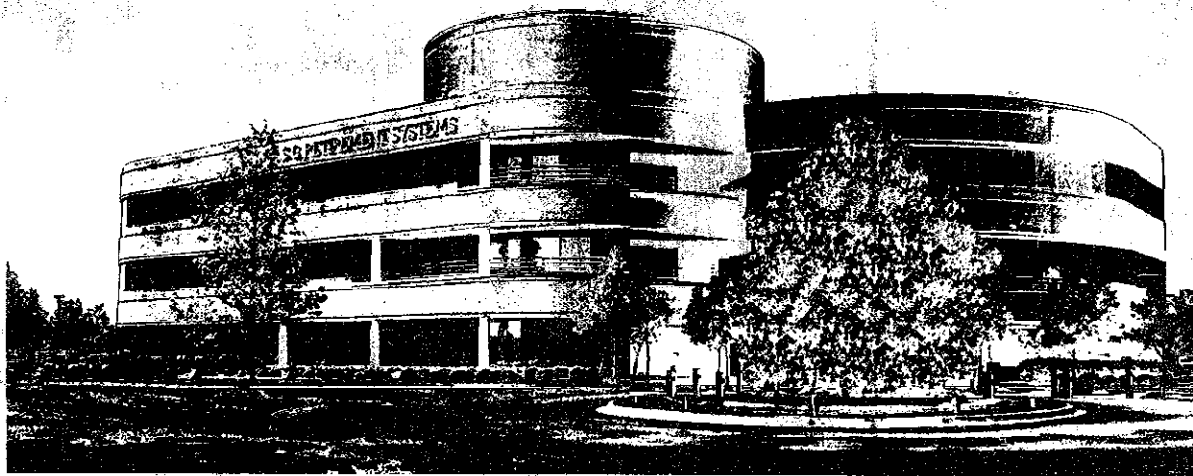


# **SOUTH CAROLINA RETIREMENT SYSTEMS**



*Comprehensive Annual  
Financial Report*

*For The Year Ended  
June 30, 1994*

## ***SCRS Mission Statement***

*The Agency's Mission is to provide a comprehensive program of benefits to public employees in South Carolina including pension benefits, group life insurance, medical disability and long term disability benefits in the most effective and efficient manner possible.*

## ***SCRS Vision Statement***

*To empower our employees to provide comprehensive service in a professional manner for our members, employers, and retirees through the timely and accurate processing of payments, claims, inquiries, and other account information using effective and appropriate leading edge technology.*

# **SOUTH CAROLINA RETIREMENT SYSTEMS**

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## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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*FOR THE YEAR ENDED JUNE 30, 1994*

*Fontaine Business Center  
202 Arbor Lake Drive  
Columbia, South Carolina 29223*

*Purvis W. Collins  
Director*

*Report prepared by the Staff of the Systems'  
Accounting Department  
Wayne D. Pruitt, CPA, Assistant Director  
Financial Services*

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

South Carolina  
Retirement Systems

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1993

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



*Arnold H. Blahof*

President

*Jeffrey L. Esser*

Executive Director



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**TABLE OF CONTENTS**

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**INTRODUCTORY SECTION**

Letter of Transmittal .....	6
Governing Board & Administration .....	11
Organization Chart .....	12
Organizational Description .....	13

**FINANCIAL SECTION.**

Independent Auditors' Report .....	16
Combined Financial Statements:	
Combined Balance Sheet - All Fund Types .....	17
Combined Statement of Revenues, Expenses and Changes in Fund Balances - All Proprietary Fund Types and Similar Trust Funds .....	18
Combined Statement of Cash Flows - Internal Service Funds .....	19
Notes to Combined Financial Statements .....	20
Required Supplementary Information .....	30
Additional Information:	
Combining Balance Sheet - Internal Service Funds .....	35
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Internal Service Funds .....	36
Combining Statement of Cash Flows - Internal Service Funds .....	37
Combining Balance Sheet - Pension Trust Funds .....	38
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Pension Trust Fund .....	39
Combining Statement of Revenues, Expenses and Changes in Fund Balances - SCRS .....	40
Combining Statement of Revenues, Expenses and Changes in Fund Balances - PORS .....	41
Combining Statement of Revenues, Expenses and Changes in Fund Balances - GARS .....	42
Combining Statement of Revenues, Expenses and Changes in Fund Balances - JSRS .....	43

**ACTUARIAL SECTION..**

Actuary's Certification Letter .....	46
Results of the Valuation - SCRS .....	47
Results of the Valuation - PORS .....	48
Results of the Valuation - GARS .....	49
Results of the Valuation - JSRS .....	50
Outline of Actuarial Assumptions and Methods - SCRS .....	51
Outline of Actuarial Assumptions and Methods - PORS .....	53
Outline of Actuarial Assumptions and Methods - GARS .....	54
Outline of Actuarial Assumptions and Methods - JSRS .....	55

## TABLE OF CONTENTS

Schedule and Earnable Compensation of Active Members - SCRS and PORS.....	56
Schedules - Number and Earnable Compensation of Active Members - GARS and JSRS.....	57
Schedule - Number and Annual Retirement Allowances of Retired Members and Beneficiaries - SCRS.....	58
Schedule - Number and Annual Retirement Allowances of Retired Members and Beneficiaries - PORS.....	59
Schedules - Number and Annual Retirement Allowances of Retired Members and Beneficiaries - GARS AND JSRS.....	60
Schedules - Retirants and Beneficiaries Added To and Removed From Rolls.....	61
Summary of Accrued and Unfunded Accrued Liabilities SCRS and PORS.....	62
Summary of Accrued and Unfunded Accrued Liabilities GARS and JSRS.....	63
Solvency Test SCRS and PORS.....	64
Solvency Test GARS and JSRS.....	65
Summary of Basic Provisions.....	66

### STATISTICAL SECTION.

Schedules - Revenue by Source - SCRS and PORS.....	74
Schedules - Revenue by Source - GARS and JSRS.....	75
Schedules - Summary of Expenses by Type - SCRS and PORS.....	76
Schedules - Summary of Expenses by Type - GARS and JSRS.....	77
Schedules - Distribution of Retiree Population and Average Benefit SCRS and PORS.....	78
Schedules - Participating Employers and Active Members - SCRS and PORS.....	80
Schedules - Participating Employers - SCRS and PORS.....	81
Schedule - Cash Receipts and Disbursements.....	90

### INVESTMENT SECTION.

Investment Report From The State Treasurer.....	92
Schedules - Summary of Investment Growth - SCRS and PORS.....	94
Schedules - Summary of Investment Growth - GARS and JSRS.....	95
Schedule - Investments - SCRS.....	96
Schedule - Investments - PORS.....	97
Schedule - Investments - GARS.....	98
Schedule - Investments - JSRS.....	99
Schedule - Investments - Summary of Book Value - SCRS.....	100
Schedule - Investments - Summary of Book Value - PORS.....	101
Schedule - Investments - Summary of Book Value - GARS.....	102
Schedule - Investments - Summary of Book Value - JSRS.....	103
Schedule - Summary of Market Value of Investments.....	104

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# *INTRODUCTORY SECTION*

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## **South Carolina Retirement Systems**



Purvis W. Collins  
Director

**Telephones**  
(803) 737-6800  
1-800-868-9002  
FAX: (803) 737-6810

November 21, 1994

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, 1994 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 following components:

### **Pension Trust Funds**

- 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)

### **Internal Service Funds**

- State Life & Long-Term Disability Plan (State Life & LTD Plan)
- Agency Operations Internal Service Fund (Agency Operations)

The SCRS 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 707 participating employers, over 183,000 active contributing members and 50,000 retired members.

The PORS was established July 1, 1962 to provide retirement and other benefits to police officers and firemen. This system currently has 267 participating employers, approximately 19,000 active contributing members and 4,000 retired members.

The GARS and JSRS 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.

The State Life & LTD Plan is a self insured group life and long-term disability plan provided to eligible active state, public school and county employees.

The Agency Operations Internal Service Fund provides for the administration of the four pension plans and the Life & LTD Plan.

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. The Financial Section contains the opinion of our independent accountants, financial statements and related schedules. The Actuarial Section contains our independent consulting actuary's certification,

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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 Systems are considered a part of the primary government 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**

Quoting from an August 19, 1994 news release issued by Mr. Earle E. Morris, the State's Comptroller General "It was a very good year by any measure." This year saw the State complete two consecutive years with a budgetary surplus; \$273.48 million for 1993-94 fiscal year. This is the result of both a strong conservative fiscal stance taken by the General Assembly and overall improvements in the State's economy.

With the resolution of the Catawba Indians lawsuit and the Federal retirees suit and the strong economic outlook for the State we believe the State is on the verge of having the coveted AAA bond rating restored by Standard & Poor's.

### **MAJOR INITIATIVES**

The retirement incentive plan authorized during the 1993 legislative session officially ended on July 1, 1994. The substantial increased workload on Agency staff is far from over. As a direct result of the incentive plan our service credit department had over a 40% increase in workload; with over 5,000 members purchasing years of prior service credit. Our counseling department processed in excess of 4,600 service retirees in FY 93-94 as compared to approximately 2,800 for 92-93 and 3,100 for 91-92.

The incentive resulted in the retirement of two of our senior executive level staff; Ms. Phyllis Gardner and Mr. E. D. Goodwin, Jr. Both have provided many years of dedicated service to the System and its membership.

In November 1993 a Strategic Information Systems Management Study was submitted to the System. The study included a Strategic Information Systems Plan. Beginning with an evaluation of the Systems present level of technology, its strengths and weakness the study presented a target application architecture. This plan calls for a single technology architecture for the Systems, rather than the present fragmented systems on multiple incompatible platforms. Also contained in the plan is a 5 year work plan for the migration to the new technology, consisting of an integrated ADABAS repository on a UNIX server using Novell servers for connectivity, file and print services and standard PC workstations. Approval of the funding for the project was granted in the 1994 State Appropriation Act. A project manager was hired in the Spring to oversee the overall implementation of the plan. Currently a UNIX server is in place with approximately 50 PC workstations in operation. Prior to the commencement of actual systems development a reengineering project was performed by Andersen Consulting. This project, completed in August 1994, produced a number of recommendations relating to improved customer service, better communication, both internally and externally, and the restructuring of our organization around core or "mission-critical" processes and improvements in the timeliness and quality of employer reporting through better processes and increased support.

The executive management of the Agency is dedicated and committed to the implementation of these Plans and in the achievement of a consistently high level of service to all members and all participating employers. The Vision Statement presented on the inside front cover of this report presents the summarization of the objectives and goals of the Agency as we approach our 50th anniversary and the 21st century.

### **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

## INTRODUCTORY SECTION

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 for all funds approached \$12 billion mark this year; an overall growth of 11.7% over 1993.

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 (including cash equivalents) grew 11.8% for the fiscal year, increasing to approximately \$11.7 billion at June 30th. 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. The three principal sources from which the Systems derive revenues; employee contributions, employer contributions, and earnings on investments are summarized below.

	1994		1993		Increase (Decrease)	
	Amount (Millions)	Percentage of Total	Amount (Millions)	Percentage of Total	Amount (Millions)	Percent
<b>Employee Contributions:</b>						
State department employees	\$ 127.9	7.85%	\$ 120.1	7.60%	\$ 7.8	6.5%
Public school employees	115.1	7.06%	109.0	6.90%	6.1	5.6%
Other political subdivision employees	65.0	3.99%	59.2	3.47%	5.8	9.8%
Total employee contributions	308.0	18.90%	288.3	18.24%	19.7	6.8%
<b>Employer Contributions:</b>						
State department employers	161.9	9.94%	157.1	9.94%	4.8	3.1%
Public school employers	135.9	8.34%	133.0	8.42%	2.9	2.2%
Other political subdivision employers	78.3	4.80%	72.6	4.59%	5.7	7.9%
Total employer contributions	376.1	23.08%	362.7	22.95%	13.4	3.7%
Investment Income	938.3	57.59%	922.0	58.34%	16.3	1.8%
Other Income	7.0	.43%	7.5	.47%	(.5)	(6.7%)
	<u>\$ 1,629.4</u>	<u>100.00%</u>	<u>\$ 1,580.5</u>	<u>100.00%</u>	<u>\$ 48.9</u>	<u>3.1%</u>

Contribution revenue growth is associated primarily with normal growth in new employers participating in the plans and with growth in active members salary.

**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.

## INTRODUCTORY SECTION

The following schedule presents a summary of expenses for the Systems for the fiscal year ended June 30, 1994 and the amount and percentage increases over prior year expenses.

	<u>1994</u>		<u>1993</u>		<u>Increase (Decrease)</u>	
	Amount (Millions)	Percentage of Total	Amount (Millions)	Percentage of Total	Amount (Millions)	Percentage
Total Annuities	\$ 525.8	89.9%	\$ 479.6	89.3%	\$ 46.2	9.6%
Refunds	44.9	7.6%	41.5	7.7%	3.4	8.2%
Group Life	8.1	1.4%	8.9	1.7%	(.8)	(9.0%)
Administrative Charges and other Expenses	6.3	1.1%	7.2	1.3%	(.9)	(12.5%)
	<u>\$ 585.1</u>	<u>100.0%</u>	<u>\$ 537.2</u>	<u>100.0%</u>	<u>\$ 47.9</u>	<u>8.9%</u>

**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, thereby assuring all participants of the continued financial stability of the System.

Based on the most recent (July 1, 1993) valuation and based on actuarial methods used to fund the Systems the following actuarial summary is presented.

	SCRS	PORS (\$ in thousands)	GARS	JSRS
Assets for valuation purposes	\$ 9,392,497	\$ 981,524	\$ 26,790	\$ 46,600
Unfunded accrued liability	2,360,272	82,350	3,618	31,108
Accrued liability liquidation period	28 years	9 years	13 years	25 years

### OTHER INFORMATION

**INDEPENDENT AUDIT** - An audit is performed annually under the direction of the State Auditor's office. The firm of Crisp, Hughes & Co., Certified Public Accountants audited the component unit financial statements of the Systems for the year ended June 30, 1994. 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, 1993. The Certificate of Achievement is a prestigious national award recognizing

conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized 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. The Systems have received a Certificate of Achievement for the last 7 consecutive years (fiscal years ended 1987-1993). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

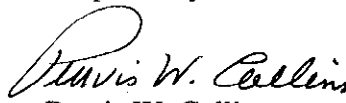
## INTRODUCTORY SECTION

**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**

Carroll A. Campbell, Jr., Chairman  
Grady L. Patterson, Jr.  
Earle E. Morris, Jr.  
John Drummond  
William D. Boan

Governor  
State Treasurer  
Comptroller General  
Chairman, Senate Finance Committee  
Chairman, House Ways and Means Committee

**CONSULTING ACTUARY**

Donald M. Overholser  
Buck Consultants, Inc.

**RETIREMENT SYSTEM STAFF  
ADMINISTRATION**

Purvis W. Collins  
Joseph A. Mack  
Wayne D. Pruitt, CPA  
Meta W. Whitlock  
Henry R. Blackwell, Jr.  
Peggy G. Wood, CPA  
Elizabeth B. Tighe  
Edward H. Haynsworth, Jr. CPA  
Sharon S. Hammond  
Brenda M. Hudson

Director  
Deputy Director  
Assistant Director, Financial Services  
Assistant Director, Counseling Services  
Assistant Director, Operational Services  
Assistant Director, Benefits Services  
Staff Attorney  
Internal Auditor  
Personnel Services  
Administration of Social Security

**FINANCIAL SERVICES**

Joy H. Gunter, CPA  
Tammy B. Davis, CPA  
Rosemary A. Tien, CPA  
Tammy W. Johnson  
Deborah M. Hornaday  
Alice R. Copeland  
Larry T. Sanderson

Director of Accounting  
Manager, Retirement Accounting  
Manager, Member Accounts  
Supervisor, Installment Service  
Manager, Service Credit Department  
Field Services  
Field Services

**COUNSELING SERVICES**

Jamella R. Williams  
Marian J. Tucker  
Amy S. Price  
Holly T. Kednocker  
Meta Whitlock

Supervisor, Counseling Services  
Medical Department  
In-Service Deaths  
On-Site Services  
Pre-Retirement Education

**OPERATIONAL SERVICES**

Michael E. Nivens  
Edward J. Bogan  
Richard T. Johnson  
Richard M. Payne

Data Processing Manager  
Systems Manager  
Information Resource Consultant  
Records Supervisor

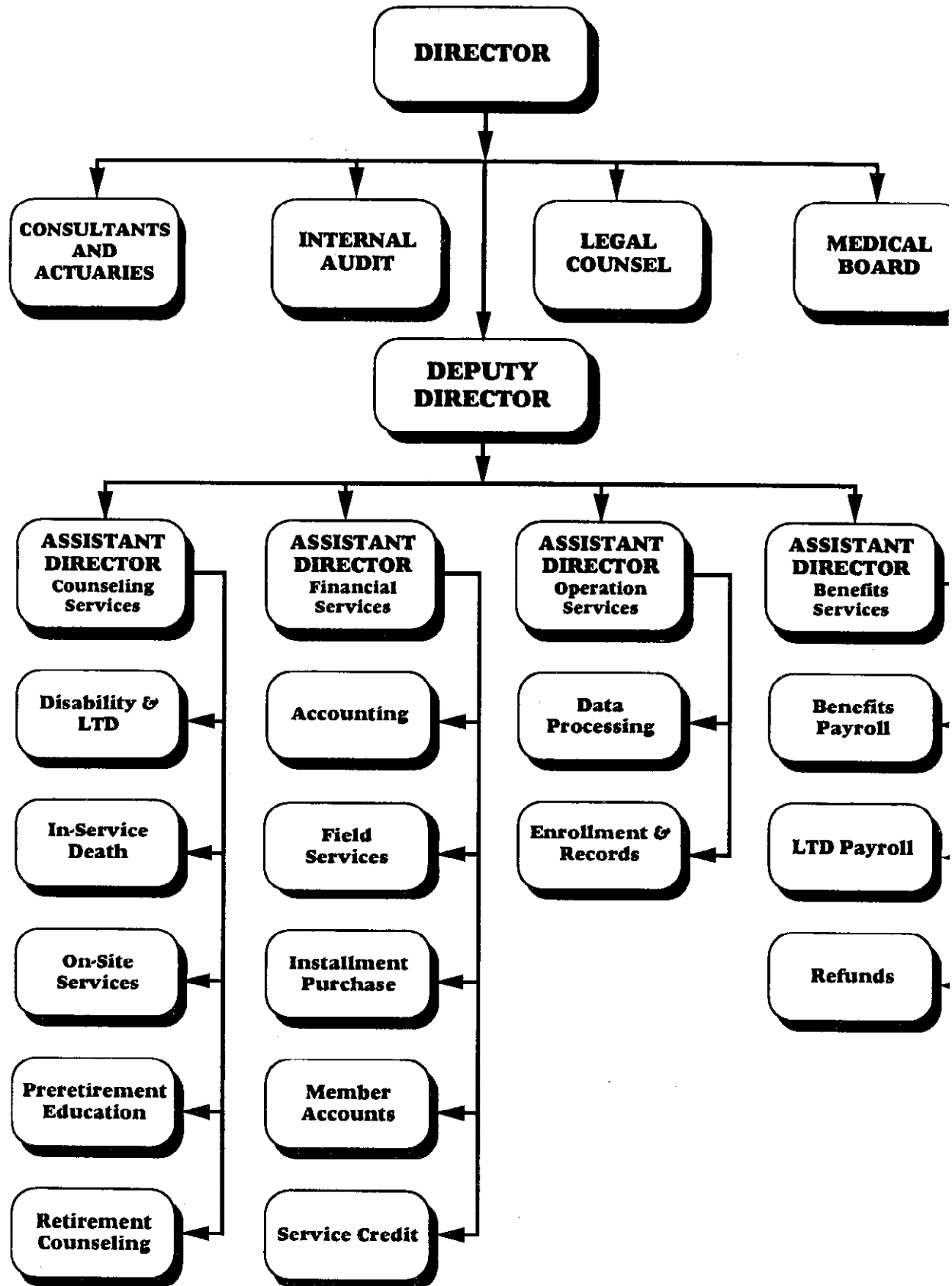
**BENEFIT SERVICES**

Beverly R. Abdalla  
Elvena S. Bickley

Retirement Benefits Payroll  
Refunds Supervisor

**INTRODUCTORY SECTION**

**ORGANIZATION CHART**



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## INTRODUCTORY SECTION

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### ORGANIZATIONAL DESCRIPTION

The structural organization of the Systems is depicted on the chart shown on the previous page. A brief description of the primary functions performed by each department follows:

#### Financial Services Division:

Accounting Section - Responsible for maintenance of records of all receipts and disbursements, investment accounting, financial accounting records, financial control of member contribution records, and for the administration of financial functions of the self-insured group life and long-term disability plan.

Installment Purchase Section - Administration of the installment service purchase program.

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

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

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.

#### Counseling Service Division:

Counseling Section - Responsible for counseling members relating to retirement, calculation of all annuity benefits and processing all retirement documents upon actual retirement of a member. Responsible for administration of counseling services for the long-term disability plan and in-service group life insurance benefits.

Medical Section - Responsible for administration of medical evaluations for all retirement disability programs and the LTD program.

On-Site Services - Responsible for maintenance of satellite offices statewide on a rotating basis.

Pre-Retirement Section - A section with the overall objective of better preparing the membership for retirement through conducting seminars and meetings with employee and employer representatives.

#### Operational Services Division:

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

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 beneficiary information and complete historical records of each member.

#### Benefits Services Division:

Benefits Payroll Section - Responsible for the disbursement of monthly annuity payments to all retired members and administration of post-retirement group life insurance benefits. Administers payroll function of long term disability plan.

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



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# *FINANCIAL SECTION*

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**INDEPENDENT AUDITORS' REPORT**

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

We have audited the combined and combining financial statements of the South Carolina Retirement Systems (as described in Note I) as of and for the year ended June 30, 1994, as listed in the table of contents. These combined and combining 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 I, the combined and combining 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 cash flows 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 combined and combining financial statements referred to above present fairly, in all material respects, the financial position of the Systems at June 30, 1994, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

As discussed in the Note XIII, the System changed its method of computing its compensated absences expenditures and liability to comply with Governmental Accounting Standards Board ("GASB") Statement No. 16 Accounting for Compensated Absences effective July 1, 1993.

Our audit was conducted for the purpose of forming an opinion on the combined and combining financial statements taken as a whole. The Required Supplementary Information on pages 30-34 is presented for purposes of additional analysis and is not a required part of the combined and combining financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined and combining financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

September 27, 1994

*Crisp Hughes & Co.*

198 Roper Mountain Road Extension • P.O. Box 25849 • Greenville, South Carolina 29616 • (803) 288-5544 • FAX (803) 458-8519

Other Offices: Asheville, Boone, Burnsville, and Sylva, NC

Member of: The American Institute of Certified Public Accountants, The Continental Association of CPA Firms, Inc.,  
The Intercontinental Accounting Associates and The North Carolina and South Carolina Associations of CPAs

# FINANCIAL SECTION

## SOUTH CAROLINA RETIREMENT SYSTEMS

### COMBINED BALANCE SHEET ALL FUND TYPES JUNE 30, 1994

*With comparative totals for June 30, 1993  
(amounts expressed in thousands)*

	<u>PROPRIETARY</u> INTERNAL SERVICE		<u>FIDUCIARY</u> PENSION TRUST	
	1994	1993 (Restated)	1994	1993
<b>ASSETS</b>				
Cash and cash equivalents.	\$ 4,069	\$ 5,806	\$ 367,932	\$ 666,477
Receivables:				
Contributions		98,514	97,785	
Accrued interest	212	89	163,119	134,533
Investments, at amortized cost:				
Short term investments (market value - \$0 in 1994; \$450,403 in 1993)				450,298
United States Government securities (market value - \$3,150,877 in 1994; \$3,574,210 in 1993)			2,617,708	2,616,397
United States Government agencies and government-insured securities (market value - \$2,660,471 in 1994; \$2,874,121 in 1993)	11,293	10,998	2,533,879	2,510,106
Corporate bonds (market value - \$3,048,497 in 1994; \$2,710,617 in 1993)	3,190	992	2,998,814	2,377,357
Financial and other (market value - \$3,079,882 in 1994; \$1,954,868 in 1993)	<u>3,656</u>	<u>1,769</u>	<u>3,184,374</u>	<u>1,843,779</u>
Total investments	<u>18,139</u>	<u>13,759</u>	<u>11,334,775</u>	<u>9,797,937</u>
Deferred yield adjustment for security exchanges			(29,897)	(6,196)
Property and equipment, net of accumulated depreciation	<u>721</u>	<u>850</u>	<u>5,085</u>	<u>5,065</u>
Total assets	<u>\$ 23,141</u>	<u>\$ 20,504</u>	<u>\$ 11,939,528</u>	<u>\$ 10,695,601</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable				
unsettled investment purchases	\$ 2,000	\$ 1,000	\$ 351,463	\$ 157,996
Due to State Health Insurance Plan			18,107	12,106
Accounts payable and accrued expenses	694	546	2,387	2,268
Compensated absences payable	542	493		
Incurred but unpaid claims	<u>12,925</u>	<u>13,645</u>		
Total liabilities	<u>16,161</u>	<u>15,684</u>	<u>371,957</u>	<u>172,370</u>
Fund equity:				
Contributed capital - governmental	8	8		
Retained earnings	6,972	4,812		
Fund balances			<u>11,567,571</u>	<u>10,523,231</u>
Total fund equity	<u>6,980</u>	<u>4,820</u>	<u>11,567,571</u>	<u>10,523,231</u>
Total liabilities and fund equity	<u>\$ 23,141</u>	<u>\$ 20,504</u>	<u>\$ 11,939,528</u>	<u>\$ 10,695,601</u>

See notes to financial statements

South Carolina Retirement Systems

# FINANCIAL SECTION

## SOUTH CAROLINA RETIREMENT SYSTEMS

### COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS YEAR ENDED JUNE 30, 1994

*With comparative totals for the year ended June 30, 1993  
(amounts expressed in thousands)*

	<u>PROPRIETARY</u> INTERNAL SERVICE		<u>FIDUCIARY</u> PENSION TRUST	
	<u>1994</u>	<u>1993</u> (Restated)	<u>1994</u>	<u>1993</u>
Operating revenues:				
Contribution revenue:				
Employee contributions			\$ 307,987	\$ 288,314
Employer contributions			376,139	362,683
Premium revenue:				
Group life insurance	\$ 1,267	\$ 1,236		
Long term disability	4,617	4,505		
Operating charge to Pension Trust Funds	6,232	7,178		
Supplemental retirement benefits funded by the State			7,006	7,498
Investment income	1,010	835	938,342	922,000
Other income	<u>231</u>	<u>136</u>		
Total operating revenues	<u>13,357</u>	<u>13,890</u>	<u>1,629,474</u>	<u>1,580,495</u>
Operating expenses:				
Refunds of contributions to members			44,897	41,521
Regular retirement benefits			518,183	471,556
Supplemental retirement benefits			7,006	7,498
Group life insurance claims	1,182	1,002	8,124	8,876
Accidental death benefits			575	533
Long term disability claims	2,123	5,750		
Administrative charges			6,232	7,178
Personal services	3,990	3,684		
Contractual services	2,196	1,702		
Supplies	362	342		
Fixed charges	11	10		
Fringe benefits	985	868		
Travel and other	89	86		
Depreciation	<u>259</u>	<u>225</u>	<u>117</u>	<u>93</u>
Total operating expenses	<u>11,197</u>	<u>13,669</u>	<u>585,134</u>	<u>537,255</u>
Net income/operating income	2,160	221	1,044,340	1,043,240
Retained earnings/fund balances at beginning of year	<u>4,812</u>	<u>4,591</u>	<u>10,523,231</u>	<u>9,479,991</u>
Retained earnings/fund balances at end of year	<u>\$ 6,972</u>	<u>\$ 4,812</u>	<u>\$11,567,571</u>	<u>\$10,523,231</u>

See notes to financial statements.

*South Carolina Retirement Systems*



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**FINANCIAL SECTION**

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**SOUTH CAROLINA RETIREMENT SYSTEMS****COMBINED STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 1994**

*With comparative totals for the year ended June 30, 1993  
(amounts expressed in thousands)*

	<u>1994</u>	<u>1993</u> (Restated)
Cash flows from operating activities:		
Operating income	\$ 2,160	\$ 221
Adjustments to reconcile operating income to net cash provided by operating activities:		
Investment income classified as operating income	(1,010)	(835)
Depreciation expense	259	225
(Gain) loss on disposal of equipment		1
Change in assets and liabilities:		
Increase (decrease) in accounts payable and accrued expenses	148	(16)
Increase in compensated absences payable	49	19
Increase (decrease) in incurred but unpaid claims	(720)	2,929
Total adjustments	<u>(1,274)</u>	<u>2,323</u>
Net cash provided by operating activities	<u>886</u>	<u>2,544</u>
Cash flows from capital and related financing activities:		
Purchase of fixed assets	(130)	(390)
Net cash used for capital and related financing activities	<u>(130)</u>	<u>(390)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	26,299	25,222
Purchase of investments	(29,679)	(26,998)
Interest received	887	834
Net cash provided by (used in) investing activities	<u>(2,493)</u>	<u>(942)</u>
Net increase (decrease) in cash and cash equivalents	(1,737)	1,212
Cash and cash equivalents at beginning of year	5,806	4,594
Cash and cash equivalents at end of year	<u>\$ 4,069</u>	<u>\$ 5,806</u>

See notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS SOUTH CAROLINA RETIREMENT SYSTEMS**

### **I. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Description of the Entity:**

The financial statements of the South Carolina Retirement Systems (Systems) presented herein contain the following funds:

#### **Pension Trust Funds**

- 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 pension trust fund 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 plans.

#### **Internal Service Funds**

- State Life and Long-Term Disability Plan (State Life & LTD Plan)
- Agency Operations Internal Service Fund (Agency Operations)

The State Life & LTD Plan is a self insured group life and long term disability plan provided to eligible active state, public school and county employees. The Agency Operations Internal Service Fund provides for the administration of all pension trust funds and the State Life & LTD Plan through annual administrative charges ( \$6.2 million for the Pension Trust Fund and \$316,000 for the State Life & LTD Plan) assessed to each fund. Charges to the State Life & LTD Plan are reflected as operating transfers between internal service funds. These assessments are based on approved budgeted costs anticipated to be incurred in the operation of the respective funds.

The Retirement Systems are part of the State of South Carolina's primary government and are included in the Comprehensive Annual Financial Report of the State of South Carolina. In making this determination factors of financial accountability, governance and fiduciary responsibility of the State were considered.

#### **Summary of Significant Accounting Principles:**

**Fund Structure** - The Systems' accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying combined financial statements funds that have similar characteristics have been combined. The following fund types are used by the System:

#### **Fiduciary Fund Types**

**Pension Trust Funds** - These funds are used to account for the activities of the four public employee retirement systems administered by the Systems. The following accounts are used within the pension trust 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 percent. Upon termination of employment prior to retirement, employee contributions and accumulated interest may be refunded from this fund to the employee. Upon retirement, members' 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

## FINANCIAL SECTION

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.

**Internal Service Funds** - These funds are used to account for services provided to other funds, departments and agencies of government. These services are provided on essentially a cost recovery basis. These funds account for activities similar to those found in the private sector. The Financial Accounting Standards Board (FASB) and its predecessor organizations have issued accounting and reporting standards for activities in the private sector. The Systems proprietary funds have elected not to apply standards issued by those organizations after November 30, 1989. The funds, however, have applied all applicable pronouncements issued by the Governmental Accounting Standards Board (GASB). The following funds are reported as internal service funds:

**State Life and Long-Term Disability Plan** - A self-insured plan providing life insurance benefits and long term disability benefits to active employees covered under the State Health Insurance Program. Premiums are set by the State Budget and Control Board. Information concerning eligibility and benefits are provided in the Systems publication "SCRS - Long Term Disability Plan."

**Agency Operations Internal Service Fund** - A fund used to account for the cost of operating the State Life & LTD Plan and the pension trust funds. No state funds are appropriated for operating purposes.

**Basis of Accounting** - All funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**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.

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

**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 within the pension trust funds 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. Gains and losses on sales of investments within the internal service funds are recognized in the period of sale. 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 within pension trust funds and recognized gains/losses on bond transactions.

**Fixed Assets** - Fixed assets are capitalized at cost and depreciated on a straight-line basis over an estimated five year useful life for equipment and forty year life for building.

**Compensated Absences** - State employees are entitled to accrue and carry forward at calendar year-end a maximum of 180 days sick leave and 45 days annual vacation leave. Upon termination of employment the employees are entitled to be paid for accumulated unused annual vacation leave up to a maximum of 45 days, but are not entitled to any payment for unused sick leave. In addition, the compensated absences liability includes leave earned for which employees are entitled to paid time off or payment at termination. The liability for compensated absences is accrued based on recorded balances of unused leave, current salaries at year end and salary related fringe benefits.

**Incurred but Unpaid Claims and Claims Expenses** - Insurance claims are expensed as incurred over the period of coverage. The Systems establish an unpaid claims liability for claims in the process of review, incurred claims which, under the terms of the plan, are not payable (long term disability plan) and for incurred claims not yet reported. The liability for incurred claims is actuarially estimated based on the most current historical claims experience of previous payments, changes in number of members and participants and estimates of trend changes. Estimates of liabilities for incurred claims are continually reviewed and revised as changes in these factors occur and revisions are reflected in the current year's income.

**Risk Management** - The Systems pay insurance premiums to certain other State agencies to cover risks that may occur in normal operations. Several state funds accumulate assets and the State itself assumes all risks for unemployment compensation, workers compensation, health, dental and group life insurance.

## **II. DESCRIPTION OF PLANS:**

The South Carolina Retirement System was established, effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the 1976 South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for teachers and employees of the State and political subdivisions thereof.

The South Carolina Police Officers Retirement System was established, effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen.

The Retirement System for Members of the General Assembly of the State of South Carolina was created, effective January 1, 1966, pursuant to the provisions of Section 9-9-20 of the Code of Laws to provide retirement allowances and other benefits for members of the General Assembly.

The Retirement System for Judges and Solicitors of the State of South Carolina was created, effective July 1, 1979, pursuant to the provisions of Section 9-8-20 of the Code of Laws for the purpose of providing retirement allowances and other benefits for judges and solicitors.

As an alternative to membership in the SCRS certain teachers and administrators of the institutions of higher learning employed after July 1, 1987 may elect to participate in the Optional Retirement Program (ORP). The SCRS assumes no liability for this group other than payment of contributions to designated vendors. Contributions to the ORP are at the same rates as the SCRS, with 3.3% of the employer contribution rate retained by the SCRS and applied to the unfunded accrued liability of the System and the balance remitted to the respective vendor for credit to the participant's account.

Based on covered payroll of \$91.7 million, employee and employer contributions of \$5.5 and \$6.9 million, respectively were received during the year ended June 30, 1994; \$3.0 million of which was retained by the SCRS and reported as employer contributions.

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

### **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 55. 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 covered payroll (in thousands) of each type for the year ended June 30, 1994 are as follows:

	<u>State*</u>	<u>School</u>	<u>Other</u>	<u>Total</u>
<b>SCRS</b>				
Number of Employers	138	105	464	707
Annual Covered Payroll	\$1,691,155	\$1,758,581	\$ 791,880	\$ 4,241,616
Average Number of Contributing Members	66,303	78,496	38,690	183,489
<b>PORS</b>				
Number of Employers	33		234	267
Annual Covered Payroll	\$ 204,635		\$ 230,265	\$ 434,900
Average Number of Contributing Members	9,215		9,801	19,016
<b>GARS</b>				
Number of Employers	2			2
Annual Covered Payroll	\$ 2,380			\$ 2,380
Average Number of Contributing Members	170			170
<b>JSRS</b>				
Number of Employers	2			2
Annual Covered Payroll	\$ 9,466			\$ 9,466
Average Number of Contributing Members	113			113

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

Based upon the most recent complete actuarial valuation (July 1, 1993) 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	162,333	9,184	287	82	171,886
b) Fully vested active employees	108,248	8,456	44	49	116,797
Nonvested active employees	63,298	9,304	167	57	72,826
Total active employees	171,546	17,760	211	106	189,623
Total	333,879	26,944	498	188	361,509

# FINANCIAL SECTION

## III. INVESTMENTS AND DEPOSITS:

The following table presents market values of investments (in thousands) at June 30, 1994. 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.

INVESTMENTS	PENSION TRUST FUNDS					INTERNAL	GRAND	TOTAL
	SCRS	PORS	GARS	JSRS	TOTAL	SERVICE FUNDS		
Short-term investments								
U.S. Government securities	\$ 2,888,498	\$ 243,919	\$ 8,564	\$ 9,896	\$ 3,150,877		\$ 3,150,877	\$ 450,403
U.S. Government agencies and government-insured securities	2,331,035	290,495	7,754	19,713	2,648,997	\$ 11,474	2,660,471	2,874,121
Corporate bonds	2,679,825	342,962	8,081	14,596	3,045,464	3,033	3,048,497	2,710,617
Financial and other	2,788,621	273,738	4,376	9,673	3,076,408	3,474	3,079,882	1,954,868
	<u>\$ 10,687,979</u>	<u>\$ 1,151,114</u>	<u>\$ 28,775</u>	<u>\$ 53,878</u>	<u>\$ 11,921,746</u>	<u>\$ 17,981</u>	<u>\$ 11,939,727</u>	<u>\$ 11,564,219</u>

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

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 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, 1994 totaled \$1.002 billion for the SCRS and \$98 million for the PORS.

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. Certain short-term highly liquid securities with and original maturity of three months or less are considered cash equivalents in accordance with Governmental Accounting Standards Board Statement 9. Cash and cash equivalents whose cost and approximate market value (in thousands) at June 30, 1994 were composed of the following:

	Cash Equivalents			Total	Total 1993
	Cash	Repurchase Agreements	Commercial Paper		
Pension Trust Funds					
SCRS	\$ 260	\$ 313,035	\$ 34,809	\$ 348,104	\$ 565,442
PORS	62	15,030		15,092	96,328
GARS	2	2,305		2,307	2,554
JSRS	4	2,425		2,429	2,153
	<u>328</u>	<u>332,795</u>	<u>34,809</u>	<u>367,932</u>	<u>666,477</u>
Internal Service Funds					
State Life and LTD Plan	2	3,560		3,562	4,512
Agency Operations	507			507	1,294
	<u>509</u>	<u>3,560</u>		<u>4,069</u>	<u>5,806</u>
Totals	<u>\$ 837</u>	<u>\$ 336,355</u>	<u>\$ 34,809</u>	<u>\$ 372,001</u>	<u>\$ 672,283</u>

## FINANCIAL SECTION

### IV. 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, 1993.

Significant actuarial assumptions used to compute the pension 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 % for SCRS, PORS and JSRS. No increases assumed for the GARS.

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, 1993 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	\$ 5,348.5	\$ 465.3	\$ 16.5	\$ 42.0	\$ 5,872.3
b) Current employees:					
Accumulated employee contributions including allocated investment income	2,344.0	199.0	5.3	7.9	2,556.2
Employer-financed vested	1,142.6	128.3	2.6	12.6	1,286.1
Employer-financed nonvested	<u>3,786.6</u>	<u>339.8</u>	<u>5.0</u>	<u>4.7</u>	<u>4,136.1</u>
	<u>7,273.2</u>	<u>667.1</u>	<u>12.9</u>	<u>25.2</u>	<u>7,978.4</u>
Total pension benefit obligation	12,621.7	1,132.4	29.4	67.2	13,850.7
Net assets available for benefits, at amortized cost	<u>9,392.5</u>	<u>981.5</u>	<u>26.8</u>	<u>46.6</u>	<u>10,447.4</u>
Unfunded pension benefit obligation	\$ <u>3,229.2</u>	\$ <u>150.9</u>	\$ <u>2.6</u>	\$ <u>20.6</u>	\$ <u>3,403.3</u>
Net assets available for benefits, at market value	\$ <u>10,970.3</u>	\$ <u>1,132.6</u>	\$ <u>30.9</u>	\$ <u>54.4</u>	\$ <u>12,188.2</u>

**V. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE:**

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, 1993 were as follows:

<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
28 years	9 years	13 years	25 years

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

The actuarial value of assets used in this method is the same as the net asset values presented in the financial statements except for the exclusion of assets attributed

to the group life insurance 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 contribution rates for the fiscal year ended June 30, 1994 were as follows:

	<u>SCRS</u>			
	<u>STATE &amp; SCHOOL</u>	<u>LOCAL</u>	<u>PORS</u>	<u>JSRS</u>
Member normal	<u>6.00%</u>	<u>6.00%</u>	<u>6.50%</u>	<u>7.00%</u>
Employer normal	3.93%	3.93%	7.59%	23.84%
Unfunded accrued liability	3.62%	2.77%	2.71%	16.78%
Accidental death			.20%	
Group life insurance	<u>.15%</u>	<u>.15%</u>	<u>.20%</u>	<u>.89%</u>
Total employer	<u>7.70%</u>	<u>6.85%</u>	<u>10.70%</u>	<u>41.51%</u>

Actuarially established contributions for the GARS for the fiscal year ended June 30, 1994 were as follows:

Member normal	10% of earnable compensation
Employer normal	\$ 739,411
Unfunded accrued liability	417,631
Group life insurance	<u>5,986</u>
Total	<u>\$ 1,163,028</u>

Based on aggregate covered wages reported for the fiscal year ended June 30, 1994 actuarially required contributions amounts (in thousands) were as follows:

	<u>Normal</u>	<u>Unfunded Accrued Liability</u>	<u>Accidental Death</u>	<u>Group Life</u>	<u>Total</u>
SCRS					
State and School	\$ 342,559	\$ 124,880			
Local	78,634	21,935		\$ 5,312	\$ 472,751
PORS	61,277	11,786		1,036	101,605
GARS	977	418	\$ 828	856	74,747
JSRS	<u>2,919</u>	<u>1,588</u>		6	1,401
Total	<u>\$ 486,366</u>	<u>\$ 160,607</u>	<u>\$ 828</u>	<u>\$ 7,294</u>	<u>\$ 655,095</u>

The following chart shows actual employee and employer contributions (in thousands) for the fiscal year ended June 30, 1994.

	<u>Employee Contributions</u>	<u>% of Covered Payroll</u>	<u>Employer Contributions</u>	<u>% of Covered Payroll</u>
SCRS				
State and Schools	\$ 226,917	6.6%	\$ 270,346	7.8%
Local	48,306	6.1%	52,834	6.7%
PORS	31,487	7.2%	47,866	11.0%
GARS	339	14.2%	1,163	48.9%
JSRS	<u>938</u>	<u>9.9%</u>	<u>3,930</u>	<u>41.5%</u>
Total	<u>\$ 307,987</u>		<u>\$ 376,139</u>	



## FINANCIAL SECTION

In accordance with provisions of the 1993-1994 State Appropriation Act an additional employer contribution surcharge of 2.071% of covered payroll was added to the contribution rate applicable to State & Public School entities covered by the State Health Insurance Plan. This assessment is for the purpose of providing retiree health insurance coverage and is not a part of the actuarially established contribution rates. Functioning as a collecting agent, the SCRS and PORS collected (in

thousands) \$71,750 and \$4,237 respectively in retiree insurance surcharges (\$1,898 of which was applicable to the Optional Retirement Program) and remitted these funds to the Division of Insurance Services (administering agency for the State Health Insurance Plan).

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

### VI: PROPERTY AND EQUIPMENT:

Property and equipment at June 30, 1994 consists of the following amounts:

	PENSION TRUST FUNDS					INTERNAL	TOTAL	TOTAL 1993
	SCRS	PORS	GARS	JSRS	TOTAL	SERVICE FUND		
Land	\$ 524,433	\$ 53,565	\$ 1,549	\$ 2,453	\$ 582,000		\$ 582,000	\$ 582,000
Building	4,246,939	434,031	12,522	19,883	4,713,375		4,713,375	4,576,970
Office furniture and equipment						<u>\$1,792,879</u>	<u>1,792,879</u>	<u>1,683,323</u>
Total property and equipment	4,771,372	487,596	14,071	22,336	5,295,375	1,792,879	7,088,254	6,842,293
Less accumulated depreciation	<u>189,603</u>	<u>19,371</u>	<u>559</u>	<u>887</u>	<u>210,420</u>	<u>1,071,885</u>	<u>1,282,305</u>	<u>926,571</u>
Net property and and equipment	<u>\$ 4,581,769</u>	<u>\$ 468,225</u>	<u>\$ 13,512</u>	<u>\$ 21,449</u>	<u>\$ 5,084,955</u>	<u>\$ 720,994</u>	<u>\$ 5,805,949</u>	<u>\$ 5,915,722</u>

The Systems lease a portion of its' premises to another state agency under a 5 year operating lease with minimum annual payments of approximately \$115,000.

### VII. PENSION PLAN:

Substantially all employees of the Systems (Agency Operations Internal Service Fund) are covered by the South Carolina Retirement System. The total covered payroll for the fiscal year was \$3.7 million of total personal service expenditures of \$3.9 million.

All actuarially required contributions due to the SCRS

were paid in accordance with Plan provisions. Employer retirement contributions of \$280,173, employee contributions of \$222,654 and group life contributions of \$5,566 were paid in the current year.

In addition a retiree insurance surcharge of \$76,853 was paid during the year ended June 30, 1994 for the purpose of funding retiree health insurance costs.

## **FINANCIAL SECTION**

### **VIII. BUDGETED EXPENSES:**

A formal annual budget is established and approved by the General Assembly for the Agency Operations Internal Service Fund. Modifications to this budget must be approved by the State Budget & Control Board. A comparison of actual to budget (amounts in thousands) for this Fund follows:

	GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Legal Basis Budget	Variance Favorable (Unfavorable)
Expenses:					
Personal services	\$ 3,990	\$ (96)	\$ 3,894	\$ 4,006	\$ 112
Contractual services	2,196		2,196	2,255	59
Supplies	362		362	362	
Fixed charges	11		11	11	
Fringe benefits	985	(32)	953	966	13
Travel and other	89		89	137	48
Equipment		130	130	140	10
Depreciation	259	(259)			
Total expenses	<u>\$ 7,892</u>	<u>\$ (257)</u>	<u>\$ 7,635</u>	<u>\$ 7,877</u>	<u>\$ 242</u>

Adjustments of the GAAP basis of accounting to the budgetary basis of accounting consist principally of reversals of payroll accruals and related fringe benefits, and capitalization and depreciation of fixed assets rather than recording as an expense when purchased.

### **IX. POST RETIREMENT AND OTHER EMPLOYEE BENEFITS:**

The State of South Carolina provides certain health care, dental and life insurance benefits to active and certain retired state employees. All permanent full-time employees are eligible to receive these benefits. These benefits are provided through generated revenues for its active employees and through the State Budget & Control Board for all participating State retirees. Expenses of approximately \$301 thousand applicable to these benefits were recorded in the year ended June 30, 1994. Information regarding the cost of insurance benefits applicable to retirees is not available.

### **X. DEFERRED COMPENSATION PLANS:**

Several optional deferred compensation plans are available to state employees and employers of political subdivisions. Certain employees of the Systems have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457,

401(k) and 403(b) are accounted for as agency funds of the State and included in the Comprehensive Annual Financial Report of the State of South Carolina. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Compensation deferred under the Section 401(k) and 403(b) plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Under the 457 plan, all deferred compensation plan amounts and earnings remain assets of the employer (the State) subject to the claims of employer's general creditors, one of whom is the employee participant. It is unlikely, however, that the State would ever use the plan assets to satisfy claims of the State's general creditors. The portion of assets of the Section 457 plan to which the State has access is disclosed in its financial report.

**XI. 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 employee and employer contributions and constitute approximately 42.4% of combined contribution revenues. The Systems receive a variety of services from other agencies at no cost, including various administrative, payroll and accounting services from the Office of the Comptroller General, and procurement and purchasing services from other Divisions of the Budget & Control Board. In addition the Systems receive custodial, investment and related services from the State Treasurer.

Approximately \$2.8 million in employer life and long term disability insurance premiums were received from other agencies and institutions of the State during the fiscal year.

Other significant services and/or goods purchased from other units of government include medical evaluation services from the Vocational Rehabilitation Department, data processing services from the Budget & Control Board Financial Data Systems, and communications services from the Division of Information Resources Management.

At June 30, 1994, accounts payable of approximately \$18.2 million were due to other State departments and agencies and contributions receivable of approximately \$220.0 million were due from other State Department and agencies.

**XII. DEFICIT RETAINED EARNINGS:**

The Agency Operations Internal Service Fund has

deficit retained earnings (expressed in thousands) of \$16 at June 30, 1994. This deficit results from the collection of revenues (assessments to other funds) based on budgetary expenditure requirements rather than accrual basis amounts.

**XIII. ACCOUNTING CHANGE:**

The Agency Operations Internal Service Fund changed its method of computing its compensated absences expenditures and liability to comply with Governmental Accounting Standards Board (GASB) Statement No. 16 Accounting for Compensated Absences effective July 1, 1993. In prior years, the fund calculated the gross liability and reported the lesser of the gross liability or the maximum payment at termination of State employment for 45 days. Under the newly adopted standard, the fund calculates the gross compensated absences liability for unused annual vacation leave based on recorded balances and reports the liability based on that portion the employer expects to compensate employees for the benefits through paid time off or cash payments. In most cases it is either certain or highly probable that accumulated balances will be used or paid; consequently, the liability will be equal to the value of the recorded balances. This change resulted in an increase, (in thousands) in the compensated absences liability of \$65 at June 30, 1994 and June 30, 1993, and \$0 effect in income for the year ended June 30, 1994.

**XIV. RETIREMENT INCENTIVE:**

The Agency Operations Internal Service Fund recorded expenses of approximately \$49,000 for lump-sum payments to its retiring employees under the Retirement Incentive Program in fiscal year 1994; \$41,500 of which was accrued at year end and is reflected within accrued expenses.

# FINANCIAL SECTION

## REQUIRED SUPPLEMENTARY INFORMATION :

### 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
1994	\$275,223	\$323,180	7.6%	\$841,332	\$ 6,848	\$1,446,583
1993	257,733	312,781	7.7%	830,466	7,331	1,408,311
1992	248,148	298,021	7.7%	749,808	7,728	1,303,705
1991	233,152	286,799	7.7%	678,984	8,111	1,207,046
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

### 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
1994	\$31,487	\$47,866	11.0%	\$90,088	\$158	\$169,599
1993	29,183	44,753	10.9%	85,230	167	159,333
1992	27,827	43,313	10.9%	77,018	186	148,344
1991	26,635	43,200	11.6%	66,745	191	136,771
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

# FINANCIAL SECTION

## REQUIRED SUPPLEMENTARY INFORMATION (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
1994	\$339	\$1,163	48.9%	\$2,346	\$3,848
1993	375	1,239	52.1%	2,234	3,848
1992	390	1,147	48.2%	2,194	3,731
1991	314	1,026	43.1%	2,007	3,347
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

### 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
1994	\$ 938	\$3,930	41.5%	\$4,576	\$9,444
1993	1,023	3,910	41.5%	4,070	9,003
1992	926	3,827	41.5%	3,673	8,426
1991	590	3,418	40.9%	3,214	7,222
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

**REQUIRED SUPPLEMENTARY INFORMATION (Continued) :**

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

YEAR ENDED JUNE 30,	MEMBER REFUNDS	ANNUITY PAYMENTS	GROUP LIFE CLAIMS	ANNUITY SUPPLEMENTS	ADMINISTRATIVE CHARGES AND OTHER EXPENSES	TOTAL EXPENSES
1994	\$39,291	\$467,185	\$7,241	\$ 6,848	\$5,711	\$526,276
1993	36,392	426,401	7,870	7,331	6,542	484,536
1992	35,681	383,943	7,595	7,728	6,018	440,965
1991	37,112	347,066	7,257	8,111	5,059	404,605
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

**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 CLAIMS	ANNUITY SUPPLEMENTS	ADMINISTRATIVE CHARGES AND OTHER EXPENSES	TOTAL EXPENSES
1994	\$5,577	\$45,145	\$575	\$789	\$158	\$594	\$52,838
1993	5,090	39,522	533	995	167	679	46,986
1992	4,718	34,917	429	895	186	611	41,756
1991	4,439	30,281	413	703	191	500	36,527
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

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**FINANCIAL SECTION**

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**REQUIRED SUPPLEMENTARY INFORMATION (Continued):****SUMMARY OF EXPENSES BY TYPE  
GENERAL ASSEMBLY RETIREMENT SYSTEM**  
*(amounts expressed in thousands)*

YEAR ENDED JUNE 30,	MEMBER REFUNDS	ANNUITY PAYMENTS	GROUP LIFE CLAIMS	ADMINISTRATIVE CHARGES AND OTHER EXPENSES	TOTAL EXPENSES
1994	\$29	\$1,969	\$ 2	\$16	\$2,016
1993	39	1,843	8	19	1,909
1992	56	1,684	5	18	1,763
1991	62	1,580	27	16	1,685
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

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

YEAR ENDED JUNE 30,	MEMBER REFUNDS	ANNUITY PAYMENTS	GROUP LIFE CLAIMS	ADMINISTRATIVE CHARGES AND OTHER EXPENSES	TOTAL EXPENSES
1994		\$3,884	\$92	\$28	\$4,004
1993		3,790	3	31	3,824
1992	\$58	3,163	9	28	3,258
1991		2,848	2	24	2,874
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

**REQUIRED SUPPLEMENTARY INFORMATION (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
<b>SCRS</b>	1993	\$9,392.5	\$12,621.7	74.4%	\$3,229.2	\$3,990.0	80.9%
	1992	8,472.3	11,551.5	73.3%	3,079.2	3,793.7	81.2%
	1991	7,612.9	10,596.3	71.8%	2,983.4	3,664.6	81.4%
	1990	6,813.7	9,496.7	71.7%	2,683.0	3,484.6	77.0%
	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%
<b>PORS</b>	1993	981.5	1,132.4	86.7%	150.9	403.5	37.4%
	1992	870.6	1,019.9	85.4%	149.3	390.2	38.2%
	1991	765.6	920.6	83.2%	155.0	375.7	41.3%
	1990	666.7	808.9	82.4%	142.2	355.8	40.0%
	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%
<b>GARS</b>	1993	26.8	29.4	91.1%	2.6	3.0	88.4%
	1992	24.8	28.6	86.9%	3.8	3.0	126.7%
	1991	22.9	26.9	85.0%	4.0	2.8	145.6%
	1990	21.2	26.2	81.0%	5.0	2.8	178.9%
	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%
<b>JSRS</b>	1993	46.6	67.2	69.3%	20.6	8.8	234.0%
	1992	41.4	61.1	67.8%	19.7	8.9	221.0%
	1991	36.3	56.9	63.8%	20.6	8.3	248.0%
	1990	31.9	54.3	58.7%	22.4	8.0	280.0%
	1989	27.8	48.9	56.9%	21.1	7.6	278.0%
	1988	23.8	52.6	45.2%	28.8	7.4	389.2%
	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 and thereafter.

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 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.



# FINANCIAL SECTION

## SOUTH CAROLINA RETIREMENT SYSTEMS

### COMBINING BALANCE SHEET INTERNAL SERVICE FUNDS JUNE 30, 1994

*With comparative totals for June 30, 1993  
(amounts expressed in thousands)*

	STATE LIFE & LTD PLAN	AGENCY OPERATIONS	TOTAL	TOTAL 1993 (Restated)
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,562	\$ 507	\$ 4,069	\$ 5,806
Accrued interest receivable	<u>212</u>	<u>—</u>	<u>212</u>	<u>89</u>
Total current assets	<u>3,774</u>	<u>507</u>	<u>4,281</u>	<u>5,895</u>
Long-term assets:				
Investments, at amortized cost:				
United States Government Agencies and government-insured securities (market value - \$11,474 in 1994; \$11,462 in 1993)	11,293		11,293	10,998
Corporate bonds (market value \$3,033 in 1994; \$1,131 in 1993)	3,190		3,190	992
Financial and other (market value \$3,474 in 1994; \$1,933 in 1993)	<u>3,656</u>	<u>—</u>	<u>3,656</u>	<u>1,769</u>
Total investments	<u>18,139</u>	<u>—</u>	<u>18,139</u>	<u>13,759</u>
Property and equipment, net of accumulated depreciation		<u>721</u>	<u>721</u>	<u>850</u>
Total assets	<u>\$ 21,913</u>	<u>\$ 1,228</u>	<u>\$ 23,141</u>	<u>\$ 20,504</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Current liabilities:				
Accounts payable - unsettled investment purchases	\$ 2,000		\$ 2,000	\$ 1,000
Accounts payable and accrued expenses		\$ 694	694	546
Compensated absences payable		542	542	493
Incurred but unpaid claims	<u>2,908</u>	<u>—</u>	<u>2,908</u>	<u>3,032</u>
Total current liabilities	4,908	1,236	6,144	5,071
Long-term liabilities:				
Incurred but unpaid claims	<u>10,017</u>	<u>—</u>	<u>10,017</u>	<u>10,613</u>
Total liabilities	<u>14,925</u>	<u>1,236</u>	<u>16,161</u>	<u>15,684</u>
Fund equity:				
Contributed capital- governmental		8	8	8
Retained earnings (deficit)	<u>6,988</u>	<u>(16)</u>	<u>6,972</u>	<u>4,812</u>
Total fund equity	<u>6,988</u>	<u>(8)</u>	<u>6,980</u>	<u>4,820</u>
Total liabilities and fund equity	<u>\$ 21,913</u>	<u>\$ 1,228</u>	<u>\$ 23,141</u>	<u>\$ 20,504</u>

See notes to financial statements.

*South Carolina Retirement Systems*

**SOUTH CAROLINA RETIREMENT SYSTEMS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN RETAINED EARNINGS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 1994**  
*With comparative totals for the year ended June 30, 1993*  
*(amounts expressed in thousands)*

	STATE LIFE & LTD PLAN	AGENCY OPERATIONS	TOTAL	TOTAL 1993 (Restated)
Operating revenues:				
Premium revenue:				
Group life insurance	\$ 1,267		\$ 1,267	\$ 1,236
Long term disability	4,617		4,617	4,505
Operating charge to Pension Trust Funds		\$ 6,232	6,232	7,178
Investment income	1,010		1,010	835
Other income		231	231	136
Total operating revenues	<u>6,894</u>	<u>6,463</u>	<u>13,357</u>	<u>13,890</u>
Operating expenses:				
Claims:				
Group life insurance	1,182		1,182	1,002
Long term disability	2,123		2,123	5,750
Personal services		3,990	3,990	3,684
Contractual services		2,196	2,196	1,702
Supplies		362	362	342
Fixed charges		11	11	10
Fringe benefits		985	985	868
Travel and other		89	89	86
Depreciation		259	259	225
Total operating expenses	<u>3,305</u>	<u>7,892</u>	<u>11,197</u>	<u>13,669</u>
Operating income (loss) before operating transfers	3,589	(1,429)	2,160	221
Operating transfers in (out)	<u>(316)</u>	<u>316</u>		
Net income (loss)	<u>3,273</u>	<u>(1,113)</u>	<u>2,160</u>	<u>221</u>
Retained earnings at beginning of year	3,715	1,097	4,812	4,591
Retained earnings (deficit) at end of year	<u>\$ 6,988</u>	<u>\$ (16)</u>	<u>\$ 6,972</u>	<u>\$ 4,812</u>

See notes to financial statements.

# FINANCIAL SECTION

## SOUTH CAROLINA RETIREMENT SYSTEMS

### COMBINING STATEMENT OF CASH FLOWS

#### INTERNAL SERVICE FUNDS

#### YEAR ENDED JUNE 30, 1994

*With comparative totals for the year ended June 30, 1993*  
*(amounts expressed in thousands)*

	STATE LIFE & LTD PLAN	AGENCY OPERATIONS	TOTAL	TOTAL 1993 (Restated)
Cash flows from operating activities:				
Operating income (loss)	\$ 3,589	\$ (1,429)	\$ 2,160	\$ 221
Adjustments to reconcile operating income to net cash provided by operating activities:				
Investment income classified as operating income	(1,010)		(1,010)	(835)
Depreciation expense		259	259	225
(Gain) loss on disposal of equipment				1
Change in assets and liabilities:				
Increase (decrease) in accounts payable and accrued expenses		148	148	(16)
Increase in compensated absences payable		49	49	19
Increase (decrease) in incurred but unpaid claims	(720)		(720)	2,929
Total adjustments	(1,730)	456	(1,274)	2,323
Net cash provided by (used in) operating activities	1,859	(973)	886	2,544
Cash flows from noncapital financing activities:				
Operating transfers in (out) to other funds	(316)	316		
Net cash provided by noncapital financing activities	(316)	316		
Cash flows from capital and related financing activities:				
Purchase of fixed assets		(130)	(130)	(390)
Proceeds from sale of fixed assets				
Net cash used for capital and related financing activities		(130)	(130)	(390)
Cash flows from investing activities:				
Proceeds from sale of investments	26,299		26,299	25,222
Purchase of investments	(29,679)		(29,679)	(26,998)
Interest received	887		887	834
Net cash provided by (used in) investing activities	(2,493)		(2,493)	(942)
Net increase (decrease) in cash and cash equivalents	(950)	(787)	(1,737)	1,212
Cash and cash equivalents at beginning of year	4,512	1,294	5,806	4,594
Cash and cash equivalents at end of year	<u>\$ 3,562</u>	<u>\$ 507</u>	<u>\$ 4,069</u>	<u>\$ 5,806</u>

See notes to financial statements.

# SOUTH CAROLINA RETIREMENT SYSTEMS

## COMBINING BALANCE SHEET PENSION TRUST FUNDS

JUNE 30, 1994

*With comparative totals for June 30, 1993  
(amounts expressed in thousands)*

	SCRS	PORS	GARS	JSRS	TOTAL	TOTAL 1993
<b>ASSETS</b>						
Cash and cash equivalents	\$ 348,104	\$ 15,092	\$ 2,307	\$ 2,429	\$ 367,932	\$ 666,477
Receivables:						
Contributions	80,399	17,933	9	173	98,514	97,785
Accrued interest	144,790	17,042	483	804	163,119	134,533
Investments, at amortized cost:						450,298
Short-term investments (market value - \$ 0 in 1994; \$450,403 in 1993)						
United States Government securities						
(market value - \$3,150,877 in 1994; \$3,574,210 in 1993)						
United States Government agencies and	2,400,032	201,769	7,278	8,629	2,617,708	2,616,397
government-insured securities						
(market value - \$2,648,997 in 1994; \$2,862,659 in 1993)	2,230,654	277,468	7,255	18,502	2,533,879	2,510,106
Corporate bonds (market value - \$3,045,464 in 1994; \$2,709,486 in 1993)	2,638,575	337,883	8,061	14,295	2,998,814	2,377,357
Financial and other (market value - \$3,076,408 in 1994; \$1,952,935 in 1993)	2,882,649	286,772	4,607	10,346	3,184,374	1,843,779
Total investments	10,151,910	1,103,892	27,201	51,772	11,334,775	9,797,937
Deferred yield adjustment for security exchanges	(28,755)	(849)	112	(405)	(29,897)	(6,196)
Property and equipment, net of accumulated depreciation	4,582	468	14	21	5,085	5,065
Total assets	<u>\$ 10,701,030</u>	<u>\$ 1,153,578</u>	<u>\$ 30,126</u>	<u>\$ 54,794</u>	<u>\$ 11,939,528</u>	<u>\$ 10,695,601</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable - unsettled investment purchases	\$ 308,771	\$ 38,524	\$ 1,504	\$ 2,664	\$ 351,463	\$ 157,996
Due to State Health Insurance Plan	17,382	725			18,107	12,106
Accrued expenses	2,164	133		90	2,387	2,268
Total liabilities	<u>328,317</u>	<u>39,382</u>	<u>1,504</u>	<u>2,754</u>	<u>371,957</u>	<u>172,370</u>
Fund balances:						
Employee fund	2,838,478	226,608	5,609	8,992	3,079,687	2,770,243
Employer fund	7,469,908	869,922	23,013	43,048	8,405,891	7,677,168
Group life insurance fund	64,327	9,400			73,727	68,470
Accidental death fund		8,266			8,266	7,350
Total fund balances	<u>10,372,713</u>	<u>1,114,196</u>	<u>28,622</u>	<u>52,040</u>	<u>11,567,571</u>	<u>10,523,231</u>
Total liabilities and fund balances	<u>\$ 10,701,030</u>	<u>\$ 1,153,578</u>	<u>\$ 30,126</u>	<u>\$ 54,794</u>	<u>\$ 11,939,528</u>	<u>\$ 10,695,601</u>

South Carolina Retirement Systems

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**  
**PENSION TRUST FUNDS**  
**YEAR ENDED JUNE 30, 1994**  
*With comparative totals for the year ended June 30, 1993*  
*(amounts expressed in thousands)*

	SCRS	PORS	GARS	ISRS	TOTAL	TOTAL 1993
<b>Operating revenues:</b>						
Employee contributions	\$ 275,223	\$ 31,487	\$ 339	\$ 938	\$ 307,987	\$ 288,314
Employer contributions	323,180	47,866	1,163	3,930	376,139	362,683
Supplemental retirement benefits	6,848	158			7,006	7,498
funded by the State	841,332	90,088	2,346	4,576	938,342	922,000
Investment income	<u>1,446,583</u>	<u>169,599</u>	<u>3,848</u>	<u>9,444</u>	<u>1,629,474</u>	<u>1,580,495</u>
Total operating revenues						
<b>Operating expenses:</b>						
Refunds of contributions to members	39,291	5,577	29		44,897	41,521
Regular retirement benefits	467,185	45,145	1,969	3,884	518,183	471,556
Supplemental retirement benefits	6,848	158			7,006	7,498
Group life insurance claims	7,241	789	2	92	8,124	8,876
Accidental death benefits		575			575	533
Depreciation	106	10		1	117	93
Administrative charges	5,605	584	16	27	6,232	7,178
Total operating expenses	<u>526,276</u>	<u>52,838</u>	<u>2,016</u>	<u>4,004</u>	<u>585,134</u>	<u>537,255</u>
Net income	920,307	116,761	1,832	5,440	1,044,340	1,043,240
Fund balances at beginning of year	<u>9,452,406</u>	<u>997,435</u>	<u>26,790</u>	<u>46,600</u>	<u>10,523,231</u>	<u>9,479,991</u>
Fund balances at end of year	<u>\$ 10,372,713</u>	<u>\$ 1,114,196</u>	<u>\$ 28,622</u>	<u>\$ 52,040</u>	<u>\$ 11,567,571</u>	<u>\$ 10,523,231</u>

See notes to financial statements.

**SOUTH CAROLINA RETIREMENT SYSTEMS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**

**SCRS PENSION TRUST FUND**

**YEAR ENDED JUNE 30, 1994**

*With comparative totals for the year ended June 30, 1993*

*(amounts expressed in thousands)*

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE INSURANCE FUND	TOTAL	TOTAL 1993
<b>Operating revenues:</b>					
Employee contributions:					
State department employees	\$ 111,810			\$ 111,810	\$ 104,593
Public school employees	115,107			115,107	109,027
Other political subdivision employees	48,306			48,306	44,113
Employer contributions:					
State department employers		\$ 131,725	\$ 2,674	134,399	130,603
Public school employers		133,309	2,638	135,947	133,028
Other political subdivision employers		51,798	1,036	52,834	49,150
Supplemental retirement benefits funded by the State		6,848		6,848	7,331
Investment income		<u>836,021</u>	<u>5,311</u>	<u>841,332</u>	<u>830,466</u>
	<u>275,223</u>	<u>1,159,701</u>	<u>11,659</u>	<u>1,446,583</u>	<u>1,408,311</u>
<b>Operating expenses:</b>					
Refunds of contributions to members	39,291			39,291	36,392
Regular retirement benefits		467,185		467,185	426,401
Supplemental retirement benefits		6,848		6,848	7,331
Group life insurance claims			7,241	7,241	7,870
Depreciation		106		106	84
Administrative charges		<u>5,605</u>		<u>5,605</u>	<u>6,458</u>
	<u>39,291</u>	<u>479,744</u>	<u>7,241</u>	<u>526,276</u>	<u>484,536</u>
<b>Interfund transfers according to statutory requirements:</b>					
Contributions by members at retirement	(102,884)	102,884			
Interest credited to members' accounts	<u>147,411</u>	<u>(147,411)</u>			
Net interfund transfers	<u>44,527</u>	<u>(44,527)</u>			
	<u>280,459</u>	<u>635,430</u>	<u>4,418</u>	<u>920,307</u>	<u>923,775</u>
<b>Net income</b>					
Fund balances at beginning of year	<u>2,538,019</u>	<u>6,834,478</u>	<u>59,909</u>	<u>9,452,406</u>	<u>8,528,631</u>
Fund balances at end of year	<u>\$ 2,838,478</u>	<u>\$ 7,469,908</u>	<u>\$ 64,327</u>	<u>\$ 10,372,713</u>	<u>\$ 9,452,406</u>

**South Carolina Retirement Systems**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**  
**PORS PENSION TRUST FUND**  
**YEAR ENDED JUNE 30, 1994**  
*With comparative totals for the year ended June 30, 1993*  
*(amounts expressed in thousands)*

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE INSURANCE FUND	ACCIDENTAL DEATH FUND	TOTAL 1993
<b>Operating revenues:</b>					
Employee contributions:					
State department employees	\$ 14,848				\$ 14,848
Other political subdivision employees	16,639				16,639
Employer contributions:					
State department employers		\$ 21,586	\$ 409	\$ 409	22,404
Other political subdivision employers		24,596	447	419	25,462
Supplemental retirement benefits funded by the State		158			158
Investment income		88,653	772	663	90,088
	31,487	134,993	1,628	1,491	169,599
<b>Total operating revenues</b>					<b>159,333</b>
<b>Operating expenses:</b>					
Refunds of contributions to members	5,577				5,577
Regular retirement benefits		45,145			45,145
Supplemental retirement benefits		158	789		158
Group life insurance claims				575	789
Accidental death benefits		10			575
Depreciation		584			10
Administrative charges		45,897			584
<b>Total operating expenses</b>	<b>5,577</b>	<b>45,897</b>	<b>789</b>	<b>575</b>	<b>52,838</b>
<b>Interfund transfers according to statutory requirements:</b>					
Contributions by members at retirement	(9,622)	9,622			
Interest credited to members' accounts	11,315	(11,315)			
Net interfund transfers	1,693	(1,693)			
<b>Net income</b>	<b>27,603</b>	<b>87,403</b>	<b>839</b>	<b>916</b>	<b>112,347</b>
<b>Fund balances at beginning of year</b>	<b>199,005</b>	<b>782,519</b>	<b>8,561</b>	<b>7,350</b>	<b>885,088</b>
<b>Fund balances at end of year</b>	<b>\$ 226,608</b>	<b>\$ 869,922</b>	<b>\$ 9,400</b>	<b>\$ 8,266</b>	<b>\$ 997,435</b>

See notes to financial statements.

**SOUTH CAROLINA RETIREMENT SYSTEMS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**

**GARS PENSION TRUST FUND**

**YEAR ENDED JUNE 30, 1994**

*With comparative totals for the year ended June 30, 1993*

*(amounts expressed in thousands)*

	EMPLOYEE FUND	EMPLOYER FUND	TOTAL	TOTAL 1993
Operating revenues:				
Employee contributions	\$ 339		\$ 339	\$ 375
Employer contributions		\$ 1,163	1,163	1,239
Investment income		2,346	2,346	2,234
Total operating revenues	339	3,509	3,848	3,848
Operating expenses:				
Refunds of contributions to members	29		29	39
Retirement benefits		1,969	1,969	1,843
Group life insurance claims		2	2	8
Administrative charges		16	16	19
Total operating expenses	29	1,987	2,016	1,909
Interfund transfers according to statutory requirements:				
Contributions by members at retirement	(251)	(251)		
Interest credited to members' accounts	279	(279)		
Net interfund transfers	28	(28)		
Net income	338	1,494	1,832	1,939
Fund balances at beginning of year	5271	21,519	26,790	24,851
Fund balances at end of year	\$ 5,609	\$ 23,013	\$ 28,622	\$ 26,790

See notes to financial statements.



**COMBINING STATEMENT OF REVENUES, EXPENSES, AND FUND BALANCES**  
**JSRS PENSION TRUST FUND**  
**YEAR ENDED JUNE 30, 1994**  
*With comparative totals for the year ended June 30, 1993*  
*(amounts expressed in thousands)*

**South Carolina Retirement Systems**

	EMPLOYEE FUND	EMPLOYER FUND	TOTAL	TOTAL 1993
Operating revenues:				
Employee contributions	\$ 938	\$ 3,930	\$ 938	\$ 1,023
Employer contributions		4,576	3,930	3,910
Investment income		8,506	4,576	4,070
Total operating revenues	<u>938</u>	<u>8,506</u>	<u>9,444</u>	<u>9,003</u>
Operating expenses:				
Retirement benefits		3,884	3,884	3,790
Group life insurance claims		92	92	3
Depreciation		1	1	
Administrative charges		27	27	31
Total operating expenses		<u>4,004</u>	<u>4,004</u>	<u>3,824</u>
Interfund transfers according to statutory requirements:				
Contributions by members at retirement	(340)	340		
Interest credited to members' accounts	446	(446)		
Net interfund transfers	<u>106</u>	<u>(106)</u>		
Net income	1,044	4,396	5,440	5,179
Fund balances at beginning of year	7,948	38,652	46,600	41,421
Fund balances at end of year	<u>\$ 8,992</u>	<u>\$ 43,048</u>	<u>\$ 52,040</u>	<u>\$ 46,600</u>

See notes to financial statements.



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# *ACTUARIAL SECTION*

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**BUCK  
CONSULTANTS**

200 Galleria Parkway, N.W. Suite 1200  
Atlanta, Georgia 30339-5945

November 15, 1994

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, 1993. 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, 1993 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,



Donald M. Overholser  
Consulting Actuary

DMO:jq  
245-94

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

**SOUTH CAROLINA RETIREMENT SYSTEM  
RESULTS OF THE VALUATION AS OF JULY 1, 1993**  
(All dollar amounts are in thousands)

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present retired members and beneficiaries	\$ 4,920,436
	(b) Present active and inactive members	<u>11,222,917</u>
	(c) Total actuarial liabilities	\$ 16,143,353
(2)	Assets of the System	<u>9,392,497</u>
(3)	Present value of future contributions = (1)(c) - (2)	\$ 6,750,586
(4)	Present value of future contributions by members	<u>2,636,556</u>
(5)	Present value of future contributions by employers = (3) - (4)	\$ 4,114,300
(6)	Present value of future normal contributions by employers	<u>1,754,028</u>
(7)	Present value of unfunded accrued liability contributions by employers = (5) - (6)	\$ 2,360,272
(8)	Unfunded accrued liability rates	
	(a) Class One Service	1.46%
	(b) Class Two Service: State	3.62%
	(c) Class Two Service: Others	2.77%
(9)	Unfunded accrued liability liquidation period	28 years
(10)	Group life insurance benefit contribution rate	.15%

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**ACTUARIAL SECTION**

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**POLICE OFFICERS RETIREMENT SYSTEM  
RESULTS OF THE VALUATION AS OF JULY 1, 1993**

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present retired members and beneficiaries	\$ 459,267,971
	(b) Present active and inactive members	<u>1,295,121,012</u>
	(c) Total actuarial liabilities	\$ 1,754,388,983
(2)	Assets of the System	<u>981,524,000</u>
(3)	Present value of future contributions = (1) (c) - (2)	\$ 772,864,983
(4)	Present value of future contributions by members	<u>318,439,661</u>
(5)	Present value of future contributions by employers = (3) - (4)	\$ 454,425,322
(6)	Present value of future normal contributions by employers	<u>372,075,435</u>
(7)	Present value of unfunded accrued liability contributions by employers = (5) - (6)	\$ 82,349,887
(8)	Unfunded accrued liability rates:	
	(a) Class One Service	3.21%
	(b) Class Two Service	2.71%
(9)	Unfunded accrued liability liquidation period	9 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, 1993**

1) Actuarial Liabilities

Present value of prospective benefits payable  
in respect of:

(a)	Present beneficiaries and contingent beneficiaries	\$ 16,515,995
(b)	Present active, inactive and special members	<u>23,678,322</u>
(c)	Total actuarial liabilities	\$ 40,194,317
		<u>26,790,000</u>

(2) Assets of the System

(3)	Present value of future contributions = (1) (c) - (2)	\$ 13,404,317
(4)	Present value of future contributions by members	<u>2,900,634</u>
(5)	Present value of future contributions by the State = (3) - (4)	\$ 10,503,683
(6)	Present value of 1 per cent of future compensation	\$ 290,063
(7)	Present value of future normal contributions by the State at 23.74% = (6) x 23.74	\$ 6,886,096
(8)	Present value of unfunded accrued liability contributions by the State = (5) - (7)	\$ 3,617,587
(9)	Unfunded accrued liability liquidation period	13 years
(10)	Annual cost of lump sum death benefit contributions by the State	\$ 6,345

**JUDGES AND SOLICITORS RETIREMENT SYSTEM  
RESULTS OF THE VALUATION AS OF JULY 1, 1993**

(1)	Actuarial liabilities	
	Present value of prospective benefits payable in respect of:	
	(a) Present beneficiaries and contingent beneficiaries	\$ 41,999,948
	(b) Present active members	<u>66,440,479</u>
	(c) Total actuarial liabilities	\$ 108,440,427
(2)	Assets of the System	<u>46,600,000</u>
(3)	Present value of future contributions = (1) (c) - (2)	\$ 61,840,427
(4)	Present value of future contributions by members	<u>6,975,409</u>
(5)	Present value of future contributions by the State = (3) - (4)	\$ 54,865,018
(6)	Present value of 1 per cent of future compensation	\$ 996,488
(7)	Present value of future normal contributions by the State	\$ 23,757,168
(8)	Present value of unfunded accrued liability contributions by the State = (5) - (7)	\$ 31,107,850
(9)	Unfunded accrued liability liquidation period	25 years



## 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

Age	With- drawal	Death	Dis- ability	Service Retire- ment *	With- drawal	Death	Dis- ability	Service Retirement *
<u>Men Teachers</u>					<u>Women Teachers</u>			
20	11.11%	.04%	.01%		13.79%	.03%	.02%	
25	9.97	.05	.01		12.83	.03	.03	
30	7.91	.08	.02		9.12	.04	.04	
35	6.06	.12	.03		5.61	.06	.04	
40	4.67	.18	.06		3.43	.08	.07	
45	3.67	.25	.11		2.33	.13	.12	
50	2.83	.35	.20	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

Age	Withdrawal	Death	Dis- ability	Service Retire- ment *	Salary Increase
<u>Employees</u>					<u>Teachers and Employees</u>
	<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	5.00%
55	2.14	1.93	.75	.40	5.00
60			1.08	.61	10.00
64			1.36	.85	20.00

\* 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.

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## ACTUARIAL SECTION

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**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.

**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% are 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 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.

## 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:

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

SALARY INCREASES: Salaries are assumed to increase at an annual rate of 6 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.

# **JUDGES AND SOLICITORS RETIREMENT SYSTEM OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS**

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

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

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

**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.

**ASSET VALUATION METHOD:** Amortized Cost.

**SOUTH CAROLINA RETIREMENT SYSTEM  
THE NUMBER AND EARNABLE COMPENSATION OF ACTIVE MEMBERS  
AS OF JULY 1, 1993**

<u>GROUP</u>	<u>MEN</u>	<u>WOMEN</u>	<u>TOTAL</u>
<u>EMPLOYEES</u>			
Number	42,871	56,579	99,450
Earnable Compensation (1,000's)	\$ 1,122,558	\$ 1,192,372	\$ 2,314,930
<u>TEACHERS</u>			
Number	13,365	58,731	72,096
Earnable Compensation (1,000's)	\$ 370,281	\$ 1,304,749	\$ 1,675,030
<u>TOTAL</u>			
Number	56,236	115,310	171,546
Earnable Compensation (1,000's)	\$ 1,492,839	\$ 2,497,121	\$ 3,989,960

Note: There are in addition 116,378 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, 1993**

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
Men	14,377	\$ 334,658,557
Women	<u>3,383</u>	<u>68,590,515</u>
Total	17,760	\$ 403,249,072

Note: There are in addition 5,493 members not on the payroll as of July 1, 1993 but included in the individual accounts maintained by the System. The results of the valuation were adjusted to take these members into account.

**GENERAL ASSEMBLY RETIREMENT SYSTEM  
THE NUMBER AND EARNABLE COMPENSATION OF  
ACTIVE MEMBERS  
AS OF JULY 1, 1993**

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
Men	187	\$ 2,618,000
Women	<u>24</u>	<u>336,000</u>
Total	211	\$ 2,954,000

Note: There are in addition 111 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  
THE NUMBER AND ANNUAL COMPENSATION OF  
ACTIVE MEMBERS  
AS OF JULY 1, 1993**

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
Men	98	\$ 8,181,651
Women	<u>8</u>	<u>658,335</u>
Total	106	\$ 8,839,986

Note: There are 7 inactive members with contributions still in the System. The results of the valuation were adjusted to take these members into account.

**SOUTH CAROLINA RETIREMENT SYSTEM  
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF  
RETIRED MEMBERS AND BENEFICIARIES ON THE ROLL  
AS OF JULY 1, 1993**

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES (1,000's)</u>
Service Retirements		
Employees:		
Men	9,417	\$ 109,520
Women	8,002	62,044
Teachers:		
Men	3,805	52,997
Women	<u>15,926</u>	<u>151,426</u>
Total	<u>37,150</u>	<u>\$ 375,987</u>
Disability Retirements		
Employees:		
Men	1,668	\$ 12,266
Women	1,390	9,529
Teachers:		
Men	481	4,482
Women	<u>1,465</u>	<u>11,064</u>
Total	<u>5,004</u>	<u>\$ 37,341</u>
Beneficiaries of Deceased Retired Members and Active Members		
Men	588	\$ 3,304
Women	<u>3,213</u>	<u>20,937</u>
Total	<u>3,801</u>	<u>\$ 24,241</u>
Grand Total	<u>44,955</u>	<u>\$437,569</u>



**POLICE OFFICERS RETIREMENT SYSTEM  
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF  
RETIRED MEMBERS AND BENEFICIARIES  
AS OF JULY 1, 1993**

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES</u>
Service and Early Retirements:		
Men	2,489	\$ 30,373,361
Women	141	887,568
Total	<u>2,630</u>	<u>\$ 31,260,929</u>
Disability Retirements:		
Men	507	\$ 5,712,932
Women	39	276,272
Total	<u>546</u>	<u>\$ 5,989,204</u>
Beneficiaries of Deceased Members:		
Men	9	\$ 54,039
Women	506	3,438,847
Total	<u>515</u>	<u>\$ 3,492,886</u>
Grand Total	<u>3,691</u>	<u>\$ 40,743,019</u>

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**ACTUARIAL SECTION**

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**GENERAL ASSEMBLY RETIREMENT SYSTEM  
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF  
BENEFICIARIES AND CONTINGENT BENEFICIARIES  
AS OF JULY 1, 1993**

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES</u>
Beneficiaries:		
Men	134	\$ 1,618,800
Women	<u>8</u>	<u>36,460</u>
Total	<u>142</u>	<u>\$ 1,655,260</u>
Contingent Beneficiaries:		
Men	3	\$ 23,548
Women	<u>31</u>	<u>276,970</u>
Total	<u>34</u>	<u>\$ 300,518</u>
Grand Total	<u>176</u>	<u>\$ 1,955,778</u>

**JUDGES AND SOLICITORS RETIREMENT SYSTEM  
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF  
BENEFICIARIES AND CONTINGENT BENEFICIARIES  
AS OF JULY 1, 1993**

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL RETIREMENT ALLOWANCES</u>
Service Retirements:		
Men	53	\$ 3,179,300
Women	<u>0</u>	<u>0</u>
Total	<u>53</u>	<u>\$ 3,179,300</u>
Disability Retirements:		
Men	1	\$ 56,685
Women	<u>0</u>	<u>0</u>
Total	<u>1</u>	<u>\$ 56,685</u>
Beneficiaries of Deceased Members:		
Men	0	\$ 0
Women	<u>28</u>	<u>569,067</u>
Total	<u>28</u>	<u>\$ 569,067</u>
Grand Total	<u>82</u>	<u>\$ 3,805,502</u>

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*South Carolina Retirement Systems*

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**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
7-01-93	3,247	1,324	45,955	350	94	3,691
7-01-92	2,968	1,003	44,032	314	39	3,435
7-01-91	3,196	1,305	42,067	356	106	3,160
7-01-90	2,568	1,041	40,176	390	83	2,910
7-01-89	3,464	1,391	38,649	333	84	2,603
7-01-88	2,832	1,196	36,576	210	51	2,354
6-30-87	3,205	1,007	34,940	234	84	2,195
6-30-86	2,796	1,031	32,742	188	55	2,045
6-30-85	2,470	895	30,977	161	52	1,912
6-30-84	2,436	871	29,402	174	72	1,803

Valuation Date	<u>GARS</u>			<u>JSRS</u>		
	Added	Deleted	Balance	Added	Deleted	Balance
7-01-93	24	4	176	7	0	82
7-01-92	6	4	156	10	0	75
7-01-91	15	2	154	4	2	65
7-01-90	8	3	141	2	2	63
7-01-89	21	5	136	8	0	63
7-01-88	3	1	120	5	5	55
6-30-87	7	0	118	1	0	55
6-30-86	6	3	111	5	0	54
6-30-85	12	3	108	5	1	49
6-30-84	7	2	99	6	0	45

**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 Member Payroll	UAL as a % of Active Member Payroll
<b>SCRS</b>						
7-01-93	\$9,392,497	\$ 11,752,769	79.9%	\$ 2,360,272	\$3,989,960	59.2%
7-01-92	8,472,313	10,763,891	78.7%	2,291,578	3,793,708	60.4%
7-01-91	7,612,942	9,875,807	77.1%	2,262,865	3,664,611	61.7%
7-01-90	6,813,695	8,896,453	76.6%	2,082,758	3,484,578	59.8%
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%
<b>PORS</b>						
7-01-93	\$ 981,524	\$ 1,063,874	92.3%	\$ 82,350	\$ 403,249	20.4%
7-01-92	870,615	954,944	91.2%	84,329	390,220	21.6%
7-01-91	765,510	864,974	88.5%	99,464	375,706	26.5%
7-01-90	666,699	749,089	89.0%	82,390	355,760	23.2%
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%

Note: 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 change 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 Member Payroll	UAL as a % of Active Member Payroll
<b>GARS</b>						
7-01-93	\$ 26,790	\$ 30,408	88.1%	\$ 3,618	\$ 2,954	122.5%
7-01-92	24,851	29,558	84.1%	4,707	2,968	158.6%
7-01-91	22,883	27,779	82.4%	4,896	2,772	176.6%
7-01-90	21,221	27,055	78.4%	5,834	2,788	209.3%
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%
<b>JSRS</b>						
7-01-93	\$ 46,600	\$ 77,708	60.0%	\$ 31,108	\$ 8,840	351.9%
7-01-92	41,421	71,261	58.1%	29,840	8,871	336.4%
7-01-91	36,253	67,580	53.6%	31,327	8,294	377.7%
7-01-90	31,905	64,758	49.3%	32,853	7,985	411.4%
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%

*South Carolina Retirement Systems*

**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)
<b>SCRS</b>							
7-01-93	\$ 2,558,019	\$ 4,920,436	\$ 4,274,314	\$ 9,392,497	100%	100%	44.8%
7-01-92	2,291,219	4,474,227	3,998,445	8,472,313	100%	100%	42.7%
7-01-91	2,044,630	4,056,100	3,775,077	7,612,942	100%	100%	40.1%
7-01-90	1,812,178	3,509,959	3,574,316	6,813,695	100%	100%	41.7%
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%
<b>PORS</b>							
7-01-93	\$ 199,005	\$ 459,268	\$ 405,601	\$ 981,524	100%	100%	79.7%
7-01-92	174,014	402,116	378,814	870,615	100%	100%	77.7%
7-01-91	149,622	349,365	365,987	765,510	100%	100%	72.8%
7-01-90	126,946	292,942	329,201	666,699	100%	100%	75.0%
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	99,105	124,729	247,185	100%	100%	79.2%

**Note:** Effective 6-30-84, PORS aggregate accrued liabilities reflect 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 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 Accrued Liabilities Covered by Assets	(1)	(2)	(3)
<b>GARS</b>								
7-01-93	\$ 5,271	\$ 16,516	\$ 8,621	\$ 26,790	100%	100%	100%	58.0%
7-01-92	5,129	14,275	10,154	24,851	100%	100%	100%	53.6%
7-01-91	4,624	14,176	8,979	22,883	100%	100%	100%	45.5%
7-01-90	4,328	13,102	9,625	21,221	100%	100%	100%	39.4%
7-01-89	3,953	11,593	9,167	19,358	100%	100%	100%	41.6%
7-01-88	3,657	9,752	9,474	17,446	100%	100%	100%	42.6%
6-30-87	3,270	10,564	8,680	15,475	100%	100%	100%	18.9%
6-30-86	2,972	9,704	8,796	13,591	100%	100%	100%	10.4%
6-30-85	2,602	9,631	9,279	11,729	100%	100%	94.8%	0.0%
6-30-84	2,340	7,703	4,361	10,437	100%	100%	100%	9.0%
<b>JSRS</b>								
7-01-93	\$ 7,948	\$ 42,000	\$ 27,760	\$ 46,600	100%	100%	92.0%	0.0%
7-01-92	7,053	37,058	27,150	41,421	100%	100%	92.7%	0.0%
7-01-91	6,556	31,902	29,122	36,253	100%	100%	93.1%	0.0%
7-01-90	5,985	30,057	28,716	31,905	100%	100%	89.4%	0.0%
7-01-89	5,267	26,716	24,944	27,810	100%	100%	84.4%	0.0%
7-01-88	4,930	25,283	18,568	23,772	100%	100%	74.5%	0.0%
6-30-87	4,213	26,705	20,595	19,916	100%	100%	58.8%	0.0%
6-30-86	3,528	26,845	18,648	16,317	100%	100%	47.6%	0.0%
6-30-85	3,063	23,763	23,050	12,233	100%	100%	38.6%	0.0%
6-30-84	2,565	21,403	15,329	9,230	100%	100%	31.1%	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>			
Class I - 4.25% of salary. Class II - 7.55% of salary for State Departments and Public Schools. 6.7% of salary for all other participating employers.	Class I - 7.8% of salary. Class II - 10.3% of salary.	Annual lump-sum appropriation.	Annual lump-sum appropriation.
Group Life Insurance .15% of salary.	.2% of salary.	Included within annual lump-sum appropriation.	Included within annual lump-sum appropriation.
Accidental Death Program N/A	.2% of salary. N/A	N/A	N/A



SCRS

GARS

PORS

SCRS

4. Vesting Requirements

5 years - entitled to a deferred annuity commencing at age 60.

5 years - entitled to a deferred annuity commencing at age 55.

8 years.

N/A

5. Normal Retirement Age

Age 65.

Age 55 with 5 years of service.

Age 60.

Age 72.

6. Requirements for Full Service Retirement

Age 65 or 30 years of credited service.

Age 55 with 5 years of service or 25 years of credited service.

Age 60 or 30 years of service.

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

7. Early Retirement

Age 60 with 5% reduction for each year under age 65;

N/A

N/A

N/A

Age 55 with 25 years service, reduced 4% for each year of service under 30.

8. Formula for Normal Service Retirement

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 credited 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 Options</u></p> <p><b>Maximum Benefit</b>  Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death.</p> <p><b>Option 1</b>  Reduced benefit with lump-sum payment of accumulated contributions balance reduced by 10% per year during the first ten years of retirement.</p>	<p><b>Maximum Benefit</b>  Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death.</p> <p><b>Option 1</b>  Provides a reduced continued benefit of equal amount to the beneficiary of retireant.</p>	<p><b>Maximum Benefit</b>  Formula benefit as calculated in item 8. Any unrecovered contributions paid upon death.</p> <p><b>Option 1</b>  Provides a reduced continued benefit of equal amount to the beneficiary of retireant.</p>	<p><b>Maximum Benefit</b>  Benefit as calculated in item 8.  Continued benefit of one-third of retireant's benefit to a spouse beneficiary upon death of retireant.</p> <p><b>Optional Allowance</b>  Provides a reduced retirement allowance to retireant with a continued benefit of one-third of the retireant's allowance to a non-spouse beneficiary.</p>
<p><b>Option 2</b>  Provides a reduced continued benefit of equal amount to the beneficiary of retireant.</p>	<p><b>Option 2</b>  Provides a continued benefit of 50% of the retireant's annuity payable to the retireant's beneficiary.</p>	<p><b>Option 2</b>  Provides one-half of retired member's benefit to a surviving designated beneficiary.</p>	

**South Carolina Retirement Systems**

JSRS

GARS

PORS

SCRS

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. Post Retirement Increase

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

N/A

As legislated.

13. Accidental Death Program

N/A

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

**SCRS**

**PORS**

**GARS**

**JSRS**

**14. Group Life Insurance Benefits**

Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.

Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.

Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.

Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.

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

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

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

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

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

Lump-sum payment to retiree's beneficiary of up to \$4,000 based upon years of service at retirement.

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

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

**15. Withdrawal of Employee Contributions**

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

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

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

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

**16. Actuarial Valuation Method**

Projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability.

Projected benefit method with level percentage entry age normal cost and open-end unfunded accrued liability.

Projected benefit method with entry age normal cost and open-end unfunded accrued liability.

Projected benefit method with entry age normal cost and open-end unfunded accrued liability.

**17. Interest Rate Assumption**

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>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>
18. <u>Unfunded Accrued Liability (7-01-93)</u> (Based on actuarial method used for funding purposes. Amounts in thousands.) \$2,360,272	\$82,350	\$3,618	\$31,108
19. <u>Unfunded Accrued Liability Liquidation Period (7-01-93)</u> 28 years	9 years	13 years	25 years



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# *STATISTICAL SECTION*

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

Year Ended June 30,	Employee Contributions	% of Total Revenue	Total Employer Contributions	% of Total Revenue	Investment Income	% of Total Revenue	Supplemental Benefit Revenue	% of Total Revenue	Total Revenue
1994	\$ 275,223	19.0%	\$ 323,180	22.3%	\$ 841,332	58.2%	\$ 6,848	0.5%	\$ 1,446,583
1993	257,733	18.3%	312,781	22.2%	830,466	59.0%	7,331	0.5%	1,408,311
1992	248,148	19.0%	298,021	22.9%	749,808	57.5%	7,728	0.6%	1,303,705
1991	233,152	19.3%	286,799	23.8%	678,984	56.2%	8,111	0.7%	1,207,046
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

**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
1994	\$ 31,487	18.6%	\$ 47,866	28.2%	\$ 90,088	53.1%	\$ 158	0.1%	\$ 169,599
1993	29,183	18.3%	44,753	28.1%	85,230	53.5%	167	0.1%	159,333
1992	27,827	18.8%	43,313	29.2%	77,018	51.9%	186	0.1%	148,344
1991	26,635	19.5%	43,200	31.6%	66,745	48.8%	191	0.1%	136,771
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



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
1994	\$ 339	8.8%	\$ 1,163	30.2%	\$ 2,346	61.0%	\$ 3,848
1993	375	9.7%	1,239	32.2%	2,234	58.1%	3,848
1992	390	10.5%	1,147	30.7%	2,194	58.8%	3,731
1991	314	9.4%	1,026	30.6%	2,007	60.0%	3,347
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

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
1994	\$ 938	9.9%	\$ 3,930	41.6%	\$ 4,576	48.5%	\$ 9,444
1993	1,023	11.4%	3,910	43.4%	4,070	45.2%	9,003
1992	926	11.0%	3,827	45.4%	3,673	43.6%	8,426
1991	590	8.2%	3,418	47.3%	3,214	44.5%	7,222
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

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

Year Ended June 30,	Member Refunds Amount % Increase	Annuity Payments Amount % Increase	Group Life Payments Amount % Increase	Annuity Supplements Amount % Increase	Administrative Charges Amount % Increase	Total Expenses
1994	\$ 39,291 8.0%	\$ 467,185 9.6%	\$ 7,241 8.0%	\$ 6,848 -6.6%	\$ 5,711 -12.7%	\$ 526,276
1993	36,392 2.0%	426,401 11.1%	7,870 3.6%	7,331 -5.1%	6,542 8.7%	484,536
1992	35,681 -3.9%	383,943 10.6%	7,595 4.7%	7,728 -4.7%	6,018 19.0%	440,965
1991	37,112 5.7%	347,066 10.1%	7,257 -4.4%	8,111 -4.8%	5,059 3.1%	404,605
1990	35,121 3.6%	315,230 16.7%	7,591 12.5%	8,523 -8.1%	4,909 23.3%	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%	6,189 0.8%	8,207 -18.1%	3,553 0.7%	236,572
1986	28,359 7.6%	166,632 13.3%	6,139 81.6%	10,024 -13.0%	3,527 30.2%	214,681
1985	26,356 5.3%	147,039 12.3%	3,381 -8.0%	11,518 13.6%	2,708 20.6%	191,002

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

Year Ended June 30,	Member Refunds Amount % Increase	Annuity Payments Amount % Increase	Accidental Death Benefits Amount % Increase	Group Life Payments Amount % Increase	Annuity Supplements Amount % Increase	Administrative Charges Amount % Increase	Total Expenses
1994	\$5,577 9.6%	\$45,145 14.2%	\$ 575 14.2%	\$ 789 -20.7%	\$ 158 -5.4%	\$ 594 -12.5%	\$52,838
1993	5,090 7.9%	39,522 13.2%	533 24.2%	995 11.2%	167 -10.2%	679 11.1%	46,986
1992	4,718 6.3%	34,917 15.3%	429 3.9%	895 27.3%	186 -2.6%	611 22.2%	41,756
1991	4,439 9.3%	30,281 16.5%	413 0.5%	703 -25.1%	191 -6.8%	500 10.4%	36,527
1990	4,062 12.8%	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%	333 -6.9%	363 33.5%	219 23.2%	12,821

**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
1994	\$ 29	\$ 1,969	\$ 2	\$ 16	\$2,016
1993	39	1,843	8	19	1,909
1992	56	1,684	5	18	1,763
1991	62	1,580	27	16	1,685
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

**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
1994		\$ 3,884	\$ 92	\$ 28	\$ 4,004
1993		3,790	3	31	3,824
1992	\$ 58	3,163	9	28	3,258
1991		2,848	2	24	2,874
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

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

	<u>Service Retirees</u>		<u>Disability Retirees</u>		<u>Beneficiaries</u>		<u>Total</u>	
	Number	Average Monthly Benefit	Number	Average Monthly Benefit	Number	Average Monthly Benefit	Number	Average Monthly Benefit
June 1994								
State Agency	13,358	\$ 978.80	2,437	\$ 653.45	2,016	\$ 694.36	17,811	\$ 902.09
Public Schools	21,020	890.92	2,106	712.10	1,352	673.59	24,478	863.53
Other	5,239	595.98	824	569.61	867	408.57	6,930	569.40
Total	39,617	881.55	5,367	663.59	4,235	629.22	49,219	836.07
June 1993								
State Agency	12,354	927.58	2,298	626.97	1,902	677.93	16,554	857.16
Public Schools	19,948	855.15	1,959	678.02	1,199	577.80	23,106	825.74
Other	4,792	570.47	769	530.24	790	405.99	6,351	545.14
Total	37,094	842.49	5,026	632.07	3,891	591.86	46,011	798.31
June 1992								
State Agency	11,746	874.67	2,159	598.15	1,790	631.39	15,695	808.88
Public Schools	19,322	811.84	1,872	643.06	1,105	550.40	22,299	784.72
Other	4,501	535.34	722	529.32	760	410.75	5,983	518.78
Total	35,569	797.60	4,753	605.38	3,655	561.02	43,977	757.16
June 1991								
State Agency	11,172	821.42	1,996	577.18	1,656	576.79	14,824	761.21
Public Schools	18,701	772.48	1,755	634.15	1,041	530.59	21,497	749.47
Other	4,308	509.74	676	486.52	705	381.19	5,689	491.05
Total	34,181	755.36	4,427	585.92	3,402	522.12	42,010	718.62
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	1,361	456.44	13,802	633.81
Public Schools	17,788	654.45	1,366	541.71	812	410.59	19,966	636.82
Other	3,838	416.32	558	436.03	503	284.88	4,899	405.07
Total	32,344	634.66	3,647	499.52	2,676	410.28	38,667	606.38
June 1988								
State Agency	10,134	580.32	1,578	428.53	1,306	394.77	13,018	543.30
Public Schools	16,929	558.35	1,254	471.99	764	357.23	18,947	544.54
Other	3,648	351.17	526	371.63	463	244.82	4,637	347.59
Total	30,711	541.71	3,358	435.85	2,533	356.03	36,602	519.14
June 1987								
State Agency	9,666	541.68	1,457	409.52	1,255	356.75	12,378	507.38
Public Schools	16,399	517.39	1,171	448.33	716	337.68	18,286	505.94
Other	3,400	333.65	459	364.79	435	241.07	4,294	327.60
Total	29,465	504.16	3,087	417.59	2,406	330.16	34,958	484.54

**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>	
	Number	Average Monthly Benefit	Number	Average Monthly Benefit	Number	Average Monthly Benefit	Number	Average Monthly Benefit
e 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	431.68	681	327.15	17,391	474.22
Other	3,065	299.57	411	403.11	421	216.54	3,897	296.37
tal	27,641	467.44	2,829	500.30	2,297	315.67	32,767	451.24
ie 1985								
State Agency	8,248	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
tal	26,238	438.04	2,574	387.95	2,158	294.29	30,970	423.86

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

	<u>Service Retirees</u>		<u>Disability Retirees</u>		<u>Beneficiaries</u>		<u>Total</u>	
	Number	Average Monthly Benefit	Number	Average Monthly Benefit	Number	Average Monthly Benefit	Number	Average Monthly Benefit
une 1994	2,927	\$ 1,051.19	561	\$ 936.23	545	\$ 602.30	4,033	\$ 974.54
une 1993	2,605	994.66	520	910.67	524	610.68	3,649	927.55
une 1992	2,414	931.80	484	877.30	487	561.13	3,385	870.68
une 1991	2,216	886.38	416	810.91	452	524.09	3,084	823.10
une 1990	2,089	817.81	451	763.27	378	502.91	2,918	768.59
une 1989	1,879	716.50	377	655.99	351	448.33	2,607	671.64
une 1988	1,684	570.74	353	585.76	318	383.69	2,355	547.73
une 1987	1,592	520.94	321	530.58	294	361.10	2,207	501.05
une 1986	1,459	472.28	307	500.30	282	328.30	2,048	456.66
une 1985	1,382	441.23	275	494.60	257	299.33	1,914	429.84

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

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

**PARTICIPATING EMPLOYERS AND ACTIVE MEMBERS**

Year Ending June 30,	Number of Participating Employers	Number of Active Members	Annual Payroll (000's omitted)	Average Pay	Percent Increase
<b>SCRS</b>					
1994	707	183,489	\$ 4,241,616	\$23,116	3.0%
1993	755	181,760	4,077,247	22,432	2.6%
1992	738	177,854	3,890,324	21,874	3.3%
1991	729	176,866	3,743,281	21,165	2.4%
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%
<b>PORS</b>					
1994	267	19,016	\$ 434,900	\$ 22,870	0.6%
1993	276	18,046	410,281	22,735	2.5%
1992	269	17,889	396,799	22,181	4.0%
1991	262	17,440	371,986	21,329	1.8%
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%

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

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

# STATISTICAL SECTION

## PARTICIPATING EMPLOYERS

Participating Employers Covered By Statute

State Agencies &  
Institutions of Higher Education  
Public School Districts  
Participating Employers Covered By  
Separate Agreement

### NAME

Abbeville County  
City of Abbeville  
Town of Due West  
Donalds-Due West Water & Sewer Authority  
Town of Calhoun Falls  
City of North Augusta  
County of Aiken  
Aiken-Bamberg-Barnwell-Edgefield  
Regional Library Board  
City of New Ellenton  
Beech Island Rural Community Water  
District  
Town of Wagener  
Housing Authority of the City of Aiken  
Three Rivers Solid Waste Authority  
Allendale County  
Allendale-Hampton Jasper Regional  
Library  
Town of Allendale  
Allendale County Office on Aging  
Town of Fairfax  
Town of Honea Path

SCRS

PORS

138 33  
105

464 234

SCRS

PORS

PORS

SCRS

### NAME

Anderson County  
Anderson County Library Board  
Town of Williamston  
Anderson County Commission on Alcohol  
and Drug Abuse  
Town of Pendleton  
Belton-Honea Path Water Authority  
Homeland Park Water District  
Town of West Pelzer  
Broadway Water and Sewer District  
Starr-Iva Water Company  
Town of Pelzer  
Anderson County Disabilities & Special Needs  
Board  
Sandy Springs Water Company  
Pendleton District Historical and  
Recreation Commission  
City of Belton  
Bamberg County  
City of Bamberg  
Bamberg County Office on Aging  
City of Denmark

Participating Employers Covered By Separate Agreement (Continued)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Town of Olar	X		Charleston Commissioners of Public Works	X	
Bamberg County Disabilities & Special Needs Board	X		Charleston County Library	X	
Town of Williston	X		Charleston Memorial Hospital	X	X
Barnwell County	X	X	City of Charleston	X	X
City of Barnwell	X		Town of Mt. Pleasant	X	
Barnwell County Commission on Alcohol and Drug Abuse	X		Charleston County Department of Social Services	X	
Town of Elko	X		Mt. Pleasant Water and Sewer Commission	X	X
Barnwell County Office on Aging	X		Town of Sullivan's Island	X	
Allendale-Barnwell County Disabilities & Special Needs Board	X		Cooper River Park and Playground Commission	X	
Beaufort County	X	X	St. Andrews Public Service District Commission	X	
City of Beaufort	X	X	James Island Public Service District Commission	X	
Beaufort-Jasper County Water Authority	X		Charleston County Park and Recreation Commission	X	
Beaufort Memorial Hospital	X		City of North Charleston	X	X
Sea Pines Public Service District	X		Charleston County Airport District	X	
Lowcountry Regional Transportation Authority	X	X	North Charleston Sewer District	X	X
Bluffton Township Fire District	X	X	North Charleston District	X	
Town of Port Royal	X	X	Housing Authority of the City of North Charleston	X	
Berkeley County	X		City of Isle of Palms	X	X
City of Hanahan	X	X	St. Andrews Parish Parks and Playgrounds	X	
Berkeley County Water and Sewer Authority	X	X	Town of Ravenel	X	
Town of St. Stephen	X	X	Town of Lincolnville	X	
Moncks Corner Water Works Commission	X	X	Charleston County Substance Abuse Commission	X	
Town of Moncks Corner	X	X	Town of McClellanville	X	X
Town of Jamestown	X	X	Isle of Palms Water and Sewer Commission	X	
Calhoun County	X		Charleston County Housing and Redevelopment Authority	X	
City of St. Matthews	X		Town of James Island	X	
Town of Cameron	X		Town of Hollywood	X	
Calhoun County Disabilities & Special Needs Board	X	X	Gaffney Board of Public Works	X	X
Calhoun Conservation District	X		Cherokee County	X	
Upper Calhoun Rural Water District	X				
County of Charleston	X				



Participating Employers Covered By Separate Agreement (Continued)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
City of Gaffney	X	X	Harvin Clarendon County Library	X	
Cherokee County Public Library	X		Town of Summerton	X	X
Cherokee County Recreation District	X		Town of Turbeville	X	X
Cherokee County Commission on Alcohol and Drug Abuse	X		County of Colleton	X	X
Town of Blacksburg	X		City of Walterboro	X	X
Defender Corporation of Cherokee County	X		Colleton County Disabilities & Special Needs Board	X	
Cherokee County Disabilities & Special Needs Board	X		Town of Edisto Beach	X	X
Cherokee LTC	X		Darlington County	X	X
Cherokee County Development Board	X		Darlington County Library Commission	X	
City of Chester	X		Darlington County Community Action	X	
Chester County	X		Agency	X	X
Chester County Library	X		City of Hartsville	X	X
Chester Metro District	X		Rubicon	X	X
Chester Sewer District	X		City of Darlington	X	
Hazel Pittman Center	X		Hartsville Community Center Building	X	
Housing Authority of the City of Chester	X		Commission	X	
Chester County Disabilities & Special Needs Board	X		Darlington County Water and Sewer Commission	X	
Town of Cheraw	X		Darlington County Disabilities & Special Needs Board	X	X
Town of Pageland	X		Housing Authority of Darlington	X	X
Chesterfield County	X		Dillon County	X	X
Town of Patrick	X		City of Dillon	X	X
Town of Chesterfield	X		Dillon County Commission on Alcohol and Drug Abuse	X	
Town of McBee	X		Dillon County Employment and Training Programs	X	
Chesterfield County Disability & Special Needs Board	X		Town of Latta	X	X
Chesterfield Soil and Water Conservation District	X		Town of Lake View	X	X
Town of Jefferson	X		Town of St. George	X	X
Chesterfield County Rural Water Company, Inc.	X		Dorchester County	X	X
Clarendon County	X		St. George Water and Sewer Department	X	X
City of Manning	X		Dorchester County Library	X	X
			Summerville Commission of Public Works	X	X

Participating Employers Covered By Separate Agreement (Continued)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Town of Summerville	X	X	Georgetown County	X	X
Dorchester County Commission on Alcohol and Drug Abuse	X		Rural Community Water District of Georgetown County	X	
Edgefield County	X	X	Georgetown County Water and Sewer District	X	
Town of Trenton	X	X	Georgetown County Disabilities & Special Needs Board	X	
Town of Edgefield	X	X	Georgetown Soil and Water Conservation District	X	
Town of Johnston	X	X	Georgetown County Alcohol and Drug Abuse Commission	X	
Town of Winnsboro	X	X	Greenville Commission of Public Works	X	
Fairfield County Library	X		City of Greenville	X	
Fairfield County Memorial Hospital	X		Greer Commission of Public Works	X	
Fairfield County Substance Abuse Commission	X		Greenville County Library	X	
Fairfield County Disabilities & Special Needs Board	X		Greenville County	X	
Fairfield County Council on Aging	X		Western Carolina Regional Sewer Authority	X	
Town of Ridgeway	X	X	Parker Sewer and Fire Subdistrict	X	
City of Florence	X	X	City of Greer	X	
Florence County	X	X	Greenville-Spartanburg Airport District	X	
Building Commission of the City and County of Florence	X		Donaldson Development Commission	X	
Town of Pamplico	X	X	Donaldson Center	X	
Town of Olanta	X	X	Greenville Retirement Center	X	
Pee Dee Regional Transportation Authority	X	X	The Grady Hipp Nursing Center	X	
Town of Scranton	X	X	Greater Greenville Sanitation Commission	X	
Florence County Commission on Alcohol and Drug Abuse	X		Defender Corporation of Greenville County	X	
Town of Coward	X		Greenville County Disabilities & Special Needs Board	X	
The Pee Dee Tourism Commission	X		Berea Public Service District	X	
Florence County Disabilities and Special Needs Board	X		City of Mauldin	X	
Pee Dee Regional Council of Governments	X		Gantt Fire-Sewer and Police District	X	
Town of Timmonsville	X	X	Greenville Memorial Auditorium District	X	
Florence City/County Civic Center Commission	X		Greenville County Recreation District	X	
City of Lake City	X		Greenville County Commission on Alcohol-Drug Abuse	X	
City of Georgetown	X		Belmont Fire and Sanitation District Commission	X	
			Wade Hampton Fire and Sewer District	X	

Participating Employers Covered By Separate Agreement (Continued)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Greenville Airport Commission	X		Grand Strand Water and Sewer Authority	X	
Greenville County Museum Commission	X		Housing Authority of the City of Conway	X	
City of Fountain Inn	X		Horry County Commission on Alcohol and Drug Abuse		
City of Travelers Rest	X	X	Horry Soil Conservation District	X	
Metropolitan Sewer Sub-District	X		Town of Atlantic Beach	X	
Donaldson Fire Service Area	X		Town of Aynor	X	
Town of City View	X	X	Waccamaw Economic Opportunity Council	X	
South Greenville Area Fire District	X		Jasper County	X	
Greenville Redevelopment Authority	X		Town of Ridgeland	X	
Duncan Chapel Fire District	X		Jasper County Development Board	X	
Greenwood Commissioners of Public Works	X		City of Camden	X	
City of Greenwood	X	X	Kershaw County	X	
Greenwood County	X		Lugoff Water District of Kershaw County	X	
Abbeville-Greenwood Regional Library Board	X		Town of Elgin	X	
Greenwood Metropolitan District	X		Town of Bethune	X	
Commission	X		Lancaster County	X	
Housing Authority of the City of Greenwood	X		City of Lancaster	X	
Emerald Multi-County Board for Disabilities & Special Needs	X		Lancaster County Library	X	
Defender Corporation of Abbeville and Greenwood	X		Town of Heath Springs	X	
Old Ninety Six Tourism Commission	X		Lancaster County Water and Sewer District	X	
Town of Ware Shoals	X	X	Lancaster County Disabilities & Special Needs Board	X	X
County of Hampton	X	X	City of Clinton	X	X
Town of Varnville	X		County of Laurens	X	
Town of Brunson	X		Laurens Commissioners of Public Works	X	
Hampton County Disabilities & Special Needs Board	X		Laurens County Commission on Alcohol and Drug Abuse	X	
Lowcountry Council of Governments	X		Town of Gray Court	X	
Horry County	X		Laurens County Disabilities & Special Needs Board	X	
City of Conway	X	X	Laurens County Soil and Water Conservation District	X	
City of Myrtle Beach	X	X	Laurens County Water and Sewer Commission	X	X
Town of Surfside Beach	X	X	Lee County	X	X
City of Loris	X	X			
Public Defender Corporation of Horry County	X	X			

Participating Employers Covered By Separate Agreement (Continued)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Town of Bishopville	X	X	City of Bennettsville	X	X
Lee County Disabilities & Special Needs Board	X		Marlboro County Commission on Alcohol and Drug Abuse	X	
Lexington County	X	X	Defender Corporation of Marlboro County	X	
City of Cayce	X	X	Marlboro County Disabilities & Special Needs Board	X	
City of West Columbia	X	X	Town of McColl	X	X
Lexington Medical Center	X		Town of McCormick	X	X
Town of Lexington	X	X	County of McCormick	X	X
Town of Batesburg-Leesville	X		McCormick Commission of Public Works	X	
Recreation District Lexington County	X		McCormick County Water and Sewer Authority	X	
Irmo-Chapin Recreation District	X	X	McCormick Health Care Center	X	
Town of Springdale	X		City of Newberry	X	X
Town of Gaston	X	X	Newberry County	X	X
Town of Pelion	X	X	Newberry-Saluda Regional Library	X	
Lexington County Public Library System	X		Clinton-Newberry Natural Gas Authority	X	
Town of Swansea	X	X	Newberry County Nursing Home Commission	X	
Town of Chapin	X	X	Housing Authority of City of Newberry	X	
Town of Irmo	X		Town of Prosperity	X	
South Carolina Midlands Emergency Medical Service Management Association	X		Town of Little Mountain	X	
Gaston Rural Community Water District	X		Town of Whitmire	X	X
Lexington County Defender Agency, Inc.	X		Whitmire Public Works	X	
Lexington County Joint Municipal W&S Commission	X		Newberry County Water and Sewer Authority	X	
Marion County	X		Town of Pomaria	X	
City of Marion	X	X	Newberry Disabilities & Special Needs Board	X	X
City of Mullins	X	X	Newberry Commission On Alcohol & Drug Abuse	X	X
Marion County Library	X	X	Westminister Commissioners of Public Works	X	
Marion County Commission on Alcohol and Drug Abuse	X		Oconee County	X	
Town of Sellers	X		City of Seneca	X	X
Marlboro-Dillon County Disabilities & Special Needs Board	X		Seneca Light and Water Plant	X	
Town of Nichols	X		City of Walhalla	X	X
County of Marlboro	X	X	Town of Westminster	X	X
			Oconee County Sewer Commission	X	
			Town of West Union	X	X
			Pioneer Rural Water District	X	X

Participating Employers Covered By Separate Agreement (Continued)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
City of Orangeburg			City of Columbia	X	X
Orangeburg Department of Public Utilities	X		East Richland County Public Service District	X	
Orangeburg County	X		Recreation District and Recreation Commission of Richland County	X	X
Town of Branchville	X		Richland-Lexington Airport District	X	X
Town of Elloree	X		City of Forest Acres	X	X
Town of North	X		Columbia Museum of Art	X	
Town of Livingston	X		Town of Eastover	X	
Town of Norway	X		Richland/Lexington Disabilities & Special Needs Board	X	X
Town of Bowman	X		Town of Saluda	X	X
Town of Santee	X		Saluda County	X	X
Town of Vance	X		Saluda Commission of Public Works	X	
Orangeburg County Disabilities & Special Needs Board	X		Saluda County Commission on Alcohol and Drug Abuse	X	X
Town of Cordova	X		Town of Ridge Spring	X	
City of Easley	X		Town of Ward	X	
City of Liberty	X		Old Town Fire and Rescue Department	X	
Pickens County	X		Saluda County Water & Sewer Authority	X	
Combined Utility System of Easley	X		Spartanburg Commissioners of Public Works	X	X
City of Pickens	X		Spartanburg Sanitary Sewer District	X	X
Town of Central	X		Spartanburg County	X	X
Community Development Agency	X		Spartanburg Regional Medical Center	X	
Pickens County Commission on Alcohol and Drug Abuse	X		Spartanburg Public Library	X	
Housing Authority of the City of Easley	X		B.J. Workman Memorial Hospital	X	
City of Clemson	X		Liberty-Chesnee-Fingerville Water District	X	
Town of Six-Mile	X		Town of Woodruff	X	
Six-Mile Rural Community Water District	X		Woodruff Roebuck Water District	X	
Town of Norris	X		Startex-Jackson-Wellford-Duncan Water District	X	
Easley Central Water District	X		District	X	
Pickens County Disabilities & Special Needs Board	X		Town of Lyman	X	X
Southside Rural Community Water District	X		Town of Wellford	X	X
Richland Memorial Hospital	X		Town of Chesnee	X	X
Richland County Public Library	X				
Richland County	X				

Participating Employers Covered By Separate Agreement (Continued)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Inman-Campobello Water District			Williamsburg County	X	X
Town of Cowpens	X	X	Town of Kingstree	X	X
City of Landrum	X	X	Williamsburg County Recreation Commission	X	
Town of Pacolet	X	X	Williamsburg County Library	X	
Town of Campobello	X	X	Williamsburg County Public Defender Corporation	X	
Town of Pacolet Mills	X	X	Williamsburg County Disabilities & Special Needs Board	X	
City of Inman	X		Town of Hemingway	X	
Housing Authority of Town of Woodruff			City of Rock Hill	X	X
North Spartanburg Area Fire & Rescue District	X	X	York County	X	X
Town of Duncan	X	X	Town of Fort Mill	X	X
City of Spartanburg	X		York County Library	X	
Glendale Fire District	X	X	Town of Clover	X	X
Poplar Springs Fire Department	X	X	City of York	X	X
City of Sumter	X	X	Housing Authority of Fort Mill	X	
Sumter County	X	X	Museum of York County	X	
Sumter County Health Department	X		York County Disabilities & Special Needs Board	X	
Sumter County Library	X		City of Tega Cay	X	X
Housing Authority of City of Sumter	X		York County Historical Commission	X	
Santee-Lynches Council for Governments	X		Upper Piedmont Transportation Authority	X	
Sumter County Commission on Alcohol and Drug Abuse	X		Catawba Regional Planning Council	X	
Town of Mayesville	X	X	Town of Smyrna	X	
Town of Pinewood	X	X	York County Convention and Visitors Bureau	X	
Santee-Wateree Regional Transportation Authority	X		Municipal Association of South Carolina	X	
Sumter County Disabilities & Special Needs Board	X		South Carolina Education Association	X	
Union County	X	X	South Carolina Employees' Association	X	
City of Union	X	X	South Carolina High School League	X	
Union Carnegie Library	X		South Carolina Association of School Boards	X	
Town of Jonesville	X		Central Midlands Regional Planning Council	X	
Union County Disabilities & Special Needs Board	X		South Carolina State Firemens Association	X	X
Housing Authority of City of Union	X				

# STATISTICAL SECTION

## Participating Employers Covered By Separate Agreement (Continued)

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>	<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
South Carolina Law Enforcement Officers Association	X		Town of Society Hill		X
South Carolina Athletic Coaches Association	X		Old Fort Fire Control Board		X
Palmetto State Teachers Association	X		Caromi Village Volunteer Fire Department		X
South Carolina Association of Counties	X		Dorchester School District Two		X
South Carolina Sheriff's Association	X		Ashley River Fire District		X
South Carolina Association of School Administrators	X		City of Lake City		X
City of Aiken			South Lynches Fire Department		X
City of Jackson			Town of Andrews		X
City of Anderson			Murrells Inlet-Garden City Fire District		X
Town of Iva			City of Simpsonville		X
Anderson County Fire Protection Commission			Piedmont Park Fire District		X
Town of Ehrhardt			Town of Ninety Six		X
Burton Fire District			Town of Hampton		X
Ladys Island - St. Helena Fire District			City of North Myrtle Beach		X
Sheldon Township Fire Agency			Town of Briarcliffe Acres		X
Town of Hilton Head Island			Town of Hardeeville		X
City of Goose Creek			Town of Kershaw		X
Pine Ridge Fire Department			Lugoff Fire District		X
City of Folly Beach			Town of South Congaree		X
Charleston County School District			McCormick County School District		X
St. Pauls Fire District			Town of Springfield		X
Charleston County Aviation Authority			Town of Holly Hill		X
St. Johns Fire District Commission			Richland-Lexington Airport District		X
Town of Great Falls			Croft Fire District		X
Town of Cottageville			Pelham-Batesville Fire District		X
Town of Lamar			Westview-Fairforest Fire Department		X
			Roebuck Fire Department		X
			Reidville Fire District		X

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**STATISTICAL SECTION**

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**PENSION TRUST FUNDS  
CASH RECEIPTS AND DISBURSEMENTS  
YEAR ENDED JUNE 30, 1994**  
*(amounts expressed in thousands)*

Cash Balance at Beginning of Year		\$ 666,477
Add Receipts:		
Member Contributions	\$ 308,279	
Employer Contributions	376,576	
Miscellaneous Contributions	7,006	
Interest and Other Income	784,163	
Investments Sold or Matured	<u>108,002,188</u>	
Total Cash Receipts		109,478,212
Less Disbursements:		
Benefit Payments	533,794	
Administrative Expenses	6,232	
Investments Purchased	109,191,834	
Refunds	<u>44,897</u>	
Total Cash Disbursements		(109,776,757)
Cash Balance at End of Year		<u>\$ 367,932</u>



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## *INVESTMENT SECTION*

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STATE OF SOUTH CAROLINA

## OFFICE OF STATE TREASURER

GRADY L. PATTERSON, JR.  
STATE TREASURER

P. O. DRAWER 11778

COLUMBIA  
29211

November 21, 1994

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 Systems, I have the honor of transmitting herewith a report on South Carolina Retirement Systems Investments for Fiscal Year ended June 30, 1994.

Authorized investments for Retirement Funds are identified by statute. The investments are sound and are in fixed income securities only. Funds are primarily invested in governments, agencies and utilities. The accompanying charts indicate the distribution of investments for the Retirement Systems. Investments of retirement funds are made with concentration on three areas: protection of capital, meeting liquidity needs, and yield. To meet our objectives in these areas, the State Treasurer's Office communicates regularly with the South Carolina Retirement System regarding their liquidity needs and selects investments accordingly. We carefully monitor market conditions and react appropriately to market changes. Investments are made in secure, high quality instruments in accordance with statutory requirements.

We take great pride in the quality of the portfolio and are pleased that it has achieved this recognition. Holdings rated AA or better by two rating services or fully guaranteed by the U.S. Government make up 95.0% of the portfolio. The accrual rate for the retirement systems portfolio for Fiscal Year 1993-94 was 8.69%, which is in excess of the assumed actuarial rate of 8%.

The soundness of the Retirement System portfolios is recognized nationally. Investment income is a significant source of revenues for the four Retirement Systems. Investment earnings coupled with

INVESTMENT SECTION  
The Honorable Carroll A. Campbell, Jr.  
November 21, 1994  
Page 2

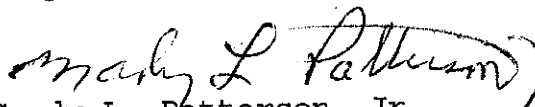
contributions provide a basis for actuarial computations and pension benefits. In fact, our successful investment program has contributed to increased benefits for public employees and provided sufficient income to fund cost of living increases for retirees in 1993-94.

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 purposes intended.

With kindest regards, I am

Very truly yours,

  
Grady L. Patterson, Jr.  
State Treasurer

GLPJr:cp

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

YEAR ENDED JUNE 30,	AMORTIZED COST OF INVESTMENTS*	% INCREASE FOR YEAR	NET INCOME FROM INVESTMENTS	% INCREASE FOR YEAR	AVERAGE YIELD
1994	\$ 10,499,754	11.8%	\$ 841,332	1.3%	8.83%
1993	9,391,101	11.2%	830,466	10.8%	9.77%
1992	8,447,545	13.2%	749,808	10.4%	9.89%
1991	7,461,712	13.1%	678,984	8.3%	10.15%
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%

**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
1994	\$1,118,922	11.8%	\$ 90,088	5.7%	8.88%
1993	1,000,503	15.9%	85,230	10.7%	9.58%
1992	863,144	14.3%	77,018	15.4%	10.00%
1991	755,081	15.9%	66,745	5.9%	9.96%
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%

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

**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
1994	\$ 29,506	12.8%	\$ 2,346	5.0%	8.80%
1993	26,160	8.5%	2,234	1.8%	9.30%
1992	24,102	9.3%	2,194	9.3%	9.98%
1991	22,052	8.3%	2,007	5.7%	9.93%
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%

**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
1994	\$ 54,197	16.6%	\$ 4,576	12.4%	9.52%
1993	46,487	12.6%	4,070	10.8%	9.72%
1992	41,289	15.9%	3,673	14.3%	10.03%
1991	35,616	10.4%	3,214	8.9%	9.94%
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%

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.

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

	June 30, 1994			June 30, 1993			June 30, 1992		
	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total
Short-term investments:									
* Repurchase agreements	\$ 313,035	\$ 313,035	2.98%	\$ 447,290	\$ 447,290	4.76%	\$ 325,410	\$ 325,410	3.85%
Treasury bills				120,000	119,307	1.27%	20,000	19,892	.23%
Discount notes				292,065	290,104	3.09%	98,505	97,631	1.16%
Commercial paper	35,000	34,809	.33%	148,400	147,671	1.57%			
	<u>348,035</u>	<u>347,844</u>	<u>3.31%</u>	<u>1,007,755</u>	<u>1,004,372</u>	<u>10.69%</u>	<u>443,915</u>	<u>442,933</u>	<u>5.24%</u>
U.S. Government agencies & government insured:									
Treasury notes	117,350	117,082	1.12%	227,350	226,832	2.42%	266,600	265,788	3.15%
Treasury bonds	1,065,777	1,025,717	9.77%	1,065,777	1,024,562	10.91%	1,065,777	1,023,542	12.12%
Treasury bonds (zero coupons)	2,921,320	1,257,233	11.97%	2,941,320	1,155,895	12.31%	3,138,152	1,147,681	13.59%
U.S. Government agencies	3,816,974	2,230,654	21.24%	3,676,195	2,211,596	23.55%	3,446,828	2,494,038	29.52%
Insured merchant marine bonds				18,930	18,930	.20%	21,569	21,570	.25%
	<u>7,921,421</u>	<u>4,630,686</u>	<u>44.10%</u>	<u>7,929,572</u>	<u>4,637,815</u>	<u>49.39%</u>	<u>7,938,926</u>	<u>4,952,619</u>	<u>58.63%</u>
Corporate bonds:									
Industrials	515,905	507,176	4.83%	288,680	277,896	2.96%	243,210	229,910	2.72%
Utilities	2,202,402	2,131,399	20.30%	1,884,618	1,824,210	19.42%	1,989,415	1,893,719	22.42%
Financial & other	2,924,991	2,882,649	27.46%	1,667,651	1,646,808	17.54%	947,843	928,364	10.99%
	<u>5,643,298</u>	<u>5,521,224</u>	<u>52.59%</u>	<u>3,840,949</u>	<u>3,789,914</u>	<u>39.92%</u>	<u>3,180,468</u>	<u>3,051,993</u>	<u>36.13%</u>
Total investments	<u>\$ 13,912,754</u>	<u>\$ 10,499,754</u>	<u>100.00%</u>	<u>\$ 12,778,276</u>	<u>\$ 9,391,101</u>	<u>100.00%</u>	<u>\$ 11,563,302</u>	<u>\$ 8,447,545</u>	<u>100.00%</u>

\*Note: Repurchase agreements and commercial paper were classified as cash equivalents for financial statement purposes.

## INVESTMENT'S

\*Note: Repurchase agreements were classified as cash equivalents for financial statement purposes.

# INVESTMENT SECTION

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

	June 30, 1994		June 30, 1993		June 30, 1992		
	Par Value	Amortized Cost	% of Total	Par Value	Amortized Cost	% of Total	
Short-term investments:							
*Repurchase agreements	\$ 2,305	\$ 2,305	7.81%	\$ 2,550	\$ 2,550	9.75%	\$ 745
	2,305	2,305	7.81%	2,550	2,550	9.75%	745
							3.09%
							3.09%
U.S. Government agencies & government insured:							
Treasury notes	1,500	1,497	5.07%	1,500	1,495	5.71%	1,993
Treasury bonds	3,420	3,298	11.18%	3,420	3,294	12.59%	3,291
Treasury bonds (zero coupons)	5,347	2,483	8.42%	5,347	2,268	8.67%	2,071
U.S. Government agencies	8,673	7,255	24.59%	9,982	8,327	31.83%	8,489
Insured merchant marine bonds	18,940	14,533	49.26%	93	93	36%	172
				20,342	15,477	59.16%	16,016
							71%
							66.45%
Corporate bonds:							
Industrials	500	495	1.68%				58
Utilities	7,695	7,566	25.64%	5,500	5,413	20.69%	5,340
Financial & other	4,643	4,607	15.61%	2,742	2,720	10.40%	1,943
	12,838	12,668	42.93%	8,242	8,133	31.09%	7,341
Total investments	\$ 34,083	\$ 29,506	100.00%	\$ 31,134	\$ 26,160	100.00%	\$ 24,102
							100.00%

\*Note: Repurchase agreements were classified as cash equivalents for financial statement purposes.



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

	June 30, 1994		June 30, 1993		June 30, 1992	
	Par Value	Amortized Cost	Par Value	Amortized Cost	Par Value	Amortized Cost
Short-term investments:						
*Repurchase agreements	\$ 2,425	\$ 2,425	\$ 2,150	\$ 2,150	\$ 990	\$ 990
	<u>2,425</u>	<u>2,425</u>	<u>2,150</u>	<u>2,150</u>	<u>990</u>	<u>990</u>
		4.47%		4.62%		2.40%
		<u>4.47%</u>		<u>4.62%</u>		<u>2.40%</u>
U.S. Government agencies & government insured:						
Treasury notes	1,500	1,497	1,500	1,495	1,500	1,494
Treasury bonds	3,300	3,232	3,300	3,229	3,300	3,226
		2.76%		3.22%		3.62%
		<u>5.96%</u>		<u>6.95%</u>		<u>7.81%</u>
Treasury bonds (zero coupons)	6,000	3,900	6,000	3,582	6,000	3,290
		7.20%		7.70%		7.97%
		<u>34.14%</u>		<u>36.11%</u>		<u>43.44%</u>
U.S. Government agencies	30,925	18,502	29,720	16,787	31,447	17,938
	<u>41,725</u>	<u>27,131</u>	<u>40,520</u>	<u>25,093</u>	<u>42,247</u>	<u>25,948</u>
		50.06%		53.98%		62.84%
Corporate bonds:						
Industrials	1,500	1,495	1,000	1,000	1,000	1,000
		2.76%		2.15%		2.42%
Utilities	12,995	12,800	12,600	12,373	11,100	10,876
		23.62%		26.62%		26.34%
Financial & other	10,400	10,346	5,900	5,871	2,500	2,475
		19.09%		12.63%		6.00%
	<u>24,895</u>	<u>24,641</u>	<u>19,500</u>	<u>19,244</u>	<u>14,600</u>	<u>14,351</u>
		45.47%		41.40%		34.76%
Total investments	\$ 69,045	\$ 54,197	\$ 62,170	\$ 46,487	\$ 57,837	\$ 41,289
		100.00%		100.00%		100.00%

\*Note: Repurchase agreements 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, 1993	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1994	% Book Value June 30, 1994
Short-term investments:						
* Repurchase agreements	\$ 447,290	\$ 86,593,695	\$ 86,727,950		\$ 313,035	2.98%
Treasury bills	119,307	148,551	270,000	\$ 2,142		
Discount notes	290,104	693,225	990,520	7,191	34,809	33%
Commercial paper	147,671	1,435,769	1,554,700	6,069	347,844	3.31%
	1,004,372	88,871,240	89,543,170	15,402		
U.S. Government agencies & government insured:						
Treasury notes	226,832		110,000	250	117,082	1.12%
Treasury bonds	1,024,562			1,155	1,025,717	9.77%
Treasury bonds (zero coupons)	1,155,895	60,343	75,712	116,707	1,257,233	11.97%
U.S. Government agencies	2,211,596	1,440,142	1,467,903	46,819	2,230,654	21.24%
Insured merchant marine bonds	18,930		18,930			
	4,637,815	1,500,485	1,672,545	164,931	4,630,686	44.10%
Corporate bonds:						
Industrials	277,896	306,676	77,431	34	507,175	4.83%
Utilities	1,824,210	846,614	539,987	563	2,131,400	20.30%
Financial & other	1,646,808	1,618,373	383,516	984	2,882,649	27.46%
	3,748,914	2,771,663	1,000,934	1,581	5,521,224	52.59%
Total investments	\$ 9,391,101	\$ 93,143,388	\$ 92,216,649	\$ 181,914	\$10,499,754	100.00%

\*Note: Repurchase agreements 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, 1993	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1994	% Book Value June 30, 1994
Short-term investments:						
* Repurchase agreements	\$ 96,310	\$ 14,550,245	\$ 14,631,525	\$ 53	\$ 15,030	1.34%
Treasury bills		9,947	10,000	405		
Discount notes	11,232	45,708	57,345	19		
Commercial paper	<u>107,542</u>	<u>14,981</u>	<u>15,000</u>	<u>477</u>	<u>15,030</u>	<u>1.34%</u>
		<u>14,620,881</u>	<u>14,713,870</u>			
U.S. Government agencies & government insured:						
Treasury notes	28,374			27	28,401	2.54%
Treasury bonds	91,046			132	91,178	8.15%
Treasury bonds (zero coupons)	74,324	9,780	10,000	8,086	82,190	7.34%
U.S. Government agencies Insured merchant marine bonds	<u>254,301</u>	<u>306,696</u>	<u>285,975</u>	<u>2,446</u>	<u>277,468</u>	<u>24.80%</u>
	<u>72</u>		<u>72</u>			
	<u>448,117</u>	<u>316,476</u>	<u>296,047</u>	<u>10,691</u>	<u>479,237</u>	<u>42.83%</u>
Corporate bonds:						
Industrials	31,721	19,001	4,936	7	45,793	4.09%
Utilities	224,742	129,018	61,737	67	292,090	26.11%
Financial & other	<u>188,381</u>	<u>148,113</u>	<u>49,813</u>	<u>91</u>	<u>286,772</u>	<u>25.63%</u>
	<u>444,844</u>	<u>296,132</u>	<u>116,486</u>	<u>165</u>	<u>624,655</u>	<u>55.83%</u>
Total investments	<u>\$1,000,503</u>	<u>\$ 15,233,489</u>	<u>\$ 15,126,403</u>	<u>\$ 11,333</u>	<u>\$ 1,118,922</u>	<u>100.00%</u>

Note: Repurchase agreements 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, 1993	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1994	% Book Value June 30, 1994
Short-term investments:						
* Repurchase agreements	\$ 2,550	\$ 230,100	\$ 230,345		\$ 2,305	7.81%
Discount notes	<u>2,550</u>	<u>230,100</u>	<u>230,345</u>		<u>2,305</u>	<u>7.81%</u>
U.S. Government agencies & government insured:						
Treasury notes	1,495			\$ 2	1,497	5.07%
Treasury bonds	3,294			4	3,298	11.18%
Treasury bonds (zero coupons)	2,268			215	2,483	8.42%
U.S. Government agencies Insured merchant marine bonds	8,327	13,996	15,135	67	7,255	24.59%
	<u>93</u>	<u>13,996</u>	<u>93</u>	<u>288</u>	<u>14,533</u>	<u>49.26%</u>
	<u>15,477</u>		<u>15,228</u>			
Corporate bonds:						
Industrials		495			495	1.68%
Utilities	5,413	3,613	1,460		7,566	25.64%
Financial & other	<u>2,720</u>	<u>2,384</u>	<u>498</u>	<u>1</u>	<u>4,607</u>	<u>15.61%</u>
	<u>8,133</u>	<u>6,492</u>	<u>1,958</u>	<u>1</u>	<u>12,668</u>	<u>42.93%</u>
Total investments	\$ 26,160	\$ 250,588	\$ 247,531	\$ 289	\$ 29,506	100.00%

\*Note: Repurchase agreements 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, 1993	Purchases	Sales	Accretion/ Amortization	Book Value June 30, 1994	% Book Value June 30, 1994
Short-term investments:						
* Repurchase agreements	\$ 2,150	\$ 383,835	\$ 383,560		\$ 2,425	4.47%
Discount notes	<u>2,150</u>	<u>383,835</u>	<u>383,560</u>		<u>2,425</u>	<u>4.47%</u>
U.S. Government agencies & government insured:						
Treasury notes	1,495			\$ 2	1,497	2.76%
Treasury bonds	3,229			3	3,232	5.96%
Treasury bond (zero coupons)	3,582			318	3,900	7.20%
U.S. Government agencies	16,787	24,835	23,585	465	18,502	34.14%
	<u>25,093</u>	<u>24,835</u>	<u>23,585</u>	<u>788</u>	<u>27,131</u>	<u>50.06%</u>
Corporate bonds:						
Industrials	1,000	495			1,495	2.76%
Utilities	12,373	4,886	4,460	1	12,800	23.62%
Financial & other	5,871	4,473		2	10,346	19.09%
	<u>19,244</u>	<u>9,854</u>	<u>4,460</u>	<u>3</u>	<u>24,641</u>	<u>45.47%</u>
Total investments	\$ 46,487	\$ 418,524	\$ 411,605	\$ 791	\$ 54,197	<u>100.00%</u>

\*Note: Repurchase agreements were classified as cash equivalents for financial statement purposes.

# 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		% of	Market Value		% of
	6-30-93	6-30-94	Market Value	6-30-93	6-30-94	Market Value
Short-term investments:						
Repurchase agreements	\$ 447,290	\$ 313,035	2.84%	\$ 96,310	\$ 15,030	1.29%
U.S. Treasury bills	119,290					
Discount notes	290,000			11,222		
Commercial paper	<u>147,906</u>	<u>34,792</u>	<u>.31%</u>	<u></u>	<u></u>	<u></u>
	<u>1,004,486</u>	<u>347,827</u>	<u>3.15%</u>	<u>107,532</u>	<u>15,030</u>	<u>1.29%</u>
U.S. Government agencies & government insured:						
Treasury notes	245,110	123,907	1.12%	32,903	30,355	2.60%
Treasury bonds	1,481,726	1,320,376	11.97%	131,822	117,313	10.06%
Treasury bonds (zero coupons)	1,560,037	1,444,215	13.09%	102,660	96,251	8.26%
U.S. Government agencies	2,525,678	2,331,035	21.12%	287,661	290,495	24.91%
Insured merchant marine bonds	<u>20,114</u>	<u></u>	<u></u>	<u>75</u>	<u></u>	<u></u>
	<u>5,832,665</u>	<u>5,219,533</u>	<u>47.30%</u>	<u>555,121</u>	<u>534,414</u>	<u>45.83%</u>
Corporate bonds:						
Industrials	319,244	509,404	4.61%	36,390	47,060	4.04%
Utilities	2,075,069	2,170,421	19.67%	257,538	295,902	25.37%
Financial & other	<u>1,746,585</u>	<u>2,788,621</u>	<u>25.27%</u>	<u>197,229</u>	<u>273,738</u>	<u>23.47%</u>
	<u>4,140,898</u>	<u>5,468,446</u>	<u>49.55%</u>	<u>491,157</u>	<u>616,700</u>	<u>52.88%</u>
Total investments	<u>\$ 10,978,049</u>	<u>\$ 11,035,806</u>	<u>100.00%</u>	<u>\$ 1,153,810</u>	<u>\$ 1,166,144</u>	<u>100.00%</u>

# INVESTMENT SECTION

## General Assembly Retirement System

Market Value		% of Market Value
6-30-93	6-30-94	
\$ 2,550	\$ 2,305	7.42%
<u>2,550</u>	<u>2,305</u>	<u>7.42%</u>
1,687	1,575	5.06%
4,623	4,114	13.24%
3,033	2,875	9.25%
9,490	7,754	24.95%
<u>97</u>		
<u>18,930</u>	<u>16,318</u>	<u>52.50%</u>
	483	1.55%
6,102	7,598	24.45%
<u>2,932</u>	<u>4,376</u>	<u>14.08%</u>
<u>9,034</u>	<u>12,457</u>	<u>40.08%</u>
<u>\$ 30,514</u>	<u>\$ 31,080</u>	<u>100.00%</u>

## Judges & Solicitors Retirement System

Market Value		% of Market Value
6-30-93	6-30-94	
\$ 2,150	\$ 2,425	4.31%
<u>2,150</u>	<u>2,425</u>	<u>4.31%</u>
1,687	1,575	2.80%
4,517	4,025	7.15%
4,405	4,296	7.63%
19,544	19,713	35.01%
<u>30,153</u>	<u>29,609</u>	<u>52.59%</u>
1,229	1,591	2.82%
13,914	13,005	23.10%
<u>6,189</u>	<u>9,673</u>	<u>17.18%</u>
<u>21,332</u>	<u>24,269</u>	<u>43.10%</u>
<u>\$ 53,635</u>	<u>\$ 56,303</u>	<u>100.00%</u>

Quantity 1,200  
 Printing Cost \$5,310  
 Unit Cost \$4.43

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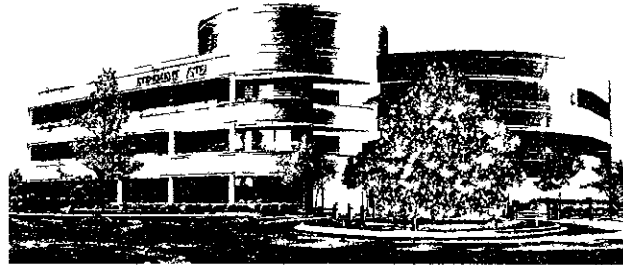
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# A Building Dedication To Remember



In December 1993 the State Budget and Control Board unanimously voted to name the South Carolina Retirement Systems building in honor of Tatum W. Gressette and Purvis W. Collins. As consecutive directors of the Retirement Systems, these two distinguished individuals have provided strong leadership on both the state and national levels and have established the Retirement Systems in the forefront of the retirement profession. Their guidance and leadership of the complex retirement systems have earned them the sincere admiration and gratitude of state and local government, law enforcement, the judiciary and the state legislature.

On May 24, 1994, the building was officially dedicated in honor of these two men. The ceremony and reception were held on the grounds of the building, and each of the distinguished members of the Budget and Control Board made a special presentation in appreciation. The list included Governor Carroll A. Campbell Jr., Comptroller General Earle E. Morris Jr., State Treasurer Grady L. Patterson Jr., Senator John Drummond, and Representative William D. Boan.

Two bronze plaques were presented to the honorees and now proudly grace the building's main entrance hall.