Component Unit Financial Report for the Year Ended June 30, 1989

THE SOUTH CAROLINA RETIREMENT SYSTEMS

SOUTH CAROLINA RETIREMENT SYSTEMS

1989 COMPONENT UNIT FINANCIAL REPORT

For the Year Ended June 30, 1989

1122 Lady Street
NBSC Building
Columbia, South Carolina 29211

Purvis W. Collins, Director

SOUTH CAROLINA RETIREMENT SYSTEM

SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

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

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

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 Component Unit
Financial Report
for the Fiscal Year Ended
June 30, 1988

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 component unit financial reports (CUFR's) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

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INTRODUCTORY SECTION

South Carolina Retirement Systems

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

Purvis W. Collins
Director

October 31, 1989

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, 1989 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 Systems' 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 organization 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

In a 7 to 1 decision the Supreme Court on March 28, 1989 issued a ruling (Davis V. Michigan Department of the Treasury) declaring the state's exemption from income taxation of retirement benefits of its own and its localities' pensions while taxing the retirement benefits of U.S. Government pensions to be discriminatory and unconstitutional under the doctrine of intergovernmental tax immunity.

As a result of this decision South Carolina, which did provide special tax treatment to State and local government retirees, passed legislation, effective January 1, 1989, taxing federal, state and local government retirees on an equal basis; allowing a $3,000 exemption for all government retirees.

Additionally, our retiree benefit formulas were enhanced so as to not penalize retirees as a result of this legislation. Appropriate adjustments were also made in the benefits of retired members.

Effective July 1, 1989, the benefit formula under the South Carolina Retirement System was increased from 1.7% to 1.82% of average salary per year of credited service and from 2.0% to 2.14% of average salary per year of credited service under the Police Officers Retirement System. All members retired on or before June 30, 1989 received a 7% increase in their annuities in addition to the regular 4% cost of living increase.

At the federal level, repeal of Section 89, passed as part of the 1986 Tax Reform Act, appears imminent. Although <u>not</u> applicable to pension plans, this law produced voluminous regulations and mandated extensive compliance testing for most employer-sponsored benefit programs. This law and its onerous regulations produced substantial opposition from both the public and private sectors.

The Internal Revenue Service, in issuing Notice 88-118, provided a much simplified method for determining the taxable portion of annuities. This "safe harbor" method provided a simple alternative to in excess of 150 pages of regulations already in existence.

Administratively our major developments or enhancements during the year centered on development of a new-comprehensive retiree payroll system, scheduled for implementation in the Spring of 1990. Additionally, our continued emphasis on magnetic media reporting of quarterly employee wage and contribution data has resulted in a two-fold increase in the number of magnetic media records over the past two years. Wage and contribution data for approximately 60% of our active membership is currently reported by electronic means; allowing the System to process data more expeditiously, maintain member accounts in a more timely manner and issue annual member statements more promptly after the close of each year.

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 $6.8 billion this year; an overall growth of 13.49% over 1988. A summary of the growth of assets, by System follows:

	1899 (Millions)	1988 (Millions)	Increase (Millions)	Increase (Percent)
SCRS	$ 6,177.3	$ 5,476.3	$ 701.0	12.8%
PORS	579.4	484.5	94.9	19.6%
GARS	19.4	17.4	2.0	11.5%
JSRS	27.8	23.8	4.0	16.8%
TOTAL	$ 6,803.9	$ 6,002.0	$ 801.9	13.4%

The State Treasurer, by Statute, is the custodian and investment manager for all retirement funds. A variety of investment instruments are authorized; including obligations of the United States, its agencies and securities fully guaranteed by the United States, certificates of deposit, collateralized repurchase agreements and certain corporate bonds.

Investments grew 14.5% for the fiscal year, increasing to approximately $6.5 billion at June 30th; generating investment income of $599.5 million or approximately 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, 1989 and the amount and percentage increases over prior year revenues.

	SCRS	PORS	GARS	JSRS	Total	Increase	Percent Increase
			(amounts in thousands)				
Contribution Revenue							
Employee	$ 199,934	$ 21,103	$ 319	$ 567	$ 221,923	$ 35,830	19.3%
Employer	228,115	33,040	1,209	3,202	265,566	27,246	11.4%
Investment Income	544,156	50,966	1,729	2,630	599,481	64,827	12.1%
Other	9,269	250			9,519	1,452	18.0%
Total	$ 981,474	$105,359	$ 3,257	$ 6,399	$ 1,096,489	$ 129,355	13.4%

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 expenses for the Systems for the fiscal year ended June 30, 1989 and the amount and percentage increases over the prior year.

	SCRS	PORS	GARS	JSRS	Total	Increase	Percent Increase
Annuities	$ 279,501	$ 20,883	$ 1,294	$ 2,344	$ 304,022	$ 61,311	25.3%
Refunds	33,916	3,602	11		37,529	2,041	5.8%
Group Life	6,749	770	27		7,546	284	3.9%
Administrative Charges	3,981	353	13	17	4,364	158	3.8%
Total	$ 324,147	$ 25,608	$ 1,345	$ 2,361	$ 353,461	$ 63,794	22.0%

Annuity payments, which constitute almost 86% of all expenses, continue to grow due to increases in the number of retirees, enhancement in the benefit formula 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.

	Year Ended	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded
SCRS	1988	$ 5,413.7	$ 7,377.8	73.4%
	1987	4,805.4	6,447.5	74.5%
	1986	4,202.4	5,747.5	73.1%
PORS	1988	475.0	540.6	87.9%
	1987	414.7	445.2	93.1%
	1986	353.3	397.1	89.0%
GARS	1988	17.4	22.0	79.2%
	1987	15.5	22.2	69.8%
	1986	13.6	21.1	64.5%
JSRS	1988	23.8	51.4	46.3%
	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 particularly improving its funding level over the past 10 years.

The slight reduction in the funded percentage for the SCRS and PORS are primarily a result of benefit enhancements applied to both active and retired members.

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 component unit financial report for the fiscal year ended June 30, 1988.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized component unit 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

Purvis W. Collins

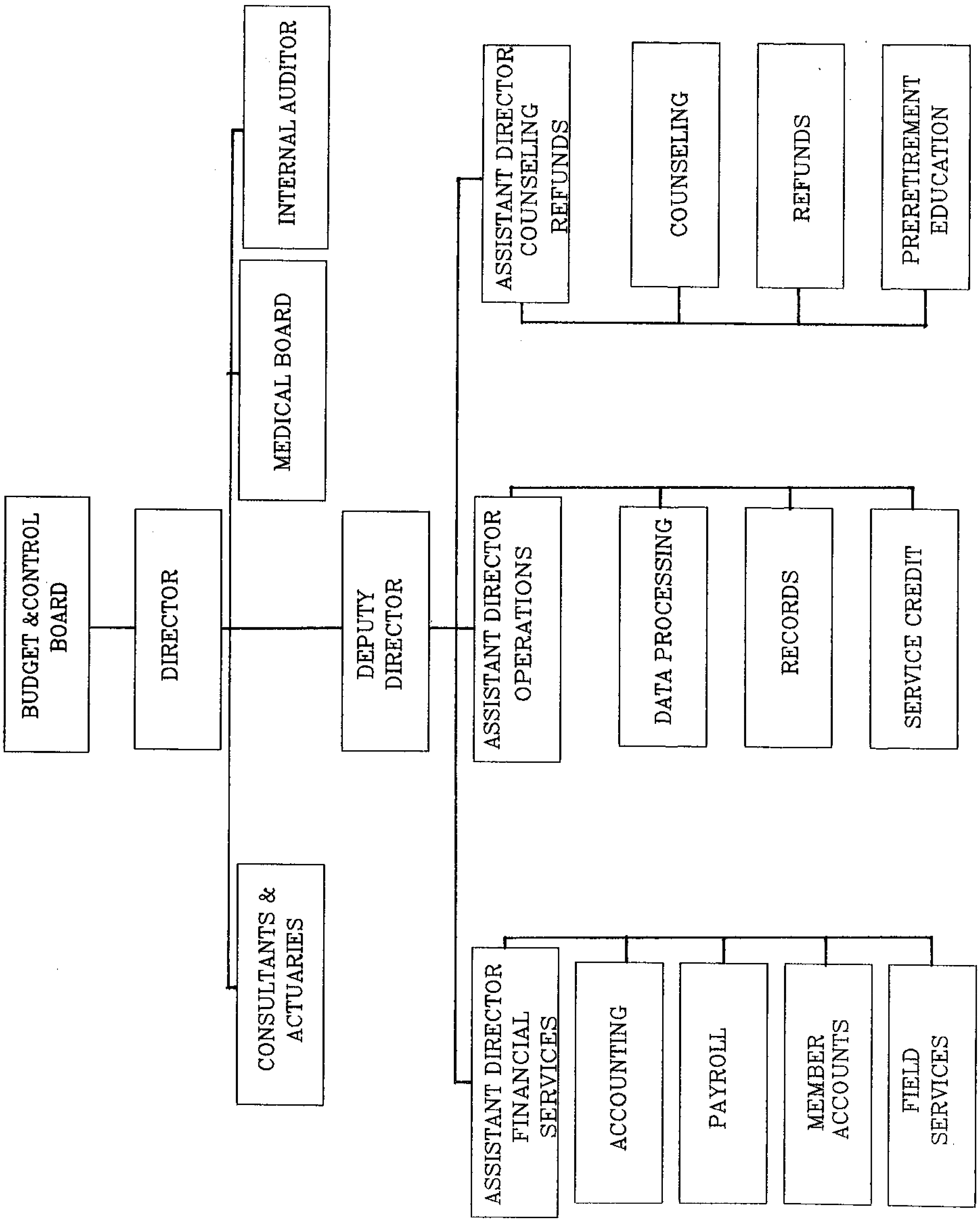
pm

ADMINISTRATION

GOVERNING BOARD - STATE BUDGET AND CONTROL BOARD	
Carroll A. Campbell, Jr., Chairman	*Governor*
Grady L. Patterson, Jr.	*State Treasurer*
Earle E. Morris, Jr.	*Comptroller General*
James M. Waddell, Jr.	*Chairman, Senate Finance Committee*
Robert N. McLellan	*Chairman, House Ways and Means Committe*

CONSULTING ACTUARY
Donald M. Overholser
George B. Buck Consulting Actuaries, Inc.

RETIREMENT SYSTEM STAFF	
ADMINISTRATION	
Purvis W. Collins	*Director*
Joseph A. Mack	*Deputy Director*
E. D. Goodwin, Jr.	*Assistant Director, Financial Services*
Joseph C. Griffith	*Assistant Director, Counseling*
Henry R. Blackwell, Jr.	*Assistant Director, Information Services*
Edward H. Haynsworth, Jr. CPA	*Internal Auditor*
Brenda M. Bryant	*Administration of Social Security*
FINANCIAL SERVICES DIVISION	
Wayne D. Pruitt, CPA	*Controller*
Joy H. Richardson, CPA	*Manager, Retirement Accounting*
Rosemary Tien, CPA	*Manager, Member Accounts*
Beverly K. Abdalla	*Manager, Benefits Payroll*
COUNSELING & REFUNDS DIVISION	
Holly Kednocker	*Counseling Supervisor*
Elvena Bickley	*Refunds Supervisor*
Phyllis C. Gardner	*Pre-Retirement Education*
INFORMATION SERVICES DIVISION	
Michael Nivens	*Data Processing Manager*
Meta Whitlock	*Records Supervisor*
Joyce Comisky	*Service Department Supervisor*


BUDGET &CONTROL BOARD
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ASSISTANT DIRECTOR COUNSELING REFUNDS
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ASSISTANT DIRECTOR OPERATIONS
DATA PROCESSING
RECORDS
SERVICE CREDIT
ASSISTANT DIRECTOR FINANCIAL SERVICES
ACCOUNTING
PAYROLL
MEMBER ACCOUNTS
FIELD SERVICES

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:

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

<u>Member Accounts Section</u> - Responsible for financial control over all detail member contribution records.

<u>Benefits Payroll Section</u> - Responsible for the disbursement of monthly annuity payments to all retired members.

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

Information Services Division:

<u>Data Processing Section</u> - Responsible for the design, implementation and control over all automation applications within the Agency.

<u>Records Section</u> - 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.

<u>Service Section</u> - Responsible for the compiling and automation of retirement service credit for all members of the Retirement System.

Counseling & Refunds Division:

<u>Counseling Section</u> - Responsible for counseling members relating to retirement, and processing all retirement documents upon actual retirement of a member.

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

<u>Pre-Retirement Section</u> - A section with the overall objective of better preparing the membership for retirement through conducting seminars and meetings with employer representatives covering areas such a planning for economic security, health and safety, housing and meaningful use of time.

CURRENT LEGISLATION

Significant amendments enacted during the 1989 Session of the General Assembly were as follows:

R137

This amendment allows an employer who maintains a local retirement system for firefighters prior to admission to the Police Officers Retirement System to transfer all active and retired members of the local plan to the Police Officers Retirement System upon payment of all actuarial liabilities.

R138

An elected official earning less than the earnings limitation is eligible to retire without a break in service.

R187

Members of the Police Officers Retirement System with an account under the South Carolina Retirement System are now eligible to transfer credit to the Police System by paying 5% of current salary for each year transferred. The System will also transfer the employee - employer contribution to the Police System.

The following amendments were included in the 1989 State Appropriation Act:

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

Credit for active military duty service performed prior to December 31, 1975 may be established; the previous cut off date was July 1, 1974.

Retired members of the South Carolina Retirement Systems are now subject to state income tax with an exemption of the first $3,000; effective January 1, 1989.

The benefit formula under the South Carolina Retirement System has been changed from 1.7% of average final compensation (AFC) to 1.82% of average final compensation. All persons receiving a monthly benefit on June 30, 1989 received a 7% increase effective July 1, 1989.

The benefit formula under the Police Officers Retirement System has been changed from 2.0% of average final compensation to 2.14% of AFC for each year of credited service. All persons receiving a monthly benefit on June 30, 1989 received a 7% increase, effective July 1, 1989.

FINANCIAL SECTION

RMC Rogers Montgomery & Company, P.A.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To: Edgar A. Vaughn, Jr., CPA
State Auditor
State of South Carolina
Columbia, South Carolina

We have audited the component unit financial statements of the Pension Trust Funds of the South Carolina Retirement Systems (the Systems) as of and for the year ended June 30, 1989, as listed in the table of contents. These financial statements are the responsibility of the Systems' management. Our responsibility is to express an opinion on these financial statements based on our audit.

As described in Note 1, the component unit financial statements present only the funds of the South Carolina Retirement Systems and are not intended to present fairly the financial position, results of operations or changes in financial position of the State of South Carolina in conformity with generally accepted accounting principles.

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 component unit financial statements referred to above present fairly, in all material respects, the financial position of the Systems at June 30, 1989 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 34-38 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.

P.O. Box 124, Columbia, South Carolina 29202 (803) 779-5870

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

Rogers, Montgomery & Co.

Columbia, South Carolina
October 12, 1989

COMBINED BALANCE SHEET
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
JUNE 30, 1989
(amounts expressed in thousands)

Assets	
Investments, at amortized cost	
Short-term investments (market value - $527,726)	$ 527,525
United States Government securities (market value - $ 2,973,206)	2,512,195
United States Government agencies and government-insured securities (market value - $1,622,402)	1,547,798
Corporate bonds (market value - $1,659,473)	1,568,717
Financial and other (market value - $337,676)	334,278
Total investments	6,490,513
Deferred yield adjustment for security exchanges	141,207
Receivables:	
Contributions	55,292
Accrued interest	112,861
Cash	4,003
Total assets	$ 6,803,876
Liabilities and fund balances	
Liabilities:	
Accounts payable - unsettled investment purchases	$ 75,013
Accrued expenses	1,568
Total liabilities	76,581
Fund balances:	
Employee fund	1,707,605
Employer fund	4,961,852
Group life insurance fund	53,708
Accidental death fund	4,130
Total fund balances	6,727,295
Total liabilities and fund balances	$ 6,803,876

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, 1989
(amounts expressed in thousands)

Operating revenues:	
Employee contributions:	
State department employees	$ 96,142
Public school employees	85,478
Other political subdivision employees	40,303
Employer contributions:	
State department employers	120,268
Public school employers	98,822
Other political subdivision employers	46,476
Supplemental retirement benefits funded by the State	9,519
Investment income	599,481
Total operating revenues	1,096,489
Operating expenses:	
Refunds of contributions to members	37,529
Regular retirement benefits	294,151
Supplemental retirement benefits	9,519
Group life insurance payments	7,546
Accidental death benefits	352
Administrative charges	4,364
Total operating expenses	353,461
Net income	743,028
Fund balances at beginning of year	5,984,267
Fund balances at end of year	$ 6,727,295

See notes to financial statements.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 1989
(amounts expressed in thousands)

Sources of working capital:	
Operations - net income	$ 743,028
Net increase in working capital	$ 743,028

Elements of net increase in working capital:	
Cash	$ (3,909)
Investments	819,798
Deferred yield adjustment	(29,967)
Receivables	15,994
Accounts payable and accrued expenses	(58,888)
Net increase in working capital	$ 743,028

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 defined benefit pension plans. The GARS and JSRS are considered single-employer defined benefit pension 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. In determining the status of the pension trust funds as a component unit of the State, the following elements were considered; financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

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 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 may be 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 25 years credited service regardless of age. 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, 1989 are as follows:

	State*	School	Other	Total
SCRS				
Number of Employers	194	110	406	710
Annual Covered Payroll (000's omitted)	$1,360,229	$1,376,748	$474,976	$3,211,953
Average Number of Contributing Members	61,295	71,727	30,183	163,205
PORS				
Number of Employers	41		202	243
Annual Covered Payroll (000's omitted)	$160,116		$143,274	$303,390
Average Number of Contributing Members	7,928		7,274	15,202

	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)	$7,822			$7,822
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 (July 1, 1988) the membership of the System was as follows:

	SCRS	PORS	GARS	JSRS	TOTAL
a) Retirees and beneficiaries receiving benefits and terminated employees entitled to benefits but not yet receiving them	117,362	5,897	209	55	123,523
b) Fully vested active employees	92,785	5,907	47	75	98,814
Nonvested active employees	64,654	8,627	161	29	73,471
Total active employees	157,439	14,534	208	104	172,285
Total	274,801	20,431	417	159	295,808

3- INVESTMENTS AND DEPOSITS:

The following table presents market values of investments at June 30, 1989. All investments are insured or registered, or held by the State or its agent in the name of the State Treasurer as custodian.

Fair Market Value
(Amounts in thousands)

INVESTMENTS	SCRS	PORS	GARS	JSRS	TOTAL
Short-term investments	$ 464,523	$ 57,558	$ 2,515	$ 3,130	$ 527,726
U.S. Government securities	2,735,869	217,102	8,411	11,824	2,973,206
U.S. Government agencies and government-insured securities	1,460,610	151,027	4,498	6,267	1,622,402
Corporate bonds	1,496,047	151,327	4,696	7,403	1,659,473
Financial and other	313,716	22,772	184	1,004	337,676
	$ 6,470,765	$ 599,786	$ 20,304	$ 29,628	$ 7,120,483

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 $1.6 million on deposit with the State Treasurer and $2.4 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, 1989 totaled $650.9 million for the SCRS and $34.7 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 July 1, 1988.

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

Interest rate - 7.5% per annum, compounded annually, effective for all plans.

Salary scales -

	SCRS	PORS	GARS	JSRS
a) Inflation	4.5%	4.5%	4.5%	4.0%
b) Merit or seniority	2.0%	2.0%	1.0%	2.0%

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

	SCRS	PORS	GARS	JSRS
Post retirement benefit increases -	4.0%	4.0%	-0-	4.0%

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 July 1, 1988 actuarial valuation) -

	SCRS	PORS	GARS	JSRS	TOTAL
	(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	$ 2,728.0	$ 190.8	$ 10.5	$ 25.3	$ 2,954.6
b) Current employees: Accumulated employee contributions including allocated investment income	1,337.2	84.5	2.9	4.9	1,429.5
Employer-financed vested	928.4	87.3	3.6	5.8	1,025.1
Employer-financed nonvested	2,384.2	178.0	5.0	15.4	2,582.6
	4,649.8	349.8	11.5	26.1	5,037.2
Total pension benefit obligation	7,377.8	540.6	22.0	51.4	7,991.8
Net assets available for benefits, at amortized cost	5,413.7	475.0	17.4	23.8	5,929.9
Unfunded pension benefit obligation	$ 1,964.1	$ 65.6	$ 4.6	$ 27.6	$ 2,061.9

Net assets available for benefits at July 1, 1988 at market value were $5,584.1 million for SCRS, $497.0 million for PORS, $17.9 million for GARS, and $24.9 million for JSRS.

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. The scales of assumed rates of salary increases were increased .5% for the SCRS, PORS and GARS.

SCRS - The retirement benefit formula was changed from 1.25% of the first $4,800 in average final compensation plus 1.65% 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.

The estimated increase (decrease) in the pension benefit obligation as a result of these changes was as follows:

	SCRS	PORS	GARS	JSRS	TOTAL
	(amounts expressed in millions)				
Change in actuarial assumptions	$ (506)	$ (38)	$ (2)	$ (5)	$(551)
Enchancement in benefit provisions	462	56			518
Net impact on pension benefit obligation	$ (44)	$ 18	$ (2)	$ (5)	$ (33)

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 July 1, 1988 were as follows:

SCRS	PORS	GARS	JSRS
21 years	6 years	18 years	22 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 fund (SCRS & PORS) and the accidental death fund (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.

The unfunded accrued liability contribution rate for the PORS was increased from 1.11% to 4.39%, effective July 1, 1988.

Actuarially established employer contribution rates for the fiscal year ended June 30, 1989 were as follows:

	Normal	Unfunded Accrued Liability	Accidental Death Program	Group Life Insurance Program	Total
SCRS					
State and Schools	3.74%	3.26%	N/A	.15%	7.15%
Local	3.19%	2.96%	N/A	.15%	6.30%
PORS	5.91%	4.39%	.20%	.20%	10.70%
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, 1989 were as follows:

Normal	$ 699,200
Unfunded Accrued Liability	504,674
Group life insurance	4,536
Total	$ 1,208,410

The following chart shows actual employee and employer contributions for the fiscal year ended June 30, 1989.

	Employee Contributions (000's omitted)	% of Covered Payroll	Employer Contributions (000'0 omitted)	% of Covered Payroll
SCRS				
State and Schools	$ 169,925	6.2%	$ 197,397	7.2%
Local	30,009	6.3%	30,718	6.5%
PORS	21,103	7.0%	33,040	10.9%
GARS	319	13.8%	1,209	52.3%
JSRS	567	7.2%	3,202	40.9%
Total	$ 221,923		$ 265,566	

Changes in actuarial assuptions and benefit provisions in Note 4 resulted in the following changes in employer contribution rates (amounts expressed as a percent of active member payroll):

	SCRS	PORS	GARS	JSRS
a. Changes in actuarial assumptions	(2.05%)	(2.87%)	*	*
b. Enchancement in benefit provisions	2.05%	5.87%	-0-	-0-

* No change was made in contribution rates of the GARS and JSRS. The gain associated with the changes in actuarial assumptions was reflected as a reduction in the unfunded accrued liability and the funding period.

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 $4.4 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 $14.7 million were due from other agencies and departments of the State at June 30, 1989.

7- SUBSEQUENT EVENTS:

Effective for the plan year beginning July 1, 1989 the following changes in actuarial assumptions and benefit provisions were enacted.

The interest rate assumption was increased from 7.5% to 8.0%, compounded annually. This change was effective for all plans.

Benefit provisions were enhanced as follows:

SCRS - The retirement benefit formula was changed from 1.7% of average final compensation to 1.82% of average final compensation times years of credited service.

PORS - The retirement benefit formula was changed from 2.0% of average final compensation to 2.14% of average final compensation times years of credited service.

GARS - The retirement benefit formula was changed from 4.5% of earnable compensation to 4.82% of earnable compensation times years of credited service.

JSRS - The retirement benefit allowance was changed from 66 2/3% of the current active salary of the position from which the member retired to 71.3% of the current active salary of the position from which the member retired.

The employer contribution rate for members of the SCRS was increased from 6.15% to 6.7% of salary for other political subdivisions and 7.0% to 7.55% of salary for state agencies and school districts.

As a result of the above changes the estimated changes in the pension benefit obligation are as follows:

	SCRS	PORS	GARS	JSRS	TOTAL
		(amounts expressed in millions)			
a. Change in interest assumption	$(610)	$(45.9)	$(1.1)	$(2.6)	$(659.6)
b. Enhancement in benefit provisions	731	37.8	1.5	3.6	773.9
Net impact on pension benefit obligation	$ 121	$ (8.1)	$ .4	$ 1.0	$ 114.3

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

YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	TOTAL EMPLOYER CONTRIBUTIONS	% OF COVERED PAYROLL	INVESTMENT INCOME	SUPPLEMENTAL BENEFITS REVENUE	TOTAL REVENUE
1989	$199,934	$228,115	7.1%	$544,156	$9,269	$981,474
1988	171,570	213,497	7.1%	484,487	7,888	877,442
1987	159,787	203,808	7.3%	474,080	8,207	845,882
1986	147,136	190,354	7.3%	483,114	10,024	830,628
1985	131,301	172,384	7.2%	374,165	11,518	689,368
1984	114,357	151,153	7.2%	286,914	10,136	562,560
1983	106,819	142,507	7.0%	247,246	9,091	505,663
1982	100,891	136,031	7.4%	204,824	11,008	452,754
1981	92,854	123,377	7.1%	168,736	9,447	394,414
1980	82,025	110,642	6.9%	134,052	8,123	334,842

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

YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	TOTAL EMPLOYER CONTRIBUTIONS	% OF COVERED PAYROLL	INVESTMENT INCOME	SUPPLEMENTAL BENEFITS REVENUE	TOTAL REVENUE
1989	$21,103	$33,040	10.9%	$50,966	$250	$105,359
1988	13,634	20,330	7.6%	46,512	179	80,655
1987	12,110	25,859	32.6%	41,175	184	79,328
1986	11,427	25,768	32.8%	41,108	288	78,591
1985	8,351	17,980	31.5%	30,315	362	57,008
1984	7,451	16,099	33.9%	23,695	272	47,517
1983	6,729	14,554	35.5%	19,523	207	41,013
1982	6,315	13,603	37.5%	16,016	311	36,245
1981	5,568	12,157	38.9%	13,311	231	31,267
1980	5,136	11,352	43.0%	9,772	171	26,431

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)(Continued):

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

YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	TOTAL EMPLOYER CONTRIBUTIONS	% OF COVERED PAYROLL	INVESTMENT INCOME	TOTAL REVENUE
1989	$319	$1,209	52.3%	$1,729	$3,257
1988	297	1,414	50.0%	1,470	3,181
1987	310	1,367	50.0%	1,442	3,119
1986	324	1,334	48.8%	1,344	3,002
1985	316	934	34.3%	1,114	2,364
1984	263	785	33.2%	934	1,982
1983	199	841	34.5%	791	1,831
1982	202	790	39.1%	697	1,689
1981	205	742	40.3%	580	1,527
1980	238	697	36.1%	454	1,389

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

YEAR ENDED JUNE 30,	EMPLOYEE CONTRIBUTIONS	TOTAL EMPLOYER CONTRIBUTIONS	% OF COVERED PAYROLL	INVESTMENT INCOME	TOTAL REVENUE
1989	$ 567	$3,202	40.9%	$2,630	$6,399
1988	592	3,079	41.0%	2,185	5,856
1987	549	3,018	41.0%	2,019	5,586
1986	501	2,925	41.4%	2,624	6,050
1985	505	2,561	38.4%	1,593	4,659
1984	508	2,274	38.0%	1,035	3,817
1983	444	1,858	35.4%	801	3,103
1982	357	1,634	32.0%	1,315	3,306
1981	438	1,315	31.8%	355	2,108
1980	1,251	874	21.1%	116	2,241

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)(Continued):

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
1989	$33,916	$270,232	$6,749	$9,269	$3,981	$324,147
1988	32,493	216,254	6,586	7,888	3,843	267,074
1987	27,340	191,283	6,189	8,207	3,553	236,572
1986	28,359	166,632	6,139	10,024	3,527	214,681
1985	26,356	147,039	3,381	11,518	2,708	191,002
1984	25,022	130,923	3,676	10,136	2,245	172,002
1983	21,140	114,485	3,179	9,091	2,273	150,168
1982	24,733	100,275	3,716	11,008	1,911	141,643
1981	18,837	87,207	3,313	9,447		118,804
1980	17,404	76,429	3,054	8,123		105,010

SUMMARY OF EXPENSES BY TYPE
POLICE OFFICERS RETIREMENT SYSTEM
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	MEMBER REFUNDS	ANNUITY PAYMENTS	ACCIDENTAL DEATH BENEFITS	GROUP LIFE PAYMENTS	ANNUITY SUPPLEMENTS	ADMINISTRATIVE CHARGES	TOTAL EXPENSES
1989	$3,602	$20,281	$352	$770	$250	$353	$25,608
1988	2,967	14,909	318	676	179	335	19,384
1987	2,326	12,922	289	864	184	302	16,887
1986	1,983	11,034	239	579	288	289	14,412
1985	1,961	9,708	237	333	363	219	12,821
1984	1,811	8,481	212	357	272	177	11,310
1983	1,324	7,223	187	350	207	164	9,455
1982	1,432	6,256	178	428	311	128	8,733
1981	1,168	5,241	175	450	231		7,265
1980	1,093	4,442	148	250	170		6,103

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)(Continued):

SUMMARY OF EXPENSES BY TYPE
GENERAL ASSEMBLY RETIREMENT SYSTEM
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	MEMBER REFUNDS	ANNUITY PAYMENTS	GROUP LIFE PAYMENTS	ADMINISTRATIVE CHARGES	TOTAL EXPENSES
1989	$11	$1,294	$27	$13	$1,345
1988	28	1,170		12	1,210
1987	36	1,161	27	11	1,235
1986	18	1,110		11	1,139
1985	39	1,013	12	9	1,073
1984	11	767	24	7	809
1983	62	645	10	7	724
1981	1	569		6	576
1981	48	491			539
1980	38	358	20		416

SUMMARY OF EXPENSES BY TYPE
JUDGES & SOLICITORS RETIREMENT SYSTEM
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	MEMBER REFUNDS	ANNUITY PAYMENTS	GROUP LIFE PAYMENTS	ADMINISTRATIVE CHARGES	TOTAL EXPENSES
1989		$2,344		$17	$2,361
1988		1,983		16	1,999
1987	$2	1,972		14	1,988
1986		1,885	$68	12	1,965
1985		1,580	69	8	1,657
1984		1,271	54	6	1,331
1983	13	1,003	51	4	1,071
1982	12	860	109	3	984
1981	7	707			714
1980	23	410	44		477

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) (Continued):

Analysis of Funding Progress
(amounts expressed in millions)

Year Ended *	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
South Carolina Retirement System						
1988	$5,413.7	$7,377.8	73.4%	$1,964.1	$3,023.4	65.0%
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%
Police Officers Retirement System						
1988	475.0	540.6	87.9%	65.6	269.2	24.4%
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%
General Assembly Retirement System						
1988	17.4	22.0	79.2%	4.6	2.8	162.0%
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%
Judges & Solicitors Retirement System						
1988	23.8	51.4	46.3%	27.6	7.5	368.0%
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%

* Valuations were as of June 30th through 1987 and as of July 1st for 1988.

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, 1989
(amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	TOTAL
Assets					
nvestments, at amortized cost					
Short-term investments					
(market value - $527,726)	$ 464,324	$ 57,556	$ 2,515	$ 3,130	$ 527,525
United States Government securities					
(market value - $2,973,206)	2,308,306	186,344	7,247	10,298	2,512,195
United States Government agencies and					
government-insured securities					
(market value - $11,622,402)	1,395,249	142,462	4,280	5,807	1,547,798
Corporate bonds (market value - $1,659,473)	1,413,776	143,631	4,227	7,083	1,568,717
Financial and other (market value - $337,676)	310,310	22,772	200	996	334,278
Total investments	5,891,965	552,765	18,469	27,314	6,490,513
Deferred yield adjustment for					
security exchanges	132,331	8,357	487	32	141,207
Receivables:					
Contributions	47,926	7,343	1	22	55,292
Accrued interest	101,163	10,860	398	440	112,861
Cash	3,959	39	3	2	4,003
Total assets	$ 6,177,344	$ 579,364	$ 19,358	$ 27,810	$ 6,803,876
Liabilities and fund balances					
Liabilities:					
Accounts payable -					
unsettled investment purchases	$ 60,017	$ 14,996			$ 75,013
Accrued expenses	1,373	195			1,568
Total liabilities	61,390	15,191			76,581
Fund balances:					
Employee fund	1,593,031	105,354	$ 3,953	$ 5,267	1,707,605
Employer fund	4,475,526	448,378	15,405	22,543	4,961,852
Group life insurance fund	47,397	6,311			53,708
Accidental death fund		4,130			4,130
Total fund balances	6,115,954	564,173	19,358	27,810	6,727,295
Total liabilities and fund balances	$ 6,177,344	$ 579,364	$ 19,358	$ 27,810	$ 6,803,876

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 1989
(amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	TOTAL
Operating revenues:					
Employee contributions:					
State department employees	$ 84,447	$ 10,809	$ 319	$ 567	$ 96,142
Public school employees	85,478				85,478
Other political subdivision employees	30,009	10,294			40,303
Employer contributions:					
State department employers	98,575	17,282	1,209	3,202	120,268
Public school employers	98,822				98,822
Other political subdivision employers	30,718	15,758			46,476
Supplemental retirement benefits funded by the State	9,269	250			9,519
Investment income	544,156	50,966	1,729	2,630	599,481
Total operating revenues	981,474	105,359	3,257	6,399	1,096,489
Operating expenses:					
Refunds of contributions to members	33,916	3,602	11		37,529
Regular retirement benefits	270,232	20,281	1,294	2,344	294,151
Supplemental retirement benefits	9,269	250			9,519
Group life insurance payments	6,749	770	27		7,546
Accidental death benefits		352			352
Administrative charges	3,981	353	13	17	4,364
Total operating expenses	324,147	25,608	1,345	2,361	353,461
Net income	657,327	79,751	1,912	4,038	743,028
Fund balances at beginning of year	5,458,627	484,422	17,446	23,772	5,984,267
Fund balances at end of year	$ 6,115,954	$ 564,173	$ 19,358	$ 27,810	$ 6,727,295

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
SOUTH CAROLINA RETIREMENT SYSTEMS
PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 1989
(amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	TOTAL
Sources of working capital:					
Operations - net income	$ 657,327	$ 79,751	$ 1,912	$ 4,038	$ 743,028
Net increase in working capital	$ 657,327	$ 79,751	$ 1,912	$ 4,038	$ 743,028
Elements of net increase in working capital:					
Cash	$ (3,388)	$ (522)	$ 2	$ (1)	$ (3,909)
Investments	719,987	93,936	1,906	3,969	819,798
Deferred yield adjustment	(28,693)	(1,228)	(48)	2	(29,967)
Receivables	13,171	2,703	52	68	15,994
Accounts payable and accrued expenses	(43,750)	(15,138)			(58,888)
Net increase in working capital	$ 657,327	$ 79,751	$ 1,912	$ 4,038	$ 743,028

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
SOUTH CAROLINA RETIREMENT SYSTEM
PENSION TRUST FUND
YEAR ENDED JUNE 30, 1989
(amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE INSURANCE FUND	TOTAL
Operating revenues:				
Employee contributions:				
State department employees	$ 84,447			$ 84,447
Public school employees	85,478			85,478
Other political subdivision employees	30,009			30,009
Employer contributions:				
State department employers		$ 96,509	$ 2,066	98,575
Public school employers		96,757	2,065	98,822
Other political subdivision employers		30,086	632	30,718
Supplemental retirement benefits funded by the State		9,269		9,269
Investment income		539,698	4,458	544,156
Total operating revenues	199,934	772,319	9,221	981,474
Operating expenses:				
Refunds of contributions to members	33,916			33,916
Regular retirement benefits		270,232		270,232
Supplemental retirement benefits		9,269		9,269
Group life insurance payments			6,749	6,749
Administrative charges		3,981		3,981
Total operating expenses	33,916	283,482	6,749	324,147
Interfund transfers according to statutory requirements:				
Contributions by members at retirement	(68,480)	68,480		
Interest credited to members' accounts	80,142	(80,142)		
Net interfund transfers	11,662	(11,662)		
Net income	177,680	477,175	2,472	657,327
Fund balances at beginning of year	1,415,351	3,998,351	44,925	5,458,627
Fund balances at end of year	$ 1,593,031	$ 4,475,526	$ 47,397	$ 6,115,954

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
PENSION TRUST FUND
YEAR ENDED JUNE 30, 1989
(amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE INSURANCE FUND	ACCIDENTAL DEATH FUND	TOTAL
Operating revenues:					
Employee contributions:					
State department employees	$ 10,809				$ 10,809
Other political subdivision employees	10,294				10,294
Employer contributions:					
State department employers		$ 16,640	$ 321	$ 321	17,282
Other political subdivision employers		15,229	262	267	15,758
Supplemental retirement benefits funded by the State		250			250
Investment income		49,976	619	371	50,966
Total operating revenues	21,103	82,095	1,202	959	105,359
Operating expenses:					
Refunds of contributions to members	3,602				3,602
Regular retirement benefits		20,281			20,281
Supplemental retirement benefits		250			250
Group life insurance payments			770		770
Accidental death benefits				352	352
Administrative charges		353			353
Total operating expenses	3,602	20,884	770	352	25,608
Interfund transfers according to statutory requirements:					
Contributions by members at retirement	(6,169)	6,169			
Interest credited to members' accounts	5,038	(5,038)			
Net interfund transfers	(1,131)	1,131			
Net income	16,370	62,342	432	607	79,751
Fund balances at beginning of year	88,984	386,036	5,879	3,523	484,422
Fund balances at end of year	$ 105,354	$ 448,378	$ 6,311	$ 4,130	$ 564,173

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
GENERAL ASSEMBLY RETIREMENT SYSTEM
PENSION TRUST FUND
YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTAL
Operating revenues:			
Employee contributions	$ 319		$ 319
Employer contributions		$ 1,209	1,209
Investment income		1,729	1,729
Total operating revenues	319	2,938	3,257
Operating expenses:			
Refunds of contributions to members	11		11
Retirement benefits		1,294	1,294
Group life insurance payments		27	27
Administrative charges		13	13
Total operating expenses	11	1,334	1,345
Interfund transfers according to statutory requirements:			
Contributions by members at retirement	(224)	224	
Interest credited to members' accounts	212	(212)	
Net interfund transfers	(12)	12	
Net income	296	1,616	1,912
Fund balances at beginning of year	3,657	13,789	17,446
Fund balances at end of year	$ 3,953	$ 15,405	$ 19,358

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES JUDGES AND SOLICITORS RETIREMENT SYSTEM PENSION TRUST FUND YEAR ENDED JUNE 30, 1989

(amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTAL
Operating revenues:			
Employee contributions	$ 567		$ 567
Employer contributions		$ 3,202	3,202
Investment income		2,630	2,630
Total operating revenues	567	5,832	6,399
Operating expenses:			
Regular retirement benefits		2,344	2,344
Administrative charges		17	17
Total operating expenses		2,361	2,361
Interfund transfers according to statutory requirements:			
Contributions by members at retirement	(519)	519	
Interest credited to members' accounts	289	(289)	
Net interfund transfers	(230)	230	
Net income	337	3,701	4,038
Fund balances at beginning of year	4,930	18,842	23,772
Fund balances at end of year	$ 5,267	$ 22,543	$ 27,810

ACTUARIAL SECTION

BUCK CONSULTANTS
200 Galleria Parkway, N.W. Suite 1060
Atlanta, Georgia 30339

October 16, 1989

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 July 1, 1988. 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 contributions within a 30-year period, assuming 3% annual payroll growth due to inflation for the South Carolina Retirement System and level dollar amounts for the other Systems. 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 July 1, 1988 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

Buck Consultants, Inc.
404 | 955-2488 Fax 404 | 933-8336

Buck Consultants Pty. Limited | Buck Consultants S.A. | Buck Paterson Consultants Limited | GBB Buck Consultants Limited

SOUTH CAROLINA RETIREMENT SYSTEM
RESULTS OF THE VALUATION AS OF JULY 1, 1988
(All dollar amounts are in thousands)

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present retired members and beneficiaries	$ 2,571,753
	(b) Present active and inactive members	7,833,595
	(c) Total actuarial liabilities	$ 10,405,348
(2)	Assets of the System	5,413,702
(3)	Present value of future contributions = (1)(c) - (2)	$ 4,991,646
(4)	Present value of future contributions by members	2,276,092
(5)	Present value of future contributions by employers = (3) - (4)	$ 2,715,554
(6)	Present value of future normal contributions by employers	$ 1,388,354
(7)	Present value of unfunded accrued liability contributions by employers = (5) - (6)	$ 1,327,200
(8)	Unfunded accrued liability rates	
	(a) Class One Service	1.38%
	(b) Class Two Service: State	3.26%
	(c) Class Two Service: Others	2.96%
(9)	Unfunded accrued liability liquidation period	21 years
(10)	Group life insurance benefit contribution rate	.15%

POLICE OFFICERS RETIREMENT SYSTEM
RESULTS OF THE VALUATION AS OF JULY 1, 1988

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present retired members and beneficiaries	$ 181,812,569
	(b) Present active and inactive members	731,018,652
	(c) Total actuarial liabilities	$ 912,831,221
(2)	Assets of the System	475,020,000
(3)	Present value of future contributions =(1) (c) - (2)	$ 437,811,221
(4)	Present value of future contributions by members	206,226,302
(5)	Present value of future contributions by employers = (3) - (4)	$ 231,584,919
(6)	Present value of future normal contributions by employers	$ 176,353,525
(7)	Present value of unfunded accrued liability contributions by employers = (5) - (6)	$ 55,231,394
(8)	Unfunded accrued liability rates:	
	(a) Class One Service	3.21%
	(b) Class Two Service	4.39%
(9)	Unfunded accrued liability liquidation period	6 years
(10)	Group life insurance benefit contribution rate	.20%
(11)	Accidental death benefit contribution rate	.20%

GENERAL ASSEMBLY RETIREMENT SYSTEM
RESULTS OF THE VALUATION AS OF JULY 1, 1988

(1)	Actuarial Liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present beneficiaries and contingent beneficiaries	$ 9,751,526
	(b) Present active, inactive and special members	21,616,605
	(c) Total actuarial liabilities	$ 31,368,131
(2)	Assets of the System	17,446,000
(3)	Present value of future contributions = (1) (c) - (2)	$ 13,922,131
(4)	Present value of future contributions by members	2,807,670
(5)	Present value of future contributions by the State = (3) - (4)	$ 11,114,461
(6)	Present value of 1 per cent of future compensation	$ 280,767
(7)	Present value of future normal contributions by the State at 20.22% = (6) x 20.22	$ 5,677,109
(8)	Present value of unfunded accrued liability contributions by the State = (5) - (7)	$ 5,437,352
(9)	Unfunded accrued liability liquidation period	18 years
(10)	Annual cost of lump sum death benefit contributions by the State	$ 4,763

JUDGES AND SOLICITORS RETIREMENT SYSTEM
RESULTS OF THE VALUATION AS OF JULY 1, 1988

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present beneficiaries and contingent beneficaries	$25,283,368
	(b) Present active members	47,227,372
	(c) Total actuarial liabilities	$72,510,740
(2)	Assets of the System	23,772,000
(3)	Present value of future contributions = (1) (c) - (2)	$48,738,740
(4)	Present value of future contributions by members	6,014,128
(5)	Present value of future contributions by the State = (3)-(4)	$42,724,612
(6)	Present value of 1 per cent of future compensation	$ 859,161
(7)	Present value of future normal contributions by the State at 20.62% = (6) x 20.62	$17,715,900
(8)	Present value of unfunded accrued liability contributions by the State = (5) - (7)	$25,008,712
(9)	Unfunded accrued liability liquidation period	22 years

SOUTH CAROLINA RETIREMENT SYSTEM
OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 7 1/2% 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

	Men Teachers				Women Teachers			
Age	With-drawal	Death	Dis-ability	Service Retire-ment	With-drawal	Death	Dis-ability	Service Retirement
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

	Employees				Teachers and Employees
Age	With drawal	Death	Dis-ability	Service Retire-ment	Salary Increase
20	11.11%	.07%	.04%		11.81%
25	9.97	.09	.04		10.90
30	7.91	.11	.06		9.50
35	6.06	.14	.08		7.81
40	4.67	.18	.10		7.00
45	3.67	.28	.15		6.60
50	2.83	.46	.25	2.00%	6.30
55	2.03	.75	.40	3.50	6.10
60		1.08	.61	5.00	5.90
65		1.36	.85	17.50	5.80

DEATHS 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 May 10, 1988.

ASSET VALUATION METHOD: Amortized cost.

POLICE OFFICERS RETIREMENT SYSTEM
OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 7 1/2% 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:

	Annual Rate of				
Age	Withdrawal	Death	Disability	Service Retirement*	Salary Increases
20	13.79%	.10%	.14%		11.79%
25	12.83	.13	.16		10.89
30	9.12	.16	.20		9.51
35	5.61	.20	.26		7.79
40	3.43	.27	.34		7.00
45	2.33	.40	.50		6.60
50	1.74	.57	.84	5.00%	6.30
55		.88		6.50	6.10
60		1.42		9.90	5.90
64		2.03		15.98	5.80

* An additional 20% was assumed to retire when first eligible for unreduced service retirement.

DEATHS 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.

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 basic of separation and mortality tables in effect since November 7, 1974 and a salary scale and interest rate adopted on May 10, 1988.

ASSET VALUATION METHOD: Amortized cost.

GENERAL ASSEMBLY RETIREMENT SYSTEM
OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 7 1/2% per annum, compounded annually.

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

	Annual Rate of				
	Death		Disability		Service
Age	Male	Female	Male	Female	Retirement
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 5.5 per cent.

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

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 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 salary scale and interest rate were adopted on May 10, 1988.

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 1/2% per annum, compounded annually.

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

	Annual Rates of			
			Death	
Age	Withdrawal*	Disability	Male	Female
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, and salary scale in effect since July 1, 1979. The interest rate was adopted on May 10, 1988.

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 JULY 1, 1988

GROUP	MEN	WOMEN	TOTAL
EMPLOYEES			
Number	41,295	48,447	89,742
Earnable Compensation (1,000's)	$ 910,773	$ 820,405	$ 1,731,178
TEACHERS			
Number	13,179	54,518	67,697
Earnable Compensation (1,000's)	$ 309,805	$ 982,376	$ 1,292,181
TOTAL			
Number	54,474	102,965	157,439
Earnable Compensation (1,000's)	$ 1,220,578	$ 1,802,781	$ 3,023,359

Note: There are in addition 80,786 inactive members, 10,624 active members not on the payroll as of the valuation date, and 647 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 JULY 1, 1988

GROUP	NUMBER	ANNUAL COMPENSATION
Men	12,025	$ 228,092,802
Women	2,509	41,078,213
Total	14,534	$ 269,171,015

Note: There are in addition 3,643 members not on the payroll as of July 1, 1988 but included in the individual accounts maintained by the System. The results of the valuation were adjusted to take these members into account.

GENERAL ASSEMBLY RETIREMENT SYSTEM
NUMBER AND EARNABLE COMPENSATION OF
ACTIVE MEMBERS
AS OF JULY 1, 1988

GROUP	NUMBER	ANNUAL COMPENSATION
Men	192	$ 2,611,200
Women	16	217,600
Total	208	$ 2,828,800

Note: There are in addition 89 inactive members with contributions still in the System. The results of the vaulation were adjusted to take these members into account.

JUDGES AND SOLICITORS RETIREMENT SYSTEM
NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS
AS OF JULY 1, 1988

GROUP	NUMBER	ANNUAL COMPENSATION
Men	100	$ 7,230,396
Women	4	274,098
Total	104	$ 7,504,494

SOUTH CAROLINA RETIREMENT SYSTEM
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF RETIRED MEMBERS AND BENEFICIARIES ON THE ROLL AS OF JULY 1, 1988

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES (1,000's)
	Service Retirements	
Employees:		
Men	7,480	$ 54,307
Women	5,935	30,364
Teachers:		
Men	3,118	26,497
Women	13,526	85,386
Total	30,059	$ 196,554
	Disability Retirements	
Employees:		
Men	1,357	$ 6,867
Women	925	4,323
Teachers:		
Men	386	2,559
Women	1,096	5,930
Total	3,764	$ 19,679
	Beneficiaries of Deceased Retired Members and Active Members	
Men	391	$ 1,550
Women	2,362	10,014
Total	2,753	$ 11,564
Grand Total	36,576	$ 227,797

Note: The Retirement allowances shown do not include the increase effective July 1, 1988. However, the improvement was included in determining the liabilities for funding.

POLICE OFFICERS RETIREMENT SYSTEM
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF RETIRED MEMBERS AND BENEFICIARIES
AS OF JULY 1, 1988

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service and Early Retirements:		
Men	1,597	$ 11,128,295
Women	65	301,478
Total	1,662	$ 11,429,773
Disability Retirements:		
Men	334	$ 2,333,760
Women	16	75,924
Total	350	$ 2,409,684
Beneficiaries of Deceased Members:		
Men	9	$ 29,041
Women	333	1,545,180
Total	342	$ 1,574,221
Grand Total	2,354	$ 15,413,678

Note: The retirement allowances shown do not include the increase effective July 1, 1988. However, the improvement was included in the liability determination.

GENERAL ASSEMBLY RETIREMENT SYSTEM
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF BENEFICIARIES AND CONTINGENT BENEFICIARIES
AS OF JULY 1, 1988

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Beneficiaries:		
Men	88	$ 963,632
Women	4	15,824
Total	92	$ 979,456
Contingent Beneficiaries:		
Men	4	$ 27,484
Women	24	163,000
Total	28	$ 190,484
Grand Total	120	$ 1,169,940

JUDGES AND SOLICITORS RETIREMENT SYSTEM
NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF BENEFICIARIES AND CONTINGENT BENEFICIARIES
AS OF JULY 1, 1988

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	33	$ 1,582,639
Women	0	0
Total	33	$ 1,582,639
Disability Retirements:		
Men	2	$ 97,058
Women	0	0
Total	2	$ 97,058
Beneficiaries of Deceased Members:		
Men	2	$ 30,650
Women	18	294,639
Total	20	$ 325,289
Grand Total	55	$ 2,004,986

SCHEDULE OF
RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

	SCRS			PORS		
Valuation Date	Added	Deleted	Balance	Added	Deleted	Balance
07-01-88	2,832	1,196	36,576	210	51	2,354
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

	GARS			JSRS		
Valuation Date	Added	Deleted	Balance	Added	Deleted	Balance
07-01-88	3	1	120	5	5	55
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
(amounts expressed in thousands)

	Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Assets as of a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Members Payroll	UAL as a % of Active Member Payroll
SCRS	7-01-88	$ 5,413,702	$ 6,740,902	80.3%	$ 1,327,200	$ 3,023,359	43.9%
	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					
PORS	7-01-88	$ 475,020	$ 530,251	89.6%	$ 55,231	$ 269,171	20.5%
	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%	25,896	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%

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.

Effective 7-1-88. certain actuarial assumptions were changed: 1) valuation interest rate changed from 7.0% to 7.5%; b) salary increase assumptions strengthened.

SUMMARY OF ACCRUED AND UNFUNDED ACCRUED LIABILITIES
(amounts expressed in thousands)

	Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Assets as of a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active members Payroll	UAL as a % of Active Member Payroll
GARS	7-01-88	$ 17,446	$ 22,883	76.2%	$ 5,437	$ 2,829	192.2%
	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%
JSRS	7-01-88	$ 23,772	$ 48,781	48.7%	$ 25,009	$ 7,504	333.3%
	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
(amounts expressed in thousands)

	Valuation Date	Aggregate Accrued Liabilities for: (1) Active Member Contributions	(2) Retirants & Beneficiaries	(3) Active Members (Employer Funded Portion)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets (1)	(2)	(3)
SCRS	7-01-88	$ 1,415,351	$ 2,571,753	$ 2,753,798	$ 5,413,702	100%	100%	51.8%
	6-30-87	1,261,309	2,181,724	2,213,625	4,805,381	100%	100%	61.5%
	6-30-86	1,114,709	1,920,109	1,993,432	4,202,379	100%	100%	58.6%
	6-30-85	979,990	1,146,521	1,660,399	3,576,867	100%	100%	87.3%
	6-30-84	858,694	1,000,570	1,466,337	3,084,231	100%	100%	83.5%
	6-30-83	760,154	902,510	1,425,683	2,700,203	100%	100%	72.8%
	6-30-82	664,047	825,829	1,256,974	2,353,301	100%	100%	68.7%
	6-30-81	587,275	743,064	1,138,770	2,052,820	100%	100%	63.4%
	6-30-80	516,679	672,400	1,050,098	1,780,540	100%	100%	56.3%
	6-30-79	No Valuation Performed						
PORS	7-01-88	$ 88,984	$ 181,813	$ 259,454	$ 475,020	100%	100%	78.7%
	6-30-87	77,227	151,425	191,020	414,685	100%	100%	97.4%
	6-30-86	67,080	123,394	178,958	353,269	100%	100%	91.0%
	6-30-85	56,528	115,403	143,937	290,294	100%	100%	82.2%
	6-30-84	49,246	99,105	124,729	247,185	100%	100%	79.2%
	6-30-83	43,065	62,000	115,560	211,736	100%	100%	92.3%
	6-30-82	37,141	65,312	97,030	180,801	100%	100%	80.7%
	6-30-81	32,352	54,734	87,980	153,844	100%	100%	75.9%
	6-30-80	28,368	46,743	75,926	130,193	100%	100%	72.5%
	6-30-79	24.434	39,831	86,509	110,297	100%	100%	53.2%

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 liabilities reflect all current and future cost-of-living for current retires and active members eligible for service retirement.

Effective 7-1-88. certain actuarial assumptions were changed: 1) valuation interest rate changed from 7.0% to 7.5%: b) salary increase assumptions were strengthened.

SOLVENCY TEST
(amounts expressed in thousands)

	Valuation Date	Aggregate Accrued Liabilities for: (1) Active Member Contributions	(2) Retirants & Beneficiaries	(3) Active Members (Employer Funded Portion)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets (1)	(2)	(3)
GARS	7-01-88	$ 3,657	$ 9,752	$ 9,474	$ 17,446	100%	100%	42.6%
	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%
JSRS	7-01-88	$ 4,930	$ 25,283	$ 18,568	$ 23,772	100%	74.5%	0.0%
	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	PORS	GARS	JSRS
1. Membership			
Generally all employees are required to participate in the System as a condition of employment.	Generally all full time employees whose principle duties are the preservation of public order, protection or prevention and control of property destruction by fire.	All persons are required to participate upon taking office as a member of the General Assembly.	All solicitors, judges of a Circuit or Family Court and justices of the Court of Appeals and Supreme Court are required to participate upon taking office.
2. Employee Contributions			
Class I - 5% of Salary. Class II - 6% of Salary.	Class I - $21 per month. Class II - 6.5% of salary.	10% of earnable compensation.	7% of total salary.
3. Employer Contributions			
Class I - 3.7% of salary. Class II - 7.0% of salary for State Departments and Public Schools. 6.15% of salary for all other participating employers. Effective July 1, 1989 Class I - 4.25% of salary. Class II - 7.55% of salary for State Departments and Public Schools. 6.7% of salary for all other participating employers	Class I - 7.8% of salary. Class II - 10.3% of salary.	Annual lump-sum appropriation.	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.
Accidental Death Program N/A	.2% of salary	N/A	N/A

SCRS	PORS	GARS	JSRS
4. Vesting Requirements			
5 years - entitled to a deferred annuity commencing at age 60.	5 years - entitled to a deferred annuity commencing at age 55.	8 years.	N/A
5. Normal Retirement Age			
Age 65.	Age 55 with 5 years of service.	Age 60.	Age 72.
6. Requirements for Full Service Retirement			
Age 65 or 30 years of credited service.	Age 55 with 5 years of service or 25 years of credited service.	Age 60 or 30 years of service.	Age 70 with 15 years service, age 65 with 20 years service, 25 years service regardless of age.
7. Early Retirement			
Age 60 with 5% reduction for each year under age 65.	N/A	N/A	N/A
8. Formula for Normal Service Retirement			
Class I - 1.35% of Average Final Compensation times years of credited service. Class II - 1.7% of Average Final Compensation times years of credited service.	Class I - $10.25 per month for each year of credited service. Class II - 2% of Average Final Compensation times years of credited service.	4.5% of earnable compensation times years of credited service.	Annual allowance of two-thirds of the current active salary of the position.
Effective July 1, 1989 Class I - 1.45% of Average Final Compensation times years of credited service. Class II - 1.82% of AFC times years of credited service.	Effective July 1, 1989 Class I - $10.97 per month. Class II - 2.14% of AFC times years of credited service.	Effective July 1, 1989 4.82% of earnable compensation times years of credited service.	Effective July 1, 1989 annual allowance of 71.3% of the current active salary of the position.

SCRS	PORS	GARS	JSRS
9. Requirements for Disability Retirement			
5 years of credited service unless injury is job related.	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 60 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 retirant's benefit to a spouse beneficiary upon death of retirant.
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 retirant.	Option 1 Provides a reduced continued benefit of equal amount to the beneficiary of retirant.	Optional Allowance Provides a reduced retirement allowance to retirant with a continued benefit of one-third of the retirant's allowance to a non-spouse beneficiary.
Option 2 Provides a reduced continued benefit of equal amount to the beneficiary of retirant.	Option 2 Provides a continued benefit of 50% of the retirant's annuity payable to the retirant's beneficiary.	Option 2 Provides one-half of retired member's benefit to a surviving designated beneficiary.	

SCRS	PORS	GARS	JSRS
Option 3 Provides a continued benefit of 50% of the retirant's annuity payable to the retirant's beneficiary.	Option 3 Provides inflated benefit until social security payments begin, then annuity reduced to provide aproximate level retirement income.		
Option 4 Provides inflated benefit until social security payments begin, then annuity reduced to provide approximate level retirement income.			
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	PORS	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.	Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.	Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.	Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.
No service requirement for death resulting from actual performance of duties.	No service requirement for death resulting from actual performance of duties.	No service requirement for death resulting from actual performance of duties.	No service requirement for death resulting from actual performance of duties.
Lump sum payment to retiree's beneficiary of up to $3,000 based upon years of service at retirement.	Lump sum payment to retiree's beneficiary of up to $3,000 based upon years of service at retirement.	Lump sum payment to retiree's beneficiary of up to $3,000 based upon years of service at retirement.	Lump sum payment to retiree's beneficiary of up to $3,000 based upon years of service at retirement.
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 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 unfunded accrued 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.	7.5% per annum, compounded annually.	7.5% per annum, compounded annually.	7.5% per annum, compounded annually.
8.0% per annum, compounded annually, effective July 1, 1989.	8.0% per annum, compounded annually, effective July 1, 1989.	8.0% per annum, compounded annually, effective July 1, 1989.	8.0% per annum, compounded annually, effective July 1, 1989.

	SCRS	PORS	GARS	JSRS
18. Unfunded Accrued Liability (based on actuarial method use for funding purposes. Amounts in thousands)	$1,327,200	$55,231	$5,437	$25,009
19. Unfunded Accrued Liability Liquidation Period (7-01-88)	21 years	6 years	18 years	22 years

STATISTICAL SECTION

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 Benefit Revenue	% of Total Revenue	Total Revenue
1989	$ 199,934	20.4%	$ 228,115	23.2%	$ 544,156	55.4%	$ 9,269	1.0%	$ 981,474
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

POLICE OFFICERS RETIREMENT SYSTEM REVENUE BY SOURCE

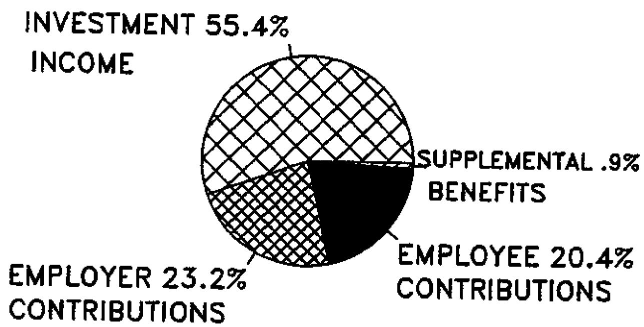
(amounts expressed in thousands)

Year Ended June 30,	Employee Contributions	% Of Total Revenue	Total Employer Contributions	% Of Total Revenue	Investment Income	% Of Total Revenue	Supplemental Benefit Revenue	% of Total Revenue	Total Revenue
1989	$ 21,103	20.0%	$ 33,040	31.4%	$ 50,966	48.4%	$ 250	0.2%	$ 105,359
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

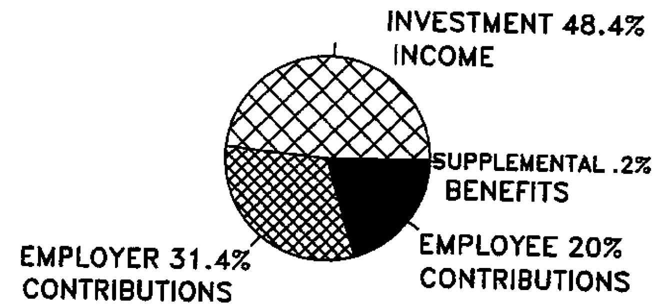
REVENUE DISTRIBUTION

JUNE 30, 1989

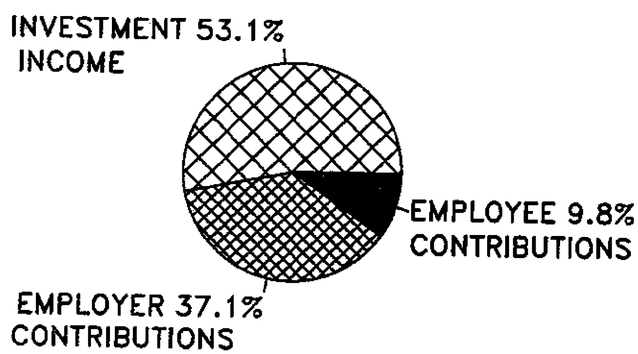
SCRS



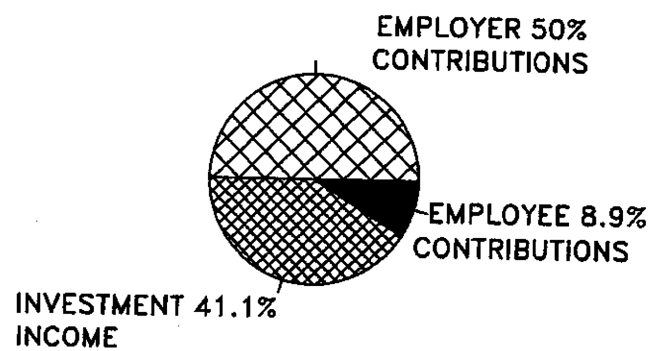
PORS



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
1989	$ 319	9.8%	$ 1,209	37.1%	$ 1,729	53.1%	$ 3,257
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

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
1989	$ 567	8.9%	$ 3,202	50.0%	$ 2,630	41.1%	$ 6,399
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%	1,315	40.9%	355	26.5%	2,108
1980	1,251	55.8%	874	39.0%	116	5.2%	2,241

SOUTH CAROLINA RETIREMENT SYSTEM
SUMMARY OF EXPENSES BY TYPE
(amounts expressed in thousands)

Year Ended June 30,	Member Refunds Amount	% Increase	Annuity Payments Amount	% Increase	Group Life Payments Amount	% Increase	Annuity Supplements Amount	% Increase	Administrative Charges Amount	% Increase	Total Expenses
1989	$ 33,916	4.4%	$ 270,232	25.0%	$6,749	2.5%	$ 9,269	17.5%	$ 3,981	3.6%	$ 324,147
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

POLICE OFFICERS RETIREMENT SYSTEM
SUMMARY OF EXPENSES BY TYPE
(amounts expressed in thousands)

Year Ended June 30,	Member Refunds Amount	% Increase	Annuity Payments Amount	%Increase	Accidential Death Benefits Amount	% Increase	Group Life Payments Amount	% Increase	Annuity Supplements Amount	& Increase	Administrative Charges Amount	% Increase	Total Charges
1989	$ 3,602	21.4%	$ 20,281	36.0%	$ 352	10.7%	$ 770	13.9%	$ 250	39.7%	$ 353	5.4%	$ 25,608
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	8.5%	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

GENERAL ASSEMBLY RETIREMENT SUMMARY OF EXPENSES BY TYPE
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	MEMBER REFUNDS AMOUNT	% INCREASE	ANNUITY PAYMENTS AMOUNT	% INCREASE	GROUP LIFE PAYMENTS AMOUNT	% INCREASE	ADMINISTRATIVE CHARGES AMOUNT	% INCREASE	TOTAL EXPENSES
1989	$ 11	-60.7%	$ 1,294	10.6%	$ 27		$13	8.3%	$ 1,345
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	-50.00%	9	18.9%	1,073
1984	11	-82.2%	767	18.8%	24	140.00%	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

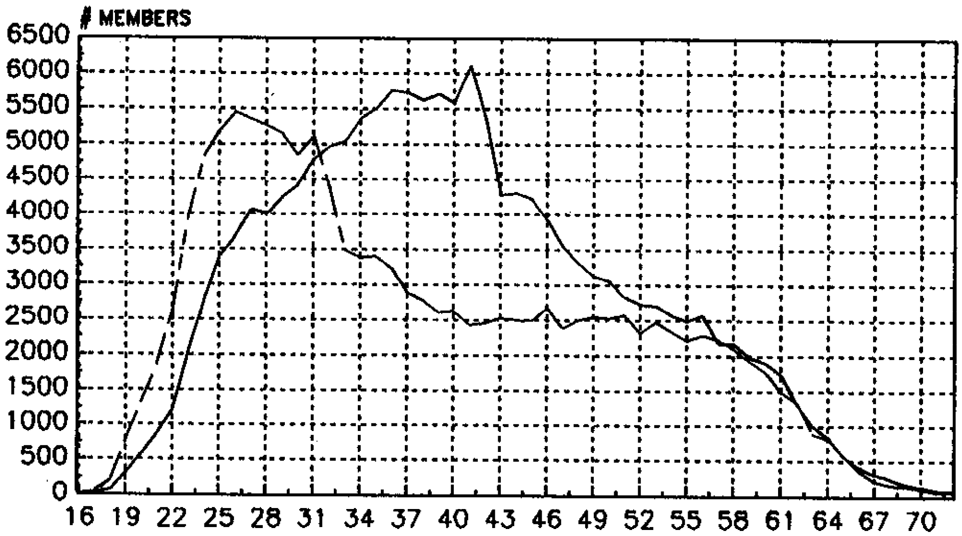
JUDGES & SOLICITORS RETIREMENT SYSTEM SUMMARY OF EXPENSES BY TYPE
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	MEMBER REFUNDS AMOUNT	% INCREASE	ANNUITY PAYMENTS AMOUNT	% INCREASE	GROUP LIFE PAYMENTS AMOUNT	% INCREASE	ADMINISTRATIVE CHARGES AMOUNT	% INCREASE	TOTAL EXPENSES
1989			$ 2,344	18.2%			$17	6.3%	$ 2,361
1988			1,983	0.6%			16	14.3%	1,99
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

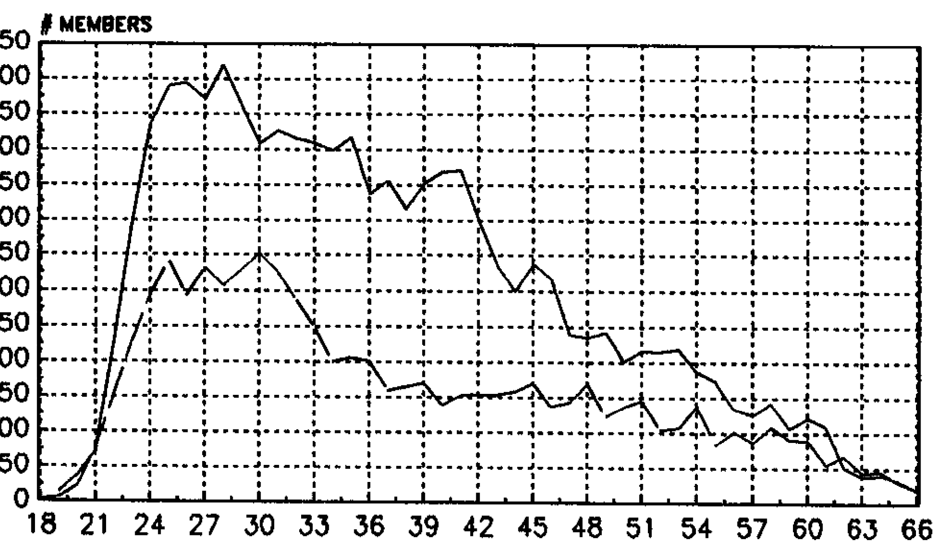
SCRS

1988 ——— 1978 - - - -



PORS

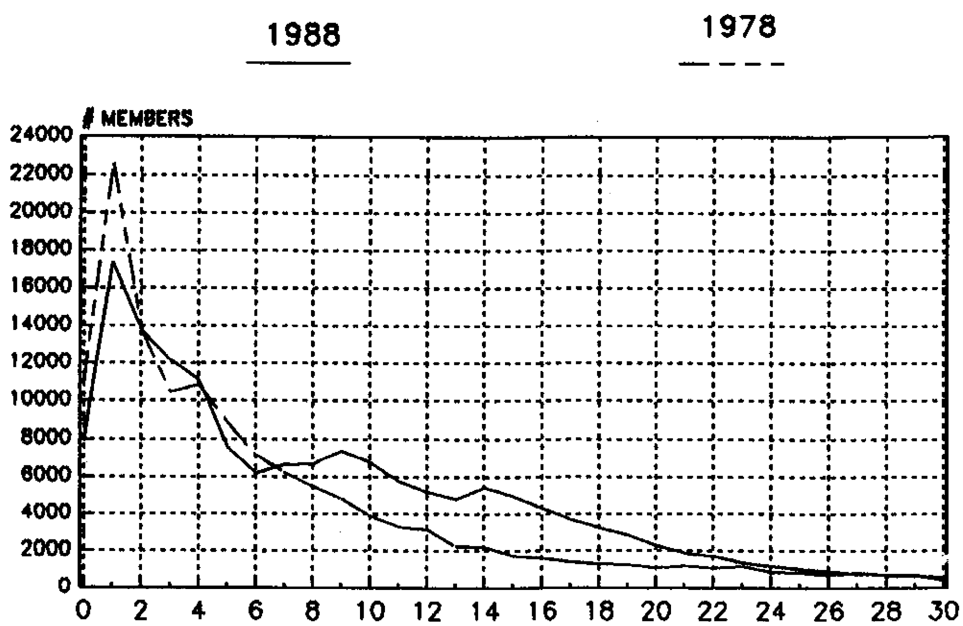
1988 ——— 1978 - - - -



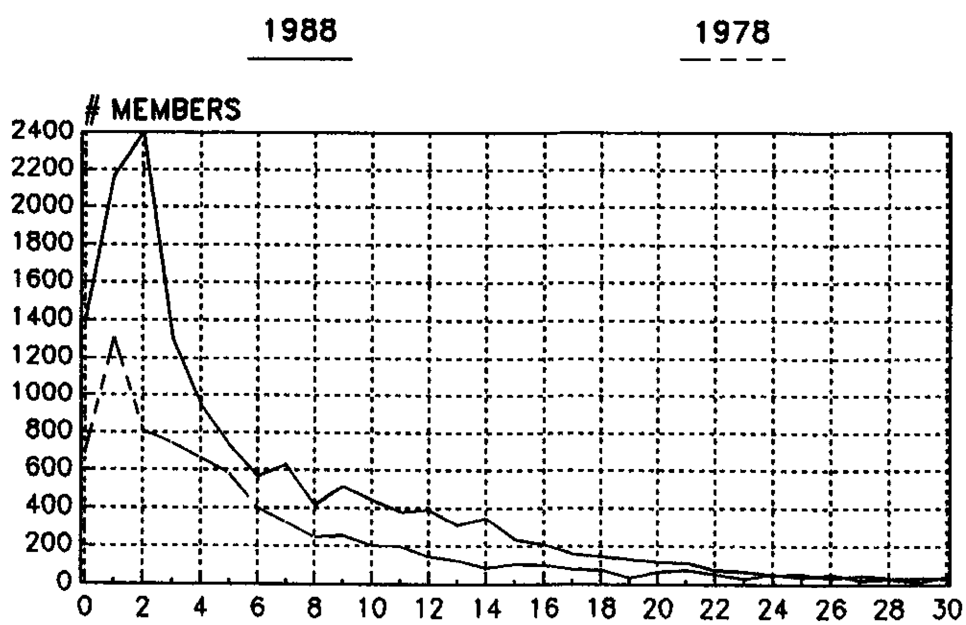
DISTRIBUTION OF ACTIVE MEMBERS

BY YEARS OF SERVICE

SCRS



PORS



SOUTH CAROLINA RETIREMENT SYSTEM
Distribution of Retiree Population & Average Benefit

	Service Retirees Number	Service Retirees Average Monthly Benefit	Disability Retirees Number	Disability Retirees Average Monthly Benefit	Beneficiaries Number	Beneficiaries Average Monthly Benefit	Total Number	Total Average Monthly Benefit
June 1989								
State Agency	10,718	$680.00	1,723	$ 486.63	1,361	$456.44	13,802	$ 633.81
Public Schools	17,788	654.45	1,366	541.71	812	410.59	19,966	636.82
Other	3,838	416.32	558	436.03	503	284.88	4,899	405.07
Total	32,344	634.66	3,647	499.52	2,676	410.28	38,667	606.38
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 Retirees Number	Service Retirees Average Monthly Benefit	Disability Retirees Number	Disability 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

POLICE OFFICERS RETIREMENT SYSTEM

Distribution of Retiree Population & Average Benefit

	Service Retirees Number	Service Retirees Average Monthly Benefit	Disability Retirees Number	Disability Retirees Average Monthly Benefit	Beneficiaries Number	Beneficiaries Average Monthly Benefit	Total Number	Total Average Monthly Benefit
June 1989	1,879	$ 716.50	377	$ 655.99	351	$ 448.33	2,607	$ 671.64
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

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.

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					
1989	710	163,205	$ 3,211,953	$ 19,680	3.4%
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%*
PORS					
1989	243	15,202	$ 303,390	$ 19,957	6.2%
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%

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

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

* Two year increase

PARTICIPATING EMPLOYERS

Participating Employers Covered By Statute

	SCRS	PORS
State Agencies & Institutions of Higher Education	194	41
Public School Districts	110	

Participating Employers Covered By Separate Agreement

NAME	SCRS	PORS
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 Willliamston	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	

NAME	SCRS	PORS
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	X
Town of Olar	X	
Town of Williston	X	
Barnwell County	X	X
City of Barnwell	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)

NAME	SCRS	PORS
City of St. Matthews	X	
Town of Cameron	X	
Calhoun County Mental Retardation Board	X	
Calhoun Conservation District	X	
County of Charleston	X	X
Charleston Commissioners of Public Works	X	
Charleston County Free Library	X	
Charleston Memorial Hospital	X	
City of Charleston	X	X
Town of Mt. Pleasant	X	X
Charleston County Department of Social Services	X	
Mt. Pleasant Water and Sewer Commission	X	
Town of Sullivans Island	X	X
Cooper River Park and Playground Commission	X	
St. Andrews Public Service District Commission	X	
James Island Public Service District Commission	X	
Charleston County Park and Recreation Commission	X	
City of North Charleston	X	X
Charleston County Airport District	X	
North Charleston Sewer District	X	
North Charleston District	X	X
Bulls Bay Rural Community Water District	X	
Housing Authority of the City of North Charleston	X	
City of Isle of Palms	X	X

NAME	SCRS	PORS
St. Andrews Parish Parks and Playgrounds	X	
Town of Ravenel	X	
Town of Lincolnville	X	
Charleston County Substance Abuse Commission	X	
Gaffney Board of Public Works	X	
Cherokee County	X	X
Cherokee County Hospital Board	X	
City of Gaffney	X	X
Cherokee County Public Library	X	
Cherokee County Recreation District	X	
Cherokee County Commission on Alcohol and Drug Abuse	X	
Town of Blacksburg	X	X
City of Chester	X	X
Chester County	X	X
Chester County Civil Defense Agency	X	
Chester County Free Library	X	
Chester Metro District	X	
Chester Sewer District	X	
Hazel Pittman Center	X	
Housing Authority Of The City of Chester	X	
Chester County Mental Retardation Board		X
Town of Cheraw	X	X
Town of Pageland	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)

NAME	SCRS	PORS
Chesterfield Soil and Water Conservation District	X	
Clarendon County	X	X
City of Manning	X	X
Harvin Clarendon County Library	X	
Clarendon County Child Development Center	X	
Town of Summerton	X	X
County of Colleton	X	X
City of Walterboro	X	X
Darlington County	X	X
Darlington County Library Commission	X	
Darlington County Community Action Agency	X	
City of Hartsville	X	X
City of Darlington	X	X
Hartsville Community Center Building Commission	X	
Darlington County Water and Sewer Commission	X	
Darlington County Mental Retardation Board	X	
Dillon County	X	X
City of Dillon	X	X
Dillon County Commission on Alcohol and Drug Abuse	X	
Dillon County Employment and Training Programs	X	
Town of Latta	X	X
Town of Lake View	X	X
Town of St George	X	X
Dorchester County	X	X
St George Water and Sewer Department	X	

NAME	SCRS	PORS
Dorchester County Library	X	
Summerville Public Works	X	
Town of Summerville	X	X
Edgefield County	X	X
Town of Trenton	X	
Town of Winnsboro	X	X
Fairfield County	X	X
Fairfield County Library Commission	X	
Fairfield County Memorial Hospital	X	
Fairfield County Substance Abuse Commission	X	
Fairfield County - Division of Employment and Training	X	X
Fairfield County Mental Retardation Board	X	
Fairfield County Council on Aging	X	
City of Florence	X	X
Florence County	X	X
Building Commission of the City and County of Florence	X	X
Town of Pamplico	X	X
Town of Olanta	X	X
Pee Dee Regional Transportation Authority	X	
Town of Scranton	X	X
Florence County Commission on Alcohol and Drug Abuse	X	
Town of Coward	X	
The Pee Dee Tourism Commission	X	
Florence County Mental Retardation Board	X	
Pee Dee Regional Council of Governments	X	
Town of Timmonsville	X	X
City of Georgetown	X	

Participating Employers Covered By Separate Agreement (Continued)

NAME	SCRS	PORS
Georgetown County	X	X
Rural Community Water District of Georgetown County	X	
Georgetown County Water and Sewer District	X	
Greenville Commission of Public Works	X	
City of Greenville	X	X
Greer Commission of Public Works	X	
Greenville County Library	X	
Greenville County	X	X
Greenville County Planning Commission	X	
Western Carolina Regional Sewer Authority	X	
Parker Sewer and Fire Subdistrict	X	
City of Greer	X	X
Greenville-Spartanburg Airport District	X	
Donaldson Development Commission Donaldson Center	X	
Greenville Retirement Center	X	
The Grady Hipp Nursing Center	X	
Greater Greenville Sanitation Commission	X	
Defender Corporation of Greenville County	X	
Greenville County Mental Retardation Commission	X	
Berea Public Service District	X	
City of Mauldin	X	X
Gantt Fire-Sewer and Police District	X	

NAME	SCRS	PORS
Greenville Memorial Auditorium District	X	
Greenville County Recreation District	X	
Greenville County Commission on Alcohol-Drug Abuse	X	
Belmont Fire and Sanitation District Commission	X	
Wade Hampton Fire and Sewer District	X	
Greenville Airport Commission	X	
Greenville County Museum Commission	X	
Town of Fountain Inn	X	X
City of Travelers Rest	X	
Metropolitan Sewer Sub-District	X	
Donaldson Fire Service Area	X	
Greer Park and Recreation Commission	X	
Greenwood Commissioners of Public Works	X	
City of Greenwood	X	X
Greenwood County	X	X
Abbeville-Greenwood Regional Library Board	X	
Greenwood Metropolitan District Commission	X	
Housing Authority of the City of Greenwood	X	
Piedmont Multi-County Mental Retardation Board	X	
Defender Corporation of Abbeville and Greenwood	X	
Old Ninety-Six Tourism Commission	X	
Town of Ware Shoals	X	X
County of Hampton	X	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)

NAME	SCRS	PORS
City of Loris	X	X
Public Defender Corporation Horry County	X	X
Grand Strand Water and Sewer Authority	X	
Housing Authority of the City of Conway	X	
Horry County Development Board	X	
Horry County Commission on Alcohol and Drug Abuse	X	
Jasper County	X	X
Town of Ridgeland	X	X
City of Camden and Municipal Utilities	X	X
Kershaw County	X	X
Lugoff Water District of Kershaw County	X	
Town of Elgin	X	
Lancaster County	X	X
City of Lancaster	X	X
Lancaster County Library	X	
Town of Heath Springs	X	X
Lancaster County Water and Sewer District	X	
Lancaster County Mental Retardation Board	X	
City of Clinton	X	X
County of Laurens	X	X
Laurens Commissioners of Public Works	X	
Laurens County Commission on Alcohol and Drug Abuse	X	
Town of Gray Court	X	
Laurens County Mental Retardation Board	X	
Laurens County Water Resources Commission	X	

NAME	SCRS	PORS
Laurens County Soil and Water Conservation District	X	
Rabon Creek Rural Water District	X	
Lee County	X	X
Town of Bishopville	X	X
Lee County Mental Retardation Board	X	
Lexington County	X	X
City of Cayce	X	X
City of West Columbia	X	X
Lexington County Hospital Board of Trustees	X	
Town of Lexington	X	
Town of Leesville	X	
Recreation District Lexington County	X	
Irmo-Chapin Recreation District	X	
Town of Springdale	X	X
Town of Gaston	X	
Town of Pelion	X	X
Lexington County Public Library System	X	
Town of Swansea	X	
Town of Chapin	X	X
Town of Irmo	X	X
South Carolina Midlands Emergency Medical Service Management Association	X	
Gaston Rural Community Water District	X	
Marion County	X	X
City of Marion	X	X
City of Mullins	X	X
Marion County Council - JTPA	X	
Marion County Library	X	
Marion County Commission on Alcohol and Drug Abuse	X	
Town of Sellers	X	

Participating Employers Covered By Separate Agreement (Continued)

NAME	SCRS	PORS
County of Marlboro	X	X
City of Bennettsville	X	X
Marlboro County Commission on Alcohol and Drug Abuse	X	
Public Defender Corporation of Marlboro County	X	
Town of McCormick	X	X
County of McCormick	X	X
McCormick Commission of Public Works	X	
McCormick County Water and Sewer Authority	X	
City of Newberry	X	X
Newberry County	X	X
Newberry-Saluda Regional Library	X	
Clinton-Newberry Natural Gas Authority	X	
Newberry County Nursing Home Commission	X	
Housing Authority of City of Newberry	X	
Town of Prosperity	X	
Town of Little Mountain	X	
Town of Whitmire	X	X
Whitmire Public Works	X	
Newberry County Water and Sewer Authority	X	
Westminister Commissioners of Public Works	X	
Oconee County	X	X
City of Seneca	X	X
Seneca Light and Water Plant	X	
Town of Walhalla	X	X

NAME	SCRS	PORS
Town of Westminster	X	X
Oconee County Sewer Commission	X	
Town of West Union	X	X
City of Orangeburg	X	X
Orangeburg Department of Public Utilities	X	
Orangeburg County	X	X
Orangeburg County Development Commission	X	
Town of Branchville	X	
Town of Elloree	X	X
Town of North	X	X
Town of Livingston	X	
Town of Norway	X	X
Town of Bowman	X	X
Town of Santee	X	
City of Easley	X	X
City of Liberty	X	
Pickens County	X	X
Combined Utility System of Easley	X	
City of Pickens	X	
Town of Central	X	X
Community Development Agency	X	
Pickens County Commission on Alcohol and Drug Abuse	X	
Housing Authority of The City of Easley	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	
Richalnd County	X	X

Participating Employers Covered By Separate Agreement (Continued)

NAME	SCRS	PORS
City of Columbia	X	X
Richland County Board of Assessment Control	X	
East Richland County Public Service District	X	
Recreation District and Recreation Commission of Richland County	X	
Richland-Lexington Airport District	X	
City of Forest Acres	X	X
Columbia Museum of Art	X	
Town of Eastover	X	X
Richland/Lexington Mental Retardation Board	X	
Town of Saluda	X	X
Saluda County	X	X
Saluda Commission of Public Works	X	
Saluda County Commission on Alcohol and Drug Abuse	X	
Town of Ridge Spring	X	X
Spartanburg Commissioners of Public Works	X	X
Spartanbrug Sanitary Sewer District	X	
Spartanburg County	X	X
Spartanburg Regional Medical Center	X	
Spartanburg Public Library	X	
Una Water District Commission	X	
B. J. Workman Memorial Hospital	X	
Liberty-Chesnee-Fingerville Water District	X	
Town of Woodruff	X	X
Woodruff-Roebuck Water District	X	

NAME	SCRS	PORS
Startex-Jackson-Wellford-Duncan Water District	X	
Town of Lyman	X	X
Town of Wellford	X	X
Town of Chesnee	X	X
Inman-Campobello Water District	X	
Town of Cowpens	X	X
Town of Landrum	X	
Town of Pacolet	X	X
Town of Campobello	X	X
Town of Pacolet Mills	X	X
City of Inman	X	X
Housing Authority of Town of Woodruff	X	
City of Sumter	X	
Sumter County	X	
Sumter City-County Health Department	X	
Sumter County Library	X	X
Housing Authority of City of Sumter	X	X
Santee-Lynches Council For Governments	X	
Sumter County Commission On Alcohol and Drug Abuse	X	
Town of Mayesville	X	X
Union County	X	X
City of Union	X	X
Union Carnegie Library	X	
Town of Jonesville	X	
Union County Mental Retardation Board	X	
Williamsburg County	X	X
Town of Kingstree	X	X
Williamsburg County Recreation Commission	X	

Participating Employers Covered By Separate Agreement (Continued)

NAME	SCRS	PORS
Williamsburg County Library	X	
Williamsburg County Public Defender Corporation	X	
City of Rock Hill	X	X
York County	X	X
Town of Fort Mill	X	X
York County Library	X	
Town of Clover	X	X
City of York	X	X
Housing Authority of Fort Mill	X	
Museum of York County	X	
York County Mental Retardation and Developmental Disability Board	X	
City of Tega Cay	X	X
York County Historical	X	
Commission	X	
Consolidated Area Transportation Authority	X	
Municipal Association of South Carolina	X	
South Carolina Education Association	X	
South Carolina Employees' Association	X	
South Carolina High School League	X	
South Carolina Association of School Boards	X	
Central Midlands Regional Planning Council	X	
South Carolina State Credit Union	X	
South Carolina Law Enforcement Officers Association	X	

NAME	SCRS	PORS
Midlands Human Resources Development Commission	X	
South Carolina Athletic Coaches Association	X	
South Carolina Employees Federal Credit Union	X	
Winthrop Credit Union	X	
Palmetto State Teachers Association	X	
South Carolina Association of Counties	X	
Town of Calhoun Falls		X
City of Aiken		X
City of Jackson		X
City of Belton		X
City of Anderson		X
Anderson County Fire Protection Commission		X
Town of Ehrhardt		X
Hilton Head Island Fire District		X
Burton Fire District		X
Ladys Island-St. Helena Fire District		X
Bluffton Township Fire District		X
City of Goose Creek		X
St. Johns Fire District Commission		X
City of Folly Beach		X
Charleston County School District		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)

NAME	SCRS	PORS
Town of Andrews		X
City of Simpsonville		X
Piedmont Park Fire District		X
Town of Ninety Six		X
Town of Hampton		X
City of North Myrtle Beach		X
Town of Hardeeville		X
Town of Kershaw		X
Town of Batesburg		X
Town of South Congaree		X
Town of Springfield		X
Town of Holly Hill		X
Town of Liberty		X
City of Spartanburg		X
City of Landrum		X
Town of Duncan		X
Town of Hemingway		X
Town of Fairfax		X
Starr-Iva Water Company	X	
Bamberg County Mental Retardation Board	X	
Defender Corporation of Cherokee County	X	
Colleton County Mental Retardation Board	X	
Dorchester County Commission on Alcohol and Drug Abuse	X	
Town of Edgefield	X	
Town of Johnston	X	
Georgetown County Mental Retardation Board	X	

NAME	SCRS	PORS
Town of Bethune	X	X
Rabon Creek Water District	X	
Marion-Dillon County Mental Retardation Board	X	
Public Defender Corporation Marlboro County	X	
Marlboro County Mental Retardation Board	X	
Town of Norris	X	
Town of Pinewood	X	X
Williamsburg County Mental Retardation Board	X	
Town of Hemingway	X	
Town of Trenton	X	
Midway Fire Department	X	
South Carolina Sheriff's Association	X	X

INVESTMENT SECTION

STATE OF SOUTH CAROLINA

OFFICE OF STATE TREASURER

GRADY L. PATTERSON, JR.
TREASURER

P. O. DRAWER 11778

COLUMBIA
29211

October 23, 1989

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, 1989.

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. Funds are primarily invested in governments and agencies and utilities and industrials. The accompanying charts indicate the distribution of investments for the Retirement Systems. 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.

Retirement Funds are secure and our portfolio is considered one of the most successful State pension fund portfolios in the country. In a nationwide study, South Carolina Retirement Systems Funds ranked Number 1 in yield among 214 fixed income Public Funds over the past 5 years. This is indeed a significant achievement.

We take great pride in the quality of the portfolio and are pleased that it has achieved this recognition. 97% of the holdings are rated AA or better by two rating services or are fully guaranteed by the U.S. Government. The total rate of return has equalled 13.9% over the past 5 years.

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 Retirement Systems are adequately funded and actuarially sound.

I take great pride in serving 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,

Grady L. Patterson

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	% INCREASE FOR YEAR	NET INCOME FROM INVESTMENTS	% INCREASE FOR YEAR	AVERAGE YIELD
1989	$5,891,965	13.9%	$544,156	12.3%	10.35%
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%

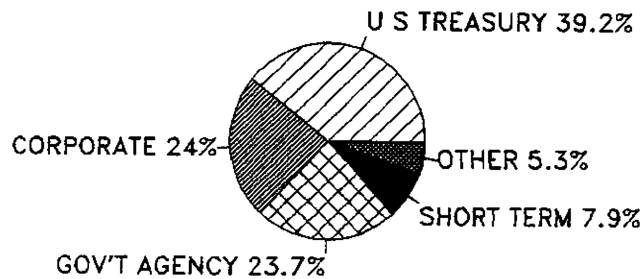
SUMMARY OF INVESTMENT GROWTH
POLICE OFFICERS RETIREMENT SYSTEM
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	AMORTIZED COST OF INVESTMENTS	% INCREASE FOR YEAR	NET INCOME FROM INVESTMENTS	% INCREASE FOR YEAR	AVERAGE YIELD
1989	$552,766	20.5%	$50,966	9.6%	10.61%
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%

DISTRIBUTION OF INVESTMENTS

JUNE 30, 1989

SCRS



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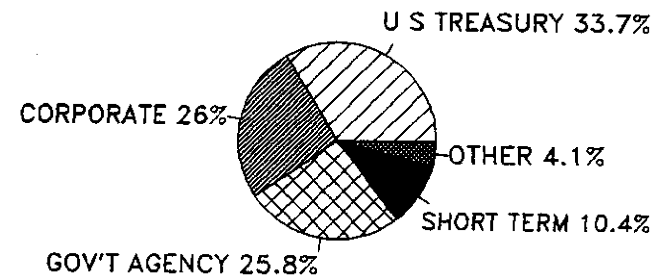
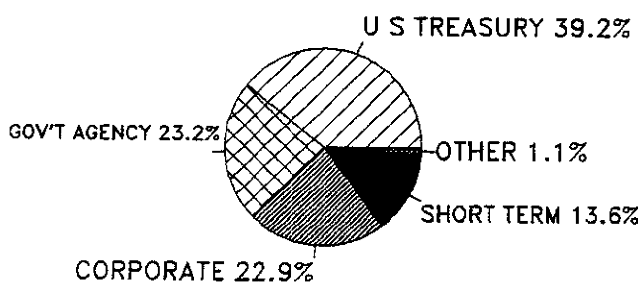


GARS



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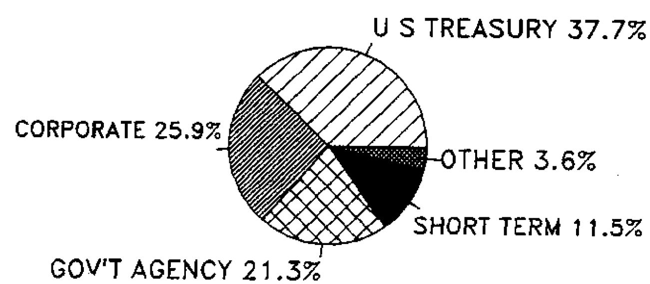

SUMMARY OF INVESTMENT GROWTH
GENERAL ASSEMBLY RETIREMENT SYSTEM
(amounts expressed in thousands)

YEAR ENDED JUNE 30,	AMORTIZED COST OF INVESTMENTS	% INCREASE FOR YEAR	NET INCOME FROM INVESTMENTS	% INCREASE FOR YEAR	AVERAGE YIELD
1989	$18,468	11.5%	$1,729	17.6%	10.38%
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%

SUMMARY OF INVESTMENT GROWTH
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
1989	$27,314	17.0%	$2,630	20.4%	10.95%
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:

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

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 recognization 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, 1989 Par Value	June 30, 1989 Amortized Cost	June 30, 1989 % of Total	June 30, 1988 Par Value	June 30, 1988 Amortized Cost	June 30, 1988 % of Total	June 30, 1987 Par Value	June 30, 1987 Amortized Cost	June 30, 1987 % of Total
Short-term investments:									
Repurchase agreements	$ 163,815	$ 163,815	2.78%	$ 108,980	$ 108,980	2.11%	$ 127,410	$ 127,410	2.81%
Treasury bills	25,000	24,802	.42%				25,000	24,397	0.54%
Discount notes	278,375	275,707	4.68%	167,175	165,435	3.20%	154,000	151,095	3.33%
	467,190	464,324	7.88%	276,155	274,415	5.31%	306,410	302,902	6.68%
U.S. Government agencies & government insured:									
Treasury notes	222,600	221,861	3.77%	257,600	256,716	4.96%	212,100	211,633	4.67%
Treasury bonds	1,040,777	991,854	16.83%	1,040,777	993,857	19.22%	975,777	929,006	20.48%
Treasury bonds (zero coupons)	3,290,737	1,094,592	18.58%	3,123,038	1,010,234	19.53%	2,777,341	823,385	18.15%
U.S. Government agencies	1,384,235	1,342,256	22.78%	926,558	885,877	17.13%	777,284	747,675	16.48%
Insured merchant marine bonds	53,098	52,993	.90%	55,536	55,423	1.07%	87,174	87,052	1.92%
	5,991,447	3,703,556	62.86%	5,403,509	3,202,107	61.91%	4,829,676	2,798,751	61.70%
Corporate bonds:									
Industrials	447,567	412,153	6.99%	581,236	457,448	8.85%	390,207	283,634	6.25%
Utilities	1,089,439	1,001,622	17.00%	1,031,539	943,679	18.25%	972,765	885,666	19.53%
Financial & other	311,790	310,310	5.27%	296,038	294,329	5.68%	266,742	264,797	5.84%
	1,848,796	1,724,085	29.26%	1,908,813	1,695,456	32.78%	1,629,714	1,434,097	31.62%
Total investments	$ 8,307,433	$ 5,891,965	100.00%	$ 7,588,477	$ 5,171,978	100.00%	$ 6,765,800	$ 4,535,750	100.00%

INVESTMENTS
POLICE OFFICERS RETIREMENT SYSTEM
(amounts expressed in thousands)

	June 30, 1989 Par Value	June 30, 1989 Amortized Cost	June 30, 1989 % of Total	June 30, 1988 Par Value	June 30, 1988 Amortized Cost	June 30, 1988 % of Total	June 30, 1987 Par Value	June 30, 1987 Amortized Cost	June 30, 1987 % of Total
Short-term investments:									
Repurchase agreements	$ 48,295	$ 48,295	8.74%	$ 20,985	$ 20,985	4.57%	$ 12,770	$ 12,770	3.21%
Discount notes	9,300	9,261	1.67%				20,000	19,573	4.93%
	57,595	57,556	10.41%	20,985	20,985	4.57%	32,770	32,343	8.14%
U.S. Government agencies & government insured:									
Treasury notes	40,150	39,967	7.23%	40,150	39,941	8.70%	40,150	40,076	10.09%
Treasury bonds	94,810	90,645	16.40%	94,810	90,564	19.74%	84,810	80,665	20.30%
Treasury bonds (zero coupons)	186,116	55,732	10.08%	189,423	53,847	11.74%	189,116	48,660	12.25%
U.S. Government agencies	137,990	133,984	24.24%	91,620	87,236	19.01%	67,673	65,266	16.43%
Insured merchant marine bonds	8,479	8,479	1.54%	8,766	8,766	1.91%	10,035	10,035	2.53%
	467,545	328,807	59.49%	424,769	280,354	61.10%	391,784	244,702	61.60%
Corporate bonds:									
Industrials	22,820	20,915	3.78%	27,006	25,077	5.47%	24,443	22,749	5.73%
Utilities	131,545	122,716	22.20%	125,545	116,611	25.42%	99,545	90,661	22.82%
Financial & other	22,800	22,772	4.12%	15,800	15,802	3.44%	6,800	6,803	1.71%
	177,165	166,403	30.10%	168,351	157,490	34.33%	130,788	120,213	30.26%
Total investments	$ 702,305	$ 552,766	100.00%	$ 614,105	$ 458,829	100.00%	$ 555,342	$ 397,258	100.00%

INVESTMENTS
GENERAL ASSEMBLY RETIREMENT SYSTEM
(amounts expressed in thousands)

	June 30, 1989 Par Value	June 30, 1989 Amortized Cost	June 30, 1989 % of Total	June 30, 1988 Par Value	June 30, 1988 Amortized Cost	June 30, 1988 % of Total	June 30, 1987 Par Value	June 30, 1987 Amortized Cost	June 30, 1987 % of Total
Short-term investments:									
Repurchase agreements	$ 2,515	$2,515	13.62%	$ 410	$ 410	2.48%	$ 1,445	$ 1,445	9.91%
	2,515	2,515	13.62%	410	410	2.48%	1,445	1,445	9.91%
U.S. Government agencies & government insured:									
Treasury notes	2,400	2,387	12.93%	2,400	2,386	14.41%	2,400	2,391	16.41%
Treasury bonds	3,420	3,282	17.77%	3,420	3,279	19.80%	2,920	2,786	19.11%
Treasury bonds (zero coupons)	5,347	1,577	8.53%	6,347	2,420	14.61%	6,347	2,225	15.27%
U.S. Government agencies	4,033	4,009	21.71%	3,108	3,101	18.72%	2,239	2,232	15.31%
Insured merchant marine bonds	271	271	1.47%	300	300	1.81%	320	320	2.20%
	15,471	11,526	62.41%	15,575	11,486	69.35%	14,226	9,954	68.30%
Corporate bonds:									
Industrials	700	657	3.56%	700	656	3.96%	200	159	1.09%
Utilities	4,050	3,570	19.33%	4,300	3,810	23.00%	3,300	2,816	19.32%
Financial & other	200	200	1.08%	200	200	1.21%	200	200	1.38%
	4,950	4,427	23.97%	5,200	4,666	28.17%	3,700	3,175	21.79%
Total investments	$ 22,936	$ 18,468	100.00%	$ 21,185	$ 16,562	100.00%	$ 19,371	$ 14,574	100.00%

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

	June 30, 1989			June 30, 1988			June 30, 1987		
	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total
Short-term investments:									
Repurchase agreements	$ 3,130	$ 3,130	11.46%	$ 595	$ 595	2.55%	$ 2,580	$ 2,580	13.18%
	3,130	3,130	11.46%	595	595	2.55%	2,580	2,580	13.18%
U.S. Government agencies & government insured:									
Treasury notes	2,200	2,190	8.02%	2,200	2,189	9.38%	2,200	2,194	11.21%
Treasury bonds	3,300	3,219	11.78%	3,300	3,217	13.78%	2,800	2,724	13.91%
Treasury bonds (zero coupons)	8,094	4,890	17.90%	10,094	6,390	27.37%	10,094	5,838	29.82%
U.S. Government agencies	6,129	5,806	21.26%	4,207	3,877	16.61%	1,249	1,226	6.27%
	19,723	16,105	58.96%	19,801	15,673	67.14%	16,343	11,982	61.21%
Corporate bonds:									
Industrials	500	496	1.82%	500	497	2.13%			
Utilities	6,750	6,587	24.11%	6,750	6,580	28.18%	5,175	5,012	25.61%
Financial & Other	1,000	996	3.65%						
	8.250	8,079	29.58%	7,250	7,077	30.31%	5,175	5.012	25.61%
Total investments	$ 31,103	$ 27,314	100.00%	$ 27,616	$ 23,345	100.00%	$ 24,098	$ 19,574	100.00%

INVESTMENTS SUMMARY OF BOOK VALUE
SOUTH CAROLINA RETIREMENT SYSTEM
(amounts expressed in thousands)

Type of Investment	Book Value June 30, 1988	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1989	% Book Value June 30, 1989
Short-term investments:						
Repurchase agreements	$ 108,980	$ 22,385,770	$ 22,330,935		$ 163,815	2.78%
Treasury bills		23,947		$ 855	24,802	.42%
Discount notes	165,435	830,653	744,688	24,307	275,707	4.68%
	274,415	23,240,370	23,075,623	25,162	464,324	7.88%
U.S. Government agencies & government insured:						
Treasury notes	256,716	19,956	54,997	186	221,861	3.77%
Treasury bonds	993,857		2,231	228	991,854	16.83%
Treasury bonds (zero coupons)	1,010,234	119,685	132,077	96,750	1,094,592	18.58%
U.S. Government agencies	885,877	611,740	158,346	2,985	1,342,256	22.78%
Insured merchant marine bonds	55,423		2,437	7	52,993	.90%
	3,202,107	751,381	350,088	100,156	3,703,556	62.86%
Corporate bonds:						
Industrials	457,448	171,952	218,065	818	412,153	6.99%
Utilities	943,679	101,347	44,450	1,046	1,001,622	17.00%
Financial & other	294,329	44,653	29,006	334	310,310	5.27%
	1,695,456	317,952	291,521	2,198	1,724,085	29.26%
Total investments	$ 5,171,978	$ 24,309,703	$ 23,717,232	$ 127,516	$ 5,891,965	100.00%

INVESTMENTS SUMMARY OF BOOK VALUE
POLICE OFFICERS RETIREMENT SYSTEM
(amounts expressed in thousands)

Type of Investment	Book Value June 30, 1988	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1989	% Book Value June 30, 1989
Short-term investments:						
Repurchase agreements	$ 20,985	$ 7,038,990	$ 7,011,680		$ 48,295	8.74%
Discount notes		41,160	33,250	$ 1,351	9,261	1.67%
	20,985	7,080,150	7,044,930	1,351	57,556	10.41%
U.S. Government agencies & government insured:						
Treasury notes	39,941			26	39,967	7.23%
Treasury bonds	90,564			81	90,645	16.40%
Treasury bonds (zero coupons)	53,847		3,306	5,191	55,732	10.08%
U.S. Government agencies	87,236	66,429	19,912	231	133,984	24.24%
Insured merchant marine bonds	8,766		287		8,479	1.54%
	280,354	66,429	23,505	5,529	328,807	59.49%
Corporate bonds:						
Industrials	25,077	11,259	15,431	10	20,915	3.78%
Utilities	116,611	11,925	5,926	106	122,716	22.20%
Financial & other	15,802	7,159	200	11	22,772	4.12%
	157,490	30,343	21,557	127	166,403	30.10%
Total investments	$ 458,829	$ 7,176,922	$ 7,089,992	$ 7,007	$ 552,766	100.00%

INVESTMENTS SUMMARY OF BOOK VALUE
GENERAL ASSEMBLY RETIREMENT SYSTEM
(amounts expressed in thousands)

Type of Investment	Book Value June 30, 1988	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1989	% Book Value June 30, 1989
Short-term investments:						
Repurchase agreements	$ 410	$ 94,450	$ 92,345		$ 2,515	13.62%
	410	94,450	$ 92,345		2,515	13.62%
U.S. Government agencies & government insured:						
Treasury notes	2,386			$ 1	2,387	12.93%
Treasury bonds	3,279			3	3,282	17.77%
Treasury bonds (zero coupons)	2,420		1,000	157	1,577	8.53%
U.S. Government agencies	3,101	2,480	1,574	2	4,009	21.71%
Insured merchant marine bonds	300		29		271	1.47%
	11,486	2,480	2,603	163	11,526	62.41%
Corporate bonds:						
Industrials	656			1	657	3.56%
Utilities	3,810	249	492	3	3,570	19.33%
Financial & other	200				200	1.08%
	4,666	249	492	4	4,427	23.97%
Total investments	$ 16,562	$ 97,179	$ 95,440	$ 167	$ 18,468	100.00%

INVESTMENT SUMMARY OF BOOK VALUE
JUDGES & SOLICITORS RETIREMENT SYSTEM
(amounts expressed in thousands)

Type of Investment	Book Value June 30, 1988	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1989	% Book Value June 30, 1989
Short-term investments:						
Repurchase agreements	$ 595	$ 117,005	$ 114,470		$ 3,130	11.46%
Discount notes		2,875	3,000	$ 125		
	595	119,880	117,470	125	3,130	11.46%
U.S. Government agencies & government insured:						
Treasury notes	2,189			1	2,190	8.02%
Treasury bonds	3,217			2	3,219	11.78%
Treasury bonds (zero coupons)	6,390		1,999	499	4,890	17.90%
U.S. Government agencies	3,877	3,473	1,568	24	5,806	21.26%
	15,673	3,473	3,567	526	16,105	58.96%
Corporate bonds:						
Industrials	497		1		496	1.82%
Utilities	6,580	498	492	1	6,587	24.11%
Financial & other		994		2	996	3.65%
	7,077	1,492	493	3	8,079	29.58%
Total investments	$ 23,345	$ 124,845	$ 121,530	$ 654	$ 27,314	100.00%

SUMMARY OF MARKET VALUE Of INVESTMENTS
(amounts expressed in thousands)

	South Carolina Retirement System			Police Officers Retirement System		
	Market Value 6-30-88	Market Value 6-30-89	% of Market Value	Market Value 6-30-88	Market Value 6-30-89	% of Market Value
Short-term investments:						
Repurchase agreements	$ 108,980	$ 163,815	2.53%	$ 20,985	$ 48,295	8.05%
Treasury bills		24,808	.38%			
Discount notes	165,435	275,900	4.27%		9,263	1.54%
	274,415	464,523	7.18%	20,985	57,558	9.59%
U.S. Governement agencies & government insured:						
Treasury notes	273,562	239,599	3.70%	41,133	41,781	6.97%
Treasury bonds	1,204,921	1,285,688	19.87%	108,967	11€,567	19.43%
Treasury bonds (zero coupons)	1,041,766	1,210,582	18.71%	59,588	58,754	9.80%
U.S. Government agencies	954,835	1,403,286	21.69%	93,680	141,494	23.59%
Insured merchant marine bonds	55,554	57,324	.88%	8,979	9,533	1.59%
	3,530,638	4,196,479	64.85%	312,347	368,129	61.38%
Corporate bonds:						
Industrials	461,507	433,667	6.70%	28,229	21,771	3.63%
Utilities	941,713	1,062,380	16.42%	113,713	129,556	21.60%
Financial & other	296,509	313,716	4.85%	15,572	22,772	3.80%
	1,699,729	1,809,763	27.97%	157,514	174,099	29.03%
Total investments	$ 5,504,782	$6,470,765	100.00%	$490,846	$599,786	100.00%

General Assembly Retirement System			Judges & Solicitors Retirement System		
Market Value 6-30-88	Market Value 6-30-89	% of Market Value	Market Value 6-30-88	Market Value 6-30-89	% of Market Value
$ 410	$ 2,515	12.39%	$ 595	$ 3,130	10.56%
410	2,515	12.39%	595	3,130	10.56%
2,518	2,551	12.56%	2,338	2,361	7.97%
3,768	4,056	19.98%	3,727	3,985	13.45%
2,440	1,804	8.89%	6,856	5,478	18.49%
3,203	4,215	20.76%	4,055	6,267	21.15%
299	283	1.39%			
12,228	12,909	63.58%	16,976	18,091	61.06%
690	707	3.48%	475	492	1.66%
4,026	3,989	19.65%	6,481	6,911	23.33%
172	184	.90%		1,004	3.39%
4,888	4,880	24.03%	6,956	8,407	28.38%
$ 17,526	$ 20,304	100.00%	$24,527	$ 29,628	100.00%