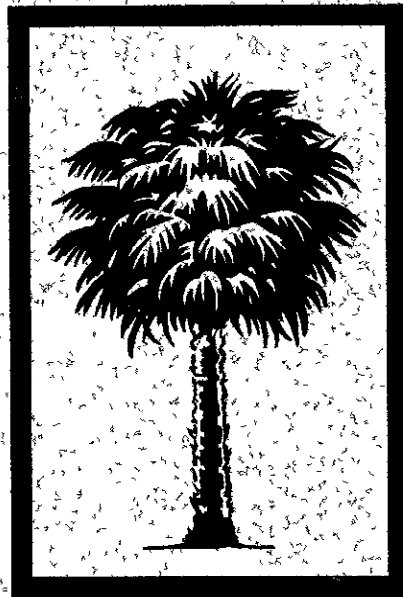


# SOUTH CAROLINA RETIREMENT SYSTEMS



COMPONENT UNIT FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 1990

SOUTH CAROLINA  
RETIREMENT SYSTEMS

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COMPONENT UNIT  
FINANCIAL REPORT

For the Year Ended June 30, 1990

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, 1989

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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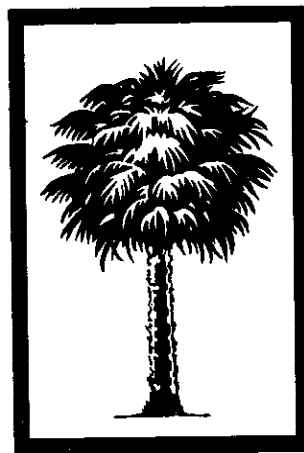
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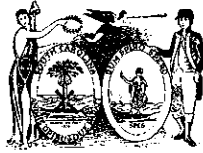
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# **INTRODUCTORY SECTION**



## South Carolina Retirement Systems



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

Purvis W. Collins  
Director

November 7, 1990

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

Gentlemen:

The annual report of the South Carolina Retirement Systems for the fiscal year ended June 30, 1990 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** was established July 1, 1945 to provide retirement and other benefits for teachers and employees of the State and its political subdivisions. This system currently has 728 participating employers, over 168,000 active contributing members and 40,000 retired members.

**The South Carolina Police Officers Retirement System** was established July 1, 1962 to provide retirement

and other benefits to police officers and firemen. This system currently has 258 participating employers, over 16,000 active contributing members and 2,900 retired members.

**The General Assembly and Judges and Solicitors Retirement Systems** were established January 1, 1966 and July 1, 1979, respectively. These systems are single employer systems created to provide retirement and other benefits to members of the General Assembly and State Judges and Solicitors, respectively.

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 Investment Section contains schedules of investments and 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.

## ECONOMIC CONDITION AND OUTLOOK

The economic "health" of the Systems are inseparable from the health and well-being of our investment portfolio. The high quality of our portfolio, ranked among the best in the country, provides the assurance that funds will be available to provide all promised benefits to our active and retired members. With the predictions of impending recession our portfolio is well positioned should such an occurrence materialize.

The fiscally sound conservative policies of the legislature in establishing and enhancing benefit levels continue to promote a solid plan with a bright future for all of our membership.

Based on recent surveys by both the Wisconsin Joint Committee on Retirement Systems and the Retired Educators Association of Minnesota, benefits offered under our System rank among the top 5 Systems overall when considering factors such as number of years used in AFC (average salary), COLA provisions and Social Security coverage.

## MAJOR INITIATIVES

Legislatively, the principal change for 1990 was in the passage of an early retirement plan. Under this plan members are eligible to retire as early as age 55 provided they have a minimum of 25 years service. Funding for this plan is derived from

a reduction in benefits of 4% per year for each year of service under 30 and an extension of the liquidation period of the unfunded accrued liability of the System. While this plan was not as liberal as some would like, it does provide a fiscally sound plan without imposing additional costs to either the employer, and ultimately the taxpayer, or the membership.

Also contained in this legislation was a provision permitting the purchase of additional service credit for out-of-state service and federal service on an installment basis, through regular payroll deductions. This program would allow members to purchase applicable service over an extended time period rather than being required to make payment in a single lump sum.

Additionally, effective January 1, 1991 the Systems will accept designations of multiple beneficiaries. Prior to that point the Systems required designation of a single beneficiary or the member's estate.

The Systems continue to make advances in development of new systems, with the new retiree payroll system going on-line in October of this year. Currently on the drawing board are systems to administer the new program for installment purchase of service credit and a state of the art records tracking system to better control over 300,000 active and retired member records.

In a recent survey conducted by our Pre-Retirement Education Department almost 40% of the 97 respondents have comprehensive pre-retirement programs such as ours. A comprehensive program is defined as one that provides information to employees to assist them in long-term financial goals for that time of life after a

career ends. Strides continue to be made in providing informative, quality and timely data to our membership. In FY 1990 we conducted over 80 pre-retirement seminars for our membership.

At the Federal level, public pension plans continue to seek, through legislation, relief from Internal Revenue Service's proposed application of Section 415 restrictions on pension distributions and contributions. Principal provisions of relief efforts center on:

Establishment of a uniform definition of compensation for IRS testing purposes and use by plans for benefit purposes. Many public plans include salary deferrals in their definition of compensation while IRS uses a taxable wage base.

- Exemption of public plans from the percentage of compensation test which would, in some cases penalize low pay, long service members.

- Exemption of survivor and disability benefits. This is necessary because these benefits are often provided to younger members or their survivors. Under Section 415, benefits must be actuarially reduced from age 62 to the present age of the beneficiary at the time of injury or death, resulting in a benefit limit well below the level provided by many public plans.

Of grave concern are various Federal

"revenue raising" proposals; among them a Securities Transfer Excise Tax (STET) which would impose a tax on the value of most investment transactions. This tax would reduce investment yields of pension plans both by the amount of the tax and by the lost future earnings that these payments would have generated. Such a proposal in the long term would have a negative impact on public pension plan earnings and their ability to find the funds to make future retirement benefits and cost of living adjustments.

## 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 \$7.6 billion this year; an overall growth of 12.3% over 1989.

A Summary of the growth of assets, by System follows:

	1990 (Millions)	1989 (Millions)	Increase	
			(Millions)	(Percent)
SCRS	\$ 6,895.4	\$ 6,177.3	\$718.1	11.6%
PORS	688.5	579.4	109.1	18.8%
GARS	21.2	19.4	1.8	9.3%
JSRS	32.9	27.8	5.1	18.4%
TOTAL	<u>\$ 7,638.0</u>	<u>\$ 6,803.9</u>	<u>\$834.1</u>	12.3%

# INTRODUCTORY SECTION

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 13.2% for the fiscal year, increasing to approximately \$7.1 billion at June 30th; generating investment income of \$694.6 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, 1990 and the amount and percentage increases over prior year revenues.

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>Total</u>	<u>Increase</u>	<u>Percent Increase</u>
	(amounts in thousand)						
Contribution Revenue							
Employee	\$ 216,955	\$ 25,235	\$ 331	\$ 582	\$ 243,103	\$ 21,180	9.5%
Employer	266,669	57,683	1,177	3,298	328,827	63,261	23.8%
Investment Income	626,723	63,030	1,899	2,951	694,603	95,123	15.9%
Other	8,523	205			8,728	(791)	(8.3%)
Total	<u>\$1,118,870</u>	<u>\$146,153</u>	<u>\$3,407</u>	<u>\$6,831</u>	<u>\$1,275,261</u>	<u>\$178,772</u>	16.3%

A substantial part of the increase in employer contribution revenue is attributed to a rate increase in the SCRS used to fund benefit enhancements.

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 revenues for the Systems for the fiscal year ended June 30, 1990 and the amount and percentage increases over prior year revenues.

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>Total</u>	<u>Increase</u>	<u>Percent Increase</u>
Annuities	\$ 323,753	\$26,616	\$ 1,485	\$ 2,657	\$354,511	\$ 50,489	16.6%
Refunds	35,121	4,062	17	47	39,247	1,718	4.6%
Group Life	7,591	939	26	10	8,566	1,020	13.5%
Administrative Charges	4,909	453	16	22	5,400	1,036	23.7%
Total	<u>\$ 371,374</u>	<u>\$32,070</u>	<u>\$ 1,544</u>	<u>\$ 2,736</u>	<u>\$407,724</u>	<u>\$ 54,263</u>	15.4%

# INTRODUCTORY SECTION

Annuity payments, which constitute 87% 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. The Systems continue to make progress and improvement in the level of funding, particularly considering recent benefit enhancements, thereby assuring all participants of the continued financial stability of the Systems.

A summary of the funding status of the Systems follows:

	<u>Valuation Date</u>	<u>Net Assets Available for Benefits</u>	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>
SCRS	July 1, 1989	\$ 6,068.6	\$ 8,646.1	70.2%
	July 1, 1988	5,413.7	7,377.8	73.4%
	June 30, 1987	4,805.4	6,447.5	74.5%
	June 30, 1986	4,202.4	5,747.5	73.1%
PORS	July 1, 1989	553.7	682.1	81.2%
	July 1, 1988	475.0	540.6	87.9%
	June 30, 1987	414.7	445.2	93.1%
	June 30, 1986	353.3	397.1	89.0%
GARS	July 1, 1989	19.3	23.9	80.9%
	July 1, 1988	17.4	22.0	79.2%
	June 30, 1987	15.5	22.2	69.8%
	June 30, 1986	13.6	21.1	64.5%
JSRS	July 1, 1989	27.8	48.9	56.9%
	July 1, 1988	23.8	51.4	46.3%
	June 30, 1987	19.9	51.6	38.6%
	June 30, 1986	16.3	48.9	33.3%

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

An increase in this percentage over time is an indication of improved financial stability. However, this must be tempered with a knowledge of the background of the Systems, particularly with respect to the Judges and Solicitors Retirement System which was established in 1979

and immediately assumed the liability for payment of pensions from a previous "pay as you go" arrangement. This System has made steady progress in improving its funding level over the past 10 years when considering the effect of recent benefit enhancements.

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

## INTRODUCTORY SECTION

### OTHER INFORMATION

**INDEPENDENT AUDIT** - An audit is performed annually under the direction of the State Auditor's office. The firm of Rogers Montgomery & Company, P.A., Certified Public Accountants audited the component unit financial statements of the Systems for the year ended June 30, 1990. Their report is included in the financial section of this report.

**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, 1989.

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

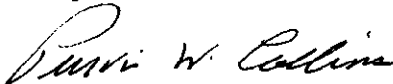
conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

pm



**ADMINISTRATION**

**GOVERNING BOARD - STATE BUDGET AND CONTROL BOARD**

<i>Carroll A. Campbell, Jr., Chairman</i>	<i>Governor</i>
<i>Grady L. Patterson, Jr.</i>	<i>State Treasurer</i>
<i>Earle E. Morris, Jr.</i>	<i>Comptroller General</i>
<i>James M. Waddell, Jr.</i>	<i>Chairman,</i>
	<i>Senate Finance Committee</i>
<i>Robert N. McLellan</i>	<i>Chairman,</i>
	<i>House Ways and Means Committee</i>

**CONSULTING ACTUARY**

*Donald M. Overholser*  
*Buck Consultants, Inc.*

**RETIREMENT SYSTEM STAFF  
ADMINISTRATION**

<i>Purvis W. Collins</i>	<i>Director</i>
<i>Joseph A. Mack</i>	<i>Deputy Director</i>
<i>E. D. Goodwin, Jr.</i>	<i>Assistant Director, Financial Services</i>
<i>Joseph C. Griffith</i>	<i>Assistant Director, Counseling</i>
<i>Henry R. Blackwell, Jr.</i>	<i>Assistant Director, Information Services</i>
<i>Edward H. Haynsworth, Jr. CPA</i>	<i>Internal Auditor</i>
<i>Brenda M. Bryant</i>	<i>Administration of Social Security</i>

**FINANCIAL SERVICES DIVISION**

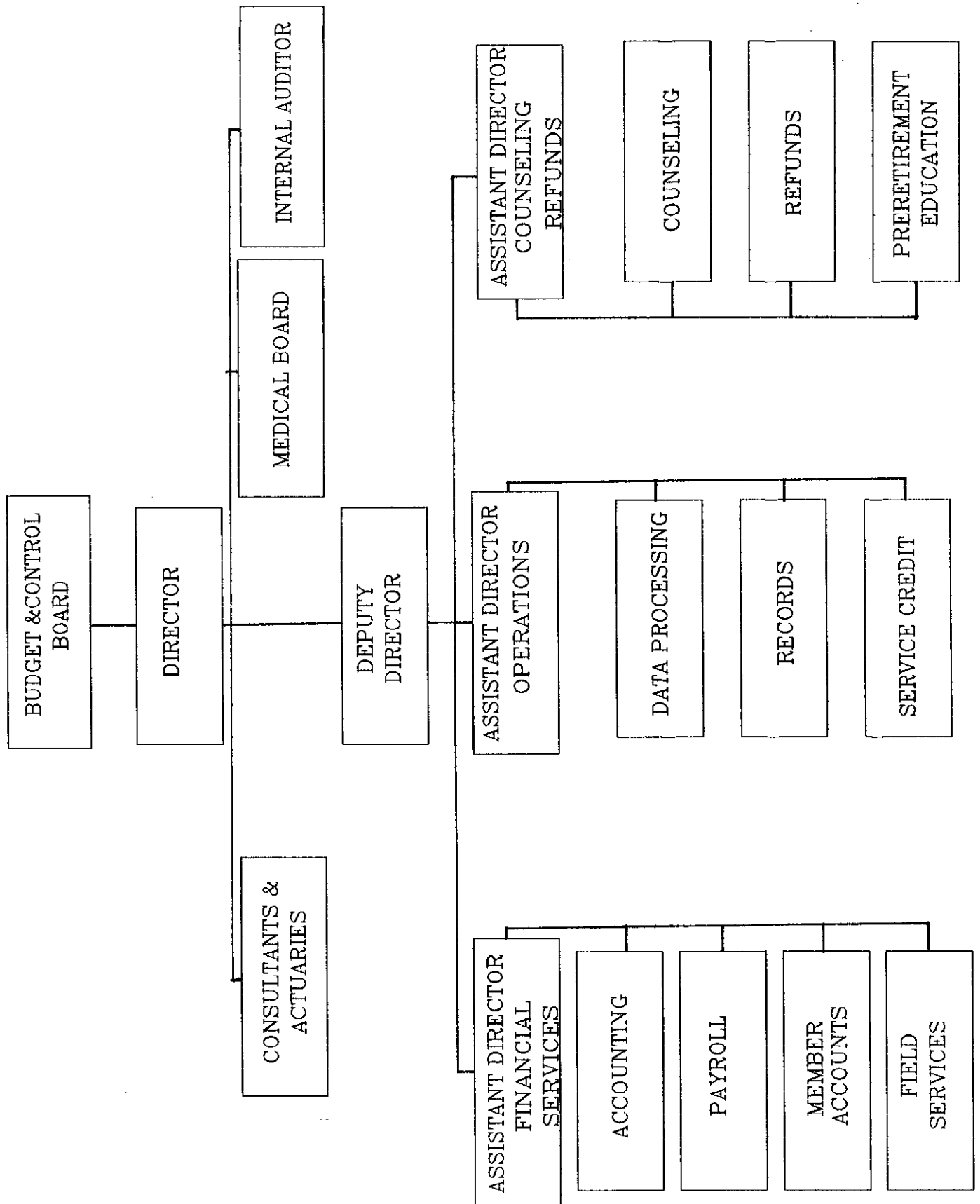
<i>Wayne D. Pruitt, CPA</i>	<i>Controller</i>
<i>R. Joy Hunter, CPA</i>	<i>Manager, Retirement Accounting</i>
<i>Tammy B. Davis, CPA</i>	<i>Supervisor, Retirement Accounting</i>
<i>Rosemary Tien, CPA</i>	<i>Manager, Member Accounts</i>
<i>Beverly K. Abdalla</i>	<i>Manager, Benefits Payroll</i>

**COUNSELING & REFUNDS DIVISION**

<i>Holly T. Kednocker</i>	<i>Counseling Supervisor</i>
<i>Elvena S. Bickley</i>	<i>Refunds Supervisor</i>
<i>Phyllis C. Gardner</i>	<i>Pre-Retirement Education</i>

**INFORMATION SERVICES DIVISION**

<i>Michael E. Nivens</i>	<i>Data Processing Manager</i>
<i>Meta W. Whitlock</i>	<i>Records Supervisor</i>
<i>Joyce M. Comisky</i>	<i>Service Department Supervisor</i>



## ORGANIZATIONAL DESCRIPTION

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

### Financial Services Division:

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

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

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

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

### Information Services Division:

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

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

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

### Counseling & Refunds Division:

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

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

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

## INTRODUCTORY SECTION

### *CURRENT LEGISLATION*

Significant amendments enacted during the 1990 Session of the General Assembly were as follows:

#### R476

This amendment permits an active member to designate one or more beneficiaries or one or more trustees for multiple beneficiaries. When more than one beneficiary is designated, the survivor benefits will be shared equally among the beneficiaries.

#### R687

This amendment authorizes retirement at age 55 with at least 25 years of service credit and requires a penalty of 4% of the benefit for each year under 30 years service credit. Cost of living increases are deferred until the earliest date the member would have been eligible to the increase without regard to this early retirement option.

This amendment also authorizes an active member to establish out-of-state or federal service credit on an installment basis through payroll deduction with an interest rate of prime plus 2%.

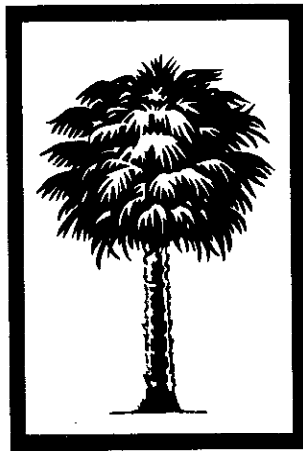
The following amendment was included in the 1990 State Appropriation Act:

The earnings limitation was increased from \$9,500 to \$10,000; a retired member who returns to covered employment is eligible to earn \$10,000 during a fiscal year without penalty of losing benefits for the remainder of the fiscal year.

## INTRODUCTORY SECTION

# FINANCIAL SECTION

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**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, 1990, 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, 1990 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.

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

American Institute of Certified Public Accountants • AICPA Division for CPA Firms • South Carolina Association of Certified Public Accountants

*South Carolina Retirement Systems*

## FINANCIAL SECTION

The Required Supplementary Information on pages 33-37 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.

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 & Company*

Columbia, South Carolina  
October 12, 1990



# FINANCIAL SECTION

## COMBINED BALANCE SHEET SOUTH CAROLINA RETIREMENT SYSTEMS PENSION TRUST FUNDS

JUNE 30, 1990

(amounts expressed in thousands)

### Assets

#### Investments, at amortized cost:

Short-term investments (market value - \$34,150)	\$ 34,388
United States Government securities (market value - \$3,028,815)	2,646,821
United States Government agencies and government-insured securities (market value - \$2,467,028)	2,428,868
Corporate bonds (market value - \$1,774,062)	1,739,903
Financial and other (market value - \$248,304)	248,317
Total investments	<u>7,098,297</u>

#### Deferred yield adjustment for security exchanges

118,862

#### Receivables:

Contributions	81,660
Accrued interest	127,539
Cash and cash equivalents	<u>211,706</u>

#### Total assets

\$ 7,638,064

### Liabilities and fund balances

#### Liabilities:

Accounts payable	
unsettled investment purchases	\$ 41,154
Accrued expenses	2,078
Total liabilities	<u>43,232</u>

#### Fund balances:

Employee fund	1,949,437
Employer fund	5,584,083
Group life insurance fund	56,478
Accidental death fund	<u>4,834</u>

#### Total fund balances

7,594,832

#### Total liabilities and fund balances

\$ 7,638,064

See notes to financial statements.

South Carolina Retirement Systems

# FINANCIAL SECTION

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND BALANCES  
SOUTH CAROLINA RETIREMENT SYSTEMS  
PENSION TRUST FUNDS  
YEAR ENDED JUNE 30, 1990  
(amounts expressed in thousands)**

Operating revenues:	
Employee contributions:	
State department employees	\$ 102,624
Public school employees	93,809
Other political subdivision employees	46,670
Employer contributions:	
State department employers	136,850
Public school employers	116,381
Other political subdivision employers	75,596
Supplemental retirement benefits funded by the State	8,728
Investment income	694,603
Total operating revenues	<u>1,275,261</u>
Operating expenses:	
Refunds of contributions to members	39,247
Regular retirement benefits	345,372
Supplemental retirement benefits	8,728
Group life insurance payments	8,566
Accidental death benefits	411
Administrative charges	5,400
Total operating expenses	<u>407,724</u>
Net income	867,537
Fund balances at beginning of year	<u>6,727,295</u>
Fund balances at end of year	<u><u>\$ 7,594,832</u></u>

See notes to financial statements.

## FINANCIAL SECTION

*COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION  
SOUTH CAROLINA RETIREMENT SYSTEMS  
PENSION TRUST FUNDS  
YEAR ENDED JUNE 30, 1990  
(amounts expressed in thousands)*

Sources of working capital:	
Operations - net income	\$ 867,537
Net increase in working capital	<u>\$ 867,537</u>
Elements of net increase in working capital:	
Cash and cash equivalents	\$ 207,703
Investments	607,784
Deferred yield adjustment	(22,345)
Receivables	41,046
Accounts payable and accrued expenses	<u>33,349</u>
Net increase in working capital	<u>\$ 867,537</u>

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 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 generally accepted accounting principles.

**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.

Cash and cash equivalents - The Systems classify as cash and cash equivalents cash on deposit in financial institutions and cash on deposit in the State's cash management pool. The Systems also classify certain short-term highly liquid securities as cash equivalents.

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.

## **FINANCIAL SECTION**

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 principal 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 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).

## FINANCIAL SECTION

The number and types of employers contributing to each System and the annual payroll of each type for the year ended June 30, 1990 are as follows:

	<u>State*</u>	<u>School</u>	<u>Other</u>	<u>Total</u>
<b>SCRS</b>				
Number of Employers	193	106	429	728
Annual Covered Payroll (000's omitted)	\$1,445,470	\$1,503,473	\$534,280	\$3,483,223
Average Number of Contributing Members	63,647	73,057	31,844	168,548
<b>PORS</b>				
Number of Employers	42		216	258
Annual Covered Payroll (000's omitted)	\$177,975		\$164,970	\$342,945
Average Number of Contributing Members	8,502		7,859	16,361
<b>GARS</b>				
Number of Employers	2			2
Annual Covered Payroll (000's omitted)	\$2,312			\$2,312
Average Number of Contributing Members	170			170
<b>JSRS</b>				
Number of Employers	2			2
Annual Covered Payroll (000's omitted)	\$8,057			\$8,057
Average Number of Contributing Members	104			104

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

# FINANCIAL SECTION

Based upon the most recent complete actuarial valuation (July 1, 1989) the membership in the Systems was as follows:

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>
a) Retirees and beneficiaries receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>137,274</u>	<u>6,767</u>	<u>261</u>	<u>63</u>	<u>144,365</u>
b) Fully vested active employees	96,070	5,760	42	72	101,944
Nonvested active employees	<u>64,298</u>	<u>9,655</u>	<u>159</u>	<u>30</u>	<u>74,142</u>
Total active employees	<u>160,368</u>	<u>15,415</u>	<u>201</u>	<u>102</u>	<u>176,086</u>
Total	<u>297,642</u>	<u>22,182</u>	<u>462</u>	<u>165</u>	<u>320,451</u>

## 3- INVESTMENTS AND DEPOSITS:

The following table presents market values of investments at June 30, 1990. All investments are required to be 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)				
<u>INVESTMENTS</u>	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>
Short-term investments	\$ 29,214	\$ 4,936			\$ 34,150
U.S. Government securities	2,791,826	216,697	\$ 8,261	\$ 12,031	3,028,815
U.S. Government agencies and government-insured securities	2,184,826	263,536	7,199	11,467	2,467,028
Corporate bonds	1,587,764	173,503	4,738	8,057	1,774,062
Financial and other	<u>229,155</u>	<u>17,968</u>	<u>179</u>	<u>1,002</u>	<u>248,304</u>
	<u>\$ 6,822,785</u>	<u>\$ 676,640</u>	<u>\$ 20,377</u>	<u>\$ 32,557</u>	<u>\$ 7,552,359</u>



## FINANCIAL SECTION

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 required to be insured or collateralized with securities held by the State or its agent in the State Treasurer's name as custodian. Deposits consist principally of approximately \$7.2 million on deposit with the State Treasurer and financial institutions, and cash equivalents of \$204.5 million.

Certain short-term highly liquid securities previously classified as investments are now classified as cash equivalents in accordance with Governmental Accounting Standards Board Statement #9.

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, 1990 totaled \$430.9 million for the SCRS and \$24.7 million for the PORS.

On January 29, 1990, the State Treasurer committed to purchase up to \$150 million in Mortgage Guaranty Insurance Corporation loan pass-through certificates for the South Carolina Retirement System. As of June 30, 1990 no securities have been purchased pursuant to this commitment.

#### 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, 1989.

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

Interest rate - 8.0% per annum, compounded annually, effective for all plans.

Salary scales -

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
a) Inflation	5.0%	5.0%	5.0%	5.0%
b) Merit or seniority	1.5%	2.5%	1.0%	1.5%

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

Post retirement  
benefit increases -

	4.0%	4.0%	-0-	4.0%
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Separations - Rates of separation due to withdrawal, death, service retirement and disability are based upon tables constructed from past experience of the plans.

Pension benefit obligation (based on July 1, 1989 actuarial valuation) -

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>
	(All Amounts In Millions)				
Pension benefit obligation:					
a) Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	\$ 3,429.0	\$ 271.8	\$ 12.7	\$ 26.7	\$ 3,740.2
b) Current employees:					
Accumulated employee contributions including allocated investment income	1,516.2	92.6	2.8	5.1	1,616.7
Employer-financed vested	960.7	94.6	3.6	3.6	1,062.5
Employer-financed nonvested	2,740.2	223.1	4.8	13.5	2,981.6
	<u>5,217.1</u>	<u>410.3</u>	<u>11.2</u>	<u>22.2</u>	<u>5,660.8</u>
Total pension benefit obligation	8,646.1	682.1	23.9	48.9	9,401.0
Net assets available for benefits, at amortized cost	<u>6,068.6</u>	<u>553.7</u>	<u>19.3</u>	<u>27.8</u>	<u>6,669.4</u>
Unfunded pension benefit obligation	<u>\$ 2,577.5</u>	<u>\$ 128.4</u>	<u>\$ 4.6</u>	<u>\$ 21.1</u>	<u>\$ 2,731.6</u>

## FINANCIAL SECTION

Net assets available for benefits at July 1, 1989 at market value were \$6,511.9 million for SCRS, \$591.7 million for PORS, \$20.7 million for GARS, and \$30.1 million for JSRS.

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

The interest rate assumption for actuarial purposes was increased from 7.5% to 8.0%, compounded annually. This change was effective for all plans. The scales of assumed rates of salary increases were modified for the PORS, GARS and JSRS.

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.

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

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTAL</u>
	(amounts expressed in millions)				
Change in actuarial assumptions	\$ (610)	\$ (45.9)	\$ (1.1)	\$ (2.6)	\$(659.6)
Enhancement in benefit provisions	<u>731</u>	<u>37.8</u>	<u>1.5</u>	<u>3.6</u>	<u>773.9</u>
Net impact on pension benefit obligation	<u>\$ 121</u>	<u>\$ (8.1)</u>	<u>\$ .4</u>	<u>\$ 1.0</u>	<u>\$114.3</u>

## 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, 1989 were as follows:

<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
28 years	7 years	17 years	27 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.

Actuarially established employer contribution rates for the fiscal year ended June 30, 1990 were as follows:

	<u>Normal</u>	<u>Unfunded Accrued Liability</u>	<u>Accidental Death Program</u>	<u>Group Life Insurance Program</u>	<u>Total</u>
SCRS					
State and Schools	3.75%	3.80%	N/A	.15%	7.70%
Local	3.75%	2.95%	N/A	.15%	6.85%
PORS	7.19%	3.11%	.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, 1990 were as follows:

Normal	\$ 699,200
Unfunded Accrued Liability	473,111
Group life insurance	4,763
Total	<u>\$ 1,177,074</u>

## FINANCIAL SECTION

The following chart shows actual employee and employer contributions for the fiscal year ended June 30, 1990.

	Employee Contributions (000's omitted)	% of Covered Payroll	Employer Contributions (000's omitted)	% of Covered Payroll
SCRS				
State and Schools	\$ 183,502	6.2%	\$ 229,550	7.8%
Local	33,453	6.3%	37,119	7.0%
PORS	25,235	7.4%	57,683	16.8%
GARS	331	14.3%	1,177	50.9%
JSRS	582	7.2%	3,298	40.9%
Total	<u>\$ 243,103</u>		<u>\$ 328,827</u>	

Changes in actuarial assumptions 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	(.95%)	(3.20%)	*	*
b. Enhancement in benefit provisions	1.50%	3.20%	*	*

\* No change was made in contribution rates of the GARS and JSRS. The effects of the changes in actuarial assumptions and benefit provisions were reflected as a change in the unfunded accrued liability and the funding period.

The ten year historical trend information presented immediately following Note 6 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 42% of combined contribution revenues.

Administrative charges of approximately \$5.4 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 \$20.5 million were due from other agencies and departments of the State at June 30, 1990.

# FINANCIAL SECTION

## REQUIRED SUPPLEMENTARY INFORMATION (Unaudited):

### 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
1990	\$216,955	\$266,669	7.7%	\$626,723	\$8,523	\$1,118,870
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

### 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
1990	\$25,235	\$57,683	16.8%	\$63,030	\$205	\$146,153
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	10.8%	41,175	184	79,328
1986	11,427	25,768	12.6%	41,108	288	78,591
1985	8,351	17,980	10.7%	30,315	362	57,008
1984	7,451	16,099	10.9%	23,695	272	47,517
1983	6,729	14,554	10.8%	19,523	207	41,013
1982	6,315	13,603	10.8%	16,016	311	36,245
1981	5,568	12,157	10.4%	13,311	231	31,267

# FINANCIAL SECTION

## 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
1990	\$331	\$1,177	50.9%	\$1,899	\$3,407
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

### 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
1990	\$582	\$3,298	40.9%	\$2,951	\$6,831
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

## 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
1990	\$35,121	\$315,230	\$7,591	\$8,523	\$4,909	\$371,374
1989	33,916	270,232	6,749	9,269	3,981	324,147
1988	32,493	216,264	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

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
1990	\$4,062	\$26,000	\$411	\$939	\$205	\$453	\$32,070
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



# FINANCIAL SECTION

## 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
1990	\$17	\$1,485	\$26	\$16	\$1,544
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

### 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
1990	\$47	\$2,657	\$10	\$22	\$2,736
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

# FINANCIAL SECTION

## 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
SCRS	1989	\$6,068.6	\$8,646.1	70.2%	\$2,577.5	\$3,305.4	78.0%
	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%
PORS	1989	553.7	682.1	81.2%	128.4	304.8	42.1%
	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%
GARS	1989	19.3	23.9	80.9%	4.6	2.7	167.0%
	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%
JSRS	1989	27.8	48.9	56.9%	21.1	7.6	278.0%
	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 through 1989.

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.

The above information is presented only for years available. Additional years will be added as available.

COMBINING BALANCE SHEET  
SOUTH CAROLINA RETIREMENT SYSTEMS  
PENSION TRUST FUNDS  
JUNE 30, 1990  
(amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	TOTAL
<b>Assets</b>					
Investments, at amortized cost:					
Short-term investments	\$ 29,420	\$ 4,968			\$ 34,388
(market value - \$34,150)					
United States Government securities					
(market value - \$3,028,815)	2,440,924	187,689	\$ 7,401	\$ 10,807	2,646,821
United States Government agencies and government-insured securities					
(market value - \$2,467,028)	2,148,326	262,424	6,942	11,177	2,428,868
Corporate bonds (market value - \$1,774,062)	1,556,279	172,100	4,473	8,051	1,739,903
Financial and other (market value - \$248,304)	229,027	18,091	200	999	248,317
Total investments	6,402,976	645,272	19,016	31,034	7,098,297
Deferred yield adjustment for security exchanges	111,322	7,063	442	35	118,862
Receivables:					
Contributions	66,217	16,419		24	81,660
Accrued interest	114,165	12,402	422	550	127,539
Cash and cash equivalents	201,734	7,359	1,351	1,262	211,706
Total assets	\$ 6,895,413	\$ 688,515	\$ 21,231	\$ 32,905	\$7,638,064
<b>Liabilities and fund balances</b>					
Liabilities:					
Accounts payable - unsettled investment purchases	\$ 30,096	\$ 10,058		\$ 1,000	\$ 41,154
Accrued expenses	1,867	201	\$ 10		2,078
Total liabilities	31,963	10,259	10	1,000	43,232
<b>Fund balances:</b>					
Employee fund	1,812,178	126,946	4,328	5,985	1,949,437
Employer fund	5,001,517	539,753	16,893	25,920	5,584,083
Group life insurance fund	49,755	6,723			56,478
Accidental death fund		4,834			4,834
Total fund balances	6,863,450	678,256	21,221	31,905	7,594,832
<b>Total liabilities and fund balances</b>	<u>\$ 6,895,413</u>	<u>\$ 688,515</u>	<u>\$ 21,231</u>	<u>\$ 32,905</u>	<u>\$7,638,064</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND BALANCES  
SOUTH CAROLINA RETIREMENT SYSTEMS  
PENSION TRUST FUNDS  
YEAR ENDED JUNE 30, 1990  
(amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	TOTAL
Operating revenues:					
Employee contributions:					
State department employees	\$ 89,693	\$ 12,018	\$ 331	\$ 582	\$ 102,624
Public school employees	93,809				93,809
Other political subdivision employees	33,453	13,217			46,670
Employer contributions:					
State department employers	113,169	19,206	1,177	3,298	136,850
Public school employers	116,381				116,381
Other political subdivision employers	37,119	38,477			75,596
Supplemental retirement benefits funded by the State	8,523	205			8,728
Investment income	626,723	63,030	1,899	2,961	694,603
Total operating revenues	1,118,870	146,153	3,407	6,831	1,275,261
Operating expenses:					
Refunds of contributions to members	35,121	4,062	17	47	39,247
Regular retirement benefits	315,230	26,000	1,485	2,657	345,372
Supplemental retirement benefits	8,523	205			8,728
Group life insurance payments	7,591	939	26	10	8,566
Accidental death benefits		411			411
Administrative charges	4,909	453	16	22	5,400
Total operating expenses	371,374	32,070	1,544	2,736	407,724
Net income	747,496	114,083	1,863	4,095	867,537
Fund balances at beginning of year	6,115,954	564,173	19,358	27,810	6,727,295
Fund balances at end of year	\$ 6,863,450	\$ 678,256	\$ 21,221	\$ 31,905	\$ 7,594,832

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION  
SOUTH CAROLINA RETIREMENT SYSTEMS  
PENSION TRUST FUNDS  
YEAR ENDED JUNE 30, 1990  
(amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	TOTAL
Sources of working capital:					
Operations - net income	<u>\$ 747,496</u>	<u>\$ 114,083</u>	<u>\$ 1,863</u>	<u>\$ 4,095</u>	<u>\$ 867,537</u>
Net increase in working capital	<u>\$ 747,496</u>	<u>\$ 114,083</u>	<u>\$ 1,863</u>	<u>\$ 4,095</u>	<u>\$ 867,537</u>
Elements of net increase in working capital:					
Cash and cash equivalents	\$ 197,775	\$ 7,320	\$ 1,348	\$ 1,260	\$ 207,703
Investments	511,010	92,507	547	3,720	607,784
Deferred yield adjustment	(21,009)	(1,294)	(45)	3	(22,345)
Receivables	30,293	10,618	23	112	41,046
Accounts payable and accrued expenses	<u>29,427</u>	<u>4,932</u>	<u>(10)</u>	<u>(1,000)</u>	<u>33,349</u>
Net increase in working capital	<u>\$ 747,496</u>	<u>\$ 114,083</u>	<u>\$ 1,863</u>	<u>\$ 4,095</u>	<u>\$ 867,537</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**  
**SOUTH CAROLINA RETIREMENT SYSTEM**  
**PENSION TRUST FUND**  
**YEAR ENDED JUNE 30, 1990**  
*(amounts expressed in thousands)*

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE INSURANCE FUND	TOTAL
<b>Operating revenues:</b>				
Employee contributions:				
State department employees	\$ 89,693		\$	\$ 89,693
Public school employees	93,809			93,809
Other political subdivision employees	33,453			33,453
Employer contributions:				
State department employers		\$ 110,946	\$ 2,223	113,169
Public school employers		114,122	2,259	116,381
Other political subdivision employers		36,416	703	37,119
Supplemental retirement benefits funded by the State		8,523		8,523
Investment income		621,959	4,764	626,723
Total operating revenues	<u>216,955</u>	<u>891,966</u>	<u>9,949</u>	<u>1,118,870</u>
<b>Operating expenses:</b>				
Refunds of contributions to members	35,121			35,121
Regular retirement benefits		315,230		315,230
Supplemental retirement benefits		8,523		8,523
Group life insurance payments		4,909	7,591	7,591
Administrative charges				4,909
Total operating expenses	<u>35,121</u>	<u>328,662</u>	<u>7,591</u>	<u>371,374</u>
<b>Interfund transfers according to statutory requirements:</b>				
Contributions by members at retirement	(53,269)	53,269		
Interest credited to members' accounts	90,582	(90,582)		
Net interfund transfers	<u>37,313</u>	<u>(37,313)</u>		
Net income	219,147	525,991	2,358	747,496
Fund balances at beginning of year	<u>1,593,031</u>	<u>4,475,526</u>	<u>47,397</u>	<u>6,115,954</u>
Fund balances at end of year	<u>\$ 1,812,178</u>	<u>\$ 5,001,517</u>	<u>\$ 49,755</u>	<u>\$ 6,863,450</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**  
**SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM**  
**PENSION TRUST FUND**  
**YEAR ENDED JUNE 30, 1990**  
*(amounts expressed in thousands)*

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE INSURANCE FUND	ACCIDENTAL DEATH FUND	TOTAL
Operating revenues:					
Employee contributions:					
State department employees	\$ 12,018				\$ 12,018
Other political subdivision employees	13,217				13,217
Employer contributions:					
State department employees		\$ 18,494	\$ 356	\$ 356	19,206
Other political subdivision employers		37,889	290	298	38,477
Supplemental retirement benefits funded by the State		205			205
Investment income		61,864	705	461	63,030
Total operating revenues	25,235	118,452	1,351	1,115	146,153
Operating expenses:					
Refunds of contributions to members	4,062				4,062
Regular retirement benefits		26,000			26,000
Supplemental retirement benefits		205	939		205
Group life insurance payments				411	939
Accidental death benefits					411
Administrative charges		453			453
Total operating expenses	4,062	26,658	939	411	32,070
Interfund transfers according to statutory requirements:					
Contributions by members at retirement	(5,454)	5,454			
Interest credited to members' accounts	5,873	(5,873)			
Net interfund transfers	419	(419)			
Net income	21,592	91,375	412	704	114,083
Fund balances at beginning of year	105,354	448,378	6,311	4,130	564,173
Fund balances at end of year	\$ 126,946	\$ 539,753	\$ 6,723	\$ 4,834	\$ 678,256

COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND BALANCES  
 GENERAL ASSEMBLY RETIREMENT SYSTEM  
 PENSION TRUST FUND  
 YEAR ENDED JUNE 30, 1990  
 (amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTAL
Operating revenues:			
Employee contributions	\$ 331	\$ 331	
Employer contributions		1,177	1,177
Investment income		1,899	1,899
Total operating revenues	331	3,076	3,407
Operating expenses:			
Refunds of contributions to members	17		17
Retirement benefits		1,486	1,486
Group life insurance payments		26	26
Administrative charges		16	16
Total operating expenses	17	1,527	1,544
Interfund transfers according to statutory requirements:			
Contributions by members at retirement	(166)	166	
Interest credited to members' accounts	227	(227)	
Net interfund transfers	61	(61)	
Net income	375	1,488	1,863
Fund balances at beginning of year	3,953	15,405	19,358
Fund balances at end of year	\$ 4,328	\$ 16,893	\$ 21,221

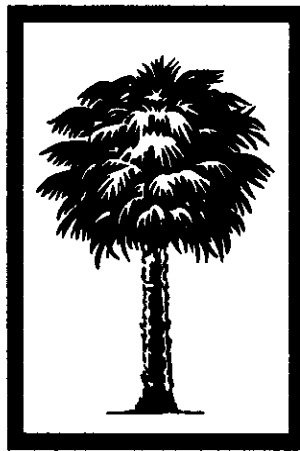
South Carolina Retirement Systems



**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**  
**JUDGES AND SOLICITORS RETIREMENT SYSTEM**  
**PENSION TRUST FUND**  
**YEAR ENDED JUNE 30, 1990**  
*(amounts expressed in thousands)*

	EMPLOYEE FUND	EMPLOYER FUND	TOTAL
<b>Operating revenues:</b>			
Employee contributions	\$ 582	\$	582
Employer contributions		3,298	3,298
Investment income		2,951	2,951
Total operating revenues	582	6,249	6,831
<b>Operating expenses:</b>			
Refunds of contributions to members	47		47
Regular retirement benefits		2,657	2,657
Group life insurance payments		10	10
Administrative charges		22	22
Total operating expenses	47	2,689	2,736
<b>Interfund transfers according to statutory requirements:</b>			
Contributions by members at retirement	(109)	109	
Interest credited to members' accounts	292	(292)	
Net interfund transfers	183	(183)	
Net income	718	3,317	4,095
Fund balances at beginning of year	5,267	22,543	27,810
Fund balances at end of year	\$ 5,985	\$ 25,920	\$ 31,905

# ACTUARIAL SECTION



**BUCK  
CONSULTANTS**

200 Galleria Parkway, N.W. Suite 1200  
Atlanta, Georgia 30339

October 11, 1990

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, 1989. 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 4% annual payroll growth due to inflation for the South Carolina Retirement System and the Police Officers 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, 1989 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 Systems*

# ACTUARIAL SECTION

## *SOUTH CAROLINA RETIREMENT SYSTEM RESULTS OF THE VALUATION AS OF JULY 1, 1989 (All dollar amounts are in thousands)*

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present retired members and beneficiaries	\$ 3,275,332
	(b) Present active and inactive members	<u>8,381,023</u>
	(c) Total actuarial liabilities	\$ 11,656,355
(2)	Assets of the System	<u>6,068,557</u>
(3)	Present value of future contributions = (1)(c) - (2)	\$ 5,587,798
(4)	Present value of future contributions by members	<u>2,240,591</u>
(5)	Present value of future contributions by employers = (3) - (4)	\$ 3,347,207
(6)	Present value of future normal contributions by employers	\$ 1,276,287
(7)	Present value of unfunded accrued liability contributions by employers = (5) - (6)	\$ 2,070,920
(8)	Unfunded accrued liability rates	
	(a) Class One Service	1.46%
	(b) Class Two Service: State	3.80%
	(c) Class Two Service: Others	2.95%
(9)	Unfunded accrued liability liquidation period	28 years
(10)	Group life insurance benefit contribution rate	.15%

# ACTUARIAL SECTION

## *POLICE OFFICERS RETIREMENT SYSTEM RESULTS OF THE VALUATION AS OF JULY 1, 1989*

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present retired members and beneficiaries	\$ 246,292,499
	(b) Present active and inactive members	<u>898,020,581</u>
	(c) Total actuarial liabilities	\$ 1,144,313,080
(2)	Assets of the System	<u>553,732,000</u>
(3)	Present value of future contributions = (1) (c) - (2)	\$ 590,581,080
(4)	Present value of future contributions by members	<u>252,989,087</u>
(5)	Present value of future contributions by employers = (3) - (4)	\$ 337,591,993
(6)	Present value of future normal contributions by employers	\$ 279,930,853
(7)	Present value of unfunded accrued liability contributions by employers = (5) - (6)	\$ 57,661,140
(8)	Unfunded accrued liability rates:	
	(a) Class One Service	3.21%
	(b) Class Two Service	3.11%
(9)	Unfunded accrued liability liquidation period	7 years
(10)	Group life insurance benefit contribution rate	.20%
(11)	Accidental death benefit contribution rate	.20%

# ACTUARIAL SECTION

## *GENERAL ASSEMBLY RETIREMENT SYSTEM RESULTS OF THE VALUATION AS OF JULY 1, 1989*

(1)	Actuarial Liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present beneficiaries and contingent beneficiaries	\$ 11,593,457
	(b) Present active, inactive and special members	<u>22,554,701</u>
	(c) Total actuarial liabilities	\$ 34,148,158
(2)	Assets of the System	<u>19,358,000</u>
(3)	Present value of future contributions = (1) (c) - (2)	\$ 14,790,158
(4)	Present value of future contributions by members	<u>2,796,462</u>
(5)	Present value of future contributions by the State = (3) - (4)	\$ 11,993,696
(6)	Present value of 1 per cent of future compensation	\$ 279,646
(7)	Present value of future normal contributions by the State at 20.22% = (6) x 20.22	\$ 6,638,796
(8)	Present value of unfunded accrued liability contributions by the State = (5) - (7)	\$ 5,354,900
(9)	Unfunded accrued liability liquidation period	17 years
(10)	Annual cost of lump sum death benefit contributions by the State	\$ 5,025

**JUDGES AND SOLICITORS RETIREMENT SYSTEM  
RESULTS OF THE VALUATION AS OF JULY 1, 1989**

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present beneficiaries and contingent beneficiaries	\$ 26,715,649
	(b) Present active members	<u>53,656,278</u>
	(c) Total actuarial liabilities	\$ 80,371,927
(2)	Assets of the System	<u>27,810,000</u>
(3)	Present value of future contributions = (1) (c) - (2)	\$ 52,561,927
(4)	Present value of future contributions by members	<u>5,640,181</u>
(5)	Present value of future contributions by the State = (3) - (4)	\$ 46,921,746
(6)	Present value of future normal contributions by the State	\$ 17,804,563
(7)	Present value of unfunded accrued liability contributions by the State = (5) - (6)	\$ 29,117,183
(8)	Unfunded accrued liability liquidation period	27 years

# ACTUARIAL SECTION

## SOUTH CAROLINA RETIREMENT SYSTEM OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 8 % 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								
<u>Age</u>	<u>With- drawal</u>	<u>Death</u>	<u>Dis- ability</u>	<u>Service Retire- ment</u>	<u>With- drawal</u>	<u>Death</u>	<u>Dis- ability</u>	<u>Service Retirement</u>
Men Teachers				Women Teachers				
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	5.00%	1.74	.20	.20	5.00%
55	2.03	.50	.34	5.00	1.18	.29	.35	5.00
60		.70	.59	10.00		.45	.61	15.00
64		.92	.94	20.00		.66	.82	20.00

<u>Age</u>	<u>Withdrawal</u>	<u>Death Employees</u>	<u>Dis- ability</u>	<u>Service Retire- ment *</u>	<u>Salary Increase</u>
Employees				Teachers and Employees	
	<u>Men</u>	<u>Women</u>			
20	13.94%	12.55%	.07%	.04%	11.81%
25	12.46	11.21	.09	.04	10.90
30	9.78	8.80	.11	.06	9.50
35	7.38	6.64	.14	.08	7.81
40	5.57	5.01	.18	.10	7.00
45	4.27	3.84	.28	.15	6.60
50	3.18	2.86	.46	.25	6.30
55	2.14	1.93	.75	.40	6.10
60			1.08	.61	5.90
64			1.36	.85	5.80

\* Plus 0.15 in year when first eligible for unreduced early retirement.

DEATH AFTER RETIREMENT: 1971 Group Annuity Mortality Tables rated back one year, for service retirement and dependent beneficiaries. 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 active service tables, mortality tables, and salary increase assumptions adopted on October 24, 1989. The interest rate was adopted on July 18, 1989.

**ASSET VALUATION METHOD:** Amortized cost.

**COST-OF-LIVING INCREASES:** For funding purposes, 4% per year for current retirees and active members eligible to retire; for GASB, 4% per year after assumed retirement for all members.

# ACTUARIAL SECTION

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

INTEREST RATE: 8% per annum, compounded annually.

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

<u>Annual Rate of</u>					
<u>Age</u>	<u>Withdrawal</u>	<u>Death</u>	<u>Disability</u>	<u>Service Retirement*</u>	<u>Salary Increases</u>
20	3.45%	.10%	.14%		12.29%
25	3.21	.13	.16		11.39
30	2.28	.16	.20		10.01
35	1.40	.20	.26		8.29
40	.86	.27	.34		7.50
45	.58	.40	.50		7.10
50	.44	.57	.84	5.00%	6.80
55		.88		6.50	6.60
60		1.42		9.90	6.40
64		2.03		15.98	6.30

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

DEATHS AFTER RETIREMENT: 1971 Group Annuity Mortality Tables for service retirement and dependent beneficiaries set forward two years. 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 basis of active service tables, mortality tables, and salary increase assumptions adopted on October 24, 1989. The interest rate was adopted on July 18, 1989.

ASSET VALUATION METHOD: Amortized cost.

# ACTUARIAL SECTION

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

INTEREST RATE: 8% per annum, compounded annually.

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

Age	Annual Rate of				
	Death		Disability		Service Retirement
	Male	Female	Male	Female	
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: 1971 Group Annuity Mortality Tables, rated back one year for service retirement and dependent beneficiaries. 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 active service tables, mortality tables, and salary increase assumptions adopted on October 24, 1989. The interest rate was adopted on July 18, 1989.

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.

# ACTUARIAL SECTION

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

VALUATION INTEREST RATE: 8% per annum, compounded annually.

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

Age	Withdrawal*	Disability	Annual Rates of	
			Death	
			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 1/2% per annum, compounded annually.

DEATHS AFTER RETIREMENT: 1971 Group Annuity Mortality Tables, rated back one year, for service retirement and dependent beneficiaries. 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 active service tables, mortality tables, and salary increase assumptions adopted on October 24, 1989. The interest rate was adopted on July 18, 1989.

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.

**ACTUARIAL SECTION**

***SOUTH CAROLINA RETIREMENT SYSTEM  
THE NUMBER AND EARNABLE COMPENSATION OF ACTIVE MEMBERS  
AS OF JULY 1, 1989***

<u>GROUP</u>	<u>MEN</u>	<u>WOMEN</u>	<u>TOTAL</u>
<u>EMPLOYEES</u>			
Number	42,068	50,244	92,312
Earnable Compensation (1,000's)	\$ 999,917	\$ 935,262	\$ 1,935,179
<u>TEACHERS</u>			
Number	12,924	55,132	68,056
Earnable Compensation (1,000's)	\$ 317,511	\$ 1,052,660	\$ 1,370,171
<u>TOTAL</u>			
Number	54,992	105,376	160,368
Earnable Compensation (1,000's)	\$ 1,317,428	\$ 1,987,922	\$ 3,305,350

Note: There are in addition 100,625 inactive members. 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, 1989***

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
Men	12,433	\$ 252,501,002
Women	<u>2,982</u>	<u>52,250,564</u>
Total	15,415	\$ 304,751,566

Note: There are in addition 4,169 members not on the payroll as of July 1, 1989 but included in the individual accounts maintained by the System. The results of the valuation were adjusted to take these members into account.

# ACTUARIAL SECTION

## *GENERAL ASSEMBLY RETIREMENT SYSTEM NUMBER AND EARNABLE COMPENSATION OF ACTIVE MEMBERS AS OF JULY 1, 1989*

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
Men	183	\$ 2,488,800
Women	<u>18</u>	<u>244,800</u>
Total	201	\$ 2,733,600

Note: There are in addition 125 inactive members with contributions still in the System. The results of the valuation were adjusted to take these members into account.

## *JUDGES AND SOLICITORS RETIREMENT SYSTEM NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS AS OF JULY 1, 1989*

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
Men	98	\$ 7,329,873
Women	<u>4</u>	<u>306,377</u>
Total	102	\$ 7,636,250

# ACTUARIAL SECTION

## SOUTH CAROLINA RETIREMENT SYSTEM THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF RETIRED MEMBERS AND BENEFICIARIES ON THE ROLL AS OF JULY 1, 1989

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES (1,000's)</u>
Service Retirements		
Employees:		
Men	7,882	\$ 67,506
Women	6,357	37,643
Teachers:		
Men	3,296	33,493
Women	<u>14,201</u>	<u>104,344</u>
Total	<u>31,736</u>	<u>\$242,986</u>
Disability Retirements		
Employees:		
Men	1,397	\$ 8,113
Women	1,013	5,498
Teachers:		
Men	406	2,970
Women	<u>1,151</u>	<u>7,200</u>
Total	<u>3,967</u>	<u>\$ 23,781</u>
Beneficiaries of Deceased Retired Members and Active Members		
Men	416	\$ 1,869
Women	<u>2,530</u>	<u>12,556</u>
Total	<u>2,946</u>	<u>\$ 14,425</u>
Grand Total	<u>38,649</u>	<u>\$281,192</u>

Note: The Retirement allowances shown do not include the increase effective July 1, 1989. However, the improvement was included in determining the liabilities for funding.

# ACTUARIAL SECTION

***POLICE OFFICERS RETIREMENT SYSTEM  
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF  
RETIRED MEMBERS AND BENEFICIARIES  
AS OF JULY 1, 1989***

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES</u>
Service and Early Retirements:		
Men	1,780	\$ 15,595,428
Women	<u>76</u>	<u>401,570</u>
Total	<u>1,856</u>	<u>\$ 15,996,998</u>
 Disability Retirements:		
Men	349	\$ 2,811,230
Women	<u>18</u>	<u>97,050</u>
Total	<u>367</u>	<u>\$ 2,908,280</u>
 Beneficiaries of Deceased Members:		
Men	11	\$ 42,484
Women	<u>369</u>	<u>2,017,990</u>
Total	<u>380</u>	<u>\$ 2,060,474</u>
 Grand Total	<u>2,603</u>	<u>\$ 20,965,752</u>

Note: The retirement allowances shown do not include the increase effective July 1, 1989. However, the improvement was included in the liability determination.



**ACTUARIAL SECTION**

**GENERAL ASSEMBLY RETIREMENT SYSTEM  
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF  
BENEFICIARIES AND CONTINGENT BENEFICIARIES  
AS OF JULY 1, 1989**

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Beneficiaries:		
Men	102	\$ 1,125,177
Women	<u>5</u>	<u>18,194</u>
Total	107	\$ 1,143,371
Contingent Beneficiaries:		
Men	4	\$ 27,484
Women	<u>25</u>	<u>173,419</u>
Total	<u>29</u>	<u>\$ 200,903</u>
Grand Total	<u>136</u>	<u>\$ 1,344,274</u>

**JUDGES AND SOLICITORS RETIREMENT SYSTEM  
NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF  
BENEFICIARIES AND CONTINGENT BENEFICIARIES  
AS OF JULY 1, 1989**

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	38	\$ 1,858,952
Women	<u>0</u>	<u>0</u>
Total	38	\$ 1,858,952
Disability Retirements:		
Men	2	\$ 97,058
Women	<u>0</u>	<u>0</u>
Total	<u>2</u>	<u>\$ 97,058</u>
Beneficiaries of Deceased Members:		
Men	0	\$ 0
Women	<u>23</u>	<u>388,031</u>
Total	<u>23</u>	<u>\$ 388,031</u>
Grand Total	<u>63</u>	<u>\$ 2,344,041</u>

**SCHEDULE OF  
RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS**

Valuation Date	<u>SCRS</u>			<u>PORS</u>		
	Added	Deleted	Balance	Added	Deleted	Balance
07-01-89	3,464	1,391	38,649	333	84	2,603
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

Valuation Date	<u>GARS</u>			<u>JSRS</u>		
	Added	Deleted	Balance	Added	Deleted	Balance
07-01-89	21	5	136	8	0	63
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

\* 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 a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Members Payroll	UAL as a % of Active Member Payroll
SCRS						
7-01-89	\$ 6,068,557	\$ 8,139,477	74.6%	\$ 2,070,920	\$ 3,305,350	62.7%
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%
PORS						
7-01-89	\$ 553,732	\$ 611,393	90.6%	\$ 57,661	\$ 304,752	18.9%
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%	25,895	147,723	17.5%
6-30-83	211,736	220,625	96.0%	8,889	135,556	6.6%
6-30-82	180,801	199,483	90.6%	18,682	126,097	14.8%
6-30-81	153,844	175,065	87.9%	21,221	116,526	18.2%
6-30-80	130,193	151,037	86.2%	20,844	103,446	20.1%

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: a) valuation interest rate changed from 7.0% to 7.5%; b) salary increase assumptions strengthened.  
Effective 7-1-89, certain actuarial assumptions were changed: a) valuation interest rate changed from 7.5% to 8.0%; b) salary increases, mortality and service retirement tables.

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

Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Assets as a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active members Payroll	UAL as a % of Active Member Payroll
GARS						
7-01-89	\$ 19,358	\$ 24,713	78.3%	\$ 5,355	\$ 2,734	195.9%
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%
JSRS						
7-01-89	\$ 27,810	\$ 56,927	48.9%	\$ 29,117	\$ 7,636	381.3%
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	28,526	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%

**SOLVENCY TEST**  
(amounts expressed in thousands)

Aggregate Accrued Liabilities for:

Valuation Date	(1) Active Member Contributions	(2) Retirees & Beneficiaries	(3) Active Members (Employer Funded Portion)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
					(1)	(2)	(3)
SCRS 7-01-89	\$1,593,031	\$ 3,275,332	\$ 3,271,114	\$ 6,068,557	100%	100%	36.7%
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	1,426,683	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%
PORS 7-01-89	\$ 105,354	\$ 246,292	\$ 259,747	\$ 553,732	100%	100%	77.8%
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	99,106	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	54,794	87,980	153,844	100%	100%	75.9%
6-30-80	28,368	46,743	75,926	130,193	100%	100%	72.5%

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 retirees and active members eligible for service retirement.  
 Effective 7-1-88, certain actuarial assumptions were changed: a) valuation interest rate changed from 7.0% to 7.5%; b) salary increase assumptions were strengthened.  
 Effective 7-1-89, certain actuarial assumptions were changed: a) valuation interest rate changed from 7.5% to 8.0%; b) salary increases, mortality and service retirement tables.

**SOLVENCY TEST**  
(amounts expressed in thousands)

Aggregate Accrued Liabilities for:

Valuation Date	(1) Active Member Contributions	(2) Retirees & Beneficiaries	(3) Active Members (Employer Funded Portion)	Valuation Assets	Portion of Aggregate Liabilities Covered by Assets (1)	Portion of Aggregate Accrued Liabilities Covered by Assets (2)	Portion of Aggregate Accrued Liabilities Covered by Assets (3)
<b>GARS</b>							
7-01-89	\$ 3,953	\$ 11,593	\$ 9,167	\$ 19,358	100%	100%	41.6%
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%
<b>JSRS</b>							
7-01-89	\$ 5,267	\$ 26,716	\$ 24,944	\$ 27,810	100%	84.4%	0.0%
7-01-88	4,930	25,283	18,568	23,772	100%	74.5%	0.0%
6-30-87	4,213	26,705	20,596	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

<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
1. <u>Membership</u>  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. <u>Employee Contributions</u>  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. <u>Employer Contributions</u> Effective July 1, 1989 Class I - 4.25% of salary. Class II - 7.55% of salary for State Departments and Public Schools.	Class I - 7.8% of salary. Class II - 10.3% of salary.	Annual lump-sum appropriation.	Annual lump-sum appropriation.
6.7% of salary for all other participating employers.			
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	N/A

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
4. <u>Vesting Requirements</u>	5 years - entitled to a deferred annuity commencing at age 60.	5 years - entitled to a deferred annuity commencing at age 55.	8 years.	12 years
5. <u>Normal Retirement</u>	<u>Age</u> Age 65.	Age 55 with 5 years of service.	Age 60.	Age 72.
6. <u>Requirements for Full Service Retirement</u>	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. <u>Early Retirement</u>	Age 60 with 5% reduction for each year under age 65.  Effective July 1, 1990 age 55 with 25 years service, reduced 4% for each year of service under 30.	N/A	N/A	N/A
8. <u>Formula for Normal Service Retirement</u>	Class I - 1.45% of Average Final Compensation times years of credited service. Class II - 1.82% of AFC times years of credited service.	Class I - \$10.97 per month.  Class II - 2.14% of AFC times years of credited service.	4.82% of earnable compensation times years of credited service.	Annual allowance of 71.3% of the current active salary of the position.



<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
<p>9. <u>Requirements for Disability Retirement</u></p> <p>5 years of credited service unless injury is job related.</p>	<p>5 years of credited service unless injury is job related.</p>	<p>5 years of credited service.</p>	<p>5 years of credited service.</p>
<p>10. <u>Formula for Disability Retirement</u></p> <p>Service retirement benefit based upon continued service to age 65 with no change in compensation.</p>	<p>Service retirement benefit based upon continued service to age 55 with no change in compensation.</p>	<p>The greater of:  a. Service benefit based upon actual credit service.  b. 50% of service benefit based upon continued service to earlier of age 60 or 35 years service.</p>	<p>Service retirement formula.</p>
<p>11. <u>Benefit Option</u></p> <p><u>Maximum Benefit</u>  Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death.</p> <p><u>Option 1</u>  Reduced benefit with lump-sum payment of accumulated contributions balance reduced by 10% per year during the first ten years of retirement.</p> <p><u>Option 2</u>  Provides a reduced continued benefit of equal amount to the beneficiary of retiree.</p>	<p><u>Maximum Benefit</u>  Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death.</p> <p><u>Option 1</u>  Provides a reduced continued benefit of equal amount to the beneficiary of retiree.</p> <p><u>Option 2</u>  Provides a continued benefit of 50% of the retiree's annuity payable to the retiree's beneficiary.</p>	<p><u>Maximum Benefit</u>  Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death.</p> <p><u>Option 1</u>  Provides a reduced continued benefit of equal amount to the beneficiary of retiree.</p> <p><u>Optional Allowance</u>  Provides a reduced retirement allowance to retiree with a continued benefit of one-third of the retiree's allowance to a non-spouse beneficiary.</p>	<p><u>Maximum Benefit</u>  Benefit as calculated in item 8. Continued benefit of one-third of retiree's benefit to a spouse beneficiary upon death of retiree.</p>

<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
Option 3 Provides a continued benefit of 50% of the retiree's annuity payable to the retiree's beneficiary.	Option 3 Provides inflated benefit until social security payments begin, then annuity reduced to provide approximate level retirement income.		
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. <u>Post Retirement Increase</u> 4% per year, provided Consumer Price Index for prior calendar year was 3% or higher.	4% per year, provided Consumer Price Index for prior calendar year was 3% or higher.	As legislated.	N/A
13. <u>Accidental Death Program</u> 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

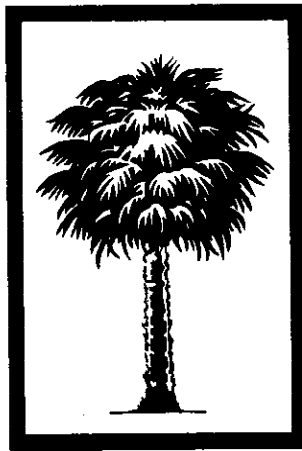
<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
<u>14. Group Life Insurance Benefits</u>			
Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.	Lump-sum payment equal to one year's salary payable to the beneficiary 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.
<u>15. Withdrawal of Employee Contributions</u>			
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.
<u>16. Actuarial Valuation Method</u>			
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.
<u>17. Interest Rate Assumption</u>			
8.0% per annum, compounded annually.	8.0% per annum, compounded annually.	8.0% per annum, compounded annually.	8.0% per annum, compounded annually.

	<u>SORS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
18. <u>Unfunded Accrued Liability (7-01-89)</u> (Based on actuarial method used for funding purposes. Amounts in thousands.)				
	\$2,070,920	\$57,661	\$5,365	\$29,117
19. <u>Unfunded Accrued Liability Liquidation</u> <u>Period (7-01-89)</u>				
28 years		7 years	17 years	27 years

**ACTUARIAL SECTION**

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# **STATISTICAL SECTION**



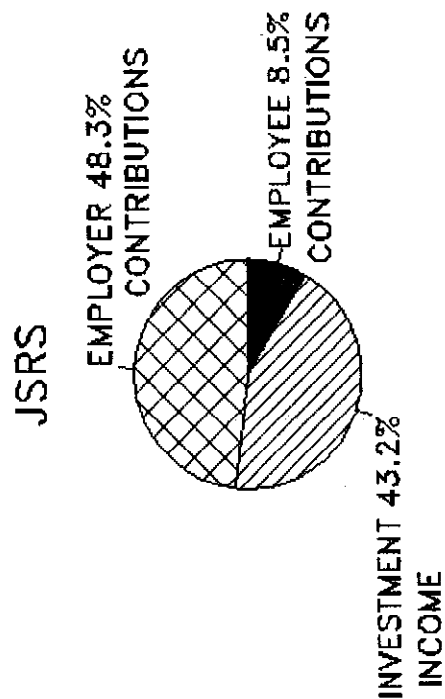
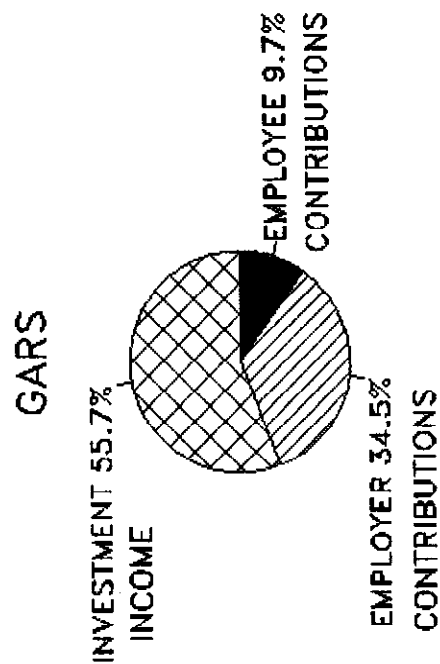
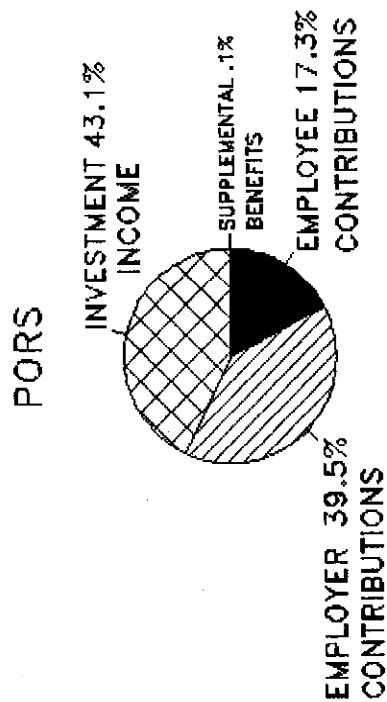
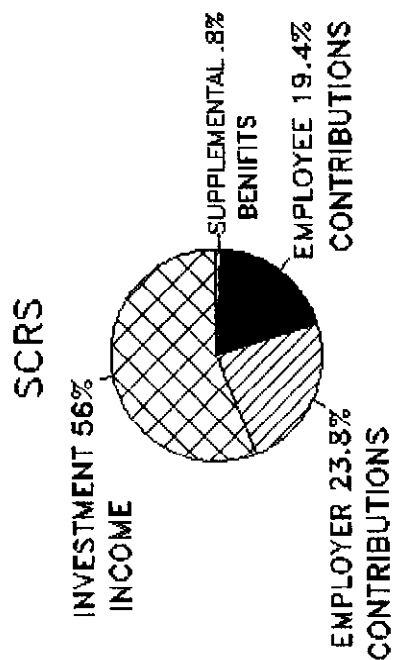
SOUTH CAROLINA RETIREMENT SYSTEM  
REVENUE BY SOURCE  
(amounts expressed in thousands)

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
1990	\$ 216,955	19.4%	\$ 266,669	23.8%	\$ 626,723	56.0%	\$ 8,523	0.8%	\$ 1,118,870
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

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
1990	\$ 25,235	17.3%	\$ 57,683	39.5%	\$ 63,030	43.1%	\$ 205	0.1%	\$ 146,153
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

REVENUE DISTRIBUTION  
JUNE 30, 1990





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
1990	\$ 331	9.8%	\$ 1,177	34.5%	\$ 1,899	55.7%	\$ 3,407
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

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
1990	\$ 582	8.5%	\$ 3,298	48.3%	\$ 2,951	43.2%	\$ 6,831
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%	1,036	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

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

Year Ended June 30,	Member Refunds Amount	Member Refunds % Increase	Annuity Payments Amount	Annuity Payments % Increase	Group Life Payments Amount	Group Life Payments % Increase	Annuity Supplements Amount	Annuity Supplements % Increase	Administrative Charges Amount	Administrative Charges % Increase	Total Expenses
1990	\$ 35,121	3.6%	\$ 315,230	16.7%	\$ 7,591	12.5%	\$ 8,523	-8.1%	\$ 4,909	18.9%	\$ 371,374
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%	6,139	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

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

Year Ended June 30,	Member Refunds Amount	Member Refunds % Increase	Annuity Payments Amount	Annuity Payments % Increase	Accidental Death Benefits Amount	Accidental Death Benefits % Increase	Group Life Payments Amount	Group Life Payments % Increase	Annuity Supplements Amount	Annuity Supplements % Increase	Administrative Charges Amount	Administrative Charges % Increase	Total Expenses
1990	\$ 4,062	12.3%	\$ 26,000	28.2%	\$ 411	16.8%	\$ 939	22.0%	\$ 205	-18.0%	\$ 453	28.3%	\$ 32,070
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%	335	-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	-6.0%	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

GENERAL ASSEMBLY 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
1990	\$ 17 54.6%	\$ 1,485 14.3%	\$ 26 -3.70%	\$ 16 23.1%	\$ 1,544
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

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

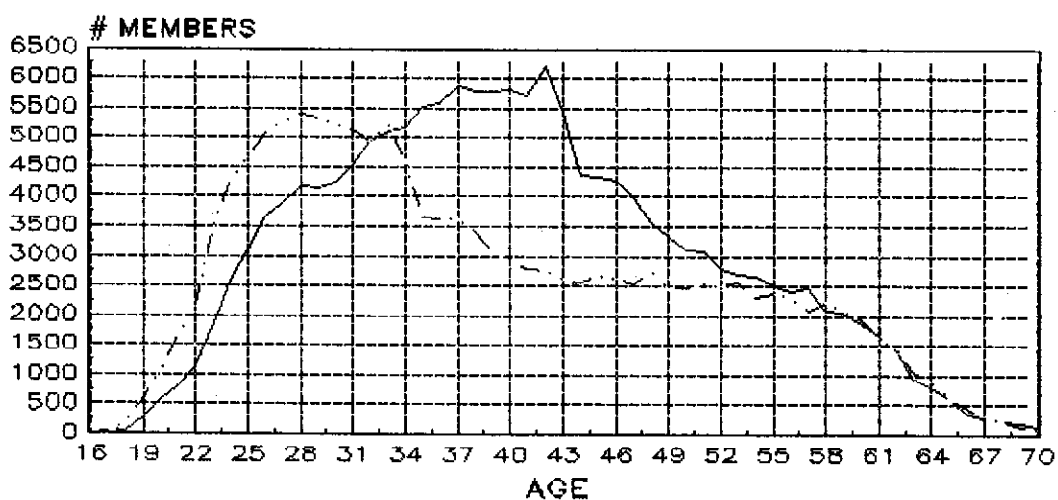
YEAR ENDED JUNE 30,	MEMBER REFUNDS AMOUNT % INCREASE	ANNUITY PAYMENTS AMOUNT % INCREASE	GROUP LIFE PAYMENTS AMOUNT % INCREASE	ADMINISTRATIVE CHARGES AMOUNT % INCREASE	TOTAL EXPENSES
1990	\$ 47	\$ 2,657 13.4%	\$ 10	\$ 22 29.4%	\$ 2,736
1989		2,344 18.2%		17 6.3%	2,361
1988		1,983 0.6%		16 14.3%	1,99
1987	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%			714

DISTRIBUTION OF ACTIVE MEMBERS  
BY AGE

SCRS

1989

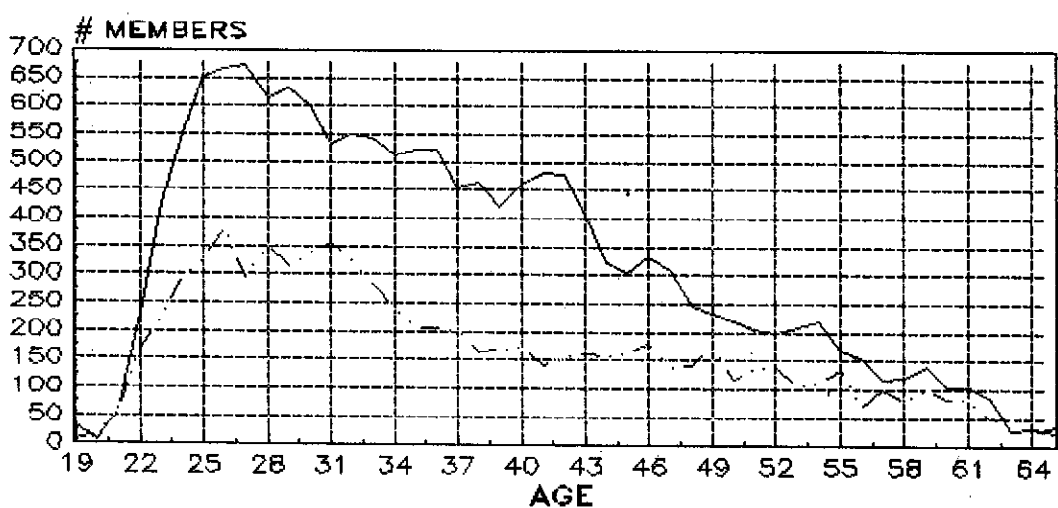
1980



PORS

1989

1979

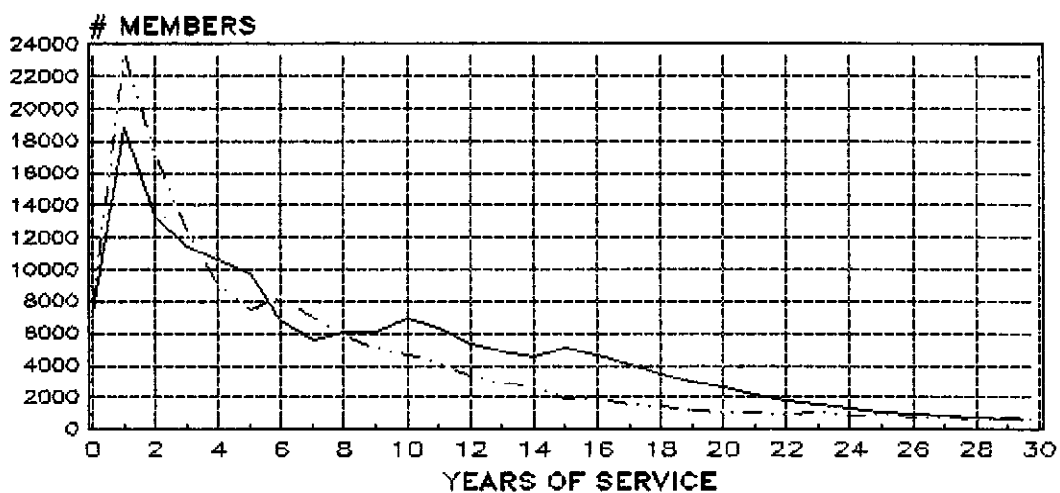


DISTRIBUTION OF ACTIVE MEMBERS  
BY YEARS OF SERVICE

SCRS

1989

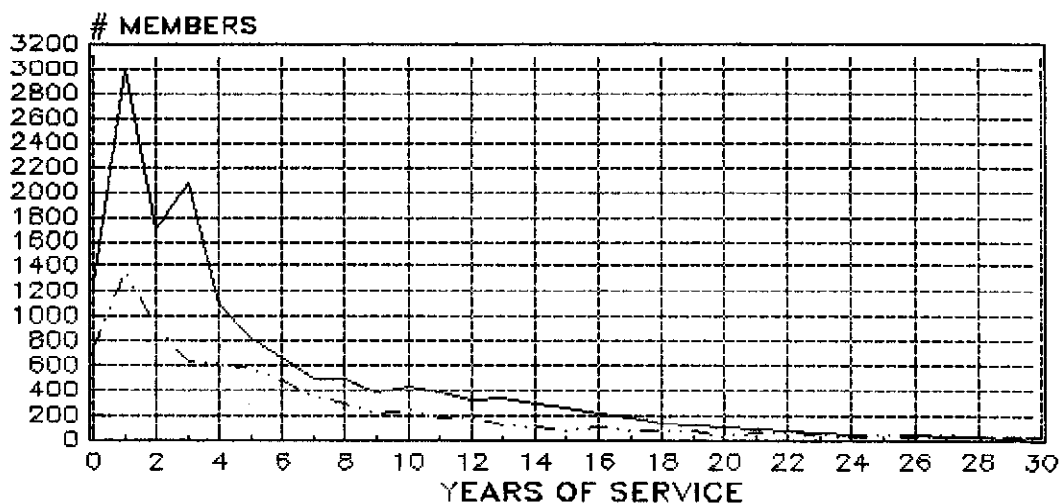
1980



PORS

1989

1979



# STATISTICAL SECTION

## SOUTH CAROLINA RETIREMENT SYSTEM Distribution of Retiree Population & Average Benefit

	<u>Service Retirees</u>		<u>Disability Retirees</u>		<u>Beneficiaries</u>		<u>Total</u>	
	Average		Average		Average		Average	
	Monthly		Monthly		Monthly		Monthly	
	Number	Benefit	Number	Benefit	Number	Benefit	Number	Benefit
June 1990								
State Agency	11,223	\$ 762.99	1,839	\$ 536.50	1,427	\$ 510.29	14,489	\$ 709.35
Public Schools	18,263	735.21	1,447	601.15	843	459.02	20,553	714.45
Other	4,043	471.68	598	480.41	530	410.10	5,171	456.12
Total	33,529	712.73	3,884	551.95	2,800	456.96	40,213	679.39
June 1989								
State Agency	10,718	680.00	1,723	486.63	1,36	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

*South Carolina Retirement Systems*

# STATISTICAL SECTION

## SOUTH CAROLINA RETIREMENT SYSTEM Distribution of Retiree Population & Average Benefit (Continued)

	<u>Service Retirees</u>		<u>Disability Retirees</u>		<u>Beneficiaries</u>		<u>Total</u>	
	Average		Average		Average		Average	
	Monthly		Monthly		Monthly		Monthly	
	Number	Benefit	Number	Benefit	Number	Benefit	Number	Benefit
June 1982								
State Agency	6,227	380.33	1,513	300.96	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
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

## POLICE OFFICERS RETIREMENT SYSTEM Distribution of Retiree Population & Average Benefit

	<u>Service Retirees</u>		<u>Disability Retiree</u>		<u>Beneficiaries</u>		<u>Total</u>	
	Average		Average		Average		Average	
	Monthly		Monthly		Monthly		Monthly	
	Number	Benefit	Number	Benefit	Number	Benefit	Number	Benefit
June 1990	2,089	\$ 817.81	451	\$ 763.27	378	\$ 502.91	2,918	\$ 768.59
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.

# STATISTICAL SECTION

## PARTICIPATING EMPLOYERS AND ACTIVE MEMBERS

Year ending June 30,	Number Participating Employers	Number of Active Members	Annual Payroll (000's omitted)	Average Pay	Percent Increase
<b>SCRS</b>					
1990	728	168,548	\$ 3,483,223	\$ 20,666	5.0%
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%

### PORS

1990	258	16,361	\$ 342,945	\$ 20,961	5.0%
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%

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.



PARTICIPATING EMPLOYERS

Participating Employers Covered By Statute

	SCRS		PORS	
	193	42	106	
State Agencies & Institutions of Higher Education				
Public School Districts				
Participating Employers Covered By Separate Agreement				

South Carolina Retirement Systems

NAME	SCRS	PORS	NAME	SCRS	PORS
Abbeville County	X	X	Town of West Pelzer	X	
City of Abbeville	X	X	Broadway Water District	X	
Town of Due West	X	X	Bamberg County	X	X
Donalds-Due West Water & Sewer Authority	X		City of Bamberg	X	X
Abbeville Civil Defense Agency	X		Bamberg County Office On Aging	X	
City of North Augusta	X	X	City of Denmark	X	
County of Aiken	X	X	Town of Olar	X	X
Aiken-Bamberg-Barnwell-Edgefield Regional Library Board	X		Town of Williston	X	
City of New Ellenton	X	X	Barnwell County	X	X
Beech Island Rural Community Water District	X		City of Barnwell	X	X
Allendale County	X	X	Barnwell County Commission on Alcohol and Drug Abuse	X	
Allendale-Hampton Jasper Regional Library	X		Town of Elko	X	X
Town of Allendale	X		Barnwell County Office On Aging	X	
Allendale County Office On Aging	X	X	Beaufort County	X	X
Town of Honea Path	X		City of Beaufort	X	X
Anderson County	X	X	Beaufort-Jasper County Water Authority	X	
Anderson County Library Board	X	X	Beaufort Memorial Hospital	X	
Town of Williamston	X		Sea Pines Public Service District	X	
Anderson County Commission on Alcohol and Drug Abuse	X		Sea Pines-Forest Beach Fire Department	X	
Town of Pendleton	X		Lowcountry Regional Transportation Authority	X	
Anderson County Sewer Authority	X	X	Recreation Commission of Beaufort County	X	
Anderson County Planning and Development Board	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	X

Participating Employers Covered By Separate Agreement (Continued)

NAME	SCRS	PORS	NAME	SCRS	PORS
Town of Moncks Corner	X	X	Chester Metro District	X	
Calhoun County	X	X	Chester Sewer District	X	
City of St. Matthews	X		Hazel Pittman Center	X	
Town of Cameron	X		Housing Authority Of The City of Chester	X	
Calhoun County Mental Retardation Board	X		Chester County Mental Retardation Board		X
Calhoun Conservation District	X		Town of Cheraw		X
County of Charleston	X	X	Town of Pageland	X	X
Charleston Commissioners of Public Works	X		Chesterfield County	X	X
Charleston County Free Library	X		Town of Patrick	X	
Charleston Memorial Hospital	X		Town of Chesterfield	X	
City of Charleston	X	X	Town of McBee	X	X
Town of Mt. Pleasant	X	X	Town of Jefferson	X	X
Charleston County Department of Social Services	X		Chesterfield County Mental Retardation Board	X	
Mt. Pleasant Water and Sewer Commission	X		Chesterfield Soil and Water Conservation District		X
Town of Sullivan's Island	X	X	Clarendon County		X
Cooper River Park and Playground Commission	X		City of Manning		X
St. Andrews Public Service District Commission	X		Harvin Clarendon County Library		X
James Island Public Service District Commission	X		Town of Summerton		X
Charleston County Park and Recreation Commission	X		County of Colleton		X
City of North Charleston	X	X	City of Walterboro		X
Charleston County Airport District	X		Darlington County		X
North Charleston Sewer District	X		Darlington County Library Commission		X
North Charleston District	X		Darlington County Community Action Agency		X
Housing Authority of the City of North Charleston	X	X	City of Hartsville		X
City of Isle of Palms	X		City of Darlington		X
St. Andrews Parish Parks and Playgrounds	X	X	Hartsville Community Center Building Commission		X
Town of Ravenel	X		Darlington County Water and Sewer Commission		X
			Darlington County Mental Retardation Board		X

Participating Employers Covered By Separate Agreement (Continued)

NAME	SCRS	PORS	NAME	SCRS	PORS
Dillon County	X	X	Florence County Commission on Alcohol and Drug Abuse	X	X
City of Dillon	X	X	Town of Coward	X	X
Dillon County Commission on Alcohol and Drug Abuse	X	X	The Pee Dee Tourism Commission	X	X
Dillon County Employment and Training Programs	X	X	Florence County Mental Retardation Board	X	X
Town of Latta	X	X	Pee Dee Regional Council of Governments	X	X
Town of Lake View	X	X	Town of Timmonsville	X	X
Town of St. George	X	X	City of Georgetown	X	X
Dorchester County	X	X	Georgetown County	X	X
St. George Water and Sewer Department	X	X	Rural Community Water District of Georgetown County	X	X
Dorchester County Library	X	X	Georgetown County Water and Sewer District	X	X
Summerville Public Works	X	X	Greenville Commission of Public Works	X	X
Town of Summerville	X	X	City of Greenville	X	X
Edgefield County	X	X	Greer Commission of Public Works	X	X
Town of Trenton	X	X	Greenville County Library	X	X
Town of Winnsboro	X	X	Greenville County	X	X
Fairfield County	X	X	Greenville County Planning Commission	X	X
Fairfield County Library	X	X	Western Carolina Regional Sewer Authority	X	X
Commission	X	X	Parker Sewer and Fire Subdistrict	X	X
Fairfield County Memorial Hospital	X	X	City of Greer	X	X
Fairfield County Substance Abuse Commission	X	X	Greenville-Spartanburg Airport District	X	X
Fairfield County - Division of Employment and Training	X	X	Donaldson Development Commission	X	X
Fairfield County Council on Aging	X	X	Donaldson Center	X	X
City of Florence	X	X	Greenville Retirement Center	X	X
Florence County	X	X	The Grady Hipp Nursing Center	X	X
Building Commission of the City and County of Florence	X	X	Greater Greenville Sanitation Commission	X	X
Town of Pamplico	X	X	Defender Corporation of Greenville County	X	X
Town of Olanta	X	X			
Pee Dee Regional Transportation Authority	X	X			
Town of Scranton	X	X			

Participating Employers Covered by Separate Agreement (Continued)

NAME	SCRS	PORS	NAME	SCRS	PORS
Greenville County Mental Retardation Commission	X		City of Conway	X	X
Berea Public Service District	X		City of Myrtle Beach	X	X
City of Mauldin	X		Town of Surfside Beach	X	X
Gantt Fire-Sewer and Police District	X		City of Loris	X	X
Greenville County Recreation District	X		Public Defender Corporation		
Greenville County Commission on Alcohol-Drug Abuse	X		Horry County	X	X
Belmont Fire and Sanitation District Commission	X		Grand Strand Water and Sewer Authority	X	
Wade Hampton Fire and Sewer District	X		Housing Authority of the City of Conway	X	
Greenville Airport Commission	X		Horry County Commission on Alcohol and Drug Abuse	X	X
Greenville County Museum Commission	X		Jasper County	X	X
Town of Fountain Inn	X		Town of Ridgeland	X	
City of Travelers Rest	X		City of Camden and Municipal Utilities	X	X
Metropolitan Sewer Sub-District	X		Kershaw County	X	X
Donaldson Fire Service Area	X		Lugoff Water District of Kershaw County	X	
Greenwood Commissioners of Public Works	X		Town of Elgin	X	
City of Greenwood	X		Lancaster County	X	X
Greenwood County	X		City of Lancaster	X	X
Abbeville-Greenwood Regional Library Board	X		Lancaster County Library	X	
Greenwood Metropolitan District Commission	X		Town of Heath Springs	X	X
Housing Authority of the City of Greenwood	X		Lancaster County Water and Sewer District	X	X
Piedmont Multi-County Mental Retardation Board	X		Lancaster County Mental Retardation Board	X	
Defender Corporation of Abbeville and Greenwood	X		City of Clinton	X	X
Old Ninety-Six Tourism Commission	X		County of Laurens	X	X
Town of Ware Shoals	X		Laurens Commissioners of Public Works	X	
County of Hampton	X		Laurens County Commission on Alcohol and Drug Abuse	X	
Town of Varnville	X		Town of Gray Court	X	X
Town of Brunson	X		Laurens County Mental Retardation Board	X	
Horry County Council	X				

Participating Employers Covered by Separate Agreement (Continued)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Laurens County Water Resources Commission	X	X
Laurens County Soil and Water Conversation 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	
Town of Irmo	X	
South Carolina Midlands Emergency Medical Service Management Association	X	
Gaston Rural Community Water District	X	
Marion County	X	
City of Marion	X	
City of Mullins	X	
Marion County Council - JTPA	X	
Marion County Library	X	
Marion County Commission on Alcohol and Drug Abuse	X	
Town of Sellers	X	
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	
Whitmire Public Works	X	X
Newberry County Water and Sewer Authority	X	
Westminister Commissioners of Public Works	X	
Oconee County	X	
City of Seneca	X	X
Seneca Light and Water Plant	X	

Participating Employers Covered by Separate Agreement (Continued)

NAME	SCRS	PORS	NAME	SCRS	PORS
Town of Walhalla	X	X	City of Columbia	X	X
Town of Westminster			Richland County Board of Assessment Control		
Oconee County Sewer Commission	X		East Richland County Public Service District	X	
Town of West Union	X	X	Recreation District and Recreation Commission of Richland County	X	
City of Orangeburg	X		Richland - Lexington Airport District	X	
Orangeburg Department of Public Utilities	X	X	City of Forest Acres	X	X
Orangeburg County	X		Columbia Museum of Art	X	
Orangeburg County Development Commission	X		Town of Eastover	X	
Town of Branchville	X	X	Richland/Lexington Mental Retardation Board	X	
Town of Elloree	X	X	Town of Saluda	X	X
Town of North	X	X	Saluda County	X	X
Town of Livingston	X		Saluda Commission of Public Works	X	
Town of Norway	X	X	Saluda County Commission on Alcohol and Drug Abuse	X	
Town of Bowman	X		Town of Ridge Spring	X	X
Town of Santee	X	X	Spartanburg Commissioners of Public Works	X	X
City of Easley	X		Spartanburg Sanitary Sewer District	X	
City of Liberty	X	X	Spartanburg County	X	X
Pickens County	X		Spartanburg Regional Medical Center	X	
Combined Utility System of Easley	X	X	Spartanburg Public Library	X	
City of Pickens	X		Una Water District Commission	X	
Town of Central	X	X	B.J. Workman Memorial Hospital	X	
Community Development Agency	X		Liberty-Chesnee-Fingerville Water District	X	
Pickens County Commission on Alcohol and Drug Abuse	X	X	Town of Woodruff	X	X
Housing Authority of The City of Easley	X	X	Woodruff Roebuck Water District	X	
City of Clemson	X		Startex-Jackson-Wellford-Duncan Water Dist.	X	
Town of Six-Mile	X	X			
Six-Mile Rural Community Water District	X				
Richland Memorial Hospital	X				
Richland County Public Library	X				
Richland County	X	X			

Participating Employers Covered By Separate Agreement (Continued)

NAME	SCRS	PORS
Town of Lyman	X	X
Town of Wellford	X	X
Town of Chesnee	X	X
Inman-Campobello Water District	X	X
Town of Cowpens	X	X
Town of Landrum	X	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	X
City of Sumter	X	X
Sumter County	X	X
Sumter City-County Health Department	X	X
Sumter County Library	X	X
Housing Authority of City of Sumter	X	X
Santee-Lynches Council For Governments	X	X
Sumter County Commission on Alcohol and Drug Abuse	X	X
Town of Mayesville	X	X
Union County	X	X
City of Union	X	X
Union Carnegie Library	X	X
Town of Jonesville	X	X
Union County Mental Retardation Board	X	X
Williamsburg County	X	X
Town of Kingstree	X	X
Williamsburg County Recreation Commission	X	X
Williamsburg County Library	X	X
Williamsburg County Public Defender Corporation	X	X
City of Rock Hill	X	X
York County	X	X
Town of Fort Mill	X	X
York County Library	X	X

NAME	SCRS	PORS
Town of Clover	X	X
City of York	X	X
Housing Authority of Fort Mill	X	X
Museum of York County	X	X
York County Mental Retardation and Developmental and Disability Board	X	X
City of Tega Cay	X	X
York County Historical Commission	X	X
Consolidated Area	X	X
Transportation Authority	X	X
Municipal Association of South Carolina	X	X
South Carolina Education Association	X	X
South Carolina Employees' Association	X	X
South Carolina High School League	X	X
South Carolina Association of School Boards	X	X
Central Midlands Regional Planning Council	X	X
South Carolina State Credit Union	X	X
South Carolina Law Enforcement Officers Association	X	X
Midlands Human Resources Development Commission	X	X
South Carolina Athletic Coaches Association	X	X
South Carolina Employees Federal Credit Union	X	X
Winthrop Credit Union	X	X
Palmetto State Teachers Association	X	X
South Carolina Association of Counties	X	X
Town of Calhoun Falls	X	X
City of Aiken	X	X

Participating Employers Covered by Separate Agreement (Continued)

NAME	SCRS	PORS
City of Jackson	X	
City of Belton	X	
City of Anderson	X	
Anderson County Fire Protection Commission		
Town of Ehrhardt	X	
Hilton Head Island Fire District	X	
Burton Fire District	X	
Ladys Island-St. Helena Fire District		
Bluffton Township Fire District	X	
City of Goose Creek		
St. Johns Fire District Commission		
City of Folly Beach		
Charleston County School District		
St. Pauls Fire District		
Town of Great Falls		
Town of Cottageville		
Town of Lamar		
Town of Society Hill		
Old Fort Fire Control Board		
Caromi Village Volunteer Fire Department		
Town Edgefield		
City of Lake City		
Town of Andrews		
City of Simpsonville		
Piedmont Park Fire District		
Town of Ninety Six		
Town of Hampton		
City of North Myrtle Beach		
Town of Hardeeville		
Town of Kershaw		
Town of Batesburg		
Town of South Congaree		
Town of Springfield		
Town of Holly Hill		

NAME	SCRS	PORS
Town of Liberty		X
City of Spartanburg		X
City of Landrum		X
Town of Duncan		X
Town of Hemingway		X
Town of Fairfax		X
Star-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
Town of Wagener		X
Town of Pelzer		X
Anderson County Board for the Mentally Retarded		X
Sandy Springs Water Company		X
Barnwell County Mental Retardation Board		X
Town of Bethune		X
Marion-Dillon County Mental Retardation Board		X
Public Defender Corporation		X
Marlboro County		X
Marlboro County Mental Retardation Board		X
Town of Norris		X
Town of Pinewood		X
Williamsburg County Mental Retardation Board		X

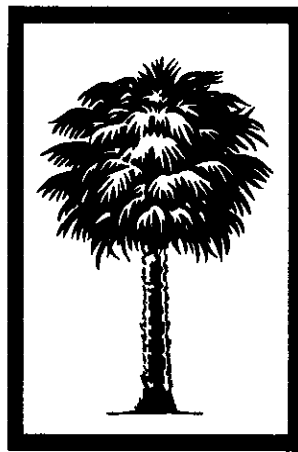


Participating Employers Covered by Separate Agreement (Continued)

NAME	SCRS	PORS	NAME	SCRS	PORS
Town of Hemingway	X		Charleston County Substance Abuse Commission	X	
Town of Trenton		X	Gaffney Board of Public Works	X	
Midway Fire Department			Cherokee County	X	X
South Carolina Sheriff's Association	X	X	City of Gaffney	X	X
Calhoun County Department of Education			Cherokee County Public Library	X	
Town of Turbeville	X		Cherokee County Recreation District	X	
Town of Edisto Beach	X		Cherokee County Commission on Alcohol and Drug Abuse		
Town of Ridgeway	X		Town of Blacksburg	X	X
Town of City View	X		City of Chester	X	X
Hampton County Mental Retardation Board			Chester County	X	X
Horry Soil Conservation District	X		Chester County Civil Defense Agency		
Town of Batesburg	X		Chester County Free Library	X	
McCormick Health Care Center	X		Fairfield County Mental Retardation Board	X	
Pioneer Rural Water District	X		Greenville Memorial Auditorium District	X	X
Town of Vance	X		Town of Iva		
Easley Central Water District	X				
Town of Ward	X				
Santee-Wateree Regional Transportation Authority	X				
Catawba Regional Planning Council	X				
South Carolina State Firemens Association	X				
Charleston County Aviation Authority		X			
Town of Turbeville		X			
Town of Edisto Beach		X			
Ashley River Fire District		X			
Town of Ridgeway		X			
Murrells Inlet-Garden City Fire District		X			
Town of Bethune		X			
Croft Fire District		X			
Pelham-Batesville Fire District		X			
Town of Pinewood		X			
Belton-Honea Path Water Authority	X				
Homeland Park Water District	X				
Town of Lincolnville	X				

# INVESTMENT SECTION

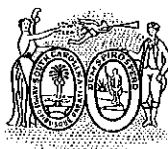
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STATE OF SOUTH CAROLINA

OFFICE OF STATE TREASURER

GRADY L. PATTERSON, JR.  
TREASURER



P. O. DRAWER 11778

COLUMBIA  
29211

November 5, 1990

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, 1990.

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 in the top 5 percentile 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. 98% 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 14.2% 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.

*South Carolina Retirement Systems*

INVESTMENT SECTION

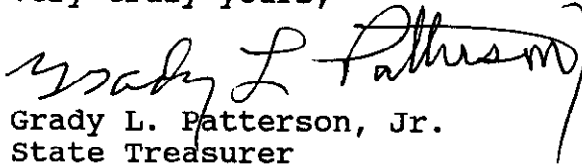
The Honorable Carroll A. Campbell, Jr.  
November 5, 1990  
Page 2

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, Jr.  
State Treasurer

GLPJr:cp

# INVESTMENT SECTION

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

	<u>South Carolina Retirement System</u>			<u>Police Officers Retirement System</u>		
	Market Value 6-30-89	Market Value 6-30-90	% of Market Value	Market Value 6-30-89	Market Value 6-30-90	% of Market Value
Short-term investments:						
Repurchase agreements	\$ 163,815	\$ 195,595	2.79%	\$ 48,295	\$ 6,345	.93%
Treasury bills	24,808					
Discount notes	275,900	29,214	.42%	9,263	4,936	.72%
	<u>464,523</u>	<u>224,809</u>	<u>3.21%</u>	<u>57,558</u>	<u>11,281</u>	<u>1.65%</u>
U.S. Government agencies & government insured:						
Treasury notes	239,599	253,332	3.61%	41,781	41,098	6.02%
Treasury bonds	1,285,688	1,238,145	17.64%	116,567	112,203	16.43%
Treasury bonds (zero coupons)	1,210,582	1,300,349	18.53%	58,754	63,396	9.28%
U.S. Government agencies	1,403,286	2,137,260	30.45%	141,494	254,861	37.32%
Insured merchant marine bonds	57,324	47,566	.68%	9,533	8,675	1.27%
	<u>4,196,479</u>	<u>4,976,652</u>	<u>70.91%</u>	<u>368,129</u>	<u>480,233</u>	<u>70.32%</u>
Corporate bonds:						
Industrials	433,667	463,777	6.61%	21,771	37,695	5.52%
Utilities	1,062,380	1,123,987	16.01%	129,556	135,808	19.88%
Financial & other	313,716	229,155	3.26%	22,772	17,968	2.63%
	<u>1,809,763</u>	<u>1,816,919</u>	<u>25.88%</u>	<u>174,099</u>	<u>191,471</u>	<u>28.03%</u>
Total investments	<u>\$ 6,470,765</u>	<u>\$7,018,380</u>	<u>100.00%</u>	<u>\$599,786</u>	<u>\$682,985</u>	<u>100.00%</u>

*South Carolina Retirement Systems*

# INVESTMENT SECTION

## General Assembly Retirement System

Market Value		% of Market Value
6-30-89	6-30-90	
\$ 2,515	\$ 1,350	6.21%
<u>2,515</u>	<u>1,350</u>	<u>6.21%</u>
2,551	2,493	11.47%
4,056	3,902	17.96%
1,804	1,866	8.59%
4,215	6,950	31.99%
283	249	1.15%
<u>12,909</u>	<u>15,460</u>	<u>71.16%</u>
707	697	3.21%
3,989	4,041	18.60%
184	179	.82%
<u>4,880</u>	<u>4,917</u>	<u>22.63%</u>
<u>\$ 20,304</u>	<u>\$ 21,727</u>	<u>100.00%</u>

## Judges & Solicitors Retirement System

Market Value		% of Market Value
6-30-89	6-30-90	
\$ 3,130	\$ 1,235	3.66%
<u>3,130</u>	<u>1,235</u>	<u>3.66%</u>
2,361	2,299	6.80%
3,985	3,840	11.36%
5,478	5,892	17.44%
6,267	11,467	33.93%
<u>18,091</u>	<u>23,498</u>	<u>69.53%</u>
492	1,461	4.32%
6,911	6,596	19.52%
1,004	1,002	2.97%
<u>8,407</u>	<u>9,059</u>	<u>26.81%</u>
<u>\$29,628</u>	<u>\$ 33,792</u>	<u>100.00%</u>

# INVESTMENT SECTION

## 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
1990	\$6,598,570	12.0%	\$626,723	15.2%	10.57%
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%

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

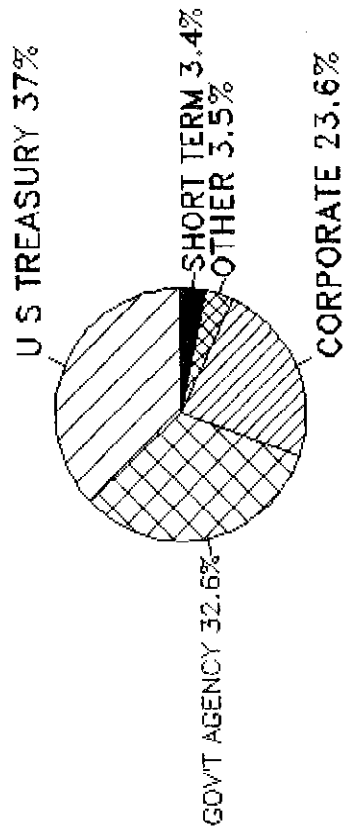
YEAR ENDED JUNE 30,	AMORTIZED COST OF INVESTMENTS*	% INCREASE FOR YEAR	NET INCOME FROM INVESTMENTS	% INCREASE FOR YEAR	AVERAGE YIELD
1990	\$651,617	17.9%	\$63,030	23.7%	11.04%
1989	552,766	20.5%	50,966	9.6%	10.61%
1988	458,829	15.5%	46,512	13.0%	11.49%
1987	397,258	16.4%	41,175	0.2%	11.81%
1986	341,352	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%

\* Amortized cost includes investment categories classified as cash equivalents for financial statement purposes.

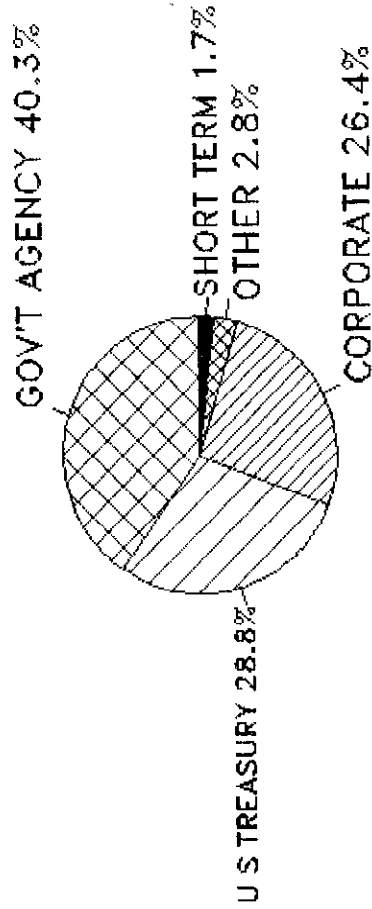
DISTRIBUTION OF INVESTMENTS  
JUNE 30, 1990

INVESTMENT SECTION

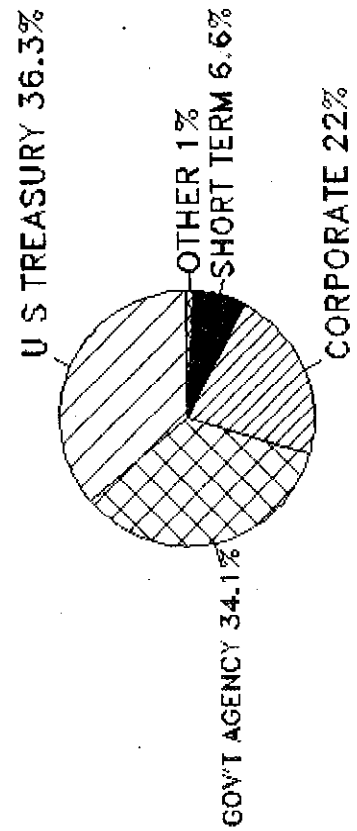
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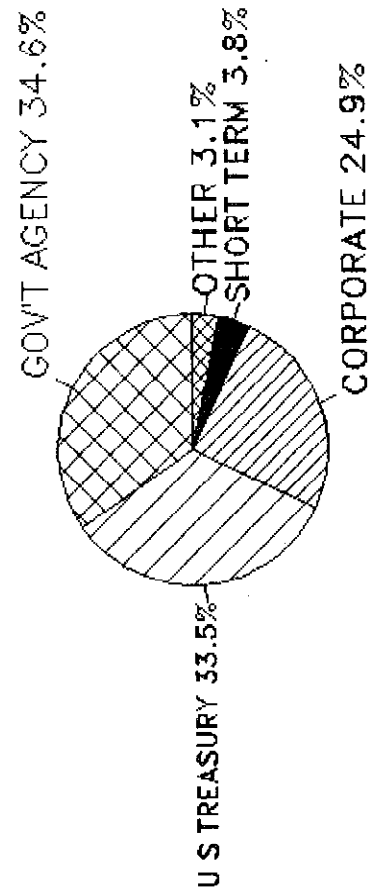
PORS



GARS



JSRS





# INVESTMENT SECTION

## 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
1990	\$20,366	10.3%	\$1,899	9.8%	10.28%
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%

## 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
1990	\$32,269	18.1%	\$2,951	12.2%	10.42%
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%

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 recognition of interest income and the effective interest method for amortization of premiums and discounts.

\*Amortized cost includes investment categories classified as cash equivalents for financial statement purposes.

# INVESTMENT SECTION

## INVESTMENTS SOUTH CAROLINA RETIREMENT SYSTEM (amounts expressed in thousands)

	June 30, 1990		June 30, 1989		June 30, 1988	
	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total
Short-term investments:						
* Repurchase agreements	\$ 195,595	\$ 195,595	2.96%	\$ 163,815	\$ 163,815	2.78%
Treasury bills				25,000	24,802	.42%
Discount notes	29,850	29,420	.44%	275,707	275,707	4.68%
	<u>225,445</u>	<u>225,015</u>	<u>3.40%</u>	<u>467,190</u>	<u>464,324</u>	<u>7.88%</u>
U.S. Government agencies & government insured:						
Treasury notes	242,500	241,946	3.67%	222,600	221,861	3.77%
Treasury bonds	1,040,777	993,626	15.06%	1,040,777	991,854	16.83%
Treasury bonds (zero coupons)	3,361,850	1,205,352	18.27%	3,290,737	1,094,592	18.58%
U.S. Government agencies	2,148,475	2,103,425	31.88%	1,384,235	1,342,256	22.78%
Insured merchant marine bonds	44,995	44,900	.68%	53,098	52,993	.90%
	<u>6,838,697</u>	<u>4,589,249</u>	<u>69.56%</u>	<u>5,991,447</u>	<u>3,703,556</u>	<u>62.86%</u>
Corporate bonds:						
Industrials	503,189	469,907	7.12%	447,567	412,153	6.99%
Utilities	1,168,448	1,085,372	16.45%	1,089,439	1,001,622	17.00%
Financial & other	230,227	229,027	3.47%	311,790	310,310	5.27%
	<u>1,901,864</u>	<u>1,784,306</u>	<u>27.04%</u>	<u>1,848,796</u>	<u>1,724,085</u>	<u>29.26%</u>
Total investments	\$ 8,966,006	\$ 6,598,570	100.00%	\$ 8,307,433	\$ 5,891,965	100.00%
					\$ 5,171,973	100.00%

\*Note: Repurchase agreements at June 30, 1990 were classified as cash equivalents for financial statement purposes.

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INVESTMENTS  
POLICE OFFICERS RETIREMENT SYSTEM  
(amounts expressed in thousands)

[illegible]

\*Note: Repurchase agreements at June 30, 1990 were classified as cash equivalents for financial statement purposes.

# INVESTMENT SECTION

## INVESTMENTS GENERAL ASSEMBLY RETIREMENT SYSTEM (amounts expressed in thousands)

	June 30, 1990		June 30, 1989		June 30, 1988	
	Par Value	Amortized Cost	Par Value	Amortized Cost	Par Value	Amortized Cost
Short-term investments:						
*Repurchase agreements	\$ 1,350	\$ 1,350	\$ 2,515	\$ 2,515	\$ 410	\$ 410
	<u>1,350</u>	<u>1,350</u>	<u>2,515</u>	<u>2,515</u>	<u>410</u>	<u>410</u>
		6.63%		13.62%		2.48%
		<u>6.63%</u>		<u>13.62%</u>		<u>2.48%</u>
U.S. Government agencies & government insured:						
Treasury notes	2,400	2,389	2,400	2,387	2,400	2,386
Treasury bonds	3,420	3,285	3,420	3,282	3,420	3,279
Treasury bonds (zero coupons)	5,347	1,727	5,347	1,577	6,347	2,420
U.S. Government agencies	6,961	6,702	4,083	4,009	3,108	3,101
Insured merchant marine bonds	240	240	271	271	300	300
	<u>18,368</u>	<u>14,343</u>	<u>15,471</u>	<u>11,526</u>	<u>15,575</u>	<u>11,486</u>
		1.18%		1.47%		1.81%
		<u>70.43%</u>		<u>62.41%</u>		<u>69.35%</u>
Corporate bonds:						
Industrials	700	657	700	657	700	656
Utilities	4,050	3,816	4,050	3,570	4,300	3,810
Financial & other	200	200	200	200	200	200
	<u>4,950</u>	<u>4,673</u>	<u>4,950</u>	<u>4,427</u>	<u>5,200</u>	<u>4,666</u>
		22.94%		23.97%		28.17%
Total investments	\$ 24,668	\$ 20,366	\$ 22,936	\$ 18,468	\$ 21,185	\$ 16,562
		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>

\*Note: Repurchase agreements at June 30, 1990 were classified as cash equivalents for financial statement purposes.

**Table 1** Demographic characteristics of study population

## INVESTMENTS

[illegible]

\*Note: Repurchase agreements at June 30, 1990 were classified as cash equivalents for financial statement purposes.

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

Type of Investment	Book Value June 30, 1989	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1990	% Book Value June 30, 1990
<b>Short-term investments:</b>						
* Repurchase agreements	\$ 163,815	\$ 22,108,429	\$22,076,649		\$ 195,595	2.96%
Treasury bills	24,802		25,000	\$ 198		
Discount notes	275,707	356,948	613,504	10,269	29,420	.44%
	<u>464,324</u>	<u>22,465,377</u>	<u>22,715,153</u>	<u>10,467</u>	<u>225,015</u>	<u>3.40%</u>
<b>U.S. Government agencies &amp; government insured:</b>						
Treasury notes	221,861	19,980		105	241,946	3.67%
Treasury bonds	991,854			1,772	993,626	15.06%
Treasury bonds (zero coupons)	1,094,592	54,475	54,767	111,052	1,205,352	18.27%
U.S. Government agencies	1,342,256	1,599,348	843,101	4,922	2,103,425	31.88%
Insured merchant marine bonds	52,993		8,103	9	44,899	.68%
	<u>3,703,556</u>	<u>1,673,803</u>	<u>905,971</u>	<u>117,860</u>	<u>4,589,248</u>	<u>69.56%</u>
<b>Corporate bonds:</b>						
Industrials	412,153	103,694	46,828	888	469,907	7.12%
Utilities	1,001,622	189,957	107,357	1,150	1,085,372	16.45%
Financial & other	310,310	9,865	91,232	85	229,028	3.47%
	<u>1,724,085</u>	<u>303,516</u>	<u>245,417</u>	<u>2,123</u>	<u>1,784,307</u>	<u>27.04%</u>
<b>Total investments</b>	<b>\$ 5,891,965</b>	<b>\$ 24,442,696</b>	<b>\$23,866,541</b>	<b>\$ 130,450</b>	<b>\$ 6,598,570</b>	<b>100.00%</b>

\*Note: Repurchase agreements at June 30, 1990 were classified as cash equivalents for financial statement purposes.

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

Type of Investment	Book Value June 30, 1989	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1990	% Book Value June 30, 1990
Short-term investments:						
* Repurchase agreements	\$ 48,295	\$ 7,794,245	\$ 7,836,195		\$ 6,345	.97%
Discount notes	9,261	16,498	21,405	\$ 614	4,968	.76%
	57,556	7,810,743	7,857,600	614	11,313	1.73%
U.S. Government agencies & government insured:						
Treasury notes	39,967			25	39,992	6.14%
Treasury bonds	90,645			84	90,729	13.92%
Treasury bonds (zero coupons)	55,732		7,172	8,408	56,968	8.74%
U.S. Government agencies	133,984	225,955	106,413	728	254,254	39.02%
Insured merchant marine bonds	8,479		309		8,170	1.25%
	328,807	225,955	113,894	9,245	450,113	69.07%
Corporate bonds:						
Industrials	20,915	16,913	509	48	37,367	5.74%
Utilities	122,716	36,484	24,601	134	134,733	20.68%
Financial & other	22,772	4,700	9,401	20	18,091	2.78%
	166,403	58,097	34,511	202	190,191	29.20%
Total investments	\$ 552,766	\$ 8,094,795	\$ 8,006,005	\$ 10,061	\$ 651,617	100.00%

Note: Repurchase agreements at June 30, 1990 were classified as cash equivalents for financial statement purposes.

# INVESTMENT SECTION

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

Type of Investment	Book Value June 30, 1989	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1990	% Book Value June 30, 1990
Short-term investments:						
* Repurchase agreements	\$ 2,515	\$ 120,903	\$ 122,068		\$ 1,350	6.63%
	<u>2,515</u>	<u>120,903</u>	<u>122,068</u>		<u>\$ 1,350</u>	<u>6.63%</u>
U.S. Government agencies & government insured:						
Treasury notes	2,387			\$ 2	\$ 2,389	11.73%
Treasury bonds	3,282			3	3,285	16.13%
Treasury bonds (zero coupons)	1,577			150	1,727	8.48%
U.S. Government agencies	4,009	4,196	1,572	69	6,702	32.91%
Insured merchant marine bonds	<u>271</u>	<u>4,196</u>	<u>31</u>	<u>224</u>	<u>240</u>	<u>1.18%</u>
	<u>11,526</u>		<u>1,603</u>		<u>14,343</u>	<u>70.43%</u>
Corporate bonds:						
Industrials	657			1	657	3.22%
Utilities	3,570	967	722		3,816	18.74%
Financial & other	<u>200</u>	<u>967</u>	<u>722</u>	<u>1</u>	<u>200</u>	<u>.98%</u>
	<u>4,427</u>				<u>4,673</u>	<u>22.94%</u>
Total investments	\$ 18,468	\$ 126,066	\$ 124,393	\$ 225	\$ 20,366	100.00%

\*Note: Repurchase agreements at June 30, 1990 were classified as cash equivalents for financial statement purposes.



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

Type of Investment	Book Value June 30, 1989	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1990	% Book Value June 30, 1990
Short-term investments:						
* Repurchase agreements	\$ 3,130	\$ 153,944	\$ 155,839	—	\$ 1,235	3.83%
	<u>3,130</u>	<u>153,944</u>	<u>155,839</u>	—	<u>1,235</u>	<u>3.83%</u>
U.S. Government agencies & government insured:						
Treasury notes	2,190			\$ 1	2,191	6.79%
Treasury bonds	3,219			2	3,221	9.98%
Treasury bonds (zero coupons)	4,890			505	5,395	16.72%
U.S. Government agencies	5,806	6,467	1,118	22	11,177	34.64%
	<u>16,105</u>	<u>6,467</u>	<u>1,118</u>	<u>530</u>	<u>21,984</u>	<u>68.13%</u>
Corporate bonds:						
Industrials	496	991		1	1,488	4.61%
Utilities	6,587	967	992	1	6,563	20.34%
Financial & other	996	<u>1,958</u>	<u>992</u>	3	999	3.09%
	\$ 8,079			5	<u>9,050</u>	<u>28.04%</u>
Total investments	\$ 27,314	\$ 162,369	\$ 157,949	\$ 535	\$ 32,269	100.00%

\*Note: Repurchase agreements at June 30, 1990 were classified as cash equivalents for financial statement purposes.