-30-87	\$ 77,227	\$ 151,425	\$ 191,020	\$ 414,685	100%	97.4%
6-30-86	67,080	123,394	178,958	353,269	100%	91.0%
6-30-85	56,528	115,403	143,937	290,294	100%	82.2%
6-30-84	49,246	99,105	124,729	247,185	100%	79.2%
6-30-83	43,065	62,000	115,560	211,736	100%	92.3%
6-30-82	37,141	65,312	97,030	180,801	100%	80.7%
6-30-81	32,352	54,734	87,980	153,844	100%	75.9%
6-30-80	28,368	46,743	75,926	130,193	100%	72.5%
6-30-79	24,434	39,831	86,509	110,297	100%	53.2%
6-30-78	21,352	34,543	61,855	94,325	100%	62.1%

Note: 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 6-20-84, PORS aggregate accrued liabilities reflect all current and future cost-of-living increases for current retirees and active members eligible for service retirement.

SOLVENCY TEST
(000'S OMITTED)

Valuation Date	Aggregate Accrued Liabilities for:			Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
	(1) Active Member Contributions	(2) Retirants & Beneficiaries	(3) Active Members (Employer Funded Portion)		(1)	(2)	(3)
GARS							
6-30-87	\$ 3,270	\$ 10,564	\$ 8,680	\$ 15,475	100%	100%	18.9%
6-30-86	2,972	9,704	8,796	13,591	100%	100%	10.4%
6-30-85	2,602	9,631	9,279	11,729	100%	94.8%	0.0%
6-30-84	2,340	7,703	4,361	10,437	100%	100%	9.0%
6-30-83	2,040	5,962	6,402	9,265	100%	100%	19.7%
6-30-82	NO VALUATION PERFORMED						
6-30-81	1,694	5,002	3,970	7,046	100%	100%	8.8%
6-30-80	1,648	3,216	4,492	6,058	100%	100%	26.6%
6-30-79	1,455	3,254	5,518	5,115	100%	100%	7.4%
6-30-78	1,221	1,991	5,343	4,354	100%	100%	21.4%
JSRS							
6-30-87	\$ 4,213	\$ 26,705	\$20,595	\$ 19,916	100%	58.8%	0.0%
6-30-86	3,528	26,845	18,648	16,317	100%	47.6%	0.0%
6-30-85	3,063	23,763	23,050	12,233	100%	38.6%	0.0%
6-30-84	2,565	21,403	15,329	9,230	100%	31.1%	0.0%
6-30-83	2,127	17,935	8,463	6,744	100%	25.7%	0.0%
6-30-82	NO VALUATION PERFORMED						
6-30-81	1,449	11,509	8,544	3,157	100%	14.8%	0.0%

SUMMARY OF BASIC PROVISIONS

SCRS

1. Membership

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

PORS

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

GARS

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

JSRS

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

Salary	
Under	Over
\$4800	\$4800
Class I 3%	5%
Class II 4%	6%

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

10% of normal compensation.

7% of total salary.

Effective July 1, 1988
Class I - 5% of salary.
Class II 6% of salary.

Effective July 1, 1988
Class I - \$21 per month.
Class II - 6.5% of salary.

3. Employer Contributions Retirement

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 - 4.8% of salary.
Class II - 7.3% of salary.

Annual lump-sum appropriation.

Effective July 1, 1988
Class I - 7.8% of salary.
Class II - 10.3% of salary.

Annual lump-sum appropriation.

Group Life Insurance

.15% of salary.

.2% of salary.

Included within annual lump-sum appropriation.

Included within annual lump-sum appropriation.

SCRS

PORS

GARS

JSRS

Effective July 1, 1988
Class I - 1.35% of Average
Final Compensation times
years of credited service.
Class II - 1.7% of AFC
times years of credited
service.

Effective July 1, 1988
Class I - \$10.25 per month
Class II - 2% of AFC times
years of credited service.

9. Requirements for Disability Retirement

5 years of credited service unless injury is job related.

5 years of credited service.

5 years of credited service.

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 actual credit service.

b. 50% of service benefit based upon continued service to earlier of age or 35 years service.

Service retirement formula.

11. Benefit Option

Maximum Benefit
Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death.

Maximum Benefit
Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death.

Maximum Benefit
Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death.

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.

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 1

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

Option 1

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

Option 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

SCRS

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.

PORS

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.

GARS

Option 2
Provides one-half of retired member's benefit to a surviving designated beneficiary.

JSRS

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 Increase

4% per year, provided Consumer Price Index for prior calendar year was 3% higher.

4% per year, provided Consumer Price Index for prior calendar year was 3% or higher.

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

SCRS

POBS

GARS

JSRS

14. Group Life Insurance Benefits

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 to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.

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 to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.

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 to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.

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 to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.

15. Withdrawal of Employee Contributions

Accumulated contributions and credited interest payable within 6 months but not less than 90 days after termination of all covered employment.

Accumulated contributions and credited interest payable within 6 months but not less than 90 days after termination of all covered employment.

Accumulated contributions and credited interest payable within 6 months after termination of all covered employment.

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

7.5 per annum, compounded annually, effective 6-30-88.

7.5% per annum, compounded annually, effective 6-30-88.

7.5% per annum, compounded annually, effective 6-30-88.

7.5% per annum, compounded annually, effective 6-30-88.

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
18. <u>Unfunded Accrued Liability</u> (based on actuarial method used for funding purposes. Amounts in thousands)				
	\$851,277	\$4,987	\$7,039	\$31,398
19. <u>Unfunded Accrued Liability Liquidation</u> <u>Period (6-30-87)</u>				
	16 years	2 years	19 years	25 years

STATISTICAL SECTION

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SOUTH CAROLINA RETIREMENT SYSTEM
REVENUE BY SOURCE
(amounts expressed in thousands)

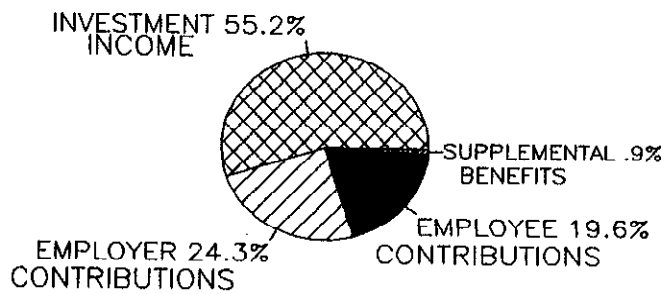
YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	% OF TOTAL REVENUE	TOTAL EMPLOYER CONTRIBUTIONS	% OF TOTAL REVENUE	INVESTMENT INCOME	% OF TOTAL REVENUE	SUPPLEMENTAL BENEFITS REVENUE	% OF TOTAL REVENUE	TOTAL REVENUE
1988	\$171,570	19.6%	213,497	24.3%	\$484,487	55.2%	\$7,888	0.9%	\$877,442
1987	159,787	18.9%	203,808	24.1%	474,080	56.0%	8,207	1.0%	845,882
1986	147,136	17.7%	190,354	22.9%	483,114	58.2%	10,024	1.2%	830,628
1985	131,301	19.0%	172,384	25.0%	374,165	54.3%	11,518	1.7%	689,368
1984	114,357	20.3%	151,153	26.9%	286,914	51.0%	10,136	1.8%	562,560
1983	106,819	21.1%	142,507	28.2%	247,246	48.9%	9,091	1.8%	505,663
1982	100,891	22.3%	136,031	30.1%	204,824	45.2%	11,008	2.4%	452,754
1981	92,854	23.5%	123,377	31.3%	168,736	42.8%	9,447	2.4%	394,414
1980	82,025	24.5%	110,642	33.0%	134,052	40.0%	8,123	2.5%	334,842
1979	71,004	25.0%	97,268	34.3%	108,853	38.3%	6,915	2.4%	284,040

POLICE OFFICERS RETIREMENT SYSTEM
REVENUE BY SOURCE
(amounts expressed in thousands)

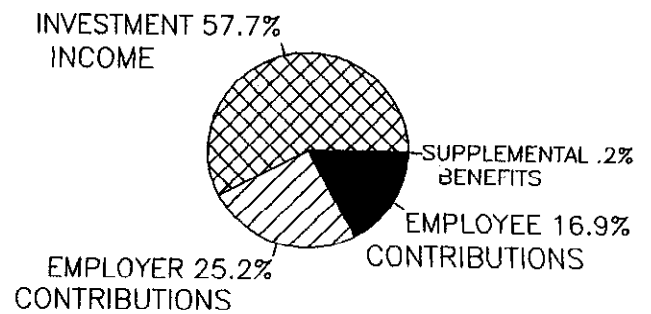
YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	% OF TOTAL REVENUE	TOTAL EMPLOYER CONTRIBUTIONS	% OF TOTAL REVENUE	INVESTMENT INCOME	% OF TOTAL REVENUE	SUPPLEMENTAL BENEFITS REVENUE	% OF TOTAL REVENUE	TOTAL REVENUE
1988	\$13,634	16.9%	\$20,330	25.2%	\$46,512	57.7%	\$179	0.2%	\$80,655
1987	12,110	15.3%	25,859	32.6%	41,175	51.9%	184	0.2%	79,328
1986	11,427	14.5%	25,768	32.8%	41,108	52.3%	288	0.4%	78,591
1985	8,351	14.7%	17,980	31.5%	30,315	53.2%	362	0.6%	57,008
1984	7,451	15.6%	16,099	33.9%	23,695	49.9%	272	0.6%	47,517
1983	6,729	16.4%	14,554	35.5%	19,523	47.6%	207	0.5%	41,013
1982	6,315	17.4%	13,603	37.5%	16,016	44.2%	311	0.9%	36,245
1981	5,568	17.8%	12,157	38.9%	13,311	42.6%	231	0.7%	31,267
1980	5,136	19.4%	11,352	43.0%	9,772	37.0%	171	0.6%	26,431
1979	4,270	19.6%	9,414	43.1%	8,036	36.8%	120	0.5%	21,840

DISTRIBUTION OF REVENUE

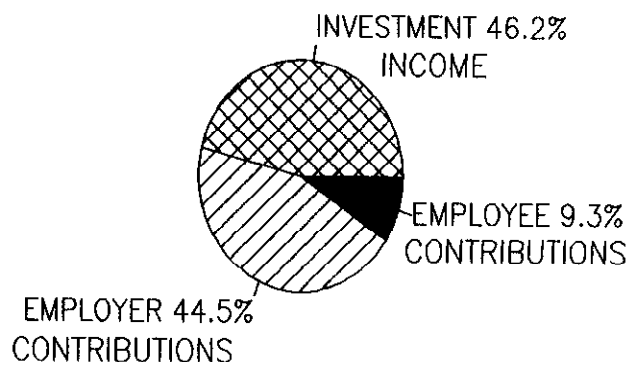
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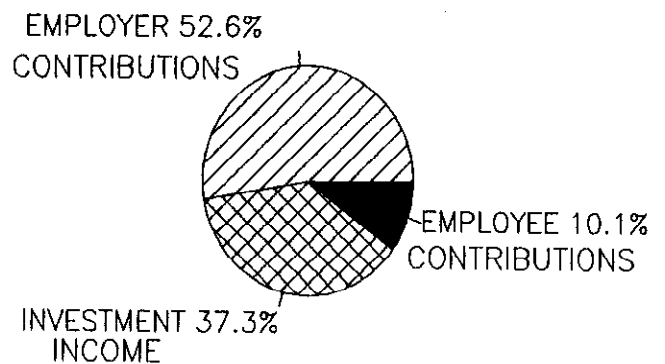
PORS



GARS



JSRS



GENERAL ASSEMBLY RETIREMENT SYSTEM
REVENUE BY SOURCE
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	% OF TOTAL REVENUE	TOTAL EMPLOYER CONTRIBUTIONS	% OF TOTAL REVENUE	INVESTMENT INCOME	% OF TOTAL REVENUE	TOTAL REVENUE
1988	\$297	9.3%	\$1,414	44.5%	\$1,470	46.2%	\$3,181
1987	310	9.9%	1,367	43.9%	1,442	46.2%	3,119
1986	324	10.8%	1,334	44.4%	1,344	44.8%	3,002
1985	316	13.3%	934	39.5%	1,114	47.2%	2,364
1984	263	13.3%	785	39.6%	934	47.1%	1,982
1983	199	10.9%	841	45.9%	791	43.2%	1,831
1982	202	12.0%	790	46.7%	697	41.3%	1,689
1981	205	13.4%	742	48.6%	580	38.0%	1,527
1980	238	17.1%	697	50.2%	454	32.7%	1,389
1979	234	21.9%	492	46.2%	341	31.9%	1,067

JUDGES AND SOLICITORS RETIREMENT SYSTEM
REVENUE BY SOURCE
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	% OF TOTAL REVENUE	TOTAL EMPLOYER CONTRIBUTIONS	% OF TOTAL REVENUE	INVESTMENT INCOME	% OF TOTAL REVENUE	TOTAL REVENUE
1988	\$592	10.1%	\$3,079	52.6%	\$2,185	37.3%	\$5,856
1987	549	9.8%	3,018	54.0%	2,019	36.2%	5,586
1986	501	8.3%	2,925	48.3%	2,624	43.4%	6,050
1985	505	10.8%	2,561	55.0%	1,593	34.2%	4,659
1984	508	13.3%	2,274	59.6%	1,035	27.1%	3,817
1983	444	14.3%	1,858	59.9%	801	25.8%	3,103
1982	357	10.8%	1,634	49.4 %	1,315	39.8%	3,306
1981	438	32.6%	548	40.9%	355	26.5%	1,341
1980	1,251	55.8%	874	39.0%	116	5.2%	2,241

SUMMARY OF EXPENSES BY TYPE
South Carolina Retirement System
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	MEMBER REFUNDS		ANNUITY PAYMENTS		GROUP LIFE PAYMENTS		ANNUITY SUPPLEMENTS		ADMINISTRATIVE CHARGES		TOTAL EXPENSES
	AMOUNT	% INCREASE	AMOUNT	% INCREASE	AMOUNT	% INCREASE	AMOUNT	% INCREASE	AMOUNT	% INCREASE	
1988	\$32,493	18.9%	\$216,264	13.1%	\$6,586	6.4%	\$7,888	-3.9%	\$3,843	8.2%	\$267,074
1987	27,340	-3.6%	191,283	14.8%	6,189	0.8%	8,207	-18.1%	3,553	0.7%	236,572
1986	28,359	7.6%	166,632	13.3%	6,139	81.6%	10,024	-13.0%	3,527	30.2%	214,681
1985	26,356	5.3%	147,039	12.3%	3,381	-8.0%	11,518	13.6%	2,708	20.6%	191,002
1984	25,022	18.4%	130,923	14.4%	3,676	15.6%	10,136	11.5%	2,245	-1.2%	172,002
1983	21,140	-14.5%	114,485	14.2%	3,179	-14.5%	9,091	-17.4%	2,273	18.9%	150,168
1982	24,733	31.3%	100,275	15.0%	3,716	12.2%	11,008	16.5%	1,911		141,643
1981	18,837	8.2%	87,207	14.1%	3,313	8.5%	9,447	16.3%			118,804
1980	17,404	6.8%	76,429	14.7%	3,054	8.0%	8,123	17.5%			105,010
1979	16,295	6.9%	66,640	14.0%	2,827	13.0%	6,915	8.1%			92,677

Police Officers Retirement System
(amounts expressed in thousands)

YEAR ENDED JUNE 30	MEMBER REFUNDS		ANNUITY PAYMENT		ACCIDENTAL DEATH BENEFITS		GROUP LIFE PAYMENTS		ANNUITY SUPPLEMENTS		ADMINISTRATIVE CHARGES		TOTAL EXPENSES
	AMOUNT	% INCREASE	AMOUNT	% INCREASE	AMOUNT	% INCREASE	AMOUNT	% INCREASE	AMOUNT	% INCREASE	AMOUNT	% INCREASE	
1988	\$2,967	27.6%	\$14,909	15.4%	\$318	10.0%	\$676	-21.8%	\$179	-2.7%	\$335	10.9%	\$19,384
1987	2,326	17.3%	12,922	17.1%	289	20.8%	864	49.3%	184	-36.2%	302	4.7%	16,887
1986	1,983	1.1%	11,034	13.7%	239	0.7%	579	74.0%	288	-20.5%	289	32.0%	14,412
1985	1,961	8.3%	9,708	14.5%	237	12.0%	333	-6.9%	363	33.5%	219	23.2%	12,821
1984	1,811	36.8%	8,481	17.4%	212	13.6%	357	2.2%	272	31.4%	177	7.9%	11,310
1983	1,324	-7.5%	7,223	15.5%	187	4.6%	350	-18.2%	207	-33.6%	164	28.5%	9,455
1982	1,432	22.6%	6,256	19.4%	178	2.2%	428	-5.0%	311	34.4%	128		8,733
1981	1,168	6.9%	5,241	18.0%	175	18.1%	450	80.3%	231	35.7%			7,265
1980	1,093	6.3%	4,442	17.0%	148	22.5%	250	2.3%	170	42.7%			6,103
1979	1,028	10.2%	3,797	18.3%	121	5.7%	244	6.3%	120	-15.7%			5,310

SUMMARY OF EXPENSES BY TYPE
General Assembly Retirement System
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	MEMBER REFUNDS AMOUNT	MEMBER REFUNDS % INCREASE	ANNUITY PAYMENTS AMOUNT	ANNUITY PAYMENTS % INCREASE	GROUP LIFE PAYMENTS AMOUNT	GROUP LIFE PAYMENTS % INCREASE	ADMINISTRATIVE CHARGES AMOUNT	ADMINISTRATIVE CHARGES % INCREASE	TOTAL EXPENSES
1988	\$28	-22.2%	\$1,170	0.8%			\$12	9.1%	\$1,210
1987	36	93.3%	1,161	4.6%	\$27		11	-0.3%	1,235
1986	18	-52.5%	1,110	9.6%			11	26.3%	1,139
1985	39	253.8%	1,013	32.1%	12	-50.0%	9	18.9%	1,073
1984	11	-82.2%	767	18.8%	24	140.0%	7	4.6%	809
1983	62	9,105.4%	645	13.4%	10		7	15.5%	724
1982	1	-98.6%	569	15.9%			6		576
1981	48	27.6%	491	37.0%		-100.0%			539
1980	38	74.6%	358	25.7%	20				416
1979	22	445.2%	285	36.2%		-100.0%			307

Judges & Solicitors Retirement System
(amounts expressed in thousands)

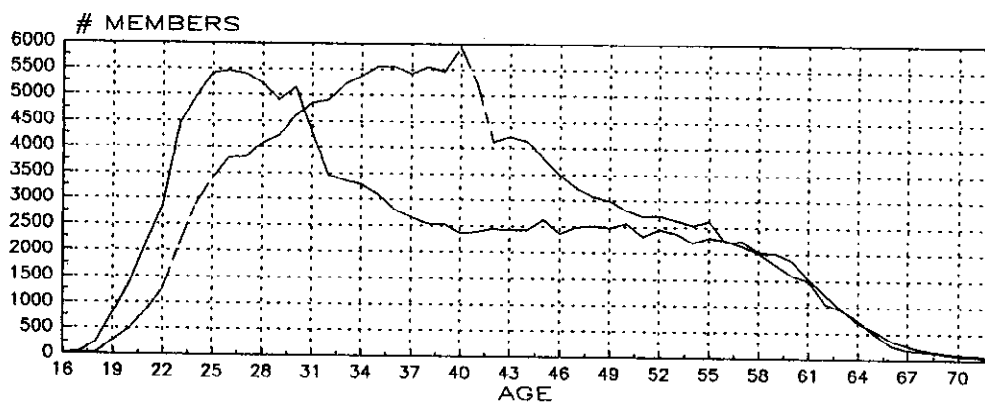
YEAR ENDED JUNE 30,	MEMBER REFUNDS AMOUNT	MEMBER REFUNDS % INCREASE	ANNUITY PAYMENTS AMOUNT	ANNUITY PAYMENTS % INCREASE	GROUP LIFE PAYMENTS AMOUNT	GROUP LIFE PAYMENTS % INCREASE	ADMINISTRATIVE CHARGES AMOUNT	ADMINISTRATIVE CHARGES % INCREASE	TOTAL EXPENSES
1988			\$1,983	0.6%			\$16	14.3%	\$1,999
1987	2		1,972	4.6%			14	14.8%	1,988
1986			1,885	19.3%	68	-1.7%	12	49.0%	1,965
1985			1,580	24.3%	69	27.0%	8	44.5%	1,657
1984			1,271	26.7%	54	7.1%	6	31.9%	1,331
1983	13	6.7%	1,003	16.6%	51	-53.8%	4	48.8%	1,071
1982	12	60.1%	860	21.7%	109		3		984
1981	7	-66.8%	707	72.3%		-100.0%			714
1980	23		410		44				477

DISTRIBUTION OF ACTIVE MEMBERS BY AGE

1977

1987

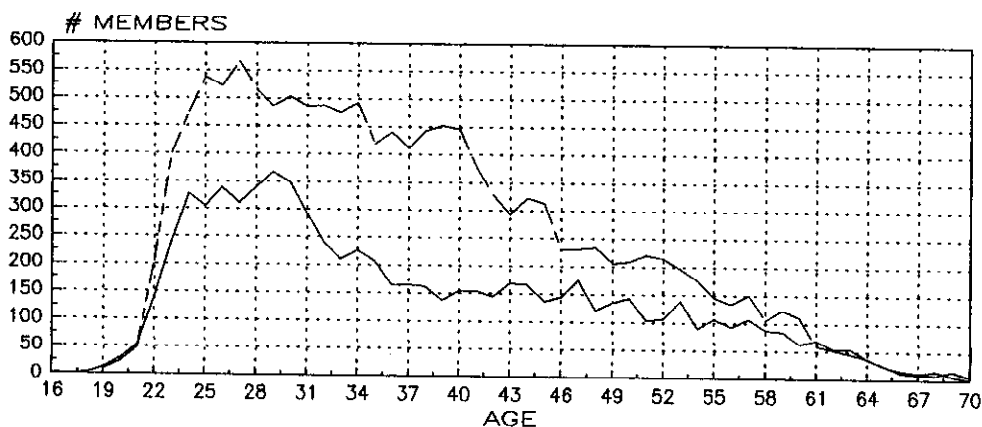
SCRS



1977

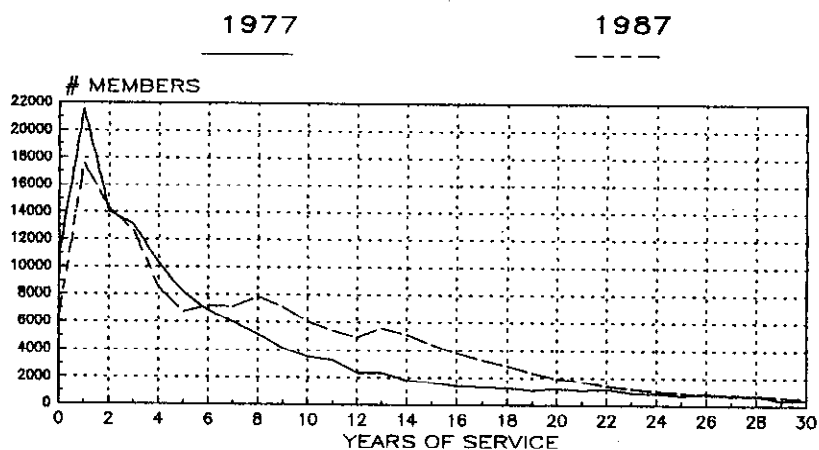
1987

PORS

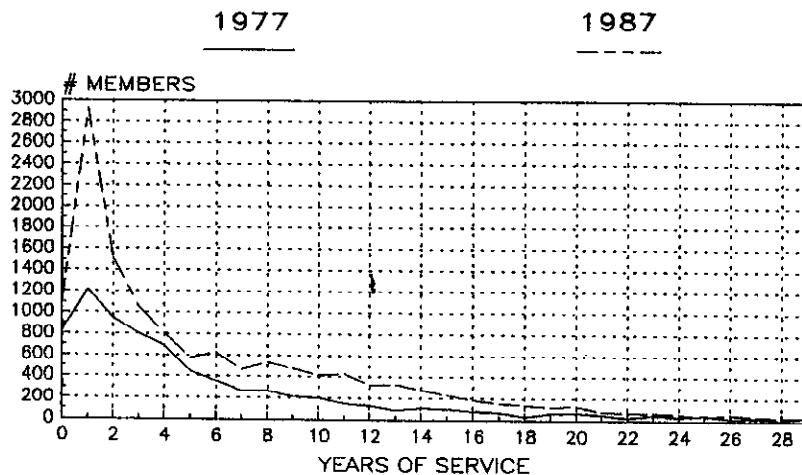


DISTRIBUTION OF ACTIVE MEMBERS BY YEARS OF SERVICE

SCRS



PORS



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 1988								
State Agency	10,134	\$580.32	1,578	\$428.53	1,306	\$394.77	13,018	\$543.30
Public Schools	16,929	558.35	1,254	471.99	764	357.23	18,947	544.54
Other	3,648	351.17	526	371.63	463	244.82	4,637	347.59
Total	30,711	541.71	3,358	435.85	2,533	356.03	36,602	519.14
June 1987								
State Agency	9,666	541.68	1,457	409.52	1,255	356.75	12,378	507.38
Public Schools	16,399	517.39	1,171	448.33	716	337.68	18,286	505.94
Other	3,400	333.65	459	364.79	435	241.07	4,294	327.60
Total	29,465	504.16	3,087	417.59	2,406	330.16	34,958	484.54
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	1,073	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	463.87
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	360.51
Other	2,425	238.18	542	261.54	264	191.86	3,231	238.32
Total	21,300	367.79	3,391	318.20	1,416	256.70	26,107	355.32

South Carolina Retirement System
Distribution of Retiree Population & Average Benefit (Continued)

	Service Number	Retirees Average Monthly Benefit	Disability Member	Retirees Average Monthly Benefit	Beneficiaries Number	Beneficiaries Average Monthly Benefit	Total Number	Total Average Monthly Benefit
June 1981								
State Agency	5,735	356.14	1,355	292.13	694	262.83	7,784	336.68
Public Schools	12,050	366.48	1,209	350.84	389	241.13	13,648	361.70
Other	2,243	226.48	487	254.18	253	173.17	2,983	226.48
Total	20,028	347.96	3,051	309.34	1,336	239.53	24,415	337.20
June 1980								
State Agency	5,356	335.47	1,209	269.73	643	246.24	7,208	316.48
Public Schools	11,490	341.26	1,066	328.70	360	223.65	12,916	336.94
Other	2,057	214.40	423	236.62	242	166.63	2,722	213.60
Total	18,903	325.81	2,698	287.84	1,245	224.23	22,846	315.79
June 1979								
State Agency	4,958	312.22	1,058	254.74	588	225.53	6,604	295.29
Public Schools	10,999	315.32	948	314.90	337	209.62	12,284	312.39
Other	1,907	197.45	359	218.90	231	147.52	2,497	195.92
Total	17,864	301.88	2,365	273.41	1,156	205.30	21,385	293.51

Police Officers Retirement System
Distribution of Retiree Population & Average Benefit

	Service Number	Retirees Average Monthly Benefit	Disability Number	Retirees Average Monthly Benefit	Beneficiaries Number	Beneficiaries Average Monthly Benefit	Total Number	Total Average Monthly Benefit
June 1988	1,684	\$570.74	353	\$585.76	318	\$383.69	2,355	\$547.73
June 1987	1,592	520.94	321	530.58	294	361.10	2,207	501.05
June 1986	1,459	472.28	307	500.30	282	328.30	2,048	456.66
June 1985	1,382	441.23	275	494.60	257	299.33	1,914	429.84
June 1984	1,327	409.52	230	479.64	248	279.90	1,805	400.64
June 1983	1,219	372.40	307	392.03	187	273.34	1,713	365.10
June 1982	1,125	343.96	287	369.19	174	268.48	1,586	340.24
June 1981	1,063	322.36	252	325.60	166	253.12	1,481	315.15
June 1980	1,000	299.83	204	285.71	145	203.87	1,349	287.38
June 1979	946	267.59	182	239.39	137	196.36	1,265	255.82

Note: Due to the small population size of the GARS and JSRS presentations for these Systems are not shown.

Statistics generated from initial processing of data and may vary slightly from final information submitted to the Actuary.

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	Active Members	Retired Members	
					(amounts expressed in thousands)							
SCRS												
1988	\$1,917	\$1,975	\$ 566		\$4,175	\$4,422	\$2,164	216	1,028	\$20,472	\$2,105	
1987	3,628	3,674	1,021		4,174	4,374	1,815	241	916	18,148	1,981	
1986					5,805	4,628	1,511	254	713	18,222	2,119	
1985	3,127	3,079	847		4,430	3,381		196		17,248		
1984	2,830	2,560	788		3,270	3,676		234		15,710		
1983	2,655	2,438	739		2,032	3,179		224		14,191		
1982	2,619	2,301	696		2,172	3,716		254		14,631		
1981	2,451	2,120	632		1,441	3,313		246		13,469		
1980	2,225	1,887	546		954	3,054		241		12,671		
1979	1,912	1,709	485		540	2,827		245		11,539		
PORS												
1988	\$267		\$231		\$600	\$569	\$107	29	\$55	\$19,621	\$1,945	
1987	469		409		558	757	107	36	56	21,036	1,911	
1986	351		381		620	478	101	23	51	20,774	1,980	
1985	291		339		480	333		20		16,635		
1984	253		310		304	358		20		17,877		
1983	226		280		250	350		24		14,575		
1982	214		260		324	428		27		15,842		
1981	198		232		223	450		30		15,004		
1980	178		204		175	250		21		11,888		
1979	209		241		106	244		22		11,088		

Contribution Rate Changes:

Note: SCRS 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.

PARTICIPATING EMPLOYERS AND ACTIVE MEMBERS

	Year Ending June 30,	Number Participating Employers	Number of Active Members	Annual Payroll (ooo's omitted)	Average Pay	Percent Increase
SCRS						
	1988	691	158,441	\$ 3,016,335	\$ 19,038	3.7%
	1987	670	152,385	2,796,512	18,352	4.2%
	1986	653	149,537	2,634,443	17,617	7.4%
	1985	633	145,795	2,391,292	16,401	9.2%
	1984	611	139,710	2,098,264	15,019	(.1%)
	1983	589	135,548	2,038,466	15,039	12.3%
	1982	571	137,297	1,839,109	13,395	8.2%
	1981	564	140,276	1,737,171	12,384	8.0%
	1980	552	140,889	1,615,219	11,464	22.2%*
	1979	NO VALUATION PERFORMED				
PORS						
	1988	238	13,900	\$ 261,190	\$ 18,791	5.4%
	1987	235	13,441	239,527	17,821	5.5%
	1986	229	12,105	204,405	16,886	3.6%
	1985	225	10,335	168,496	16,303	5.1%
	1984	219	9,520	147,723	15,517	1.8%
	1983	215	8,894	135,556	15,241	5.0%
	1982	213	8,688	126,097	14,514	6.2%
	1981	210	8,527	116,526	13,666	8.8%
	1980	205	8,234	103,446	12,563	11.5%
	1979	196	7,994	90,035	11,263	9.6%

NOTE: Due to the small population size of the GARS and JSRS above information is not present for these plans.

* Two year increase

PARTICIPATING EMPLOYERS COVERED BY STATUTE

	<u>SCRS</u>	<u>PORS</u>
State Agencies &		
Institutions of Higher Education	194	41
Public School Districts	110	

PARTICIPATING EMPLOYERS COVERED BY SEPARATE AGREEMENT

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Abbeville County	X	X
City of Abbeville	X	X
Town of Due West	X	X
Donalds-Due West Water & Sewer Authority	X	
Abbeville Civil Defense Agency	X	
City of North Augusta	X	X
County of Aiken	X	X
Aiken-Bamberg-Barnwell-Edgefield Regional Library Board	X	
City of New Ellenton	X	
Beech Island Rural Community Water District	X	
Allendale County	X	X
Allendale-Hampton Jasper Regional Library	X	
Town of Allendale	X	X
Allendale County Office On Aging	X	
Town of Honea Path	X	X
Anderson County	X	X
Anderson County Library Board	X	
Town of Williamston	X	
Anderson County Commission on Alcohol and Drug Abuse	X	
Town of Iva	X	X
Town of Pendleton	X	
Anderson County Sewer Authority	X	
Anderson County Planning and Development Board	X	
Belton-Honea Path Water Authority	X	
Homeland Park Water District	X	

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Town of West Pelzer	X	
Broadway Water District	X	
Bamberg County	X	X
City of Bamberg	X	X
Bamberg County Office On Aging	X	
City of Denmark	X	
Town of Olar	X	X
Town of Williston	X	
Barnwell County	X	
City of Barnwell	X	X
Barnwell County Commission on Alcohol and Drug Abuse	X	
Town of Elko	X	
Barnwell County Office On Aging	X	
Beaufort County	X	X
City of Beaufort	X	X
Beaufort-Jasper County Water Authority	X	
Beaufort Memorial Hospital	X	
Sea Pines Public Service District	X	
Sea Pines-Forest Beach Fire Department	X	
Lowcountry Regional Transportation Authority	X	
Beaufort County Mental Retardation Board	X	
Recreation Commission of Beaufort County	X	
Berkeley County	X	X
City of Hanahan	X	X
Berkeley County Water and Sewer Authority	X	
Town of St Stephen	X	X
Moncks Corner Water Works Commission	X	
Town of Moncks Corner	X	X
Calhoun County	X	X

PARTICIPATING EMPLOYERS COVERED BY SEPARATE AGREEMENT (CONTINUED)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
City of St. Matthews	X		St. Andrews Parish Parks and Playgrounds	X	
Town of Cameron	X		Town of Ravenel	X	
Calhoun County Mental Retardation Board			Town of Lincolnville	X	
Calhoun Conservation District	X		Charleston County Substance Abuse Commission	X	
County of Charleston	X	X	Gaffney Board of Public Works	X	
Charleston Commissioners of Public Works	X		Cherokee County	X	X
Charleston County Free Library	X		Cherokee County Hospital Board	X	
Charleston Memorial Hospital	X		City of Gaffney	X	X
City of Charleston	X	X	Cherokee County Public Library	X	
Town of Mt. Pleasant	X	X	Cherokee County Recreation District	X	
Charleston County Department of Social Services	X		Cherokee County Commission on Alcohol and Drug Abuse	X	
Mt. Pleasant Water and Sewer Commission	X		Town of Blacksburg	X	X
Town of Sullivan's Island	X	X	City of Chester	X	X
Cooper River Park and Playgroup Commission	X		Chester County	X	X
St. Andrews Public Service District Commission	X		Chester County Civil Defense Agency	X	
James Island Public Service District Commission	X		Chester County Free Library	X	
Charleston County Park and Recreation Commission	X		Chester Metro District	X	
City of North Charleston	X	X	Chester Sewer District	X	
Charleston County Airport District	X		Hazel Pittman Center	X	
North Charleston Sewer District	X		Housing Authority Of The City of Chester	X	
North Charleston District	X	X	Chester County Mental Retardation Board	X	
Bulls Bay Rural Community Water District	X		Town of Cheraw	X	X
Housing Authority of the City of North Charleston	X		Town of Pageland	X	X
City of Isle of Palms	X	X	Chesterfield County	X	X
			Town of Patrick	X	
			Town of Chesterfield	X	X
			Town of McBee	X	X
			Town of Jefferson	X	X
			Chesterfield County Mental Retardation Board	X	

PARTICIPATING EMPLOYERS COVERED BY SEPARATE AGREEMENT (CONTINUED)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Chesterfield Soil and Water Conservation District	X		Dorchester County Library	X	
Clarendon County	X	X	Summerville Public Works	X	
City of Manning	X	X	Town of Summerville	X	X
Harvin Clarendon County Library	X		Edgefield County	X	X
Clarendon County Child Development Center	X		Town of Trenton	X	
Town of Summerton	X	X	Town of Winnsboro	X	X
County of Colleton	X	X	Fairfield County	X	X
City of Walterboro	X	X	Fairfield County Library	X	
Darlington County	X	X	Commission	X	
Darlington County Library Commission	X		Fairfield County Memorial Hospital	X	
Darlington County Community Action Agency	X		Fairfield County Substance Abuse Commission	X	
City of Hartsville	X	X	Fairfield County - Division of Employment and Training	X	X
City of Darlington	X	X	Fairfield County Mental Retardation Board	X	
Hartsville Community Center	X		Fairfield County Council on Aging	X	
Building Commission	X		City of Florence	X	X
Darlington County Water and Sewer Commission	X		Florence County	X	X
Darlington County Mental Retardation Board	X		Building Commission of the City and County of Florence	X	X
Dillon County	X		Town of Pamlico	X	X
City of Dillon	X	X	Town of Olania	X	X
Dillon County Commission on Alcohol and Drug Abuse	X		Pee Dee Regional Transportation Authority	X	
Dillon County Employment and Training Programs	X	X	Town of Scranton	X	X
Town of Latta	X		Florence County Commission on Alcohol and Drug Abuse	X	
Town of Lake View	X	X	Town of Coward	X	X
Town of St George	X	X	The Pee Dee Tourism Commission	X	
Dorchester County	X	X	Florence County Mental Retardation Board	X	
St George Water and Sewer Department	X	X	Pee Dee Regional Council of Governments	X	
			Town of Timmons ville	X	X
			City of Georgetown	X	X

PARTICIPATING EMPLOYERS COVERED BY SEPARATE AGREEMENT (CONTINUED)

NAME	SCRS	PORS	NAME	SCRS	PORS
Georgetown County	X	X	Greenville Memorial Auditorium District		
Rural Community Water District of Georgetown County	X		Greenville County Recreation District	X	
Georgetown County Water and Sewer District	X		Greenville County Commission on Alcohol-Drug Abuse	X	
Greenville Commission of Public Works	X		Belmont Fire and Sanitation District Commission	X	
City of Greenville	X	X	Wade Hampton Fire and Sewer District	X	
Greer Commission of Public Works	X		Greenville Airport Commission	X	
Greenville County Library	X		Greenville County Museum Commission	X	
Greenville County	X	X	Town of Fountain Inn	X	X
Greenville County Planning Commission	X		City of Travelers Rest	X	
Western Carolina Regional Sewer Authority	X		Metropolitan Sewer Sub-District	X	
Parker Sewer and Fire Subdistrict	X		Donaldson Fire Service Area	X	
City of Greer	X	X	Greer Park and Recreation Commission	X	
Greenville-Spartanburg Airport District	X		Greenwood Commissioners of Public Works	X	
Donaldson Development Commission	X		City of Greenwood	X	X
Donaldson Center	X		Greenwood County	X	X
Greenville Retirement Center	X		Abbeville-Greenwood Regional Library Board	X	
The Grady Hipp Nursing Center	X		Greenwood Metropolitan District Commission	X	
Greater Greenville Sanitation Commission	X		Housing Authority of the City of Greenwood	X	
Defender Corporation of Greenville County	X		Piedmont Multi-County Mental Retardation Board	X	
Greenville County Mental Retardation Commission	X		Defender Corporation of Abbeville and Greenwood	X	
Berea Public Service District	X		Old Ninety-Six Tourism Commission	X	X
City of Mauldin	X	X	Town of Ware Shoals	X	X
Gantt Fire-Sewer and Police District	X		County of Hampton	X	
			Town of Varnville	X	
			Town of Brunson	X	
			Horry County Council	X	X
			City of Conway	X	X
			City of Myrtle Beach	X	X
			Town of Surfside Beach	X	X

PARTICIPATING EMPLOYERS COVERED BY SEPARATE AGREEMENT (CONTINUED)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
City of Loris	X	X	Laurens County Soil and Water		
Public Defender Corporation of			Conservation District	X	
Horry County	X	X	Rabon Creek Rural Water		
Grand Strand Water and Sewer			District	X	
Authority	X		Lee County	X	X
Housing Authority of the City			Town of Bishopville	X	X
of Conway	X		Lee County Mental Retardation		
Horry County Development Board	X		Board	X	
Horry County Commission on Alcohol			Lexington County	X	X
and Drug Abuse	X		City of Cayce	X	X
Jasper County	X	X	City of West Columbia	X	X
Town of Ridgeland	X	X	Lexington County Hospital Board		
City of Camden and Municipal			of Trustees	X	
Utilities	X	X	Town of Lexington	X	
Kershaw County	X	X	Town of Leesville	X	
Lugoff Water District of			Recreation District Lexington		
Kershaw County	X		County	X	
Town of Elgin	X		Irmo-Chapin Recreation District	X	
Lancaster County	X	X	Town of Springdale	X	X
City of Lancaster	X	X	Town of Gaston	X	
Lancaster County Library	X		Town of Pelion	X	X
Town of Heath Springs	X	X	Lexington County Public Library		
Lancaster County Water and	X	X	System	X	
Sewer District	X		Town of Swansea	X	
Lancaster County Mental Retardation			Town of Chapin	X	X
Board	X		Town of Irmo	X	X
City of Clinton	X		South Carolina Midlands Emergency		
County of Laurens	X	X	Medical Service Management Association	X	
Laurens Commissioners of	X	X	Gaston Rural Community Water District	X	
Public Works	X		Marion County	X	X
Laurens County Commission on Alcohol			City of Marion	X	X
and Drug Abuse	X		City of Mullins	X	X
Town of Gray Court	X		Marion County Council - JTPA	X	
Laurens County Mental Retardation			Marion County Library	X	
Board	X		Marion County Commission on	X	
Laurens County Water Resources			Alcohol and Drug Abuse	X	
Commission	X		Town of Sellers	X	X

PARTICIPATING EMPLOYERS COVERED BY SEPARATE AGREEMENT (CONTINUED)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
County of Marlboro	X	X	Town of Westminster	X	X
City of Benningville	X	X	Oconee County Sewer Commission	X	X
Marlboro County Commission on Alcohol and Drug Abuse	X		Town of West Union	X	X
Public Defender Corporation of Marlboro County	X		City of Orangeburg	X	X
Town of McCormick	X		Orangeburg Department of Public Utilities	X	
County of McCormick	X	X	Orangeburg County	X	X
McCormick Commission of Public Works	X	X	Orangeburg County Development Commission	X	
McCormick County Water and Sewer Authority	X		Town of Branchville	X	X
City of Newberry	X	X	Town of Elloree	X	X
Newberry County	X	X	Town of North	X	X
Newberry-Saluda Regional Library	X		Town of Livingston	X	X
Clinton-Newberry Natural Gas Authority	X		Town of Norway	X	X
Newberry County Nursing Home Commission	X		Town of Bowman	X	X
Housing Authority of City of Newberry	X		Town of Santee	X	X
Town of Prosperity	X		City of Easley	X	X
Town of Little Mountain	X		City of Liberty	X	X
Town of Whitmire	X	X	Pickens County	X	X
Whitmire Public Works	X		Combined Utility System of Easley	X	
Newberry County Water and Sewer Authority	X		City of Pickens	X	X
Westminster Commissioners of Public Works	X		Town of Central	X	X
Oconee County	X		Community Development Agency	X	
City of Seneca	X	X	Pickens County Commission on Alcohol and Drug Abuse	X	
Seneca Light and Water Plant	X	X	Housing Authority of The City of Easley	X	
Town of Walhalla	X	X	City of Clemson	X	X
			Town of Six-Mile	X	
			Six-Mile Rural Community Water District	X	
			Richland Memorial Hospital	X	
			Richland County Public Library	X	
			Richland County	X	X

PARTICIPATING EMPLOYERS COVERED BY SEPARATE AGREEMENT (CONTINUED)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
City of Columbia	X	X	Startex-Jackson-Wellford-		
Richland County Board of			Duncan Water District	X	
Assessment Control	X		Town of Lyman	X	X
East Richland County Public			Town of Wellford	X	X
Service District	X		Town of Chesnee	X	X
Recreation District and			Inman-Campobello Water		
Recreation Commission of			District	X	
Richland County	X		Town of Cowpens	X	X
Richland-Lexington Airport			Town of Landrum	X	
District	X		Town of Pacolet	X	X
City of Forest Acres	X	X	Town of Campobello	X	X
Columbia Museum of Art	X		Town of Pacolet Mills	X	X
Town of Eastover	X	X	City of Inman	X	X
Richland/Lexington			Housing Authority of Town		
Mental Retardation Board	X		of Woodruff	X	
Town of Saluda	X	X	City of Sumter	X	
Saluda County	X	X	Sumter County	X	
Saluda Commission of			Sumter City-County		
Public Works	X		Health Department	X	X
Saluda County Commission			Sumter County Library	X	
on Alcohol and Drug Abuse	X		Housing Authority of		
Town of Ridge Spring	X	X	City of Sumter	X	X
Spartanburg Commissioners of			Santee-Lynches Council For		
Public Works	X	X	Governments	X	
Spartanburg Sanitary Sewer			Sumter County Commission On		
District	X	X	Alcohol and Drug Abuse	X	
Spartanburg County	X	X	Town of Mayesville	X	X
Spartanburg Regional Medical			Union County	X	X
Center	X		City of Union	X	X
Spartanburg Public Library	X		Union Carnegie Library	X	
Una Water District Commission	X		Town of Jonesville	X	
B. J. Workman Memorial Hospital	X		Union County Mental		
Liberty-Chesnee-Fingerville			Retardation Board		
Water District	X		Williamsburg County	X	X
Town of Woodruff	X	X	Town of Kingstree	X	X
Woodruff-Roebuck Water District	X	X	Williamsburg County Recreation Commission	X	

PARTICIPATING EMPLOYERS COVERED BY SEPARATE AGREEMENT (CONTINUED)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Williamsburg County Library	X		Midlands Human Resources Development Commission	X	
Williamsburg County Public Defender Corporation	X		South Carolina Athletic Coaches Association	X	
City of Rock Hill	X	X	South Carolina Employees Federal Credit Union	X	
York County	X	X	Winthrop Credit Union	X	
Town of Fort Mill	X		Palmetto State Teachers Association	X	
York County Library	X	X	South Carolina Association of Counties	X	
Town of Clover	X	X	Town of Calhoun Falls		X
City of York	X		City of Aiken		X
Housing Authority of Fort Mill	X		City of Jackson		X
Museum of York County	X		City of Belton		X
York County Mental Retardation and Developmental Disability Board	X		City of Anderson		X
City of Tega Cay	X		Anderson County Fire Protection Commission		X
York County Historical Commission	X	X	Town of Ehrhardt		X
Consolidated Area Transportation Authority	X		Hilton Head Island Fire District		X
Municipal Association of South Carolina	X		Burton Fire District		X
South Carolina Education Association	X		Ladys Island-St. Helena Fire District		X
South Carolina Employees' Association	X		Bluffton Township Fire District		X
South Carolina High School League	X		City of Goose Creek		X
South Carolina Association of School Boards	X		St. Johns Fire District Commission		X
Central Midlands Regional Planning Council	X		City of Folly Beach		X
South Carolina State Credit Union	X		Charleston County School District		X
South Carolina Law Enforcement Officers Association	X		St. Pauls Fire District		X
			Town of Great Falls		X
			Town of Cottageville		X
			Town of Lamar		X
			Town of Society Hill		X
			Old Fort Fire Control Board		X
			Caromi Village Volunteer Fire Department		X
			Town of Edgefield		X
			City of Lake City		X

PARTICIPATING EMPLOYERS COVERED BY SEPARATE AGREEMENT (CONTINUED)

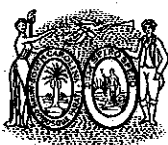
<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Town of Andrews	X	X
City of Simpsonville	X	X
Piedmont Park Fire District	X	X
Town of Ninety Six	X	X
Town of Hampton	X	X
City of North Myrtle Beach	X	X
Town of Hardeeville	X	X
Town of Kershaw	X	X
Town of Batesburg	X	X
Town of South Congaree	X	X
Town of Springfield	X	X
Town of Holly Hill	X	X
Town of Liberty	X	X
City of Spartanburg	X	X
City of Landrum	X	X
Town of Duncan	X	X
Town of Hemingway	X	X

INVESTMENT SECTION

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OFFICE OF STATE TREASURER

GRADY L. PATTERSON, JR.
TREASURER



P. O. DRAWER 11778

COLUMBIA
29211

November 21, 1988

The Honorable Carroll A. Campbell, Jr.
Members of the General Assembly of
South Carolina

Dear Governor and Members:

As Custodian of Funds for the South Carolina Retirement System, I have the honor of transmitting herewith a report on South Carolina Retirement Systems Investments for Fiscal Year ended June 30, 1988.

Authorized investments for Retirement Funds are identified by statute. The investments are sound and are in fixed income securities only. There are no Retirement Funds invested in equities; thus, dramatic stock market changes would not have an immediate adverse impact on these funds. Retirement Funds are secure and our portfolio is considered one of the most successful State pension fund portfolios in the country. We continue to carefully monitor market changes and review investment alternatives in order to maintain the security of principal, achieve as high a return as possible within prescribed parameters and provide for necessary liquidity.

We have invested \$380,000,000 in MGIC mortgage backed securities since inception of the program. These securities provide not only attractive yields for the Retirement System portfolios, but also financing for South Carolina home owners.

Investment income is a significant source of revenues for the four Retirement Systems. Investment earnings coupled with contributions provide a basis for actuarial computations and pension benefits. In fact, our successful investment program has contributed through return on investments to increased benefits for public employees.

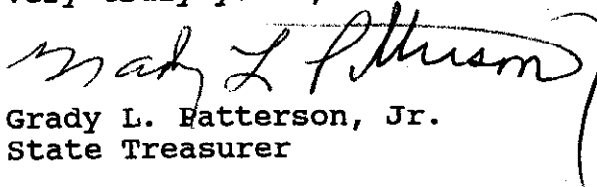
The Honorable Carroll A. Campbell, Jr.
November 21, 1988
Page 2

The Retirement Systems are adequately funded and actuarially sound.

I take great pride in being able to serve as Custodian of Funds for the South Carolina Retirement Systems and in utilizing our various resources to invest these funds in such a way as to secure their availability for the purpose intended.

With kindest regards, I am

Very truly yours,

A handwritten signature in cursive script, reading "Grady L. Patterson, Jr.", written over a horizontal line.

Grady L. Patterson, Jr.
State Treasurer

GLPJr:cp

SUMMARY OF INVESTMENT GROWTH
SOUTH CAROLINA RETIREMENT SYSTEM
(amounts expressed in thousands)

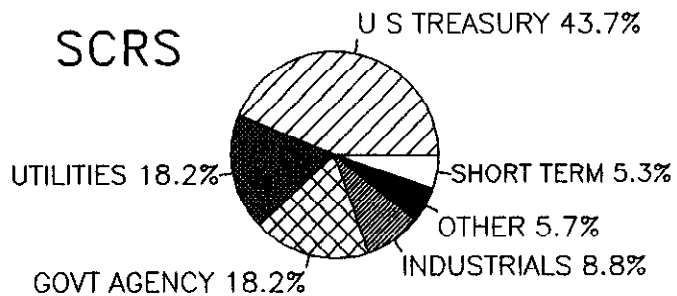
YEAR ENDED JUNE 30,	AMORTIZED COST OF INVESTMENTS 000's OMITTED	% INCREASE FOR YEAR	NET INCOME FROM INVESTMENTS 000's OMITTED	% INCREASE FOR YEAR	AVERAGE YIELD
1988	\$5,171,978	14.0%	\$484,487	2.2%	10.51%
1987	4,535,750	14.1%	474,080	-1.9%	11.80%
1986	3,974,878	20.1%	483,114	29.1%	14.20%
1985	3,310,515	17.9%	374,166	30.4%	13.03%
1984	2,807,577	15.0%	286,914	16.0%	11.56%
1983	2,441,321	15.5%	247,247	20.7%	11.48%
1982	2,113,453	11.9%	204,824	21.4%	10.79%
1981	1,888,045	12.8%	168,736	25.9%	9.95%
1980	1,673,851	13.4%	134,052	23.1%	8.89%
1979	1,475,873	13.8%	108,853	19.0%	8.17%

POLICE OFFICERS RETIREMENT SYSTEM
(amounts expressed in thousands)

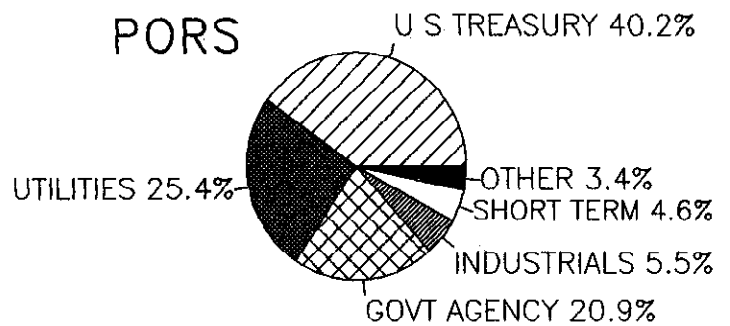
YEAR ENDED JUNE 30,	AMORTIZED COST OF INVESTMENTS 000's OMITTED	% INCREASE FOR YEAR	NET INCOME FROM INVESTMENTS 000's OMITTED	% INCREASE FOR YEAR	AVERAGE YIELD
1988	\$458,829	15.5%	\$46,512	13.0%	11.49%
1987	397,258	16.4%	41,175	0.2%	11.81%
1986	341,352	22.7%	41,108	35.6%	14.21%
1985	278,136	20.3%	30,315	27.9%	12.65%
1984	231,296	15.7%	23,696	21.4%	11.63%
1983	199,915	17.5%	19,524	21.9%	11.14%
1982	170,208	14.1%	16,016	20.3%	10.56%
1981	149,205	17.9%	13,311	36.2%	10.14%
1980	126,582	16.4%	9,773	21.6%	8.67%
1979	108,736	16.4%	8,036	29.2%	8.28%

DISTRIBUTION OF INVESTMENTS

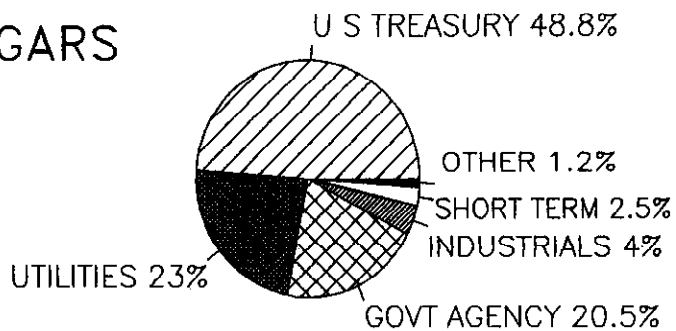
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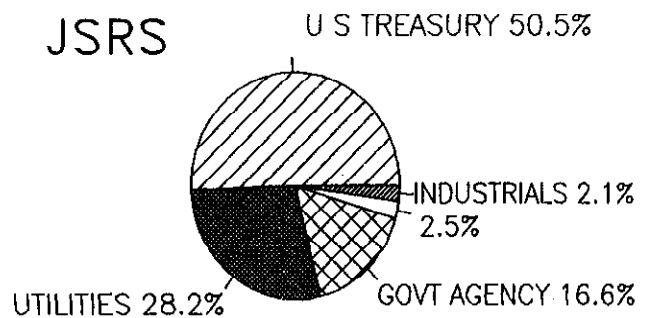
PORS



GARS



JSRS



SUMMARY OF INVESTMENT GROWTH
GENERAL ASSEMBLY RETIREMENT SYSTEM
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	AMORTIZED COST OF INVESTMENTS	% INCREASE FOR YEAR	NET INCOME FROM INVESTMENTS	% INCREASE FOR YEAR	AVERAGE YIELD
1988	\$16,563	13.7%	\$1,470	1.9%	9.91%
1987	14,574	13.7%	1,442	7.3%	11.11%
1986	12,818	18.8%	1,344	20.6%	12.07%
1985	10,787	13.6%	1,114	19.3%	11.63%
1984	9,499	11.2%	934	18.0%	10.92%
1983	8,539	9.1%	791	13.5%	10.16%
1982	7,829	14.7%	697	20.2%	9.99%
1981	6,826	14.8%	580	27.7%	9.51%
1980	5,948	17.1%	454	33.2%	8.59%
1979	5,079	18.4%	341	18.2%	7.55%

JUDGES & SOLICITORS RETIREMENT SYSTEM
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	AMORTIZED COST OF INVESTMENTS	% INCREASE FOR YEAR	NET INCOME FROM INVESTMENTS	% INCREASE FOR YEAR	AVERAGE YIELD
1988	\$23,345	19.3%	\$2,185	8.2%	10.73%
1987	19,574	20.5%	2,019	-23.1%	11.95%
1986	16,241	33.6%	2,623	64.7%	20.36%
1985	12,154	32.8%	1,593	53.9%	16.16%
1984	9,154	36.8%	1,035	29.3%	13.98%
1983	6,694	43.0%	801	-39.1%	15.15%
1982	4,680	49.5%	1,315	270.0%	40.47%
1981	3,130	107.2%	355	207.5%	16.58%
1980	1,511		116		16.56%

Average yield is calculated using the following equation:

$$\frac{I}{\frac{1}{2} (A + B - I)}$$

A = Fund value at the beginning of the year

B = Fund value at the end of the year

I = Earned investment income during the year

Note:

The Systems, effective 7-1-86 adopted the accrual basis of accounting for recognition of interest income and the effective interest method for amortization of premiums and discounts.

INVESTMENTS
SOUTH CAROLINA RETIREMENT SYSTEM
(amounts expressed in thousands)

	June 30, 1988			June 30, 1987			June 30, 1986		
	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total
Short term investments:									
Repurchase agreements	\$ 108,980	\$ 108,980	2.11%	\$ 127,410	\$127,410	2.81%	\$ 119,675	\$ 119,675	3.01%
Treasury bills	<u>167,175</u>	<u>165,435</u>	<u>3.20%</u>	<u>25,000</u>	<u>24,397</u>	<u>0.54%</u>	<u>151,500</u>	<u>147,749</u>	<u>3.72%</u>
Discount notes	<u>276,155</u>	<u>274,415</u>	<u>5.31%</u>	<u>154,000</u>	<u>151,095</u>	<u>3.33%</u>	<u>139,000</u>	<u>134,971</u>	<u>3.39%</u>
				<u>306,410</u>	<u>302,902</u>	<u>6.68%</u>	<u>410,175</u>	<u>402,395</u>	<u>10.12%</u>
U.S. Government agencies & government insured:									
Treasury notes	257,600	256,716	4.96%	212,100	211,633	4.67%	247,600	247,078	6.22%
Treasury bonds	1,040,777	993,857	19.22%	975,777	929,006	20.48%	945,777	904,765	22.76%
Treasury bonds (zero coupons)	3,123,038	1,010,234	19.53%	2,777,341	823,385	18.15%	2,145,090	647,620	16.29%
U.S. Government agencies	926,558	885,877	17.13%	777,284	747,675	16.48%	715,028	678,951	17.08%
Insured merchant marine bonds	<u>55,536</u>	<u>55,423</u>	<u>1.07%</u>	<u>87,174</u>	<u>87,052</u>	<u>1.92%</u>	<u>154,806</u>	<u>154,678</u>	<u>3.89%</u>
	<u>5,403,509</u>	<u>3,202,107</u>	<u>61.91%</u>	<u>4,829,676</u>	<u>2,798,751</u>	<u>61.70%</u>	<u>4,208,301</u>	<u>2,633,092</u>	<u>66.24%</u>
State of South Carolina institutions	926	926	0.01%	1,303	1,303	0.03%	1,668	1,668	0.04%
Corporate bonds:									
Industrials	581,236	457,448	8.85%	390,207	283,634	6.25%	245,760	229,160	5.77%
Utilities	1,031,539	943,679	18.25%	972,765	885,666	19.53%	642,901	580,634	14.61%
Financial & other	<u>295,112</u>	<u>293,403</u>	<u>5.67%</u>	<u>265,439</u>	<u>263,494</u>	<u>5.81%</u>	<u>130,373</u>	<u>127,929</u>	<u>3.22%</u>
	<u>1,907,887</u>	<u>1,694,530</u>	<u>32.77%</u>	<u>1,628,411</u>	<u>1,432,794</u>	<u>31.59%</u>	<u>1,019,034</u>	<u>937,723</u>	<u>23.60%</u>
Total investments	<u>\$7,588,477</u>	<u>\$5,171,978</u>	<u>100.00%</u>	<u>\$6,765,800</u>	<u>\$4,535,750</u>	<u>100.00%</u>	<u>\$5,639,178</u>	<u>\$3,974,878</u>	<u>100.00%</u>

INVESTMENTS
POLICE OFFICERS RETIREMENT SYSTEM
(amounts expressed in thousands)

	June 30, 1988			June 30, 1987			June 30, 1986		
	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total
Short term investments:									
Repurchase agreements	\$ 20,985	\$ 20,985	4.57%	\$ 12,770	\$12,770	3.21%	\$18,235	\$18,235	5.34%
Treasury bills				<u>20,000</u>	<u>19,573</u>	<u>4.93%</u>	<u>16,425</u>	<u>16,028</u>	<u>4.69%</u>
Discount notes	<u>20,985</u>	<u>20,985</u>	<u>4.57%</u>	<u>32,770</u>	<u>32,343</u>	<u>8.14%</u>	<u>44,660</u>	<u>43,948</u>	<u>12.87%</u>
U.S. Government agencies & government insured:									
Treasury notes	40,150	39,941	8.70%	40,150	40,076	10.09%	40,150	40,068	11.74%
Treasury bonds	94,810	90,564	19.74%	84,810	80,665	20.30%	79,810	76,253	22.34%
Treasury bonds (zero coupons)	189,423	53,847	11.74%	189,116	48,660	12.25%	172,366	45,119	13.22%
U.S. Government agencies insured merchant marine bonds	91,620	87,236	19.01%	67,673	65,266	16.43%	59,058	55,568	16.28%
	<u>8,766</u>	<u>8,766</u>	<u>1.91%</u>	<u>10,035</u>	<u>10,035</u>	<u>2.53%</u>	<u>11,415</u>	<u>11,415</u>	<u>3.34%</u>
	<u>424,769</u>	<u>280,354</u>	<u>61.10%</u>	<u>391,784</u>	<u>244,702</u>	<u>61.60%</u>	<u>362,799</u>	<u>228,423</u>	<u>66.92%</u>
Corporate bonds:									
Industrials	27,006	25,077	5.47%	24,443	22,749	5.73%	22,460	21,060	6.17%
Utilities	125,545	116,611	25.42%	99,545	90,661	22.82%	44,495	41,219	12.08%
Financial & other	<u>15,800</u>	<u>15,802</u>	<u>3.44%</u>	<u>6,800</u>	<u>6,803</u>	<u>1.71%</u>	<u>6,700</u>	<u>6,702</u>	<u>1.96%</u>
	<u>168,351</u>	<u>157,490</u>	<u>34.33%</u>	<u>130,788</u>	<u>120,213</u>	<u>30.26%</u>	<u>73,655</u>	<u>68,981</u>	<u>20.21%</u>
Total investments	<u>\$614,105</u>	<u>\$458,829</u>	<u>100.00%</u>	<u>\$555,342</u>	<u>\$397,258</u>	<u>100.00%</u>	<u>\$481,114</u>	<u>\$341,352</u>	<u>100.00%</u>

INVESTMENTS
GENERAL ASSEMBLY RETIREMENT SYSTEM
(amounts expressed in thousands)

	Par Value	June 30, 1988 Amortized Cost	% of Total	Par Value	June 30, 1987 Amortized Cost	% of Total	Par Value	June 30, 1986 Amortized Cost	% of Total
Short term investments:									
Repurchase agreements	\$410	\$410	2.48%	\$1,445	\$1,445	9.91%	\$465	\$465	3.63%
Treasury bills	<u>\$410</u>	<u>410</u>	<u>2.48%</u>	<u>1,445</u>	<u>1,445</u>	<u>9.91%</u>	<u>1,000</u>	<u>975</u>	<u>7.60%</u>
							<u>1,465</u>	<u>1,440</u>	<u>11.23%</u>
U.S. Government agencies & government insured:									
Treasury notes	2,400	2,386	14.41%	2,400	2,391	16.41%	2,400	2,390	18.65%
Treasury bonds	3,420	3,279	19.80%	2,920	2,786	19.11%	2,920	2,795	21.80%
Treasury bonds (zero coupons)	6,347	2,420	14.61%	6,347	2,225	15.27%	1,347	938	7.32%
U.S. Government agencies	3,108	3,101	18.72%	2,239	2,232	15.31%	2,713	2,455	19.15%
Insured merchant marine bonds	<u>300</u>	<u>300</u>	<u>1.81%</u>	<u>320</u>	<u>320</u>	<u>2.20%</u>	<u>534</u>	<u>534</u>	<u>4.17%</u>
	<u>15,575</u>	<u>11,486</u>	<u>69.35%</u>	<u>14,226</u>	<u>9,954</u>	<u>68.30%</u>	<u>9,914</u>	<u>9,112</u>	<u>71.09%</u>
Corporate bonds:									
Industrials	700	656	3.96%	200	159	1.09%	500	462	3.61%
Utilities	4,300	3,810	23.00%	3,300	2,816	19.32%	1,750	1,604	12.51%
Financial & other	<u>200</u>	<u>200</u>	<u>1.21%</u>	<u>200</u>	<u>200</u>	<u>1.38%</u>	<u>200</u>	<u>200</u>	<u>1.56%</u>
	<u>5,200</u>	<u>4,666</u>	<u>28.17%</u>	<u>3,700</u>	<u>3,175</u>	<u>21.79%</u>	<u>2,450</u>	<u>2,266</u>	<u>17.68%</u>
Total investments	<u>\$21,185</u>	<u>\$16,562</u>	<u>100.00%</u>	<u>\$19,371</u>	<u>\$14,574</u>	<u>100.00%</u>	<u>\$13,829</u>	<u>\$12,818</u>	<u>100.00%</u>

INVESTMENTS
JUDGES & SOLICITORS RETIREMENT SYSTEM
(amounts expressed in thousands)

	June 30, 1988			June 30, 1987			June 30, 1986		
	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total
Short term investments:									
Repurchase agreements	\$ 595	\$ 595	2.55%	\$ 2,580	\$ 2,580	13.18%	\$ 1,120	\$ 1,120	6.90%
Treasury bills	<u>595</u>	<u>595</u>	<u>2.55%</u>	<u>2,580</u>	<u>2,580</u>	<u>13.18%</u>	<u>415</u>	<u>415</u>	<u>2.56%</u>
							<u>1,535</u>	<u>1,535</u>	<u>9.46%</u>
U.S. Government agencies & government insured:									
Treasury notes	2,200	2,189	9.38%	2,200	2,194	11.21%	2,200	2,194	13.51%
Treasury bonds	3,300	3,217	13.78%	2,800	2,724	13.91%	2,800	2,730	16.81%
Treasury bonds (zero coupons)	10,094	6,390	27.37%	10,094	5,838	29.82%	10,094	5,651	34.79%
U.S. Government agencies	4,207	3,877	16.61%	1,249	1,226	6.27%	500	483	2.97%
Insured merchant marine bonds	<u>19,801</u>	<u>15,673</u>	<u>67.14%</u>	<u>16,343</u>	<u>11,982</u>	<u>61.21%</u>	<u>15,594</u>	<u>11,058</u>	<u>68.08%</u>
Corporate bonds									
Industrials	500	497	2.13%						
Utilities	<u>6,750</u>	<u>6,580</u>	<u>28.18%</u>	<u>5,175</u>	<u>5,012</u>	<u>25.61%</u>	<u>3,675</u>	<u>3,648</u>	<u>22.46%</u>
	<u>7,250</u>	<u>7,077</u>	<u>30.31%</u>	<u>5,175</u>	<u>5,012</u>	<u>25.61%</u>	<u>3,675</u>	<u>3,648</u>	<u>22.46%</u>
Total investments	<u>\$27,646</u>	<u>\$23,345</u>	<u>100.00%</u>	<u>\$24,098</u>	<u>\$19,574</u>	<u>100.00%</u>	<u>\$20,804</u>	<u>\$16,241</u>	<u>100.00%</u>