

South Carolina Retirement Systems

Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2008
Pension Trust Funds of the State of South Carolina

Impacting SC's economy by more than \$2 billion annually

The more than \$2 billion in benefits paid annually by the South Carolina Retirement Systems provides a stable source of income for our public retirees. With 94 percent of our retirees remaining in South Carolina, the state reaps a tremendous economic stimulus from these payments.

Benefits Disbursed in South Carolina by County



	Number of Benefit Recipients	Amount of Benefits Disbursed
Total SC	110,878	\$ 1,965,946,727
Total Out of State	8,102	\$ 118,525,861
Total	118,980	\$ 2,084,472,588

Amounts reported for the purpose of the economic stimulus analysis include retirement annuity and beneficiary checks only, and do not include active group life benefits, refund distributions, or adjustments for year-end accounting accruals; therefore, these amounts are not intended to represent expenses as reported in the financial statements.

South Carolina Retirement Systems
A Division of the South Carolina State Budget and Control Board

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008

Pension Trust Funds of the State of South Carolina

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

**Peggy G. Boykin, CPA
Director**

Prepared through the joint efforts of the Retirement Systems' staff.

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In comparison to the more than \$2 billion in benefits disbursed by the Retirement Systems, personal income derived in the Palmetto State from hospitals equaled \$1.766 billion.*

Hospitals include those institutions that provide medical, diagnostic, and treatment services that include physician, nursing, and other health services to inpatients and the specialized accommodation services required by inpatients. Hospitals provide inpatient health services, many of which can only be provided using the specialized facilities and equipment that form a significant and integral part of the production process. Hospitals may also provide outpatient services as a secondary activity.

*Based on Bureau of Economic Analysis data for 2007.

Introductory Section

Mark Sanford, Chairman
Governor
Converse A. Chellis, III, CPA
State Treasurer
Richard Eckstrom
Comptroller General

State Budget and Control Board
South Carolina Retirement Systems
Retiring South Carolina's Public Workforce
For Life

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Peggy G. Boykin, CPA
Director

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Hugh K. Leatherman, Sr.
Chairman,
Senate Finance Committee
Daniel T. Cooper
Chairman,
Ways and Means Committee
Frank W. Fusco
Executive Director

LETTER OF TRANSMITTAL

November 26, 2008

The Honorable Mark Sanford, Governor
and
State Budget and Control Board
State of South Carolina

Gentlemen:

We are pleased to present the *Comprehensive Annual Financial Report* (CAFR) of the South Carolina Retirement Systems for the fiscal year ended June 30, 2008. The South Carolina Retirement Systems is required by Section 9-1-300 of the South Carolina Code of Laws to publish annually a report of the fiscal transactions of the system and this CAFR fulfills that statutory requirement. Since the Retirement Systems is a part of the primary government of the state of South Carolina, the Systems' financial information is also included in the comprehensive annual financial report of the state. Responsibility for both the accuracy of the data, and the completeness and reliability of the presentation, including all disclosures, rests with the management of 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 the Systems.

The CAFR was prepared to conform to the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board (GASB). Transactions of the Systems are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements and supporting schedules. The financial statements presented in this CAFR have been independently audited by Rogers Laban, PA, Certified Public Accountants, under the direction of the State Auditor's Office. Rogers Laban issued an unqualified opinion, which means that based upon the audit, they concluded that the financial statements were fairly presented in all material aspects and free from material misstatement. In accordance with Governmental Auditing Standards, as part of obtaining reasonable assurance about whether the Systems' financial statements are free of material misstatement, Rogers Laban also considered internal controls over financial reporting and compliance with certain provision of laws, regulations, contracts, and other matters. Although independent auditors cannot guarantee the accuracy of the statements, they do have a reasonable basis for the opinion they render. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of the Systems

The South Carolina Retirement Systems administers five defined benefit pension plans that provide lifetime retirement annuities, disability benefits and death benefits to eligible members. The plans' terms specify the amount of pension benefits to be provided at a future date or after a certain period of time. The amount specified is a function of a formula based on years of service, compensation, and age. Our administrative and reporting structure is outlined in the introductory section of this report.

Introductory Section

This report contains information on the following defined benefit pension trust funds:

- The South Carolina Retirement System (**SCRS**) was established July 1, 1945, to provide retirement and other benefits for teachers and employees of the state and its political subdivisions.
- The Police Officers Retirement System (**PORS**) was established July 1, 1962, to provide retirement and other benefits to police officers and firefighters.
- The Retirement System for Members of the General Assembly of the State of South Carolina (**GARS**) was established January 1, 1966, to provide retirement and other benefits to members of the General Assembly.
- The Retirement System for Judges and Solicitors of the State of South Carolina (**JSRS**) was established July 1, 1979, to provide retirement and other benefits to state Judges and Solicitors.
- The National Guard Retirement System (**NGRS**) was established July 1, 1975, to provide supplemental retirement benefits to members who served in the South Carolina National Guard.

Fiscal Year 2008 Highlights

During fiscal year 2008, South Carolina experienced significant progress towards protecting the purchasing power of our state's retired public workforce and securing the financial stability of the state's public pension plans. The South Carolina General Assembly enacted legislation that stabilized funding of the Retirement Systems and placed restrictions on future cost-of-living adjustment (COLA) increases that would otherwise further erode the plan assets. This represents a giant step forward in limiting ad hoc COLAs that have historically placed a significant drain on the system. Over the years, ad hoc COLAs have steadily increased the unfunded actuarial accrued liability which inhibited progress in improving the funding of the plan.

The South Carolina Retirement System Investment Commission's (RSIC) redeployment and reallocation of the Retirement Systems' assets has been substantially implemented as a result of an amendment to the state constitution, which effectively broadened the opportunity set for diversifying the investments in the portfolio. The attainment of the target allocation will extend into fiscal year 2009.

From an operational perspective of administering the plans, the South Carolina Retirement Systems continued to maintain high stakeholder satisfaction, while maximizing resources to balance a very demanding workload. A new Communication and Education Unit was established to meet the broad strategic goal of educating all of the Systems' stakeholders. We repositioned the Electronic Employer Services (EES) from Customer Services to Financial Employer Services in an effort to more appropriately align employer reporting functions and improve customer service to our covered employers. Preliminary efforts were also initiated to implement a compliance function to review various financial transactions reported from covered employers for compliance with regulations and procedures.

South Carolina General Assembly Passes COLA Legislation

The South Carolina General Assembly passed House Bill 4876 which provides an automatic annual COLA of up to 2 percent each July for eligible annuity recipients of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS).

Passage of this bill, which included recommendations from the State Treasurer's COLA Task Force, is important because future ad hoc COLAs, those that are neither guaranteed nor pre-funded, are not included in a retirement plan's actuarial liabilities until the time at which they are approved. Once ad hoc COLAs are approved, they must be paid using assets of the retirement trust funds or through some other funding mechanism. Historically, ad hoc COLAs granted to our retirees have been paid primarily from the assets of the retirement trust funds.

Introductory Section

By guaranteeing an annual COLA and providing a stabilized funding mechanism, the cost of the COLA is recognized as a liability for actuarial purposes up front. Additionally, by guaranteeing and pre-funding a COLA, eligible retirees can count on protection of their future purchasing power. The automatic COLA provisions became effective June 17, 2008, the date the State Budget and Control Board, as trustees for the Retirement Systems, approved an increase in the Retirement Systems' assumed rate of investment return to 8 percent from 7.25 percent.

House Bill 4876 also set limits on COLAs. If the Consumer Price Index (CPI) as of the previous December 31 is less than 2 percent, the automatic COLA would equal the increase in the CPI. If the CPI is greater than 2 percent, the Board has authorization to increase the COLA beyond the automatic annual 2 percent up to the total percentage increase in CPI or 4 percent, whichever is less. However, the increase beyond the automatic 2 percent may only be granted when certain conditions are met. Previously, ad hoc COLAs could be granted as long as the system(s) could support the funding of the COLA and maintain an unfunded liability amortization period of 30 years or less.

This legislation protects the systems from increased actuarial liabilities due to ad hoc COLAs by preventing ad hoc COLAs from being granted if a system's amortization period for the prior year's unfunded liability exceeds 25 years and by prohibiting employer contribution rate increases to support the grant of an ad hoc COLA. The provisions also require that the system's amortization period must have decreased by one year in the most recently concluded fiscal year valuation and that the estimated funded ratio must not decrease.

Internal Revenue Code Compliance

The South Carolina Retirement Systems periodically conducts a review of retirement statutes to ensure continued compliance with the Internal Revenue Code (IRC). Likewise, the Internal Revenue Service (IRS) periodically reviews the Retirement Systems' "plan documents" to ensure compliance with the IRC. The statutes governing the Retirement Systems are considered the plan documents for IRS/IRC purposes.

In addition to the COLA provisions referenced above, House Bill 4876 also included provisions that modified retirement statutes to ensure the Retirement Systems' continued compliance with the IRC. Most of the provisions were technical in nature. One provision affected a member's ability to choose a payment plan that provides for a continuing survivor annuity benefit. While the IRC allows a spouse and multiple beneficiaries, regardless of age, to receive a 100 percent survivor benefit, a sole beneficiary who is not the member's spouse must be within certain age difference limits as determined by an IRC formula that is based on the retiring member's age, the beneficiary's age, and the difference between the member's age in the year of retirement and age 70. Another provision of the legislation required that the Retirement Systems comply with IRC-required distribution guidelines.

Transition of Custodial Bank

The Bank of New York (BNY) has been the custodial bank for investments of the South Carolina Retirement Systems for many years. With the bank merger between BNY and Mellon Bank, the Retirement Systems' Investment Accounting Unit and RSIC staff worked closely with BNY Mellon to migrate to Mellon's superior operating "Workbench" platform effective May 1, 2008. A team comprised of individuals from each organization successfully completed the transition project, which included developing and implementing automated general ledger interfaces for the various investment asset classes.

Ranking Among Peer Pension Plans

The South Carolina Retirement Systems participates biennially in a public pension plan benchmarking analysis conducted by Cost Effectiveness Management, Inc., (CEM). Seventy-four public pension plans participated in the CEM survey for 2007, which marked the seventh year of participation for the Retirement Systems.

Although the Retirement Systems is a customer centric organization, we are also a division of South Carolina state government and as such, must adhere to stringent budgetary guidelines. According to the CEM report, the South Carolina Retirement Systems' total adjusted administrative cost per member was \$47 in comparison to a peer median cost of \$77. Our low administrative cost is achieved through the efficient and proactive deployment of automated systems and appropriately allocated human resources.

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To continue to provide best practices service levels to our stakeholders, the Retirement Systems must expend the resources necessary to both maintain our infrastructure and expand our technological and human resources. Our infrastructure has been stagnated by mandatory changes required by legislation and court rulings. We have also utilized our human resources far beyond capacity.

Investment Returns

Given the volatility and uncertainty of the investment market, there is widespread concern and anxiety; however, retirement benefits provided by the defined benefit plans administered by the South Carolina Retirement Systems are protected and secure. Defined benefit plans have vastly long-term investment time horizons; so, while the financial markets are currently experiencing significant volatility, the assets of the Retirement Systems are invested in a broadly diversified manner to help mitigate risks. Member benefits under the Retirement Systems' defined benefit plans are protected because they are defined by state statute and are not dependent on individual account balances or investment returns.

Although the Retirement Systems posted a negative return for the fiscal year, our investments outperformed our benchmarks. Wilshire Associates, a leading global investment technology, investment consulting, and investment management firm maintains a Trust Universe Comparison Service (TUCS) that is considered the most widely accepted benchmark for the performance of institutional assets. According to the TUCS database maintained for the period ended June 30, 2008, the average investment return of our peers was negative 4.36 percent, in comparison to our negative 2.56 percent for the same time period.

Summary of Financial Condition

The funding objective of the pension trust funds is to meet future benefit obligations of retirees and beneficiaries through contributions and investment earnings. Each year, our external consulting actuaries determine the actuarial soundness of the plans based on long term obligations and the sufficiency of current contribution levels to fund the liabilities of each plan over a reasonable time frame. In our most recent valuations dated July 1, 2007, our actuarial consultants concluded that all systems are operating on an actuarially sound basis. All five systems are considered to be adequately funded within the Governmental Accounting Board's standards and the Budget and Control Board's policy that requires actuarial liabilities be funded within 30 years. The funded ratio for SCRS, which represents the largest membership of the five plans, improved slightly from 69.6 percent to 69.7 percent. Accordingly, the period for amortizing SCRS' unfunded actuarial accrued liability declined slightly from 30 years to 29 years. A 2.4 percent COLA was granted effective July 1, 2007, 1.4 percent of which was in the form of an ad hoc COLA that increased the unfunded liability and amortization period; however, a 0.18 percent increase in the employer contribution rate effective July 1, 2008, offset the increase such that there was no net effect of the ad hoc COLA. In accordance with the actuarial smoothing technique, the plan also recognized an actuarial gain in the July 1, 2007, valuation as a result of recognizing a portion of the fiscal year 2007 investment returns. Other factors that are normal in the course of plan experience, such as non-investment related experience activity, offset actuarial gains that were attained from recognizing the smoothing of investment returns.

The current funded ratios of the five plans range from a low of 28.8 percent for NGRS to a high of 84.7 percent for PORS. The NGRS has a very low funded ratio because historically the plan was not funded on an actuarial sound basis. In 2006, the General Assembly made a commitment to ensure the plan would be sufficiently funded prospectively and transferred administrative responsibility from the Adjutant General's Office to the South Carolina Retirement Systems. Now recurring funds are set aside in the state's annual budget each year to fund NGRS over an amortization period that does not exceed 30 years and we anticipate improvement in the funded ratio. More detailed information regarding the financial condition of the pension trust funds can be found in the financial and actuarial sections of this report.

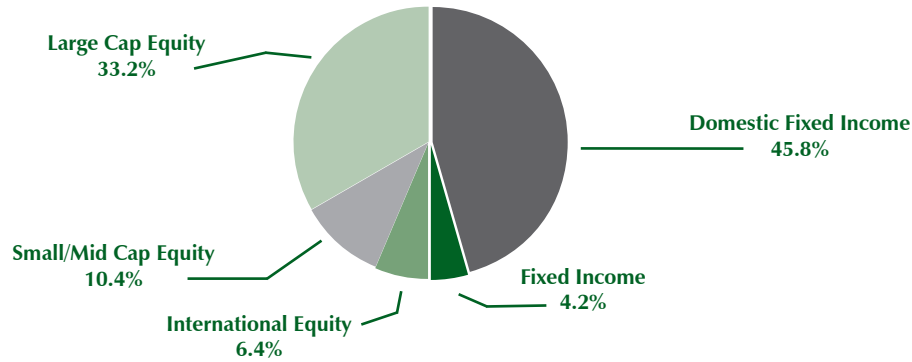
An optimally diversified investment portfolio is designed to generate long-term returns sufficient to ensure that the program is financially sound. While the Systems' investment performance was previously limited by our state constitution and state statute, the RSIC worked diligently to continue implementation of a modern-day asset allocation policy. With the help of the RSIC's investment consultants, New England Pension Consultants, the RSIC deployed investments across a progressive asset allocation designed to reduce the amount of risk while aiming to

Introductory Section

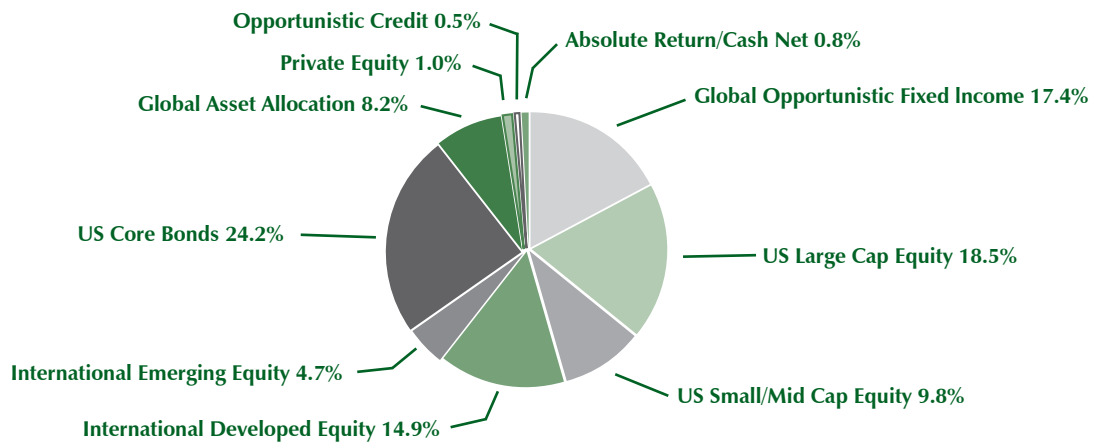
increase overall returns. In addition to the RSIC's efforts to gain immediate exposure to almost all of the new asset classes, planned strategies to fully implement the target allocation which includes more private equity agreements, real estate, and other entrepreneurial opportunities in the hedge fund arena will take several years to complete.

The following charts summarize the Investment Commission's progress toward diversifying the Retirement Systems' portfolio from the prior fiscal year and the long-term target allocation.

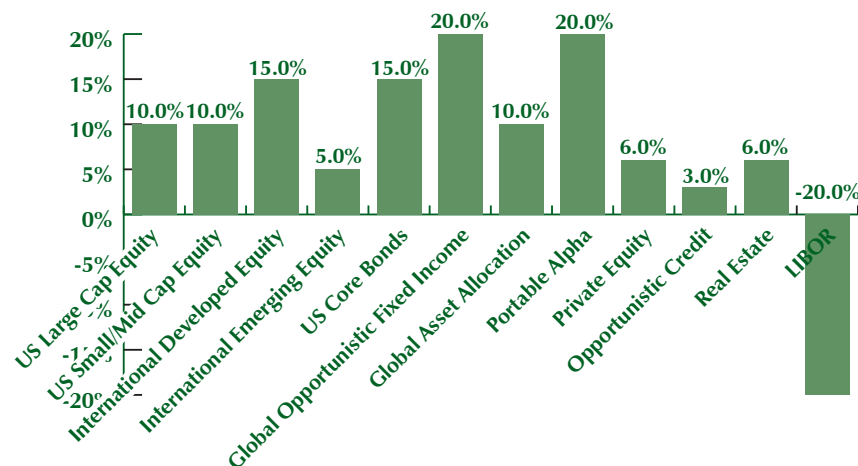
Actual Asset Allocation as of June 30, 2007



Actual Asset Allocation as of June 30, 2008



Target Asset Allocation



Introductory Section

For the year ended June 30, 2008, the combined Systems' investment portfolio produced a total aggregate investment return of negative 2.56 percent. Current year performance was significantly less than the actuarial assumed rate of return utilized for actuary valuation purposes; however, the actuarial smoothing methodology offsets any investment gains and shortfalls over a period of years to mitigate market volatility. The State Budget and Control Board, as trustees for the Retirement Systems, approved actuarial assumption changes that will be effective with the next actuarial valuation dated July 1, 2008. Approved changes include increasing the Retirement Systems' assumed rate of investment return to 8 percent from 7.25 percent and extending the smoothing period from five years to 10 years.

Investment performance in comparison to the assumed rate of return is a significant factor in our actuarial valuations. As referred to above, our actuarial consultants use an actuarial asset valuation method that recognizes a portion of the difference between the actual market value of assets and the expected actuarial value of assets, based on the assumed investment rate of return of 8 percent. This method recognizes 20 percent of the difference between market and expected actuarial value each year and guarantees that any gain or loss is recognized over a 10-year period. The actuarial value of assets is limited to a range between 80 percent and 120 percent of market value. This actuarial asset valuation method dampens year-to-year fluctuations, smoothes the effect of volatility in the market and helps provide a consistent estimate of the value of assets. Detailed investment results for fiscal year 2008 can be found within both the financial and investment sections of this report.

It is paramount to note that the five defined benefit plans administered by the South Carolina Retirement Systems are considered actuarially sound. Both annuity benefits and a guaranteed 2 percent COLA under SCRS and PORS are sufficiently funded based on current contribution levels. For additional financial information, please refer to management's discussion and analysis, as well as the financial statements, and the schedules included in the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Carolina Retirement Systems for its CAFR for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award recognizing excellence in the 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 comprehensive annual financial report, the contents of which meet or exceed program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid only for a period of one year. The Systems has received a Certificate of Achievement for each of the last 21 consecutive years (fiscal years ended 1987-2007). We believe this 22nd issue of our annual report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for consideration again this year.

Public Pension Standards Award

The South Carolina Retirement Systems also received the Public Pension Coordinating Council's Public Pension Standards 2008 Award. This is the fifth consecutive year during which the Retirement Systems applied for and received the Council's award in recognition of meeting professional plan design and administration standards. The Public Pension Coordinating Council is a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement.

Introductory Section

Acknowledgments

The compilation of this report reflects the combined efforts of the staff of the South Carolina Retirement Systems functioning under your leadership. The report is intended to provide comprehensive and reliable information about the Systems, to demonstrate compliance with legal provisions, and to allow for the evaluation of responsible stewardship of the funds of the Systems.

We express our gratitude to the members of the Board, the staff, the consultants, and the many people who have worked so diligently to assure the continued successful operation of the Systems.

Respectfully submitted,


Peggy G. Boykin, CPA
Director


Tammy B. Davis, CPA
Assistant Director, Payroll, Financial and Actuarial Reporting





Introductory Section

Governing Board and Administration

Governing Board - SC State Budget and Control Board

Mark Sanford, Chairman	Governor
Converse A. Chellis, III, CPA	State Treasurer
Richard Eckstrom	Comptroller General
Hugh K. Leatherman, Sr.	Chairman, Senate Finance Committee
Daniel T. Cooper	Chairman, House Ways and Means Committee
Frank W. Fusco	Executive Director

Retirement System Investment Commission¹

Reynolds Williams	Chairman
Converse A. Chellis, III, CPA	State Treasurer
Blaine Ewing, III	
James R. Powers	Vice Chairman
Allen R. Gillespie, CFA	
Robert L. Borden, CFA	Chief Investment Officer
Nancy E. Shealy	Administrative Director and General Counsel

Investment Consultant

New England Pension Consultants

Consulting Actuaries

Milliman Consultants and Actuaries
Cavanaugh Macdonald Consulting, LLC

Retirement Systems Executive Management

Peggy G. Boykin, CPA	Director
Sarah N. Corbett, CPA	Assistant Director – Administration
Tammy B. Davis, CPA	Assistant Director – Payroll, Financial and Actuarial Reporting
Amanda J. Green	Assistant Director – Customer Claims
Lisa Phipps	Assistant Director – Information Technology
Travis Turner, CPA	Assistant Director – Financial Employer Services
Jamella Williams	Assistant Director – Customer Services
David Avant	General Counsel – Retirement Systems
Gwen Bynoe	Legislative Liaison
Jocelyn Caldwell	Project Management Officer
Megan B. Lightle	Manager, Communication and Education
John Page	Internal Auditor

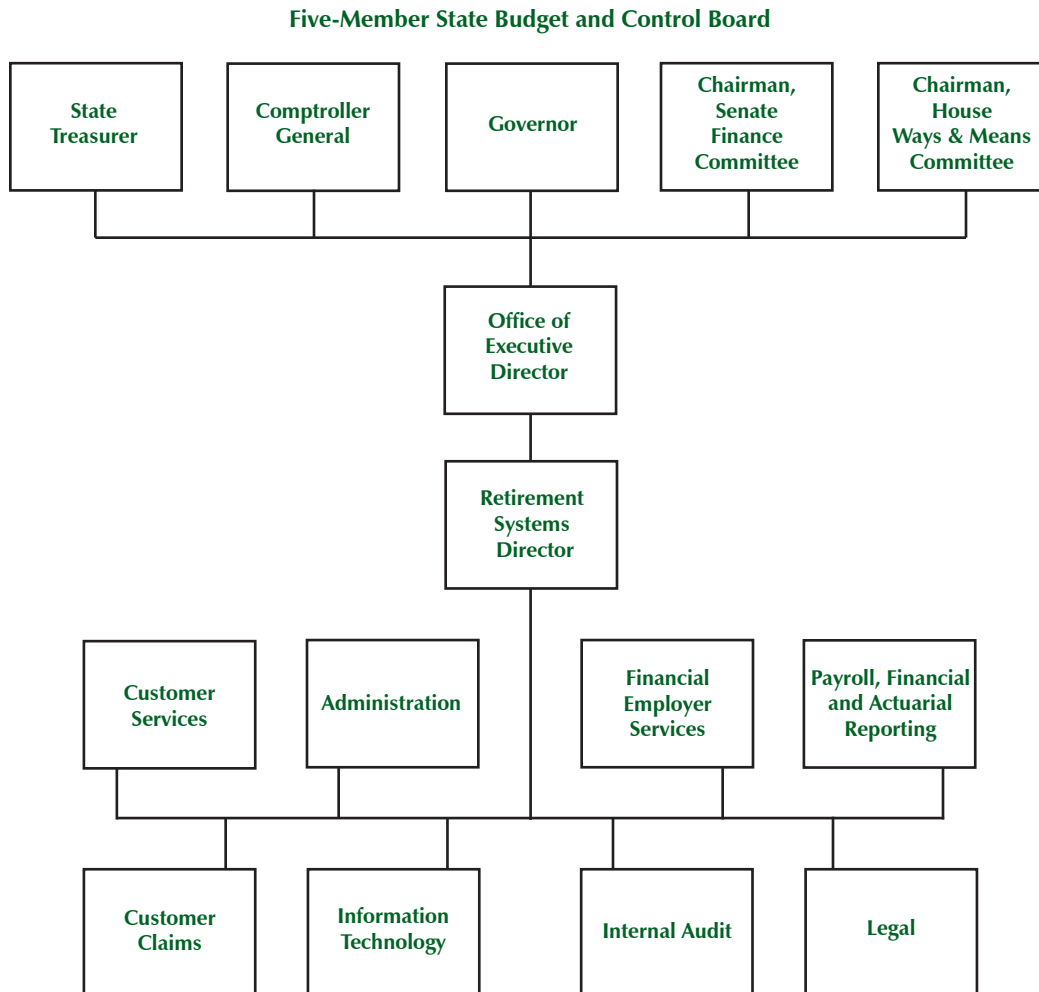
Retirement Systems Staff Responsible for Compilation of CAFR

Tammy B. Davis, CPA	Payroll, Financial and Actuarial Reporting
Ashley McAdoo, CPA	Payroll, Financial and Actuarial Reporting
Faith Wright	Payroll, Financial and Actuarial Reporting
Megan B. Lightle	Manager, Communication and Education
Angie Warren	Public Information Coordinator

¹Refer to pages 77-79 for a complete list of investment managers.

Introductory Section

Organizational Chart



Introductory Section

Organizational Description

The structural organization of the Systems is depicted in the organizational chart on page 17. A brief description of the primary functions performed by each department follows:

Administration

Responsible for managerial, budgetary, and administrative oversight of all division operations; physical plant issues, operations, and maintenance; procurement; human resources activities; communications and public information; accounts payable; postal center operations; and courier services. Also responsible for training employers in all aspects of the Retirement Systems' member benefits, reporting procedures, and the Internet-accessed employer information system; meeting with employees as requested to present benefit overviews and pre-retirement education programs; and coordinating and conducting retirement seminars designed to better prepare members whose retirement is imminent.

Payroll, Financial and Actuarial Reporting

Functioning as chief financial office for the Retirement Systems, responsibilities encompass maintaining comprehensive financial accounting systems, including actuary, investments and disbursements of benefit payments, for the five statutorily defined benefit retirement plans. This department is responsible for preparation of the *Comprehensive Annual Financial Report* and *Popular Annual Financial Report* as well as staffing accounting roles for disbursing funds and reporting of financial data; tax reporting; managing daily financial operations; establishing financial policies and procedures; and communication related to actuarial valuations, legal issues and fiscal impact of proposed legislative changes. Benefit payments are disbursed in the form of monthly annuities, TERI distributions, refunds to terminated members, and death payments to beneficiaries.

Customer Claims

Responsible for the processing of customer claims relating to annuities, refunds, or death claims; the computation of the cost for purchases of prior service for all members of the Retirement Systems; and the auditing of service credit for our membership.

Information Technology

Responsible for the design, implementation and control of all automated applications within the Systems; and the maintenance of complete historical records of each member via digital imaging.

Financial Employer Services

Responsible for determining the average final compensation to be used in calculating a member's annuity benefit at retirement; collecting and allocating member and employer contributions; maintaining membership enrollment and beneficiary information; and the State Optional Retirement Program.

Customer Services

Responsible for member consultations (in person, by telephone, or on-line via the Internet) in all phases of retirement operations.

Legal

Responsible for representing the South Carolina Retirement Systems in matters before circuit and appellate courts and administrative bodies, and for providing program support to the management of the South Carolina Retirement Systems.

Internal Audit

Responsible for providing an independent appraisal function to examine and evaluate processes and policies, and for providing assurance to management regarding the internal control structure of the division.



Financial Section

In comparison to the more than \$2 billion in benefits disbursed by the Retirement Systems, personal income in South Carolina derived from real estate and rental and leasing was \$1.955 billion.* This category includes companies primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and companies providing related services. The major component of this category are companies that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks.

This category also includes companies primarily engaged in managing real estate for others, selling, renting and/or buying real estate for others, and appraising real estate.

*Based on Bureau of Economic Analysis data for 2007.



INDEPENDENT AUDITOR'S REPORT

The Honorable Mark Sanford, Governor,
Members of the State Budget and Control Board, and
Mr. Richard H. Gilbert, Jr., CPA, Deputy State Auditor
State of South Carolina
Columbia, South Carolina

We have audited the financial statements of the South Carolina Retirement Systems (the "Systems") as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the South Carolina Retirement Systems' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

As described in Note I to the financial statements, the Systems' financial statements are intended to present the financial position and results of operations and cash flows of only that portion of the financial reporting entity of the State of South Carolina that is attributable to the transactions of the System. They do not purport to and do not present the financial position of the State of South Carolina as of June 30, 2008, and changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America, and do not include other agencies, divisions, or component units of the State of South Carolina.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the South Carolina Retirement Systems, as of June 30, 2008, and the changes in plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note X to the financial statements, the Systems is a party to legal actions claiming amounts due for certain retirement contributions that have been collected inappropriately. The ultimate outcomes of the litigation cannot be presently determined. Accordingly, no provision for any liability has been made in the accompanying financial statements.

Management's Discussion and Analysis on pages 23 - 28 and the required supplementary information on pages 53 and 54 are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Going Beyond The Numbers

Rogers Laban, PA • 1919 Bull Street • Columbia, SC 29201 • 803.779.5870 • Fax 803.765.0072 • www.RogersLaban.com

Financial Section

In accordance with Government Auditing Standards, we have also issued our report dated October 6, 2008 on our consideration of the Systems' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The other supplementary information on pages 55 - 61 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The information presented in the Introductory, Investment, Actuarial, and Statistical Sections are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly, we express no opinion on it.

Rogers Lalen, PA

October 6, 2008

Management's Discussion and Analysis

This section presents management's discussion and analysis of the South Carolina Retirement Systems' financial position and performance for the year ended June 30, 2008, and is offered as an introduction and analytical overview. This narrative is intended as a supplement and should be read in conjunction with the financial statements and other information presented in the *Comprehensive Annual Financial Report*.

The Retirement Systems' financial statements provide information about the activities of the five defined benefit pension plans administered (listed below), in addition to comparative summary information about the activities of the Retirement Systems as a whole:

- *South Carolina Retirement System (SCRS)* – A member contributory multi-employer plan covering public school districts, as well as state and municipal employees;
- *Police Officers Retirement System (PORS)* – A member contributory multi-employer plan covering state and local law enforcement personnel and firefighters;
- *The Retirement System for Members of the General Assembly (GARS)* – A member contributory plan providing benefits to the members of the South Carolina General Assembly;
- *The Retirement System for Judges and Solicitors (JSRS)* – A member contributory plan covering Judges, Solicitors, and Circuit Public Defenders; and
- *National Guard Retirement System (NGRS)* – A non-contributory supplemental benefit plan for members of the South Carolina National Guard.

Overview of the Financial Statements

The Retirement Systems is a part of the primary government of the state of South Carolina and is included in the comprehensive annual financial report of the state. The Plan's financial statements include the following components:

- Statement of Plan Net Assets
- Statement of Changes in Plan Net Assets
- Notes to the Financial Statements
- Required Supplementary Information
- Other Supplementary Information

The *Statement of Plan Net Assets* presents the Plan's assets and liabilities and the resulting net assets, which are held in trust for pension benefits. This statement reflects a year-end snapshot of the Plan's investments, at fair value, along with cash and short-term investments, receivables, and other assets and liabilities.

The *Statement of Changes in Plan Net Assets* presents information showing how the Plan's net assets held in trust for pension benefits changed during the year. This statement includes additions for contributions by members and employers and investment earnings and deductions for annuity payments, refunded contributions, group life insurance payments, and administrative expenses.

Notes to the Financial Statements are an integral part of the financial statements and provide additional information that is necessary in order to gain a comprehensive understanding of data reported in the financial statements.

Required Supplementary Information presents information concerning the Retirement Systems' funding progress trends and its obligations to provide pension benefits to members. A schedule of required employer contributions is also presented and is useful in evaluating the condition of the plans.

Other Supplementary Information includes Schedules of Changes in Plan Net Assets by system, as well as schedules of administrative expenses, professional and consultant fees, and investment fees and expenses.

Financial Highlights

- For the year ended June 30, 2008, the aggregate rate of return on the pooled investments of the consolidated pension trust funds was negative 2.56 percent. Returns for the combined investment portfolio were significantly less than the 13.35 percent return from the prior fiscal year and below the 7.25 percent actuarial investment assumed rate of return for the plans for fiscal year 2008. Results of the current financial market crisis should moderate with time due to actuarial smoothing methods and may even be eliminated entirely if investment returns are restored to historic norms.
- The South Carolina Retirement System Investment Commission continued to make significant progress toward the implementation of a complete restructuring and reallocation of the Retirement Systems' investments. Funds are now invested in a highly diversified portfolio with holdings and, therefore, risks, spread across multiple asset classes, including domestic and foreign equity and fixed income, private equity, and other alternative investments. The complete restructuring plan and the elimination of previous restrictions have allowed the trust funds to be on a level playing field with other public retirement funds and the investment portfolio is better structured to focus on the long-term stability of the plan. The Commission reported that our peer ranking among funds of more than \$1 billion in invested assets increased from the fourth quartile to the second quartile during the fiscal year.
- The South Carolina Retirement Systems' combined total net assets decreased by \$1.4 billion or 5 percent during fiscal year 2008. As previously explained, investment performance had a negative impact on the change in plan net assets, but additionally, increased annuity, refund, group life, and administrative expenses contributed to the overall decline in plan net assets. Total plan net assets represents all five pension trust funds administered by the South Carolina Retirement Systems. Net assets of the plans are held in trust to meet future benefit payments and the decrease in net assets from \$28.0 billion to \$26.6 billion was primarily due to negative returns in the investment market and increased deductions for pension expenditures.
- Significant changes in value are reflected in the individual components of assets at the end of the fiscal year. Again, these variances are a direct result of the Commissions' transition and reallocation process. At the end of the prior fiscal year, a large portion of the investment portfolio was classified as cash and cash equivalents because unsettled investments were in the process of being transitioned to the new asset classes through the overlay manager. The investment portfolio's reduced allocation to domestic fixed income and equity securities resulted in the transition to new asset classes that are not lendable, thus, the reduction in securities lending cash collateral invested.
- The Teacher and Employee Retention Incentive (TERI) program is a deferred retirement option program that allows retired members to accumulate annuity benefits on a deferred basis for up to five years while continuing employment. The total amount of assets held in trust for future payment of accrued TERI benefits decreased from \$642 million to \$552 million during fiscal year 2008, with the number of members actively participating in TERI decreasing as well from 9,049 to 7,899 at fiscal year end.
- A deferred retirement option program was also established under the Retirement System for Judges and Solicitors (JSRS). A member who has not yet reached the age of 60 years, but who is eligible to retire and receive the maximum monthly benefit may continue to serve as a judge, a solicitor, or a circuit public defender, and the member's normal monthly retirement benefit is deferred and placed in the system's trust fund on behalf of the member. Upon reaching the age of 60, the balance of the member's deferred retirement benefit is distributed to the member. As of June 30, 2008, three JSRS members were participating in the deferred retirement option program and benefits held in trust totaled \$349,000.
- As passed by the South Carolina General Assembly in 2005, Act 153 increased the employer contribution rate of the South Carolina Retirement System (SCRS) from 8.05 percent to 9.06 percent effective July 1, 2007; therefore, an increase in the dollar amount of employer contributions collected was recognized.
- The number of retired members and beneficiaries receiving monthly benefits through the Retirement System plans increased to more than 119,000 annuitants during the year. The increase in the number of annuitants, coupled with increases for cost-of-living adjustments (COLAs) resulted in an almost 6 percent increase in the amount of benefit payments from the prior year—from \$1.95 billion to more than \$2.07 billion.
- Although participation in TERI declined during the year, we continue to experience an upward trend in the number of retirees returning to covered employment after retirement. Retired members of SCRS and the Police Officers Retirement System (PORS) are allowed to return to work after retirement or after ending TERI participation, and draw an annuity benefit with no limit on earnings. Retirees who return to work for a covered employer pay employee contributions, which partially fund guaranteed COLAs under SCRS and PORS.

Financial Section

- Members of JSRS who are age 60 and are eligible to receive the maximum monthly benefit may also retire and receive a benefit while continuing to serve as a judge, a solicitor or a circuit public defender until the member attains the age of 72.
- Working retirees also have an impact on the group life insurance program. The value of group life benefits for working retirees is significantly greater than the benefit value for non-working retirees and as a result of the increased number of working retirees, the plans experienced an increase in group life expense this fiscal year.
- The South Carolina General Assembly was successful in passing legislation which included recommendations concerning public retiree COLAs. The State Budget and Control Board, as trustees for the Retirement Systems, approved an increase in the Retirement Systems' assumed rate of investment return from 7.25 percent to 8 percent, which allowed the guaranteed COLA provisions of House Bill 4876 to take effect. As a result of the legislation, each July 1, eligible retired members of SCRS and PORS will receive an automatic COLA of up to 2 percent as long as the Consumer Price Index (CPI) as of the previous December 31 was at least 2 percent. If the CPI is less than 2 percent, the COLA will equal the actual increase in the CPI. House Bill 4876 also authorized the Board, as trustees of the state's pension trust funds, to approve ad hoc COLAs in addition to the automatic COLA of up to 2 percent if certain guidelines are met. The new provisions took effect July 1, 2008.
- Administrative and other expenses were greater this fiscal year due to increases in the number of staff positions required to implement provisions of the Pension Protection Act, charges for evaluating disability claims, other professional service fees for rotating various external reviews, transfers to the Investment Commission, and premiums for our fiduciary liability insurance policy.

Condensed Financial Information

The Retirement Systems' ability to adequately fund retirement benefits payable to members in future years is viable because funds are accumulated and invested on a regular and systematic basis. The five defined benefit plans provide lifetime annuity benefits to vested eligible members who serve as employees of state, public school, local and municipal government, state legislative, judicial and National Guard employers.

The principal sources from which the Systems' derives revenues are employee contributions, employer contributions, and earnings on investments. Required annual contributions for the NGRS are funded through an annual state appropriation. Expenses of the Systems consist primarily of payments of monthly annuities to retired members and their beneficiaries, and refunds of member contributions and interest paid 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 members of the PORS.

Summary comparative financial statements of the pension trust funds are presented on the following page.

Financial Section

Plan Net Assets

June 30

(Amounts expressed in thousands)

	2008	2007	% Increase/ (Decrease)
Assets			
Cash and cash equivalents, receivables and prepaid expenses	\$ 2,835,196	\$ 6,855,459	(58.64%)
Investments, at fair value	24,697,700	22,188,448	11.31%
Securities lending cash collateral invested	3,796,183	5,085,506	(25.35%)
Property, net of accumulated depreciation	3,459	3,577	(3.30%)
Total Assets	<u>31,332,538</u>	<u>34,132,990</u>	(8.20%)
Liabilities			
Deferred retirement benefits	552,260	641,750	(13.94%)
Obligations under securities lending	3,796,183	5,085,506	(25.35%)
Other liabilities	351,050	356,954	(1.65%)
Total Liabilities	<u>4,699,493</u>	<u>6,084,210</u>	(22.76%)
Total Net Assets	<u>\$ 26,633,045</u>	<u>\$ 28,048,780</u>	(5.05%)

Changes in Plan Net Assets

Year Ended June 30

(Amounts expressed in thousands)

	2008	2007	% Increase/ (Decrease)
Additions			
Employee contributions	\$ 618,576	\$ 578,019	7.02%
Employer contributions	898,417	760,167	18.19%
State-appropriated contributions	3,948	3,948	0.00%
Investment income (loss)	(731,466)	3,397,801	(121.53%)
Other income	3,542	3,382	4.73%
Total Additions	<u>793,017</u>	<u>4,743,317</u>	(83.28%)
Deductions			
Annuities	2,072,109	1,947,789	6.38%
Refunds	93,094	89,825	3.64%
Group Life	19,969	18,253	9.40%
Administrative & other expenses	23,580	20,618	14.37%
Total Deductions	<u>2,208,752</u>	<u>2,076,485</u>	6.37%
Increase (Decrease) in Net Assets	<u>(1,415,735)</u>	<u>2,666,832</u>	(153.09%)
Beginning Net Assets	28,048,780	25,381,948	10.51%
Ending Net Assets	<u>\$ 26,633,045</u>	<u>\$ 28,048,780</u>	(5.05%)

Analysis of the Plan's Financial Position and Results of Operations

On a combined basis, plan net assets were valued at \$26.6 billion at June 30, 2008, representing a 5 percent decrease in net assets from the previous fiscal year-end. Investment income is traditionally a major revenue source; however, this year's negative performance partially offset contributions and resulted in a reduction in total plan income for the fiscal year. Total combined investment return for fiscal year 2008 was negative 2.56 percent, which was substantially less than the assumed actuarial investment rate of return of 7.25 percent. For fiscal year 2008, returns for specific assets allocations were 3.90 percent for cash, 6.39 percent for fixed income, negative 15.58 percent on the equity segment, and 4.24 percent on alternative investments. In comparison, the prior fiscal year 2007 produced a combined total investment return of 13.35 percent, with 18.69 percent and 7.02 percent returns for the equity and fixed income segments, respectively.

Despite the negative returns, diversification of the portfolio enabled the fund to outperform the Investment Commission's policy benchmark return and the ICC Universe large fund median return for the one year period ended June 30, 2008, whose returns were negative 2.89 percent and negative 4.19 percent, respectively. Independent Consultants Cooperative (ICC) is a benchmark group that was developed by New England Pension Consultants (NEPC), general investment consultants for the Investment Commission.

While the fluctuations in returns between market segments exemplify the need for an optimally diversified investment portfolio, the Retirement Systems' investment performance was limited in the past by state constitution and state statute. South Carolina's recently modernized retirement investment policies and practices now allow for a more diversified target allocation under the oversight of the Investment Commission and its Chief Investment Officer. The target mix is comparable to peer public pension funds and is expected to increase long-term rates of return.

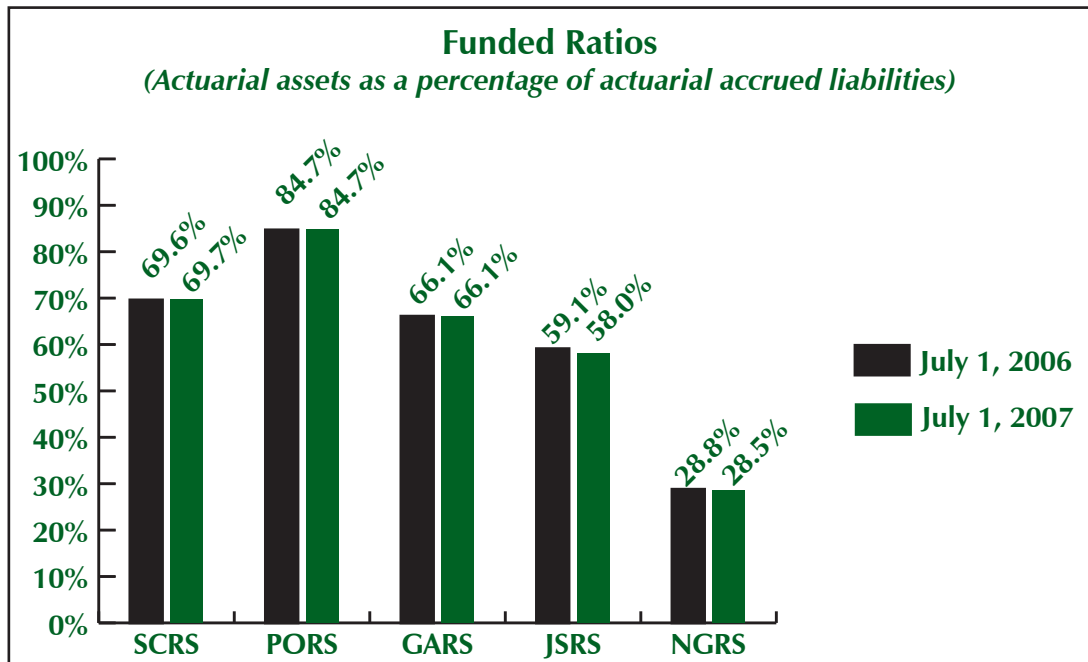
During fiscal year 2008, the total dollar amount of retirement annuities paid increased more than 6 percent when compared with the previous fiscal year. This was due primarily to an increase in the number of annuitants, a 2.4 percent cost-of-living adjustment (COLA) that was granted effective July 1, 2007, and liberal return-to-work provisions. COLAs, which were heavily debated during the year, are a very important benefit to retirees, providing a critical part of retiree income. Ad hoc COLAs were historically granted and funded with either unanticipated actuarial gains or an extension of the system's unfunded actuarial accrued liability (UAAL) amortization period; however, the South Carolina General Assembly was successful in passing legislation which became effective July 1, 2008, that includes a guaranteed 2 percent COLA each July 1 to eligible retired members of SCRS and PORS, provided the Consumer Price Index (CPI) as of the previous December 31 was at least 2 percent. As of the most recent actuarial valuation dated July 1, 2007, the UAAL amortization period for SCRS was 29 years. Subsequent provisions for the 2 percent automatic COLA and assumption changes related to investment returns and smoothing methodology will be reflected in the July 1, 2008, actuarial valuation.

Funding Status

An overall objective in the funding of a defined benefit pension plan is to accumulate sufficient funds to meet long-term obligations to pay benefits to participants when due. The primary sources of assets to fund benefits include investment income, member contributions, and employer contributions. A five-year smoothing method is currently used in actuarially valuing assets to mitigate the impact of market volatility and allow changes in market conditions to be recognized (smoothed) over several years.

The ratio of actuarial assets to actuarial liabilities provides an indication as to whether sufficient assets are accumulated to pay benefits when due. The greater the level of funding, the larger the ratio of actuarial assets to actuarial accrued liabilities. The most recent actuarial valuations prepared as of July 1, 2007, and adopted by the Budget and Control Board, indicate that the funded ratios of each of the five individual plans remained relatively stable from the previous valuations, which were completed as of July 1, 2006. As of July 1, 2007, funding levels of all the plans are such that annual contributions are sufficient for the valuation to find the plans in good actuarial condition. The changes in the levels of funding do not affect the availability of fund resources for future use, and actuarial projections indicate that unfunded liabilities will be amortized and funded within acceptable funding guidelines. The funded ratios of the five plans are presented in the graph on the following page.

Financial Section



Requests for Information

This financial report is designed to provide a general overview of the Retirement Systems' finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be directed as follows:

Financial Services
South Carolina Retirement Systems
PO Box 11960
Columbia, SC 29211-1960
(803) 737-6800
www.retirement.sc.gov

Financial Section

South Carolina Retirement Systems Statement of Plan Net Assets June 30, 2008

With comparative totals for June 30, 2007
(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2007
ASSETS							
Cash and cash equivalents	\$ 1,509,652	\$ 209,614	\$ 2,849	\$ 8,447	\$ 1,074	\$ 1,731,636	\$ 6,064,921
Receivables							
Due from other Systems	1,374	158	8		175	1,715	671
Employee and employer contributions	166,476	17,366	37	737		184,616	166,853
Employer contributions long-term	577	19				596	867
Accrued investment income	77,503	10,476	146	423	52	88,600	131,741
Unsettled investment sales	721,176	96,321	1,358	3,923	486	823,264	471,858
Other investment receivables	3,923	524	8	21	3	4,479	18,054
Total receivables	971,029	124,864	1,557	5,104	716	1,103,270	790,044
Investments, at fair value							
Short-term securities	89,014	11,889	168	484	60	101,615	229,972
Debt							
Domestic Fixed Income	5,390,761	727,962	10,140	29,283	3,626	6,161,772	8,777,316
Global Fixed Income	3,093,577	413,183	5,827	16,828	2,083	3,531,498	
Public Equity							
Domestic Equity	5,406,024	722,037	10,183	29,406	3,642	6,171,292	13,156,728
Global Equity	425,462	56,825	801	2,314	287	485,689	
Alternatives	7,223,315	964,757	13,605	39,291	4,866	8,245,834	24,432
Total investments	21,628,153	2,896,653	40,724	117,606	14,564	24,697,700	22,188,448
Prepaid administrative expenses	252	34	1	1	2	290	494
Securities lending cash collateral invested	3,325,439	444,151	6,264	18,089	2,240	3,796,183	5,085,506
Capital assets, net of accumulated depreciation	3,116	319	9	15		3,459	3,577
Total assets	27,437,641	3,675,635	51,404	149,262	18,596	31,332,538	34,132,990
LIABILITIES							
Due to other Systems	166	1,045	462	42		1,715	671
Accounts payable-unsettled investment purchases	95,976	9,483	134	386	48	106,027	282,602
Investment fees payable	15,288	2,038	29	84	10	17,449	7,605
Obligations under securities lending	3,325,439	444,151	6,264	18,089	2,240	3,796,183	5,085,506
Deferred retirement benefits	551,911			349		552,260	641,750
Due to Employee Insurance Program	35,990	640				36,630	34,258
Benefits payable	1,984	365	2		1	2,352	2,192
Other liabilities	163,740	21,842	305	881	109	186,877	29,626
Total liabilities	4,190,494	479,564	7,196	19,831	2,408	4,699,493	6,084,210
Net assets held in trust for Pension Benefits (a schedule of funding progress for each plan is presented on Page 53)	\$ 23,247,147	\$ 3,196,071	\$ 44,208	\$ 129,431	\$ 16,188	\$ 26,633,045	\$ 28,048,780

The accompanying notes are an integral part of these financial statements.

Financial Section

South Carolina Retirement Systems Statement of Changes in Plan Net Assets Year Ended June 30, 2008

With comparative totals for the year ended June 30, 2007

(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2007
Additions							
Contributions							
Employee	\$ 540,845	\$ 75,666	\$ 712	\$ 1,353	\$ -	\$ 618,576	\$ 578,019
Employer	774,269	114,095	2,440	7,613		898,417	760,167
State appropriated					3,948	3,948	3,948
Total contributions	1,315,114	189,761	3,152	8,966	3,948	1,520,941	1,342,134
Investment Income							
Net appreciation (depreciation) in fair value of investments	(1,236,067)	(164,721)	(2,306)	(6,693)	(782)	(1,410,569)	2,601,359
Interest and dividend income	626,255	83,466	1,232	3,496	457	714,906	820,899
Investment expense	(58,747)	(7,785)	(116)	(326)	(43)	(67,017)	(36,147)
Net income (loss) from investing activities	(668,559)	(89,040)	(1,190)	(3,523)	(368)	(762,680)	3,386,111
From securities lending activities:							
Securities lending income	183,573	24,274	363	1,021	133	209,364	293,125
Securities lending expense	(156,210)	(20,649)	(309)	(869)	(113)	(178,150)	(281,435)
Net income from securities lending activities	27,363	3,625	54	152	20	31,214	11,690
Total net investment income (loss)	(641,196)	(85,415)	(1,136)	(3,371)	(348)	(731,466)	3,397,801
Supplemental retirement benefits funded by the State	1,321	52				1,373	1,587
State appropriations for administrative expenses					50	50	50
Transfers of contributions from other Systems	27	2,008	21	63		2,119	1,745
Total additions	675,266	106,406	2,037	5,658	3,650	793,017	4,743,317
Deductions							
Refunds of contributions to members	79,027	13,754	102	211		93,094	89,825
Transfers of contributions to other Systems	2,092		27			2,119	1,745
Regular retirement benefits	1,633,493	194,490	6,181	12,499	3,199	1,849,862	1,704,424
Deferred retirement benefits	219,078			349		219,427	240,580
Supplemental retirement benefits	1,321	52				1,373	1,587
Group life insurance claims	17,617	2,068	28	256		19,969	18,253
Accidental death benefits		1,447				1,447	1,198
Depreciation	107	11				118	119
Administrative expenses	18,553	2,494	37	103	156	21,343	18,754
Total deductions	1,971,288	214,316	6,375	13,418	3,355	2,208,752	2,076,485
Net increase (decrease)	(1,296,022)	(107,910)	(4,338)	(7,760)	295	(1,415,735)	2,666,832
Net assets held in trust for Pension Benefits							
Beginning of year	24,543,169	3,303,981	48,546	137,191	15,893	28,048,780	25,381,948
End of year	\$ 23,247,147	\$ 3,196,071	\$ 44,208	\$ 129,431	\$ 16,188	\$ 26,633,045	\$ 28,048,780

The accompanying notes are an integral part of these financial statements.

South Carolina Retirement Systems

Notes to Financial Statements

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)
- National Guard Retirement System (NGRS)

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 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.

Plan Descriptions

The South Carolina Retirement System, a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for public school districts and employees of the state and political subdivisions thereof.

The South Carolina Police Officers Retirement System, a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

The Retirement System for Members of the General Assembly of the State of South Carolina, a single-employer defined benefit pension plan, was created effective January 1, 1966, pursuant to the provisions of Section 9-9-20 of the South Carolina 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, a single-employer defined benefit pension plan, was created effective July 1, 1979, pursuant to the provisions of Section 9-8-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for judges, solicitors, and circuit public defenders of the state.

The National Guard Retirement System, a single-employer defined benefit pension plan, was created effective July 1, 1975, and is governed by the provisions of Section 9-10-30 of the South Carolina Code of Laws for the purpose of providing supplemental retirement benefits to certain members who served in the South Carolina National Guard.

Financial Section

A summary of information related to participating employers and active members as of June 30, 2008, follows (dollar amounts expressed in thousands):

	<u>State¹</u>	<u>School</u>	<u>Other</u>	<u>Total</u>
SCRS				
Number of Employers	111	106	583	800
Annual Covered Payroll	\$ 2,238,486	\$ 3,111,405	\$ 1,773,063	\$ 7,122,954
Average Number of Contributing Members	56,547	88,092	54,466	199,105
PORS				
Number of Employers	62	45	293	400
Annual Covered Payroll	\$ 373,595	\$ 244	\$ 620,307	\$ 994,146
Average Number of Contributing Members	10,863	7	16,395	27,265
GARS				
Number of Employers	2			2
Annual Covered Payroll	\$ 3,099			\$ 3,099
Number of Elected Positions	170			170
JSRS				
Number of Employers	3			3
Annual Covered Payroll	\$ 14,488			\$ 14,488
Average Number of Contributing Members	144			144
NGRS				
Number of Employers	1			1
Annual Covered Payroll ²	N/A			N/A
Average Number of Active Members	12,559			12,559

¹Each state agency is considered a separate employer for reporting purposes. Quasi-state agencies and institutions of higher education are reported in this category.

²Annual covered payroll is not applicable for NGRS because it is a non-contributory plan.

Based upon the most recent actuarial valuations dated July 1, 2007, and adopted by the Budget and Control Board, membership in the Systems was as follows:

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	<u>Totals</u>
Retirees and beneficiaries currently receiving benefits ¹	100,897	10,701	333	175	3,204	115,310
Terminated members entitled to but not yet receiving benefits	153,477	11,038	56	7	3,063	167,641
Total active, elected positions, and other special contributing members	187,968	25,645	197	128	11,076	225,014
Total membership	442,342	47,384	586	310	17,343	507,965

¹Retirees and beneficiaries totals include participants who retired and returned to work.

Financial Section

Membership and benefit requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of each is presented below.

Membership

SCRS

Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers.

State ORP

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. The SCRS assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the Systems for financial statement purposes.

Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the investment providers for the employee contribution (6.50 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for a portion of the employer contribution (4.06 percent) and a group life contribution (.15 percent), which is retained by the SCRS. The activity for the State ORP is as follows:

State ORP Activity
Year Ended June 30, 2008
(Dollar amounts expressed in thousands)

Average Number of Contributing Participants	18,559
Annual Covered Payroll	\$ 854,301
Employer Contributions Retained by SCRS	34,685
Group Life Contributions Retained by SCRS	1,281
Employee Contributions to Investment Providers	55,530
Employer Contributions to Investment Providers	42,715

PORS

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in

PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.

GARS

All members of the Senate and the House of Representatives are required to participate in and contribute to the system upon taking office as a member of the South Carolina General Assembly.

JSRS

All solicitors, circuit public defenders, and 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.

NGRS

Membership consists of individuals who serve in the South Carolina National Guard.

Pension Benefits

SCRS

A monthly pension is payable at age 65 or with 28 years credited service regardless of age. Reduced pension benefits are payable at age 55 with 25 years of service credit. A member is eligible to receive a reduced deferred annuity at age 60 with five years earned service. Group life insurance benefits are also available to active and retired members who have at least one year of service, provided their employer participates in the program.

Eligible retirees receive an automatic cost-of-living adjustment of up to 1 percent and may also receive an additional ad hoc cost-of-living adjustment of up to 3 percent annually based on increases in the Consumer Price Index. The State Budget and Control Board grants ad hoc increases in accordance with its funding policies and state statute.

PORS

A monthly pension is payable at age 55 with a minimum of five years earned service or with 25 years of service regardless of age. A member is eligible to receive a deferred annuity at age 55 with five years earned service. Group life insurance benefits are also available to members who have at least one year of service provided their employer participates in the program. An additional accidental death benefit is also offered to members killed in the line of duty while working for a covered employer.

Eligible retirees may receive ad hoc cost-of-living adjustments of up to 4 percent annually based on increases in the Consumer Price Index. The State Budget and

Control Board grants ad hoc increases in accordance with its funding policies and state statute.

GARS

A member is eligible for a monthly pension at age 60 or with 30 years credited service. A member who has attained age 70 or has 30 years of service is eligible to retire and draw an annuity while continuing to serve in the General Assembly. A member is eligible to receive a deferred annuity with eight years of service. A group life insurance benefit is also provided to members who have at least one year of service.

Retirees receive increases in benefits based upon increases in the current salary of their respective active positions.

JSRS

A pension benefit is payable at age 70 with 15 years service, age 65 with 20 years service, age 65 with four years in a JSRS position and 25 years other service with the state, 25 years service regardless of age for a judge or 24 years of service for a solicitor or a circuit public defender regardless of age. A judge is vested in the system after attaining 10 years of earned service in the position of judge, and a solicitor or a circuit public defender is vested in the system after attaining eight years of earned service. A member who has reached maximum eligibility is eligible to retire and draw an annuity while continuing to serve. A group life insurance benefit is also provided to members with at least one year of service.

Retirees receive increases in benefits based upon increases in the current salary of their respective active positions.

NGRS

A monthly pension is payable at age 60 provided the member was honorably discharged from active duty with at least 20 years of total creditable military service. Of the 20 years total creditable military service, at least 15 must have been served in the South Carolina National Guard. Additionally, the last 10 years of service must have been served in the South Carolina National Guard. No cost-of-living increases are provided to NGRS retirees.

Summary of Significant Accounting Policies

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 pension trust funds (fiduciary fund type) are used to account for the activities of the five public employee retirement systems administered by the Systems.

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. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan.

Administrative Expenses

The State Budget and Control Board's Office of Internal Operations maintains an internal service fund to account for the administrative costs of operating the Systems. All accounting and corresponding disclosures related to administrative expenses are the responsibility of the internal service fund administered by the Board. Administrative expenses are funded by both employer contributions and investment earnings and are assessed to each of the pension trust funds based on its respective portion of total assets in order to pay for actual expenses incurred during the year. Administrative expenses of the Systems include employee salaries and associated employee benefits, transfers to the Investment Commission to fund investment operations and investment related obligations for the trust funds, disability evaluations, fiduciary liability insurance, and other professional service fees.

Cash and Cash Equivalents

The Systems classifies cash on deposit in financial institutions and cash on deposit in the state's internal cash management pool as cash and cash equivalents. The Systems also classifies certain short-term highly liquid securities as cash equivalents if the date of maturity is three months or less from the date of acquisition.

Contributions

Employee, employer, and state-appropriated contributions are recognized in the period in which they are due, pursuant to formal commitments as well as statutory requirements. Substantially all contributions receivable are collected within 30 days of year-end.

Investments

The Retirement System Investment Commission, created by the General Assembly in 2005 as fiduciary for the Retirement Systems, has exclusive authority for investing and managing all assets of the plan. Funds of

the Retirement System are invested subject to the terms, conditions, limitations, and restrictions imposed by Section 16, Article X of the South Carolina Constitution and Section 9-1-1310 (B) and Title 9 Section 16 of the South Carolina Code of Laws. The funds and assets of the various state retirement systems are not funds of the State, but are instead held in trust as provided in Section 9-16-20.

The Investment Commission is structured as a separate state agency reporting to a group of Commissioners. Commission members are comprised of six financial experts, including the State Treasurer and a nonvoting retired member. The Commission employs a chief investment officer who has oversight for complete structuring of the investment program for the Retirement Systems' \$26.6 billion pension trust fund. The Commission also retains an independent consultant to provide investment consulting services necessary to fulfill the duties for investing the Systems' portfolio.

As fiduciary on behalf of the Retirement Systems, the Commission enters into individual agreements with various investment managers to invest plan assets. As of June 30, 2008, legal agreements were in place with 57 investment managers.

For financial statement purposes, investments of the pension trust funds are reported at fair value in the Statement of Plan Net Assets. The investment categories presented on the Statement of Plan Net Assets were consolidated for fiscal year 2008 to accommodate and more clearly present the expanded asset classes of the diversified portfolio. As a result, prior year values have been restated to conform with the modified category presentation.

Short term securities categorized as cash or cash equivalents are reported at fair value. The Systems holds domestic equity and fixed income securities traded on national exchanges and these are valued by the investment custodian using the last reported sales price on a trade-date basis. Fair values of limited partnership investments are based on valuations of the underlying companies of the limited partnerships. Given the complexity and depth necessary to ascertain reasonable estimates, with the exception of one limited partnership, timing for the remaining partnerships is delayed and valuations are obtained on a quarter's lag basis and therefore are valued as of March 31, 2008. Fair values of other alternative investments are based on the respective investment manager's statements as of June 30, 2008.

Investments are combined in a commingled investment pool, with each system owning a percentage of the pool and receiving proportionate investment income in accordance with their respective ownership percentage. Investment income includes realized and unrealized appreciation (depreciation) in the fair value of investments, interest income earned, dividend income earned, less investment expense, plus income from securities lending activities, less deductions for securities lending expenses. Several of the alternative investment managers provide account valuations on a net of fee basis. Management fees are netted against investment income and because they are not readily separable, amounts are recorded and reported net of fees in the net appreciation (depreciation) in the fair value of investments.

Capital Assets

Capital assets are capitalized at cost and depreciated on a straight-line basis over an estimated useful life of forty years.

II. Contributions and Reserves

Contributions to each of the Plans are prescribed in Title 9 of the South Carolina Code of Laws.

Plan members are required to contribute at statutorily established rates. The rates applicable for fiscal year 2008 follow:

SCRS	6.5% of earnable compensation
PORS	6.5% of earnable compensation
GARS	10% of earnable compensation
JSRS	10% of earnable compensation
NGRS	Non-contributory

Employer contributions are established by the State Budget and Control Board at the actuarially determined rates recommended by the Systems' actuaries.

Contributions for the NGRS are provided by state appropriations based on the annual required contribution determined by the Systems' actuary on an annual basis.

In accordance with provisions of the 2007-2008 State Appropriations Act, an additional employer contribution surcharge of 3.42 percent of covered payroll was added to the contribution rate applicable to state and local governments, and public school entities covered by the Employee Insurance Program. This assessment is for the purpose of providing retiree health and dental insurance coverage and is not a part of the actuarially established contribution rates for retirement funding purposes. Functioning as a collecting agent, SCRS and

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PORS collected (amounts expressed in thousands) \$234,844 and \$13,474 respectively in retiree insurance surcharges (\$29,114 of which was applicable to the State ORP) and remitted these funds to the Employee Insurance Program.

Net Assets of each plan are required to be reserved in the following accounts:

The **Employer Fund** is credited with all employer retirement contributions and investment earnings of the Employee and Employer Funds. Upon retirement, all member account balances and contributions are transferred to the Employer Fund as all annuities and administrative expenses of the Systems are paid from this fund. Annual state appropriations to the NGRS are also credited to the Employer fund to provide funding for the payment of annuities and administrative expenses.

The **Employee Fund** is credited with all contributions made by active members of the Systems. Interest is credited to each member's individual account at an annual rate of 4 percent by transferring funds from the Employer Fund to the Employee Fund. At termination

of employment prior to retirement, employee contributions and accumulated interest may be refunded from this fund to the member. At retirement, employee contributions and interest are transferred from the Employee Fund to the Employer Fund for subsequent payment of benefits.

The **Group Life Insurance Fund** (SCRS and PORS only) 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 group life contributions and investment earnings are credited to this fund. Group life insurance benefit payments and administrative expenses are paid from this fund.

The **Accidental Death Fund** (PORS only) is the fund to which participating employers contribute for the purpose of providing annuity benefits to beneficiaries of members of PORS 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 survivor annuities and administrative expenses are paid from this fund.

Balances in the respective reserves at June 30, 2008, were as follows (amounts expressed in thousands):

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>
Employee Fund	\$ 5,708,620	\$ 697,423	\$ 7,265	\$ 17,367	
Employer Fund	17,415,774	2,441,128	36,943	112,064	\$ 16,188
Group Life Insurance Fund	122,753	25,437			
Accidental Death Fund		32,083			
	<u>\$ 23,247,147</u>	<u>\$ 3,196,071</u>	<u>\$ 44,208</u>	<u>\$ 129,431</u>	<u>\$ 16,188</u>

Financial Section

III. Deposits and Investments

Deposit and Investment Risk Disclosures

The tables presented on Pages 38-41 include disclosures of credit and interest rate risk in accordance with Governmental Accounting Standards Board Statement 40 and are designed to inform financial statement users about investment risks which could affect the Systems' ability to meet its obligations. These tables classify investments by risk type, while the financial statements disclose investments by asset class. The table amounts were provided by the custodian bank and may vary from the Statement of Plan Net Assets primarily because the amounts reported include accrued income receivable.

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Systems' deposits may not be recovered. As prescribed by statute, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks or savings and loan associations. These deposits are secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the state against loss in the event of insolvency or liquidation of the institution or for any other cause. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 or collateralized with securities held by the state or its agent in the State Treasurer's name as custodian.

The total amount of the Systems' deposits at June 30, 2008, was as follows (amounts expressed in thousands):

	<u>Carrying Amount</u>
SCRS	\$ 34,759
PORS	5,850
GARS	29
JSRS	66
NGRS	11
Total	<u><u>\$ 40,715</u></u>

Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Systems will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. Investing for the Systems is governed by Section 16, Article X of the South Carolina Constitution and Section 9-1-1310(B) and Title 9 Section 16 of the South Carolina Code of Laws. Funds held in trust for the Retirement Systems may be invested and reinvested in a variety of instruments including, but not limited to, fixed income instruments of the United States, foreign fixed income obligations, futures and options, collateralized mortgage obligations, domestic and international equity securities, private equity, real estate, and fund of funds.

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The following table presents the fair value of investments as of June 30, 2008:

Statement of Invested Assets June 30, 2008 (Amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
<u>Short Term Investments</u>	
Commingled Funds U.S. Debt	\$ 140,140
Mutual Funds	251,014
Repurchase Agreements	432,791
Certificates of Deposit	45,153
Commercial Paper	242,637
U.S. Treasury Bills	236,657
U.S. Government Agencies	259,619
Total Short Term Investments	<u>1,608,011</u>
<u>Convertible Securities</u>	
Convertible Preferred	<u>1,042</u>
<u>Equity Allocation</u>	
Domestic Equity	
Common Stocks	3,305,213
Real Estate Investment Trusts	67,380
Commingled Equity Funds	2,800,917
Global Equity	
International Commingled Funds	<u>485,689</u>
Total Equity	<u>6,659,199</u>
<u>Fixed Income Allocation</u>	
Domestic Fixed Income	
U.S. Government:	
U.S. Government Treasury Notes and Bonds	177,441
U.S. Government Agencies	23,278
Mortgage Backed:	
Government National Mortgage Association	2,528,428
Federal National Mortgage Association	(597,402)
Collateralized Mortgage Obligations	184,240
Corporate:	
Corporate Bonds	3,026,955
Asset Backed Securities	62,832
Yankee Bonds*	54,449
Private Placements	776,708
Global Fixed Income	
International Commingled Funds	<u>3,531,498</u>
Total Fixed Income	<u>9,768,427</u>
<u>Alternatives</u>	
Commingled Funds Balanced	2,072,432
Total Return Swaps	(171,648)
Hedge Funds	5,983,862
Private Equity Limited Partnerships	361,188
Total Alternative Investments	<u>8,245,834</u>
Total Invested Assets	<u><u>\$26,282,513</u></u>

*Yankee Bonds are foreign bonds denominated in U.S.Dollars and are registered with the Securities and Exchange Commission (SEC) for sale in the United States.

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Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using effective duration (option adjusted duration). Effective duration is a measure of the price sensitivity of a bond or a portfolio of bonds to interest rate movements given a 50 basis point change in interest rates. It takes into account that expected cash flows will fluctuate as interest rates change and provides a measure of risk that changes proportionately with market rates.

The Systems invests in mortgage-backed securities which are reported at fair value in the Statement of Plan Net Assets and are based on cash flows from principal and interest payments of the underlying mortgages. These securities are sensitive to prepayments, which are likely in an environment of declining interest rates, and thereby reduce the value of the security. The Systems invests in these securities to diversify the fixed income portfolio and minimize risk.

Disclosures for interest rate risk are noted below.

South Carolina Retirement Systems Interest Rate Sensitivity - Effective Duration June 30, 2008 (Amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u> (option adjusted duration)
<u>Short Term Investments</u>		
Commingled Funds U.S. Debt	\$ 140,140	0.00
Mutual Funds	251,014	0.08
Repurchase Agreements	432,791	0.08
Certificates of Deposit	45,153	0.18
Commercial Paper	242,637	0.01
U.S. Treasury Bills	236,657	0.23
U.S. Government Agencies	259,619	0.03
Total Short Term Investments	<u>1,608,011</u>	
<u>Fixed Income Allocation</u>		
U.S. Government:		
U.S. Government Treasury Notes and Bonds	177,441	4.81
U.S. Government Agencies	23,278	1.57
Mortgage Backed:		
Government National Mortgage Association	2,528,428	4.41
Federal National Mortgage Association	(597,402)	4.44
Collateralized Mortgage Obligations	184,240	4.02
Corporate:		
Corporate Bonds	3,026,955	7.24
Asset Backed Securities	62,832	4.19
Yankee Bonds	54,449	10.53
Private Placements	776,708	8.95
Total Fixed Income	<u>6,236,929</u>	
Total Invested Assets	<u><u>\$ 7,844,940</u></u>	
Total Portfolio Effective Duration (option adjusted duration)		5.65

Financial Section

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Systems. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and disclosure is not required. As of June 30, 2008, the Systems' fixed income assets that are not government guaranteed represented 77 percent of the fixed income portfolio. As a matter of practice, there are no overarching limitations for credit risk exposures within the overall fixed income portfolio. Each individual portfolio within fixed income is managed in accordance with operational guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers, and average credit quality. The Systems' fixed income investments were rated by Moody's and are presented below:

South Carolina Retirement Systems

Credit Risk - Moody's Quality Ratings

June 30, 2008

(Amounts expressed in thousands)

Investment Type and Fair Value	AAA	AA	A	BAA	BA	B	NR
Short Term Investments							
Commingled Funds U.S. Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,140
Mutual Funds							251,014
Repurchase Agreements							432,791
Certificates of Deposit		25,153					20,000
Commercial Paper		167,602		25,000			50,035
Fixed Income Allocation							
Corporate:							
Corporate Bonds	51,514	91,258	1,202,116	1,466,987	73,172	34,480	107,428
Asset Backed Securities	58,607	1,817	2,409				
Yankee Bonds			39,366	15,083			
Private Placements		133,185	386,084	168,968			88,471
Global Fixed Income							
International Commingled Funds							3,531,498
Alternatives							
Total Return Swaps							(16,462)
	<u>\$ 110,121</u>	<u>\$ 419,015</u>	<u>\$ 1,629,975</u>	<u>\$ 1,676,038</u>	<u>\$ 73,172</u>	<u>\$ 34,480</u>	<u>\$ 4,604,915</u>

Financial Section

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Systems' policy for reducing this risk is to comply with the Statement of Investment Objectives as amended and adopted by the Retirement System Investment Commission which states that "except that no limitations on issues and issuers shall apply to obligations of the U.S. Government and Federal Agencies, the domestic fixed income portfolio shall contain no more than 6 percent exposure to any single issuer." As of June 30, 2008, there is no single issuer exposure within the portfolio that comprises 6 percent or more of the overall portfolio. Therefore, there is no concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Systems participates in foreign markets to diversify assets, reduce risk and enhance returns. Exposure to foreign investments has, to date, been achieved synthetically using financial futures, forwards and swaps. Currency forwards are used to manage currency fluctuations and are permitted by investment policy. Policy, however, forbids speculating in forwards and other derivatives.

The table below presents the Systems' exposure to foreign currency risk in U.S. dollars as of June 30, 2008, (amounts expressed in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Private Equity
Australian Dollar	\$ -	\$ 141,457	\$ -
British Pound Sterling		558,565	
Canadian Dollar		257,263	
Euro Currency	3	1,769,160	34,268
Japanese Yen		876,241	
Totals	<u>\$ 3</u>	<u>\$ 3,602,686</u>	<u>\$ 34,268</u>

Financial Section

Derivatives

Derivatives are financial instruments whose value is derived from underlying assets or data. They generally take the form of contracts in which two parties agree to make payments at a later date based on the value of the underlying assets or data. The main types of derivatives that are common in today's financial markets are futures, forwards, options, and swaps.

Futures are contractual obligations that require the buyer (seller) to buy (sell) assets at a predetermined

date at a predetermined price. These contracts are standardized and traded on an organized exchange with gains and losses settled daily thereby minimizing credit and default risk. To comply with the requirements of multiple exchanges, \$237.63 million in performance bonds (U.S. Treasury Bills) were held in trust by the clearing broker on June 30, 2008. These assets represent the required margin amount to establish the Systems' futures exposure. As of June 30, 2008, the Systems had the following exposure to futures contracts (dollar amounts expressed in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value*
MTF CAC40 10EU	July 2008	Long	2,595	\$ 181,690
EURX DAX INDEX	September 2008	Long	612	156,201
EURX ER STX 50	September 2008	Long	9,174	488,533
NEW FTSE 100	September 2008	Long	3,882	436,822
HKFE - HSI	July 2008	Long	395	56,033
IBEX 35 PLUS	July 2008	Long	357	67,236
IDEM S&P/MIB	September 2008	Long	285	66,625
TSE TOPIX	September 2008	Long	3,531	438,341
ME S&P CAN 60	September 2008	Long	1,164	197,407
SFE SPI 200	September 2008	Long	1,088	135,388
Total International Equity				2,224,276
CAN GOVT BOND	September 2008	Long	467	53,704
EURX EUR-BOBL	September 2008	Long	1,341	223,486
EURX EUR-BUND	September 2008	Long	1,874	326,457
EURX E-SHATZ	September 2008	Long	1,428	230,212
TSE 10 YR JGB	September 2008	Long	330	420,850
LIF LONG GILT	September 2008	Long	511	106,276
Total International Fixed Income				1,360,985
S&P 500 INDEX	September 2008	Long	23	7,366
EMINI S&P 500	September 2008	Long	1505	96,403
Total Large Cap Equity				103,769
IMM MINI RUSL	September 2008	Long	1,337	92,480
IMM EMINI MDCP	September 2008	Long	1,423	116,857
Total Small/Mid Cap Equity				209,337
US 2YR T-NOTE	September 2008	Short	(1,332)	(281,323)
CBT 5-YR TNOTE	September 2008	Short	(2,460)	(271,965)
10 YR T-NOTES	September 2008	Short	(1,866)	(212,578)
U.S. T-BONDS	September 2008	Short	(1,183)	(136,747)
Total Core Fixed Income				(902,613)
Total				\$ 2,995,754

*Notional value is the nominal or face amount that is used to calculate payments made on derivative instruments (futures, forwards, swaps, etc.). This amount generally does not change hands and is thus referred to as notional. The notional amount represents the economic equivalent to an investment in the physical securities represented by the derivative contract.

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Forwards are contractual obligations that require the delivery of assets at a fixed price on a predetermined date. These contracts are “over-the-counter” instruments, meaning they are not traded on an organized exchange. As of June 30, 2008, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value*	Base Gain/(Loss)	Base Exposure
Goldman Sachs	\$ 1,602,423	\$ 32,107	45.19%
Lehman Brothers	882,097	15,121	24.88%
Deutsche Bank	791,643	8,047	22.33%
Royal Bank of Scotland	254,794	1,383	7.19%
UBS	14,656	(18)	0.41%
Totals	\$ 3,545,613	\$56,640	100.00%

*Notional value is the nominal or face amount that is used to calculate payments made on derivative instruments (futures, forwards, swaps, etc.). This amount generally does not change hands and is thus referred to as notional. The notional amount represents the economic equivalent to an investment in the physical securities represented by the derivative contract.

The Systems have entered into various swap agreements to manage risk exposure. Swaps are “over-the-counter” (OTC) agreements to exchange a series of cash flows according to specified terms. The underlying asset can be an interest rate, an exchange rate, a commodity price or any other index.

Total return swaps are used to efficiently achieve a target asset allocation. Exposures to an asset class are typically gained by paying a reference rate such as LIBOR, plus or minus a spread, in exchange for the risk and returns of a desired index. Similarly, exposures can be reduced by receiving a reference rate in exchange for the economic risks and returns of an index.

Counterparty risk, or default risk, is the risk that either party will not honor its contractual obligations. The Systems seeks to actively manage its counterparty risk by thorough analysis and evaluation of all potential counterparties by investment staff and the independent overlay manager. Risk is further minimized through diversification among counterparties with high credit ratings.

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As of June 30, 2008, the Systems was exposed to counterparty risk through currency forwards and swap agreements. The Systems, however, does not anticipate any default in our contractual positions.

Gains and losses on swaps are determined based on market values and are recorded in the Statement of Changes in Plan Net Assets. At June 30, 2008, the Systems held swaps as shown in the table below (amounts expressed in thousands):

Counterparty	Total Return Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Gain (Loss) Since Trade
Morgan Stanley	SP500 Swap	LIBOR minus 12.5 bps	SP500	9/19/2008	\$ 178,655	\$ (23,590)
Lehman Brothers	High Yield Swap	LIBOR plus 120 bps	High Yield	4/30/2009	97,555	(2,445)
Morgan Stanley	MSCI EM Swap	LIBOR minus 15 bps	MSCI EM	6/30/2009	251,605	1,605
J.P. Morgan	MSCI EM Swap	LIBOR minus 27 bps	MSCI EM	3/13/2009	99,638	(362)
Morgan Stanley	MSCI EM Swap	LIBOR minus 25 bps	MSCI EM	3/31/2009	247,845	(2,155)
J.P. Morgan	MSCI EM Swap	LIBOR minus 27 bps	MSCI EM	1/31/2009	151,350	1,350
J.P. Morgan	MSCI EM Swap	LIBOR minus 29 bps	MSCI EM	2/28/2009	91,972	(8,028)
Merrill Lynch	MSCI EM Swap	LIBOR minus 75 bps	MSCI EM	7/31/2008	49,694	(306)
J.P. Morgan	MSCI EM Swap	LIBOR minus 69 bps	MSCI EM	8/5/2008	101,118	1,118
Merrill Lynch	MSCI EM Swap	LIBOR minus 100 bps	MSCI EM	8/25/2008	159,971	9,971
Credit Suisse	MSCI EM Swap	LIBOR minus 55 bps	MSCI EM	12/4/2008	132,307	(17,693)
Credit Suisse	MSCI EAFE+Canada Swap	LIBOR minus 33 bps	MSCI EAFE+Canada	12/4/2008	178,928	(21,072)
Morgan Stanley	MSCI EAFE+Canada Swap	LIBOR minus 35 bps	MSCI EAFE+Canada	1/8/2009	185,197	(14,803)
Deutsche Bank	MSCI EAFE+Canada Swap	LIBOR minus 34 bps	MSCI EAFE+Canada	1/9/2009	279,987	(20,013)
J.P. Morgan	MSCI EAFE+Canada Swap	LIBOR minus 31 bps	MSCI EAFE+Canada	10/31/2008	221,495	(28,505)
Morgan Stanley	MSCI EAFE+Canada Swap	LIBOR minus 30 bps	MSCI EAFE+Canada	10/31/2008	224,419	(25,581)
Deutsche Bank	MSCI EAFE+Canada Swap	LIBOR minus 42 bps	MSCI EAFE+Canada	2/28/2009	240,133	(9,867)
J.P. Morgan	EM Debt Swap	LIBOR minus 20 bps	EM Debt	1/12/2009	246,882	(3,118)
J.P. Morgan	EM Debt Swap	LIBOR minus 30 bps	EM Debt	1/12/2009	196,537	(3,463)
J.P. Morgan	EM Debt Swap	LIBOR minus 10 bps	EM Debt	4/30/2009	243,671	(6,329)
Lehman Brothers	Lehman Agg Swap	Lehman Agg	LIBOR	4/30/2009	249,889	111
Total Swap Exposures					\$3,828,848	\$ (173,175)

Alternatives

The investment categories on the Statement of Plan Net Assets were modified in 2008 to accommodate the new asset types approved by the Commission to further diversify the assets of the Systems. The Alternatives category includes private equity, global tactical asset allocation, absolute return, and swaps. Private equity investments are legally structured as limited partnerships. In this structure, the Systems is one of several limited partners, while the investment manager serves as the general partner. Investing in limited partnerships legally obligates the Systems to invest the committed amount until the investment is fully funded.

Commitments

During the year and subsequent to year-end, the Systems entered into commitment agreements with numerous investment managers for future funding of various asset classes including private equity, global tactical asset allocation, absolute return and global fixed income investments. There are varying degrees and understandings regarding the commitments across the individual managers. The total amount of investment commitments outstanding as of June 30, 2008 was \$1.554 billion (US dollars) and € 117 million (Euros), with an additional amount of \$1.875 billion (US dollars) being committed subsequent to year-end. The commitment agreements represent the Investment Commission's continued reallocation and transition efforts for investments. In addition, the Systems was committed to purchase Federal National Mortgage Association TBA's (To be Announced) with a market value of \$601 million as of June 30, 2008.

Financial Section

Securities Lending

Through a custodial agent, the Systems participate in a securities lending program whereby securities are loaned for the purpose of generating additional income. The Systems lends securities from its investment portfolios on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must initially meet or exceed 102 percent of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral, and requires additional collateral if the collateral value falls below 100 percent.

There are no restrictions on the amount of securities that may be loaned. The types of securities available for loan during the year ended June 30, 2008, included U. S. Government securities, U. S. Government agencies, corporate bonds, convertible bonds, and equities. The contractual agreement with the Systems' custodial bank provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Systems income distribution by the securities' issuers while

the securities are on loan. Cash and U.S. Government securities were received as collateral for these loans. The Systems cannot pledge or sell collateral securities without a borrower default. The Systems invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the Systems must return the cash collateral to the borrower upon the expiration of the loan.

With regard to custodial credit risk, the Systems' cash collateral invested is held by the counterparty and is uninsured. All securities loaned can be terminated on demand by either the Systems or the borrower. At year end the average number of days the loans were outstanding was 1 day. The average weighted maturity of investments made with cash collateral was 30 days. At June 30, 2008, there had been no losses resulting from borrower defaults and the Systems had no credit risk exposure to borrowers because the amounts the Systems owed the borrowers exceeded the amounts the borrowers owed the Systems.

The following table presents the fair value (amounts expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2008.

	June 30, 2008						June 30, 2007
	SCRS	PORS	GARS	JSRS	NGRS	TOTALS	TOTALS
Securities lent for cash collateral:							
U.S. Government securities	\$ 128,438	\$ 17,154	\$ 242	\$ 699	\$ 87	\$ 146,620	\$ 326,573
U.S. Government agencies	2,135,942	285,280	4,023	11,618	1,438	2,438,301	3,214,931
Corporate bonds	17,817	2,380	34	97	12	20,340	26,833
Common Stock	1,005,771	134,332	1,894	5,471	678	1,148,146	1,390,903
Total securities lent for cash collateral	<u>\$ 3,287,968</u>	<u>\$ 439,146</u>	<u>\$ 6,193</u>	<u>\$ 17,885</u>	<u>\$ 2,215</u>	<u>\$ 3,753,407</u>	<u>\$ 4,959,240</u>
Cash collateral invested as follows:							
Repurchase agreements	\$ 83,885	\$ 11,204	\$ 158	\$ 456	\$ 56	\$ 95,759	\$ 1,014,357
Corporate bonds						-	2,323,139
Asset Backed Securities	616,902	82,394	1,162	3,356	416	704,230	1,405,379
Bank Notes						-	342,631
Floating Rate Notes	2,624,652	350,553	4,944	14,277	1,768	2,996,194	-
Total for cash collateral invested	<u>\$ 3,325,439</u>	<u>\$ 444,151</u>	<u>\$ 6,264</u>	<u>\$ 18,089</u>	<u>\$ 2,240</u>	<u>\$ 3,796,183</u>	<u>\$ 5,085,506</u>

Financial Section

IV. Capital Assets

Capital assets at June 30, 2008, consist of the following amounts (expressed in thousands). There were no additions or dispositions of capital assets during the year.

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTALS</u>	<u>TOTALS 2007</u>
Land	\$ 524	\$ 54	\$ 1	\$ 3	\$ 582	\$ 582
Building	4,279	437	13	20	4,749	4,749
Total Capital Assets	4,803	491	14	23	5,331	5,331
Less: Accumulated Depreciation	(1,687)	(172)	(5)	(8)	(1,872)	(1,754)
Net Capital Assets	\$ 3,116	\$ 319	\$ 9	\$ 15	\$ 3,459	\$ 3,577

V. Transfers Between Systems

Transfers between systems are statutorily authorized transfers of contributions and service credit from one retirement system to another retirement system that result from members voluntarily initiating the transfer when certain conditions are met.

Transfers made during the fiscal year ended June 30, 2008, were as follows (amounts expressed in thousands):

	<u>Transfers to</u>					
<u>Transfers from</u>	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	<u>Totals</u>
SCRS	\$ -	\$ 2,008	\$ 21	\$ 63	\$ -	\$ 2,092
PORS						-
GARS	27					27
JSRS						-
NGRS						-
Totals	<u>\$ 27</u>	<u>\$ 2,008</u>	<u>\$ 21</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 2,119</u>

The following schedule reflects amounts due to or from other systems as of June 30, 2008, (amounts expressed in thousands):

	<u>Due to</u>					
<u>Due from</u>	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	<u>Totals</u>
SCRS	\$ -	\$ 158	\$ 8	\$ -	\$ -	\$ 166
PORS	1,045					1,045
GARS	329				133	462
JSRS					42	42
NGRS						-
Totals	<u>\$1,374</u>	<u>\$ 158</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ 1,715</u>

VI. 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 34 percent of combined contribution revenues. In addition, the Systems receives custodial and related services from the State Treasurer.

At June 30, 2008, liabilities of approximately \$36.7 million were due to other state departments and agencies, and contributions receivable of approximately \$34.5 million were due from other state departments and agencies.

The National Guard Retirement System received state-appropriated contributions in the amount of \$3.9 million during the fiscal year. In addition, the Systems received state appropriations in the amount of \$50,000 to cover some of the costs associated with the administration of the plan.

The Retirement System Investment Commission was established in 2005 and is considered a separate state agency; however, the expenses of the Commission are funded by transfers from the Systems. Transfers in the amount of approximately \$3.6 million were made to the Commission during the fiscal year.

VII. Deferred Retirement Option Plans

The Teacher and Employee Retention Incentive (TERI) program, implemented effective January 1, 2001, is a deferred retirement option plan available to active SCRS members eligible for service retirement on or after January 1, 2001. When a member enters TERI, the member's status changes from an active member to a retiree even though the employee continues to work at his regular job and earn his regular salary for a period of up to five years. TERI participants who entered the program after June 30, 2005, must continue to contribute at the same rate as active members. Those who entered prior to July 1, 2005, make no employee contributions while participating in TERI. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits. During the TERI participation period, the retiree's monthly benefits are accrued and accumulate in the trust account. Upon termination of employment or at the end of the TERI period (whichever is earlier), the retiree may elect to roll over his funds into a qualified, tax-sheltered, retirement plan or to receive a single-sum distribution (or a combination thereof). No interest is paid on the participant funds accumulated in the TERI account.

A total of 7,899 members were actively participating in the TERI program at June 30, 2008. The activity for this program is reflected in the following schedule:

Schedule of TERI Activity
Year Ended June 30, 2008
(Amounts expressed in thousands)

Beginning Liability Balance	\$ 641,750
Additions	219,078
TERI Distributions	(308,917)
Ending Liability Balance	<u>\$ 551,911</u>

A deferred retirement option program has also been established under the Retirement System for Judges and Solicitors (JSRS). A member who has not yet reached the age of 60 years, but who is eligible to retire and receive the maximum monthly benefit, may continue to serve as a judge, a solicitor, or a circuit public defender. The member's normal monthly retirement benefit is deferred and placed in the system's trust fund on behalf of the member. Upon reaching the age of 60 years, the balance of the member's deferred retirement benefit is distributed to the member. As of June 30, 2008, three JSRS members were participating in the deferred retirement option program and benefits held in trust totaled \$349,031.

Financial Section

VIII. Funded Status and Funding Progress - Pension Trust Funds

The funded status of each defined benefit pension plan as of July 1, 2007, the most recent actuarial valuation date, is as follows (dollar amounts expressed in thousands):

System	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
SCRS	\$ 23,541,438	\$ 33,766,678	\$ 10,225,240	69.7%	\$ 7,093,181	144.2%
PORS	3,160,240	3,730,544	570,304	84.7%	992,849	57.4%
GARS	46,925	71,014	24,089	66.1%	3,854	625.0%
JSRS	132,990	229,388	96,398	58.0%	16,407	587.5%
NGRS	15,937	55,917	39,980	28.5%	N/A	N/A

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Methods and Significant Assumptions

	SCRS	PORS	GARS	JSRS	NGRS
Valuation date	07/01/07	07/01/07	07/01/07	07/01/07	07/01/07
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization period	Level percent open	Level percent open	Level dollar closed	Level percent open	Level dollar open
Remaining amortization period	29 years	16 years	18 years	28 years	26 years
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Actuarial assumptions:					
Investment rate of return	7.25%	7.25%	7.25%	7.25%	7.25%
Projected salary increases	4.00% - 8.00%	4.50% - 11.50%	None	3.25%	None
Includes inflation at	3.00%	3.00%	3.00%	3.00%	3.00%
Cost-of-living adjustments	Automatic 1% ¹	None	None	3.25%	None

¹Beginning the July 1st following one year of receiving benefits, the monthly benefit amount will increase by the calendar year change in CPI but not to exceed 1 percent. Additional ad hoc COLAs may be paid as approved by the State Budget and Control Board and based upon the financial condition of the System.

IX. Other Post Employment Benefits (OPEB)

In addition to the retirement benefits provided through the Retirement Systems, group life insurance benefits are funded through a separate Death Benefit Program for SCRS and PORS. This benefit program is a cost-sharing multiple employer plan. Benefits considered for purposes of OPEB are group life insurance benefits provided to eligible non-working retirees under the governing statute. The funding for this plan is collected as a percent of covered payroll as determined by the Systems' actuary and approved by the Budget and Control Board. The current employer contribution rate for the group life insurance program is 0.15% and 0.20% of payroll for SCRS and PORS respectively. These contributions fund both the employee and retiree group life insurance benefits.

Retiree Group Life Insurance

Retired members of SCRS and PORS whose last employer prior to retirement is covered by the Group Life Insurance benefit, and who also met applicable service credit requirements, are protected under a state-sponsored group life insurance benefit. Upon the death of a retired member, the beneficiary of a non-working retiree will receive a group life insurance payment based on the member's total creditable service at the time of retirement. As of the most recent actuarial valuation dated July 1, 2007, 71,461 non-working retired participants were covered under SCRS and 9,307 under PORS retiree group life.

<u>Years of Service Credit</u>		
<u>SCRS</u>	<u>PORS</u>	<u>Death Benefit</u>
10 to 19	10 to 19	\$2,000
20 to 27	20 to 24	\$4,000
28 or more	25 or more	\$6,000

Members who continue employment after retirement by either participating in the TERI program or by continuing employment as a working retiree are covered for an increased level of group life insurance death benefits, but those benefits to retired members who continue employment after retirement are not considered post employment benefits for purposes of OPEB. Working retirees are eligible for a group life insurance benefit which equates to a death payment to their beneficiary, valued at the amount of their annual salary in lieu of the standard \$2,000, \$4,000 or \$6,000 retired member benefit.

Historically, the sufficiency of group life contributions was tested by the actuary on an expected cash flow basis. However, the Governmental Accounting Standards Board (GASB) issued Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, which requires different parameters for determining the funded status of the program and calculation of the annual required contribution necessary to amortize any unfunded liability. Accordingly, GASB 43 requires additional reporting and disclosures for financial statement presentation. Milliman, Inc, the Systems' actuary, performed the first separate actuarial valuation for the retiree group life insurance program as of July 1, 2007. The valuation determined the actuarial accrued liabilities and the required funding necessary to support the retiree life insurance program in compliance with GASB 43. Of the 0.15% group life contribution collected for SCRS, 0.047% represents the annual required contribution for the retiree portion. Under PORS, 0.021% of the 0.20% group life contribution is attributable to the retiree benefits.

Financial Section

The funded status of the SCRS and PORS retiree group life insurance programs as of July 1, 2007, the most recent actuarial valuation date, is as follows (dollar amounts expressed in thousands):

System	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
SCRS	7/01/2007 ¹	\$ 127,910	\$ 167,035	\$ 39,125	76.6%	\$ 8,459,000	0.5%
PORS	7/01/2007 ¹	25,806	15,636	(10,170)	165.0%	1,020,782	(1.0%)

¹2007 was the first actuarial valuation prepared using the required parameters of GASB 43.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Methods and Significant Assumptions

	SCRS Retiree Group Life Insurance Program	PORS Retiree Group Life Insurance Program
Valuation Date	July 1, 2007	July 1, 2007
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Amortization Period	29 years	N/A
Asset Valuation Method	Market Value less a reserve of 3 months of expected active group life benefits	Market Value less a reserve of 3 months of expected active group life benefits
Actuarial Assumptions:		
Investment Rate of Return	7.25% annual return net of both administrative and investment related expenses	7.25% annual return net of both administrative and investment related expenses
Payroll Growth	4.00% per year	4.00% per year

Schedule of Employer Contributions

(Amounts expressed in thousands)

	SCRS Retiree Group Life Insurance Program		PORS Retiree Group Life Insurance Program	
Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2007 ²	\$ 3,976	100%	\$ 214	100%

²2007 was the first actuarial valuation prepared using the required parameters of GASB 43 and therefore the Schedule of Employer Contributions includes only contributions paid based on the first year's separate valuations.

X. Litigation

In addition to the litigation mentioned below, controversies or disputes between the South Carolina Retirement Systems and its members arising out of the provisions of Title 9 of the South Carolina Code of Laws (Retirement provisions) are resolved through the “South Carolina Retirement Systems Claims Procedures Act” established by S.C. Code Ann. §§9-21-10 et seq. Claims brought pursuant to the Claims Procedures Act generally involve matters pertinent to the individual member or beneficiary. Claims may not be brought on behalf of a class under the Claims Procedures Act.

Howard Duvall v. South Carolina Budget and Control Board, South Carolina Retirement Systems, 03-ALJ-30-0448, is an appeal from a contested case in the Administrative Law Court. The Petitioner is the Executive Director of the Municipal Association of South Carolina, who received payment for excess annual leave (above the allowable 45 days). The Retirement Systems excluded these payments from the Petitioner’s average final compensation for determining retirement benefits. The Administrative Law Judge agreed with the Retirement Systems and the Petitioner filed an appeal to the Court of Commons Pleas for Richland County. The Circuit Court ruled in favor of the Retirement Systems and Petitioner appealed to the South Carolina Court of Appeals. After briefs were served and filed with the Court of Appeals by both parties, the Supreme Court took the case. Oral arguments were heard on January 22, 2008. The Supreme Court issued its opinion on March 10, 2008, affirming the lower court’s decision and ruling in favor of the Retirement Systems.

Nancy Layman et al. v. South Carolina Retirement System and the State of South Carolina, Case Number 05-CP-40-2785. The Supreme Court decided this case in favor of the plaintiffs who were participants in the Teacher and Employee Retention Incentive program (“TERI”) in the summer of 2006. The Court remanded the case for a determination of whether attorneys’ fees are appropriate under South Carolina Code Section 15-77-300 and if so, the amount of those attorneys’ fees. By order entered February 20, 2007, the Circuit Court for Richland County issued an order awarding attorneys’ fees against SCRS and the State in the amount of \$8,665,298. SCRS appealed the award to the Supreme Court. By order dated March 10, 2008, the Supreme Court approved the award of attorneys’ fees, but reduced the amount to \$1,075,702. This judgment was satisfied with other state funds and was not an expense of the Systems.

As part of the Layman decision, the Supreme Court also remanded the claims of persons enrolled in the “working retiree program” for determination by the trial court, although the Supreme Court found that the statute creating the working retiree program did not create a contract between the State and the participants in that program. Discovery regarding these issues is underway, and it is premature to estimate any potential loss associated with them. However, as of June 30, 2008, the Retirement Systems had collected approximately \$19.3 million in the form of retirement contributions from members of the South Carolina Retirement System who retired prior to July 1, 2005, and returned to work. If the Plaintiffs were to prevail, these contributions would be refunded to the members and no future contributions could be collected from them. The Retirement Systems and the State of South Carolina believe their defense is meritorious and intend to vigorously contest these claims.

Arnold et al. v. the South Carolina Police Officers Retirement System, the South Carolina Retirement System and the State of South Carolina, Civil Action Number 2005-CP-22-756. This case is a putative class action case filed on August 9, 2005, alleging that provisions in Act No. 153 of the Acts and Joint Resolutions of the General Assembly for the year 2005 (“Act No. 153”) requiring working retirees in the Police Officers Retirement System (“PORS”) to make employee contributions are unconstitutional and illegal. The plaintiffs allege that the provisions of Act No. 153 requiring working retirees to make contributions impairs contractual rights, constitutes an unlawful taking of property, and violates due process. Plaintiffs seek a declaration that provisions in Act No. 153 affecting members who retired prior to July 1, 2005, are unconstitutional, an injunction enjoining the defendants from collecting employee contributions from plaintiffs, and a refund of all contributions paid by working retirees under Act No. 153, including attorney’s fees. Discovery regarding these issues is underway, and it is premature to estimate any potential loss associated with them. If the plaintiffs were to prevail, the defendants estimate the potential loss from PORS based on a refund of contributions, as of June 30, 2008, to be \$9.5 million. There would also be a loss of future contributions. PORS, the South Carolina Retirement System, and the State of South Carolina believe their defense is meritorious and are vigorously defending the case.

XI. Financial Markets

Subsequent to June 30, 2008, the financial markets as a whole have experienced unprecedented adverse actions. The markets continue to suffer significant turmoil from a general uncertainty about how to best address the expanded global credit crisis and losses that financial institutions are facing. Giant mergers have been announced, storied investment firms have failed or altered their purpose, regulators have seized banks and protected deposits, and governments have attempted stabilizing efforts; however, markets have continued to decline.

The South Carolina Retirement System Investment Commission's review of our exposure to these events indicates that specific investments have experienced a permanent loss, and although the amounts are not considered material to the financial statements, the following information is provided. Lehman Brothers declared the largest bankruptcy in U.S. history. The Systems' owns no direct Lehman Brothers' stock; however, aggregate net exposure through the bond portfolio and hedge funds is estimated to be \$95 million. The amount is unlikely to exceed 0.37 percent of all assets and there is likely to be some degree of recovery. In addition, Washington Mutual set the record for the largest bank failure in U.S. history. The Systems' total estimated credit default exposure to Washington Mutual was \$10.4 million. As of September 30, 2008, the most recent quarter end, the Commission's pension consultants estimate asset class allocation and performance as follows:

**South Carolina Retirement Systems
Preliminary (Unaudited) Investment Performance
Quarter Ended September 30, 2008**

<u>Percentage Allocation</u>	<u>Asset Class</u>	<u>Estimated Returns</u>
13.5%	Total Domestic Equity	-9.8%
1.6%	Int'l Equity Composite	-20.5%
42.1%	Total Fixed Income	-2.9%
1.2%	Opportunistic Credit	2.6%
8.3%	Global Tactical Asset Allocation	-10.8%
1.9%	Private Equity	1.5%
23.3%	Portable Alpha	-8.1%
8.1%	Other Alternative	n/a
100.0%	Total Pension Portfolio	-10.7%

October 2008 continues to experience an unusual market environment as President Bush signed a \$700 billion bailout plan and world central banks coordinated a rate cut of 50 basis points. The week of October 6 was the worst one-week period in the market since the Great Depression with an 18.9 percent decline.

The assets of the South Carolina Retirement Systems have also incurred a considerable decline in value due to the turbulent market environment, and future investment returns could be adversely impacted in certain asset classes with a prolonged decline in the world's financial markets. Because the values of individual investments fluctuate based on volatile market conditions, the amount of losses that the Systems will recognize in its future financial statements, if any, cannot be determined. Market fluctuations are a normal investment risk for a pension fund, and the Systems' investments are diversified across many asset classes, ensuring that the headline numbers reported for various indices are not representative of what the plan has experienced as a whole. The Systems' assets are invested with a long term perspective, in keeping with the long term nature of participants' employment and retirement time horizons. While the market has faltered and the value of the Systems' funds has been adversely affected by these events, the long-term nature of the plan and its investment diversity are strengths. History has shown that, over time, the inclines should exceed the declines, and the best returns follow on the heels of the worst.

The Investment Commission is continually monitoring the Systems' investment portfolio through the assessment of economic events and adjusting strategies to mitigate risk as needed. Extraordinary circumstances that occurred subsequent to the balance sheet date, but prior to the issuance of financial statements are disclosed because they could have a material impact on the value of investments after the date of the financial statements. Negative returns on the Systems' assets through October 6, 2008, could ultimately affect the funded status of the Plans. The ultimate impact on the funded status will be determined based upon market conditions in effect when annual valuations for the year ended June 30, 2009, are performed.

Financial Section

South Carolina Retirement Systems Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of the dates indicated.

Schedule of Funding Progress (Amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
SCRS						
7/01/02	\$19,298,174	\$22,446,574	\$3,148,400	86.0%	\$6,147,712	51.2%
7/01/03	20,197,936	24,398,931	4,200,995	82.8%	6,240,768	67.3%
7/01/04	20,862,659	25,977,852	5,115,193	80.3%	6,180,599	82.8%
7/01/05	21,625,510	30,217,471	8,591,961	71.6%	6,356,489	135.2%
7/01/06	22,293,446	32,018,519	9,725,073	69.6%	6,733,379	144.4%
7/01/07	23,541,438	33,766,678	10,225,240	69.7%	7,093,181	144.2%
PORS						
7/01/02	2,351,100	2,527,876	176,776	93.0%	757,393	23.3%
7/01/03	2,511,369	2,744,849	233,480	91.5%	800,394	29.2%
7/01/04	2,616,835	2,984,584	367,749	87.7%	822,448	44.7%
7/01/05	2,774,606	3,173,930	399,324	87.4%	850,610	46.9%
7/01/06	2,935,841	3,466,281	530,440	84.7%	931,815	56.9%
7/01/07	3,160,240	3,730,544	570,304	84.7%	992,849	57.4%
GARS						
7/01/02	43,841	73,046	29,205	60.0%	4,515	646.9%
7/01/03	44,682	66,619	21,937	67.1%	3,844	570.8%
7/01/04	45,087	68,332	23,245	66.0%	3,839	605.5%
7/01/05	46,316	69,161	22,845	67.0%	3,853	592.9%
7/01/06	46,075	69,734	23,659	66.1%	3,854	613.9%
7/01/07	46,925	71,014	24,089	66.1%	3,854	625.0%
JSRS						
7/01/02	100,074	166,440	66,366	60.1%	14,211	467.0%
7/01/03	106,114	166,655	60,541	63.7%	14,437	419.3%
7/01/04	112,016	185,052	73,036	60.5%	14,870	491.2%
7/01/05	118,888	204,847	85,959	58.0%	15,465	555.8%
7/01/06	124,837	211,384	86,547	59.1%	15,929	543.3%
7/01/07	132,990	229,388	96,398	58.0%	16,407	587.5%
NGRS						
6/30/00*	11,089	43,427	32,338	25.5%	N/A	N/A
6/30/02	12,608	44,678	32,069	28.2%	N/A	N/A
6/30/04	13,567	47,281	33,714	28.7%	N/A	N/A
6/30/05	12,151	46,985	34,835	25.9%	N/A	N/A
7/01/06	14,046	48,755	34,709	28.8%	N/A	N/A
7/01/07	15,937	55,917	39,980	28.5%	N/A	N/A

*As of April 30, 2000

Financial Section

South Carolina Retirement Systems Required Supplementary Information (continued)

Schedule of Employer Contributions (Amounts expressed in thousands)

Year Ended June 30,	SCRS		PORS		GARS		JSRS		NGRS	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Pension Cost ¹	Percentage Contributed
2008	\$774,269	100%	\$114,095	100%	\$2,440	100%	\$7,613	100%	\$3,923	100.6%
2007	644,350	100%	106,753	100%	2,358	100%	6,706	100%	3,948	130.6%
2006	577,468	100%	100,281	100%	2,171	100%	6,511	100%	2,969	132.8%
2005	538,809	100%	90,528	100%	2,890	100%	6,260	100%	2,887	69.2%
2004	515,996	100%	87,922	100%	2,731	100%	6,078	100%	2,796	71.4%
2003	512,345	100%	86,563	100%	2,577	100%	6,014	100%	2,804	71.2%

¹The Annual Pension Cost (APC) for the National Guard Retirement System includes both the Annual Required Contribution (ARC) and the discounted present value of the balance of the net pension obligation.

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets SCRS Pension Trust Fund

Year Ended June 30, 2008

With comparative totals for the year ended June 30, 2007

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE FUND	TOTALS	TOTALS 2007
Additions					
Employee contributions					
State department employees	\$ 163,912	\$ 10,495		\$ 174,407	\$ 162,484
Public school employees	218,571	22,173		240,744	225,020
Other political subdivision employees	121,105	4,589		125,694	117,618
Employer contributions					
State department employees		255,071	\$ 4,707	259,778	214,479
Public school employees		336,645	5,796	342,441	286,090
Other political subdivision employees		169,629	2,421	172,050	143,781
Total contributions	503,588	798,602	12,924	1,315,114	1,149,472
Investment Income					
Net appreciation (depreciation) in fair value of investments		(1,229,455)	(6,612)	(1,236,067)	2,306,678
Interest and dividend income		622,919	3,336	626,255	714,352
Investment expense		(58,449)	(298)	(58,747)	(31,988)
Net income (loss) from investing activities		(664,985)	(3,574)	(668,559)	2,989,042
From securities lending activities:					
Securities lending income		182,593	980	183,573	254,471
Securities lending expense		(155,377)	(833)	(156,210)	(244,304)
Net income from securities lending activities		27,216	147	27,363	10,167
Total net investment income (loss)		(637,769)	(3,427)	(641,196)	2,999,209
Supplemental retirement benefits funded by the State		1,321		1,321	1,532
Transfers of contributions from other Systems	27			27	
Total additions	503,615	162,154	9,497	675,266	4,150,213
Deductions					
Refunds of contributions to members	79,027			79,027	77,212
Transfers of contributions to other Systems	1,326	766		2,092	1,745
Regular retirement benefits		1,633,493		1,633,493	1,505,080
Deferred retirement benefits		219,078		219,078	240,580
Supplemental retirement benefits		1,321		1,321	1,532
Group life insurance claims			17,617	17,617	15,948
Depreciation		107		107	107
Administrative expense		18,454	99	18,553	16,402
Total deductions	80,353	1,873,219	17,716	1,971,288	1,858,606
Interfund transfers according to statutory requirements					
Contributions by members at retirement	(387,828)	387,828			
Interest credited to members' accounts	208,430	(208,430)			
Net interfund transfers	(179,398)	179,398			
Net increase (decrease)	243,864	(1,531,667)	(8,219)	(1,296,022)	2,291,607
Net assets held in trust for Pension Benefits					
Beginning of year	5,464,756	18,947,441	130,972	24,543,169	22,251,562
End of year	\$ 5,708,620	\$ 17,415,774	\$ 122,753	\$ 23,247,147	\$ 24,543,169

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

PORS Pension Trust Fund

Year Ended June 30, 2008

With comparative totals for the year ended June 30, 2007

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	GROUP LIFE FUND	ACCIDENTAL DEATH FUND	TOTALS	TOTALS 2007
Additions						
Employee contributions						
State department employees	\$ 26,693	\$ 1,232			\$ 27,925	\$ 26,517
Public school employees	1	139			140	156
Other political subdivision employees	44,293	3,308			47,601	43,968
Employer contributions						
State department employees		40,465	\$ 784	\$ 784	42,033	39,661
Public school employees		246	5	5	256	218
Other political subdivision employees		69,287	1,298	1,221	71,806	66,874
Total contributions	70,987	114,677	2,087	2,010	189,761	177,394
Investment Income						
Net appreciation (depreciation) in fair value of investments		(161,797)	(1,305)	(1,619)	(164,721)	276,937
Interest and dividend income		81,994	657	815	83,466	100,175
Investment expense		(7,654)	(58)	(73)	(7,785)	(3,921)
Net income (loss) from investing activities		(87,457)	(706)	(877)	(89,040)	373,191
From securities lending activities:						
Securities lending income		23,844	192	238	24,274	36,380
Securities lending expense		(20,283)	(163)	(203)	(20,649)	(34,948)
Net income from securities lending activities		3,561	29	35	3,625	1,432
Total net investment income (loss)		(83,896)	(677)	(842)	(85,415)	374,623
Supplemental retirement benefits funded by the State		52			52	55
Transfers of contributions from other Systems	1,241	767			2,008	1,614
Total additions	72,228	31,600	1,410	1,168	106,406	553,686
Deductions						
Refunds of contributions to members	13,754				13,754	12,543
Transfers of contributions to other Systems						
Regular retirement benefits		194,490			194,490	180,135
Supplemental retirement benefits		52			52	55
Group life insurance claims			2,068		2,068	1,919
Accidental death benefits				1,447	1,447	1,198
Depreciation		11			11	11
Administrative expense		2,450	20	24	2,494	2,168
Total deductions	13,754	197,003	2,088	1,471	214,316	198,029
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(44,448)	44,448				
Interest credited to members' accounts	25,374	(25,374)				
Net interfund transfers	(19,074)	19,074				
Net increase (decrease)	39,400	(146,329)	(678)	(303)	(107,910)	355,657
Net assets held in trust for Pension Benefits						
Beginning of year	658,023	2,587,457	26,115	32,386	3,303,981	2,948,324
End of year	\$ 697,423	\$ 2,441,128	\$ 25,437	\$ 32,083	\$ 3,196,071	\$ 3,303,981

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

GARS Pension Trust Fund

Year Ended June 30, 2008

With comparative totals for the year ended June 30, 2007

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTALS	TOTALS 2007
Additions				
Contributions				
Employee contributions - State departments	\$ 712		\$ 712	\$ 551
Employer contributions - State departments		\$ 2,440	2,440	2,358
Total contributions	712	2,440	3,152	2,909
Investment Income				
Net appreciation (depreciation) in fair value of investments		(2,306)	(2,306)	4,559
Interest and dividend income		1,232	1,232	1,436
Investment expense		(116)	(116)	(66)
Net income (loss) from investing activities		(1,190)	(1,190)	5,929
From securities lending activities:				
Securities lending income		363	363	527
Securities lending expense		(309)	(309)	(506)
Net income from securities lending activities		54	54	21
Total net investment income (loss)		(1,136)	(1,136)	5,950
Transfers of contributions from other Systems	21		21	52
Total additions	733	1,304	2,037	8,911
Deductions				
Refunds of contributions to members	102		102	70
Transfers of contributions to other Systems	27		27	
Regular retirement benefits		6,181	6,181	5,935
Group life insurance claims		28	28	5
Depreciation				
Administrative expense		37	37	34
Total deductions	129	6,246	6,375	6,044
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(1,343)	1,343		
Interest credited to members' accounts	269	(269)		
Net interfund transfers	(1,074)	1,074		
Net increase (decrease)	(470)	(3,868)	(4,338)	2,867
Net assets held in trust for Pension Benefits				
Beginning of year	7,735	40,811	48,546	45,679
End of year	\$ 7,265	\$ 36,943	\$ 44,208	\$ 48,546

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

JSRS Pension Trust Fund

Year Ended June 30, 2008

With comparative totals for the year ended June 30, 2007

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTALS	TOTALS 2007
Additions				
Contributions				
Employee contributions - State departments	\$ 1,182	\$ 171	\$ 1,353	\$ 1,705
Employer contributions - State departments		7,613	7,613	6,706
Total contributions	1,182	7,784	8,966	8,411
Investment Income				
Net appreciation (depreciation) in fair value of investments		(6,693)	(6,693)	11,915
Interest and dividend income		3,496	3,496	4,209
Investment expense		(326)	(326)	(167)
Net income (loss) from investing activities		(3,523)	(3,523)	15,957
From securities lending activities:				
Securities lending income		1,021	1,021	1,523
Securities lending expense		(869)	(869)	(1,463)
Net income from securities lending activities		152	152	60
Total net investment income (loss)		(3,371)	(3,371)	16,017
Transfers of contributions from other Systems	63		63	79
Total additions	1,245	4,413	5,658	24,507
Deductions				
Refunds of contributions to members	211		211	
Regular retirement benefits		12,499	12,499	10,348
Deferred retirement benefits		349	349	
Group life insurance claims		256	256	381
Depreciation				1
Administrative expense		103	103	91
Total deductions	211	13,207	13,418	10,821
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(3,339)	3,339		
Interest credited to members' accounts	673	(673)		
Net interfund transfers	(2,666)	2,666		
Net increase (decrease)	(1,632)	(6,128)	(7,760)	13,686
Net assets held in trust for Pension Benefits				
Beginning of year	18,999	118,192	137,191	123,505
End of year	\$ 17,367	\$ 112,064	\$ 129,431	\$ 137,191

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

NGRS Pension Trust Fund

Year Ended June 30, 2008

With comparative totals for the year ended June 30, 2007

(Amounts expressed in thousands)

	TOTALS 2008	TOTALS 2007
Additions		
Contributions		
State appropriated contributions	\$ 3,948	\$ 3,948
Total contributions	<u>3,948</u>	<u>3,948</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	(782)	1,270
Interest income	457	727
Investment expense	<u>(43)</u>	<u>(5)</u>
Income (loss) from investing activities	<u>(368)</u>	<u>1,992</u>
From securities lending activities:		
Securities lending income	133	224
Securities lending expense	<u>(113)</u>	<u>(214)</u>
Net income from securities lending activities	<u>20</u>	<u>10</u>
Total net investment income (loss)	<u>(348)</u>	<u>2,002</u>
State Appropriation for Administrative Expenses	<u>50</u>	<u>50</u>
Total additions	<u>3,650</u>	<u>6,000</u>
Deductions		
Regular retirement benefits	3,199	2,926
Administrative charges	<u>156</u>	<u>59</u>
Total deductions	<u>3,355</u>	<u>2,985</u>
Net increase	295	3,015
Net assets held in trust for Pension Benefits		
Beginning of year	<u>15,893</u>	<u>12,878</u>
End of year	<u>\$ 16,188</u>	<u>\$ 15,893</u>

Financial Section

Schedule of Administrative Expenses For the Year Ended June 30, 2008 (Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
Personal Services						
Salaries and Wages	\$ 7,696	\$ 1,035	\$ 15	\$ 43	\$ 65	\$ 8,854
Employee Benefits	2,167	291	4	12	18	2,492
Contractual Services						
Data Processing Services	1,501	202	3	8	13	1,727
Medical & Health Services	716	96	1	4	6	823
Financial Audit	26	3			-	29
Actuarial Services	261	35	1	1	2	300
Other Professional Services	195	26		1	2	224
Legal Services	166	22	1	1	1	191
Operating Expenses						
Facilities Management	393	53	1	2	3	452
Intergovernmental Services	510	69	1	3	4	587
Transfers to Investment Commission	3,163	425	6	18	27	3,639
Telephone	81	11		1	1	94
Insurance	755	101	1	4	6	867
Postage	353	48	1	2	3	407
Supplies	217	29	1	1	2	250
Other Miscellaneous Expenses	353	48	1	2	3	407
Total Administrative Expenses	<u>\$ 18,553</u>	<u>\$ 2,494</u>	<u>\$ 37</u>	<u>\$ 103</u>	<u>\$ 156</u>	<u>\$ 21,343</u>

Schedule of Professional and Consultant Fees For the Year Ended June 30, 2008 (Amounts expressed in thousands)

Professional/Consultant	Nature of Service	Amounts Paid
Adobe Systems	IT Maintenance & Support	\$ 12
ASAP Software Express Inc.	IT Maintenance	18
Beeline.com	Application Development Resources	967
Cavanaugh Macdonald Consulting	Actuary Services	53
Cost Effectiveness Measurement	Benchmarking Services	35
Document Systems Inc.	IT Tape Storage & Imaging Records Storage	17
Helma Bernardini	IT Maintenance	11
Hollenbeck & Associates LLC	Disability Case Evaluations	18
Ice Miller	IRC Consulting Services	42
Independent Fiduciary Services	Investment Accounting Operational Review	28
Leonard & Associates	Disability Case Evaluations	11
Liebert Corp	IT Maintenance & Support	11
Milliman USA	Actuary Services	247
Piggly Wiggly Carolina Co Inc (Tri-State Printing)	Printing - Popular Annual Financial Report	17
Professional Printers	Printing	21
Psychological & Training Services	Disability Case Evaluations	14
Rogers Laban, PA	Financial Audit	29
SAP Public Services	SAP Software Licenses & Maintenance	11
SDI Networks	IT Maintenance & Support	25
Software AG Inc.	IT Enterprise License & Maintenance	93
Southern Imaging Group	Annual Member Statements	41
Sowell Gray Stepp & Laffitte	Attorney Fees	147
Summit Strategies Inc	Optional Retirement Plan Consultants	120
Sunguard Availability Service	IT Disaster Recovery	24
TeamIA Inc	Imaging Maintenance/Auditing	157
Vocational Rehabilitation	Disability Case Evaluations	823
		<u>\$ 2,992</u>

Financial Section

South Carolina Retirement Systems Schedule of Investment Fees and Expenses* Year Ended June 30, 2008 (Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
Equity Investment Managers Fees:						
Barclays Global Investors, N.A. ²	\$ 1,358	\$ 180	\$ 3	\$ 7	\$ 1	\$ 1,549
Batterymarch Financial Management, Inc.	1,150	152	2	6	1	1,311
Wells Capital Management, Inc. (Benson Value Team)	1,884	250	4	10	1	2,149
Bridgewater Associates, Inc. ¹	15,915	2,110	31	88	11	18,155
ClariVest Asset Management, LLC	1,300	172	3	7	1	1,483
Pyramis Global Advisors	2,251	298	4	12	2	2,567
Grantham, Mayo, Van Otterloo & Co. LLC ¹	1,644	218	3	9	1	1,875
Integrity Asset Management, LLC	819	109	2	4	1	935
Legg Mason Capital Management, Inc.	1,501	199	3	8	1	1,712
Loomis Sayles (Global Fixed Income) ¹	1,960	261	4	11	2	2,238
Loomis Sayles (High Yield) ¹	132	18	-	1	1	152
Mellon Bank, N.A. ¹	1,970	263	4	11	1	2,249
Mondrian Investment Group (U.S.), Inc. ¹	1,956	259	4	11	1	2,231
Morgan Stanley ¹	5,510	730	11	31	4	6,286
Putnam Investments ¹	1,265	169	2	7	1	1,444
Pzena Investment Management, LLC	1,535	204	3	9	1	1,752
Russell Investment Group	1,072	142	2	6	1	1,223
State Street Global Advisors Russell 2000 Index Fund	50	6	-	1	-	57
State Street Global Advisors S&P 500 Index Fund	100	13	-	1	-	114
TimesSquare Capital Management, LLC	2,522	334	5	14	2	2,877
Thompson, Siegel & Walmsley, Inc.	1,385	183	3	8	1	1,580
Turner Investment Partners, Inc.	1,700	225	3	9	1	1,938
Western Asset Management Co. ¹	1,481	196	3	8	1	1,689
WCM Investment Management	2,273	301	4	13	2	2,593
Total	52,733	6,992	103	292	39	60,159
Limited Partnership Expenses	1,676	218	4	10	1	1,909
Bank Fees	4,338	575	9	24	3	4,949
Total Investment Management Fees	\$ 58,747	\$ 7,785	\$ 116	\$ 326	\$ 43	\$ 67,017
Securities Lending Expenses:						
Borrower Rebates	\$ 156,210	\$ 20,649	\$ 309	\$ 869	\$ 113	\$ 178,150
Total Securities Lending Expenses	\$ 156,210	\$ 20,649	\$ 309	\$ 869	\$ 113	\$ 178,150

¹Manager hired in Fiscal Year 2008

²BGI EAFE Equity Index Funded October 2007.

* Several of the alternative investment managers provide account valuations on a net of fee basis. Management fees are netted against investment income and because they are not readily separable for specific investment income, amounts are recorded and reported net of fees.

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Investment Section

In comparison to the more than \$2 billion in benefits disbursed by the Retirement Systems, personal income derived from utilities in South Carolina in 2007 was \$1.162 billion.

Utilities include companies that provide: electric power, natural gas, steam supply, water supply, and sewage removal. Activities associated with the utility services provided vary by utility: electric power includes generation, transmission, and distribution; natural gas includes distribution; steam supply includes provision and/or distribution; water supply includes treatment and distribution; and sewage removal includes collection, treatment, and disposal of waste through sewer systems and sewage treatment facilities.

*Based on Bureau of Economic Analysis data for 2007.

Investment Section

James R. Powers
Chairman

Allen R. Gillespie, CFA
Vice Chairman

Converse A. Chellis, III, CPA
State Treasurer

Robert L. Borden, CFA
Chief Investment Officer

State of South Carolina Retirement System Investment Commission



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Blaine Ewing, III

S. Travis Pritchett

Reynolds Williams
Chairman *Emeritus*

Nancy E. Shealy
Administrative Director
and General Counsel

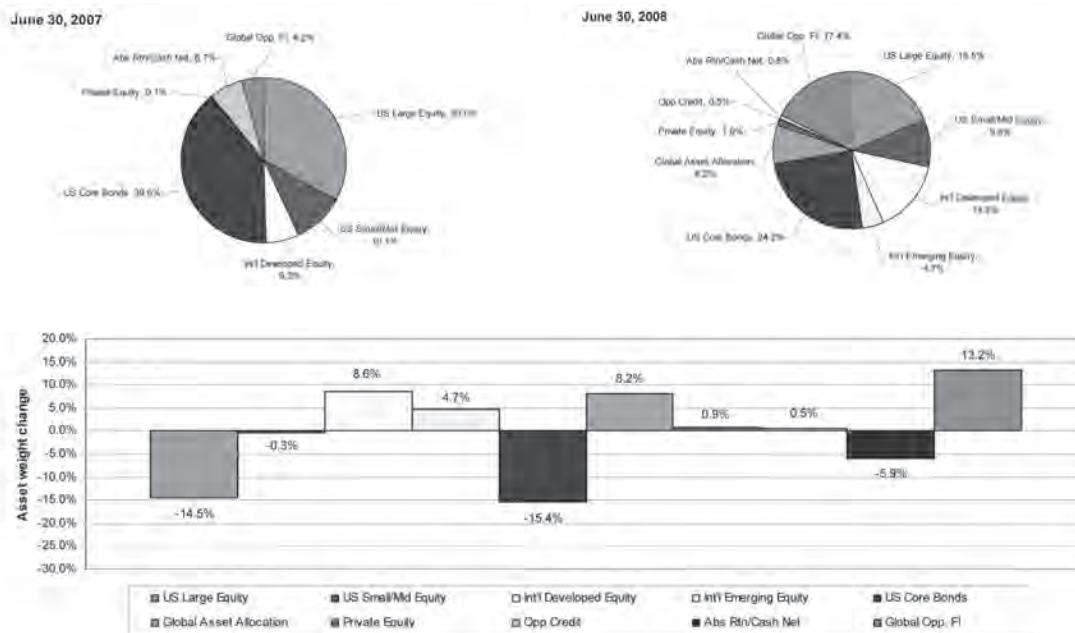
October 31, 2008

The Honorable Mark Sanford, Governor
Budget and Control Board
State of South Carolina
Members of the General Assembly of South Carolina

Dear Ladies and Gentlemen:

It is our pleasure to provide the report on the investments of the portfolio of the South Carolina Retirement Systems (Retirement Systems or Fund) by the Retirement System Investment Commission (Commission). We are happy to report that with the February 2007 ratification of an amendment to S.C. Const. art. X, §16, which effectively broadened the opportunity set for diversifying the investments in the portfolio, the redeployment of the Retirement Systems' assets has been largely implemented.

Fiscal Year 2008 saw remarkable progress toward diversifying the assets of the Retirement Systems. From a portfolio that was almost entirely US stocks and US high quality bonds at the beginning of the fiscal year, the portfolio as of June 30, 2008, was well on its way toward being diversified among thirteen broad asset classes.



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The Statement of Investment Objectives (SIO) and Policies (SIP) cover the general guidelines and the goals for the investment of the Retirement Systems' assets. The investment program is implemented through an Annual Investment Plan (AIP) which details the target asset allocation and the rules by which the managers of the assets must comply. Additionally, the AIP sets forth rebalancing procedures, permissible investments, and benchmarks for performance evaluation. Each fiscal year, the goals, objectives, and policies of the investment program are reviewed and updated to ensure that the portfolio is managed to achieve the goals of the Retirement Systems with appropriate fiduciary oversight.

As of June 30, 2008, the Retirement Systems' investment portfolio value totaled \$27.04 billion, down from \$28.56 billion a year earlier. Beyond US equities and core US fixed income, which were the only options in which the plan was constitutionally allowed to invest prior to February 2007, the plan reallocated to international equities, international fixed income, US high yield debt, private equity, and global asset allocation products. Shifts from the prior year's allocation to this one occurred throughout the fiscal year as external managers were identified, vetted, hired, and funded.

Unfortunately, due to the previous lack of diversification in the portfolio, the investment returns for the Retirement Systems have historically lagged its peers. This fiscal year saw significant improvement in the plan's rankings against its peers, however, due entirely to the ability to broaden the opportunity set for the plan assets. Prior to the diversification adjustment, South Carolina was frequently in the bottom decile of pension plan returns. In the four quarters of Fiscal Year 2008, the Fund made it into the top quartile of returns twice and was never in the bottom quartile.

For the one-year period ending June 30, 2008, the total portfolio returned, gross of fees, -2.56 percent, beating the ICC Large Fund Universe (a commonly used industry database of plan sponsors with assets exceeding \$1 billion) median return by 163 basis points. For the three- and five-year periods ended June 30, 2008, the total portfolio returned 5.17 percent and 6.25 percent, respectively. These were well behind peer median returns of 7.25 percent and 9.56 percent, primarily due to the previous inability to include asset classes beyond US stocks and US core fixed income.

The Commission is committed to using industry best practices to transform South Carolina Retirement Systems' investment program into a top quartile ranked public pension fund, on a risk-adjusted basis of return over the long term. We believe that we now have the necessary structure in place to achieve this critical goal. The diversification process and resulting increase in investment performance will not happen overnight, but Fiscal Year 2008 saw a dramatic step made toward these goals. Particularly due to the difficulty of investing less liquid asset classes such as private equity and real estate, the transition was not completed in Fiscal Year 2008, but the majority of the assets have been reallocated to reflect the approved asset allocation.

The Commission also made further progress in hiring a highly qualified professional staff and developing the infrastructure necessary to implement its goals during Fiscal Year 2008. Also during the year, consulting and investment services were provided by Jamison, Eaton & Wood, New England Pension Consultants, Russell Implementation Services, Morgan Stanley Investment Management, and a variety of other investment managers.

Diversification brings defensive characteristics to an investment portfolio. The repricing of the world's financial assets should, in the long run, provide significant opportunities in a number of different asset classes, not confined to public market equities and debt. We are pleased to be serving the citizens of the State of South Carolina and seizing the opportunity that is before us.

Investment Section

Page 3 of 3

The Commission is dedicated to providing complete transparency of its plans, goals, and results to the public.

We are committed to the interests of the members of the Retirement Systems, and we will continue to manage the assets of the Fund in a prudent manner, seeking superior returns at acceptable levels of risk. It is a tremendous responsibility and opportunity for us to serve as the Commission's Chairman and CIO.

Sincerely,



James R. Powers, Chairman



Robert L. Borden, CFA, CAIA

Investment Section

South Carolina Retirement System Summary of Investment Growth *(Amounts expressed in thousands)*

<u>Year Ended June 30,</u>	<u>Market Value of Investments*</u>	<u>% Increase for Year</u>	<u>Net Income (Loss) from Investments</u>	<u>% Increase for Year</u>
2008	\$ 23,103,046	-6.77%	\$ (641,196)	-121.38%
2007	24,779,857	8.97%	2,999,209	164.33%
2006	22,741,048	0.99%	1,134,639	-24.20%
2005	22,517,910	5.69%	1,496,887	-14.93%
2004	21,305,463	6.69%	1,759,686	5.83%
2003	19,969,435	8.29%	1,662,781	876.48%
2002	18,440,327	-0.20%	170,284	-86.84%
2001	18,477,867	7.35%	1,293,997	63.33%
2000	17,212,697	4.31%	792,282	101.16%
1999	16,502,052	2.33%	393,856	-79.32%

Police Officers Retirement System Summary of Investment Growth *(Amounts expressed in thousands)*

<u>Year Ended June 30,</u>	<u>Market Value of Investments*</u>	<u>% Increase for Year</u>	<u>Net Income (Loss) from Investments</u>	<u>% Increase for Year</u>
2008	\$ 3,100,417	-4.83%	\$ (85,415)	-122.80%
2007	3,257,632	11.66%	374,623	167.99%
2006	2,917,468	4.31%	139,785	-20.51%
2005	2,796,872	6.52%	175,849	-17.13%
2004	2,625,710	7.90%	212,201	15.22%
2003	2,433,396	8.98%	184,177	886.48%
2002	2,232,967	1.44%	18,670	-87.52%
2001	2,201,277	9.49%	149,574	60.10%
2000	2,010,545	6.49%	93,425	75.27%
1999	1,887,931	4.54%	53,304	-74.37%

*Market value includes investment categories classified as cash equivalents for financial statement purposes. Securities lending assets are excluded.

Investment Section

General Assembly Retirement System

Summary of Investment Growth

(Amounts expressed in thousands)

<u>Year Ended June 30,</u>	<u>Market Value of Investments*</u>	<u>% Increase for Year</u>	<u>Net Income (Loss) from Investments</u>	<u>% Increase for Year</u>
2008	\$ 43,544	-9.27%	\$ (1,136)	-119.09%
2007	47,992	5.98%	5,950	185.23%
2006	45,282	-2.20%	2,086	-35.58%
2005	46,300	3.42%	3,238	-19.67%
2004	44,771	3.93%	4,031	0.65%
2003	43,078	5.09%	4,005	14,203.57%
2002	40,990	-3.51%	28	-99.07%
2001	42,482	5.16%	3,022	65.41%
2000	40,397	2.44%	1,827	54.83%
1999	39,435	1.79%	1,180	-72.79%

Judges and Solicitors Retirement System

Summary of Investment Growth

(Amounts expressed in thousands)

<u>Year Ended June 30,</u>	<u>Market Value of Investments*</u>	<u>% Increase for Year</u>	<u>Net Income (Loss) from Investments</u>	<u>% Increase for Year</u>
2008	\$ 125,987	-7.00%	\$ (3,371)	-121.05%
2007	135,482	10.93%	16,017	178.00%
2006	122,128	3.24%	5,761	-29.30%
2005	118,299	6.96%	8,148	-11.35%
2004	110,597	7.73%	9,191	4.50%
2003	102,657	8.70%	8,795	758.05%
2002	94,439	0.01%	1,025	-85.62%
2001	94,426	8.99%	7,128	88.02%
2000	86,637	4.13%	3,791	61.18%
1999	83,198	2.87%	2,352	-75.29%

*Market value includes investment categories classified as cash equivalents for financial statement purposes. Securities lending assets are excluded.

Investment Section

National Guard Retirement System

Summary of Investment Growth

(Amounts expressed in thousands)

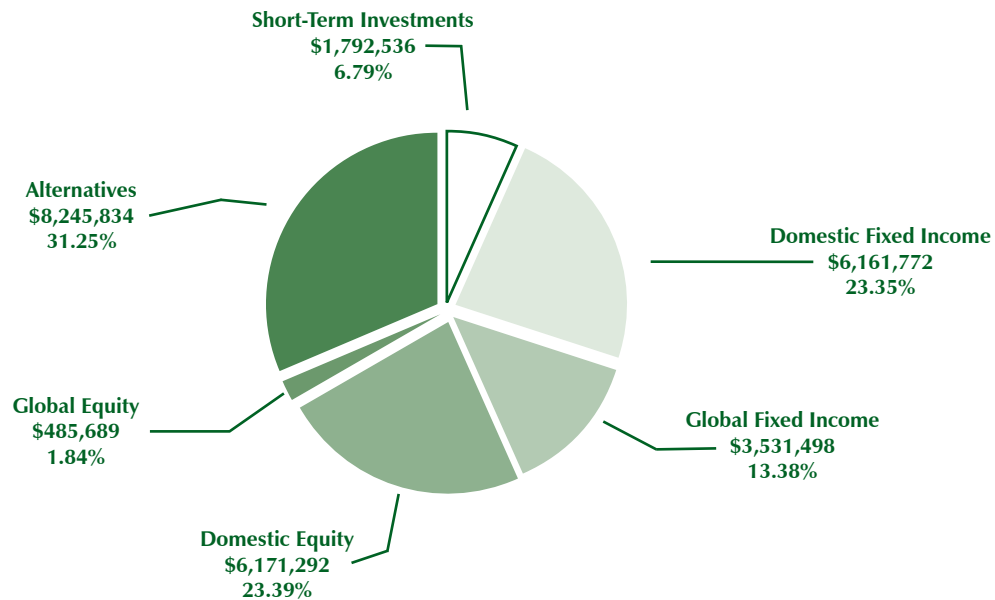
Year Ended <u>June 30,</u>	<u>Market Value of Investments*</u>	<u>% Increase for Year</u>	<u>Net Income (Loss) from Investments</u>	<u>% Increase for Year</u>
2008	\$ 15,627	-0.55%	\$ (348)	-117.38%
2007	15,714	23.83%	2,002	2,149.44%
2006	12,690		89	

*Market value includes investment categories classified as cash equivalents for financial statement purposes. Securities lending assets are excluded.

The South Carolina Retirement Systems assumed administrative responsibilities for the National Guard Retirement System January 1, 2006; therefore, prior year data is not presented.

Investment Section

South Carolina Retirement Systems Schedule of Total Asset Allocation for All Systems Market Value of Investments as of June 30, 2008 (Dollar amounts expressed in thousands)



Note: Short-term investments with an original maturity of three months or less were classified as cash equivalents for financial statement purposes.

Investment Section

Summary of Market Value of Investments (Amounts expressed in thousands)

	South Carolina Retirement System			Police Officers Retirement System		
	<u>Market Value</u>		% of	<u>Market Value</u>		% of
	06/30/2007	06/30/2008	Market Value at 06/30/08	06/30/2007	06/30/2008	Market Value at 06/30/08
Short-Term Investments	\$ 5,501,531	\$ 1,563,907	6.77%	\$ 732,890	\$ 215,653	6.96%
Debt:						
Domestic Fixed Income	7,588,338	5,390,761	23.33%	1,123,750	727,962	23.48%
Global Fixed Income		3,093,577	13.39%		413,183	13.32%
Public Equity:						
Domestic Equity	11,668,536	5,406,024	23.40%	1,398,188	722,037	23.29%
Global Equity		425,462	1.84%		56,825	1.83%
Alternatives	21,452	7,223,315	31.27%	2,804	964,757	31.12%
Total Investments	<u>\$ 24,779,857</u>	<u>\$ 23,103,046</u>	<u>100.00%</u>	<u>\$ 3,257,632</u>	<u>\$ 3,100,417</u>	<u>100.00%</u>

	General Assembly Retirement System			Judges & Solicitors Retirement System		
	<u>Market Value</u>		% of	<u>Market Value</u>		% of
	06/30/2007	06/30/2008	Market Value at 06/30/08	06/30/2007	06/30/2008	Market Value at 06/30/08
Short-Term Investments	\$ 10,869	\$ 2,988	6.86%	\$ 30,222	\$ 8,865	7.04%
Debt:						
Domestic Fixed Income	14,566	10,140	23.29%	44,922	29,283	23.24%
Global Fixed Income		5,827	13.38%		16,828	13.35%
Public Equity:						
Domestic Equity	22,514	10,183	23.39%	60,219	29,406	23.34%
Global Equity		801	1.84%		2,314	1.84%
Alternatives	43	13,605	31.24%	119	39,291	31.19%
Total Investments	<u>\$ 47,992</u>	<u>\$ 43,544</u>	<u>100.00%</u>	<u>\$ 135,482</u>	<u>\$ 125,987</u>	<u>100.00%</u>

	National Guard Retirement System		
	<u>Market Value</u>		% of
	06/30/2007	06/30/2008	Market Value at 06/30/08
Short-Term Investments	\$ 2,689	\$ 1,123	7.19%
Debt:			
Domestic Fixed Income	5,740	3,626	23.20%
Global Fixed Income		2,083	13.33%
Public Equity:			
Domestic Equity	7,271	3,642	23.30%
Global Equity		287	1.84%
Alternatives	14	4,866	31.14%
Total Investments	<u>\$ 15,714</u>	<u>\$ 15,627</u>	<u>100.00%</u>

Note: Market value excludes securities lending assets. Assets of the systems are pooled; however, percentages vary slightly between systems due to cash flow differences which primarily impact the short-term investment category.

Investment Section

South Carolina Retirement Systems List of Largest Assets Held As of June 30, 2008

Common Trust Funds

<u>Units</u>	<u>Description</u>	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	<u>Market Value</u>
6,677,773	State Street Global Advisors (S&P 500 equity index fund)	\$ 1,460,714,920	\$ 195,095,299	\$ 2,751,360	\$ 7,945,595	\$ 983,987	\$ 1,667,491,161
9,208,233	State Street Global Advisors (Russell 2000 equity index fund)	336,012,605	44,878,353	632,904	1,827,749	226,349	383,577,960
2,740,467	Barclays Global Investors Alpha Tilts Fund (large cap active core equity fund)	343,097,606	45,824,636	646,249	1,866,288	231,122	391,665,901
2,554,383	Barclays Global Investors EAFE Equity Index Fund (international equity fund)	425,461,661	56,825,304	801,387	2,314,310	286,605	485,689,267
Total							<u>\$ 2,928,424,289</u>

Top 10 Actively Managed Equity Holdings

<u>Units</u>	<u>Description</u>	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	<u>Market Value</u>
1,823,623	Quanta Svcs Inc	\$ 53,148,350	\$ 7,098,574	\$ 100,108	\$ 289,102	\$ 35,803	\$ 60,671,937
963,756	Electronic Arts	37,509,850	5,009,872	70,653	204,036	25,268	42,819,679
643,283	Johnson & Johnson	36,256,431	4,842,464	68,292	197,217	24,424	41,388,828
413,100	Exxon Mobil Corp	31,891,936	4,259,535	60,071	173,478	21,483	36,406,503
1,377,057	Western Union Co	29,819,634	3,982,756	56,167	162,205	20,087	34,040,849
785,481	Expeditors Intl Wash Inc	29,587,350	3,951,731	55,730	160,941	19,931	33,775,683
643,276	Teva Pharmaceutical Inds	25,808,617	3,447,038	48,612	140,387	17,386	29,462,040
417,163	Costco Whsl Corp	25,631,467	3,423,378	48,279	139,423	17,266	29,259,813
1,330,316	Dell Inc	25,497,879	3,405,535	48,027	138,696	17,177	29,107,314
228,320	Monsanto Co	25,288,924	3,377,627	47,633	137,560	17,036	28,868,780
Total							<u>\$ 365,801,426</u>

Top 10 Fixed Income Holdings

<u>Par Value</u>	<u>Description</u>	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	<u>Market Value*</u>
\$ (268,000,000)	Commitment to sell FNMA SF Mtg 6.00% due 07/01/38	\$ (236,821,030)	\$ (31,630,176)	\$ (446,069)	\$ (1,288,194)	\$ (159,531)	\$ (270,345,000)
237,630,000	U. S. Treasury Bills (held as collateral at Goldman) due 09/25/08	207,309,991	27,688,637	390,483	1,127,668	139,651	236,656,430
(183,000,000)	Commitment to sell FNMA SF Mtg 5.50% due 07/01/38	(158,002,779)	(21,103,091)	(297,609)	(859,460)	(106,436)	(180,369,375)
(157,000,000)	Commitment to sell FNMA SF Mtg 5.00% due 07/01/38	(131,815,228)	(17,605,442)	(248,283)	(717,012)	(88,795)	(150,474,760)
134,078,022	GNMA POOL #0781987 5.50% due 10/15/35	117,054,768	15,634,013	220,481	636,722	78,852	133,624,836
109,648,110	GNMA POOL #0782138 5.50% due 2/15/37	95,795,766	12,794,628	180,438	521,083	64,531	109,356,446
106,864,538	GNMA POOL #0550657 5.50% due 09/15/35	93,249,648	12,454,564	175,642	507,234	62,816	106,449,904
104,753,134	GNMA POOL #0651722 5.50% due 02/15/36	91,372,372	12,203,833	172,106	497,022	61,552	104,306,885
94,639,531	GNMA POOL #0782007 5.50% due 12/15/35	82,623,599	11,035,333	155,627	449,433	55,658	94,319,650
84,308,629	GNMA POOL #0651789 5.50% due 04/15/36	73,528,292	9,820,550	138,496	399,959	49,531	83,936,828
Total							<u>\$ 267,461,844</u>

Note: A complete list of portfolio holdings is available upon request.

*Negative values reflect short positions which reduces exposure to the respective asset class.

Investment Section

South Carolina Retirement Systems Schedule of Investment Results Combined Investment Portfolio

Benchmarks

Fiscal Years ended June 30,	91 Day Treasury Bill Index	Lehman Aggregate	Lehman Global Aggregate	S&P Equity Index	MSCI EAFE	Venture Economics- All Private Equity	HFRX Global Hedge Fund Index	50% MSCI World, 50% Citi WGBI	Lehman High Yield Index	Consumer Price Index (CPI) ¹	Assumed Rate of Return
2008	3.63%	7.12%	12.89%	-13.12%	-10.15%	12.20%	-3.00%	1.70%	-2.26%	4.63%	8.00%
2007	5.21%	6.12%	4.67%	20.59%	27.54%	22.78%	12.72%	12.85%	11.55%	2.71%	7.25%
2006	3.99%	-0.81%	0.25%	8.64%	27.07%	25.98%	7.81%	8.09%	4.80%	4.33%	7.25%
2005	2.15%	6.80%	7.51%	6.32%	14.13%	17.48%	1.11%	8.90%	10.86%	2.53%	7.25%
2004	0.98%	0.33%	4.61%	19.10%	32.85%	22.80%	4.70%	14.63%	10.33%	3.27%	7.25%
2003	1.53%	10.40%	14.90%	0.25%	-6.06%	-11.78%	9.66%	7.37%	22.76%	2.11%	7.25%
2002	2.63%	8.63%	12.02%	-17.99%	-9.22%	-15.44%	6.88%	-1.15%	-3.60%	1.07%	7.25%
2001	5.89%	11.23%	0.50%	-14.83%	-23.32%	-11.87%	14.31%	-11.80%	-0.96%	3.25%	7.25%
2000	5.53%	4.56%	1.57%	7.25%	17.44%	92.07%	18.39%	7.80%	-1.02%	3.73%	7.25%
1999	4.88%	3.13%	3.23%	-	7.92%	12.97%	21.38%	-	-0.38%	1.96%	7.25%
3-Year Annualized	4.27%	4.09%	5.81%	4.41%	13.34%	12.10%	5.60%	6.80%	4.54%	3.89%	7.25%
5-Year Annualized	3.18%	3.85%	5.90%	7.58%	17.16%	13.40%	4.50%	8.40%	6.92%	3.45%	7.25%
10-Year Annualized	3.63%	5.68%	6.10%	2.88%	6.25%	13.48%	9.16%		4.91%	2.93%	7.25%

Actual Performance

Fiscal Years ended June 30,	Cash ²	Domestic Fixed Income	Non-Core Fixed Income ⁴	Domestic Equity ³	Non U. S. Equity ⁴	Private Equity	Absolute Return	Global Asset Allocation ⁴	Opportunistic Credit ⁴	Total Portfolio
2008	3.90%	5.60%	-	-15.45%	-	-3.70%	3.10%	-	-	-2.56%
2007	5.58%	7.02%		18.69%						13.35%
2006	4.44%	0.69%		10.34%						5.13%
2005	2.30%	6.87%		7.24%						7.02%
2004	-	1.49%		20.88%						8.76%
2003	-	11.67%		-0.40%						8.88%
2002	-	8.22%		-17.32%						0.93%
2001	-	10.85%		-7.75%						7.15%
2000	-	4.23%		10.23%						4.75%
1999	-	2.33%		-						2.45%
3-Year Annualized	4.64%	4.30%	-	3.41%	-	-	-	-	-	5.17%
5-Year Annualized	-	5.84%	-	7.45%	-	-	-	-	-	6.25%
10-Year Annualized	-	5.60%	-	-	-	-	-	-	-	5.53%

¹Measure of the Consumer Price Index (CPI) - All urban Consumers (all items) represents the year-over-year changes in prices of all goods and services purchased for consumption by urban households and includes expenditures by urban wage earners and clerical workers, professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, retirees and others not in the labor force. This represents about 80 percent of the total U.S. population and is the broadest, most comprehensive measure of changes in prices of goods and services.

²Effective July 1, 2004, a two percent (approximately) portion of the aggregate fixed income portfolio was segmented into a liquidity pool of short duration investments to more efficiently manage cash flows.

³Equity segment funded June 1999.

⁴The following segments were funded during FY 2008; however separate performance results were not reported for the initial 2008 funding year:

Non-Core Fixed income which includes global fixed income, high yield fixed income and emerging market debt.

Non U.S. Equity EAFE Index fund.

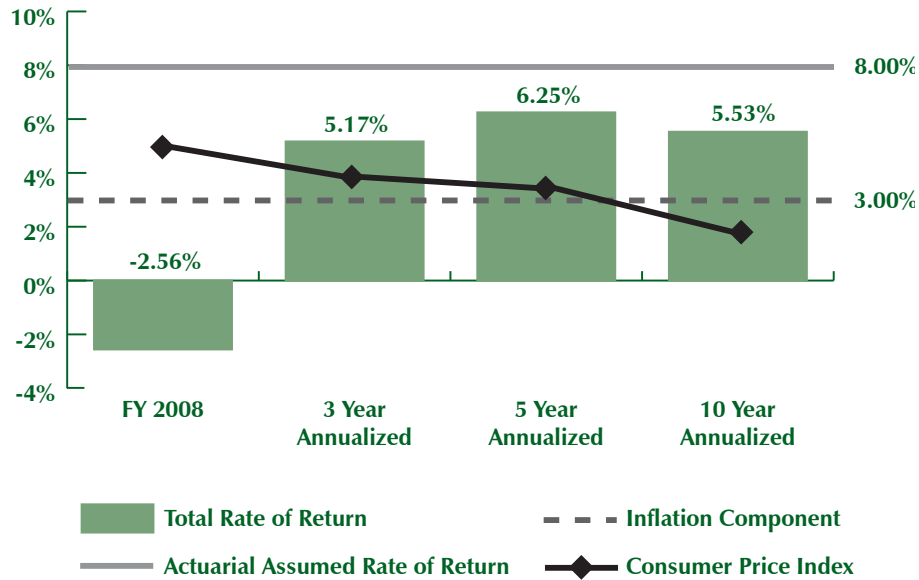
Global asset allocation strategies.

Opportunistic credit investments.

Note: Calculations were prepared using a time-weighted, market rate of return in accordance with the Chartered Financial Analyst (CFA) Institute's performance presentation standards.

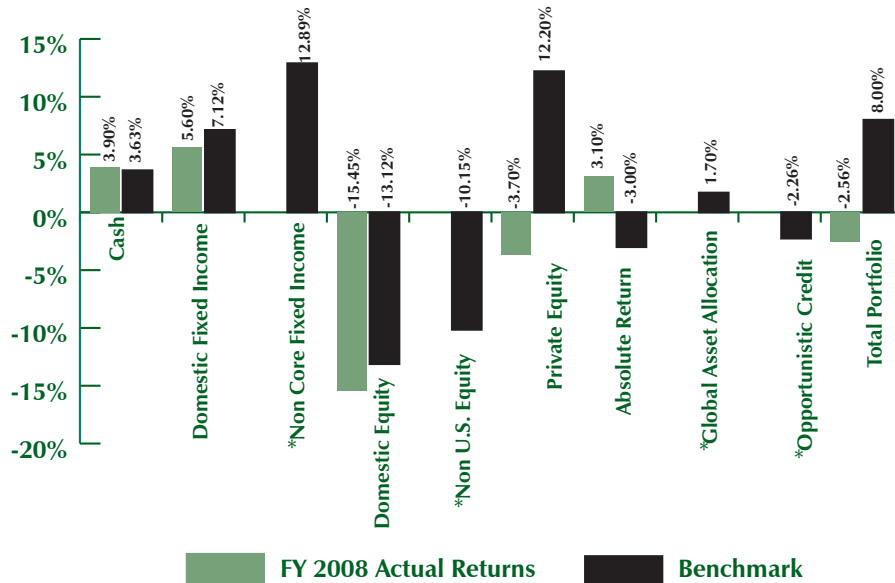
Investment Section

South Carolina Retirement Systems Investment Performance Summary



Note: Actuarial assumption includes an 8 percent annual investment rate of return, which is composed of 3 percent inflation and 4.75 percent real rate of return, net of investment and administrative expenses.

Fiscal Year 2008 Investment Performance by Market Segment



*These segments were funded during FY 2008; however, separate performance results were not reported for the initial 2008 funding year.

Note: The assumed Investment Rate of Return for actuarial purposes is 8 percent and the South Carolina Retirement System Investment Commission (SCRSIC) adopted an asset allocation model expected to generate a gross annual investment return of 8.77 percent for the total portfolio.

Investment Section

South Carolina Retirement Systems Schedule of Investment Fees and Commissions For the Year Ended June 30, 2008

	Market Value of Assets under Management at June 30, 2008 ¹	Fees
Investment Managers' Fees	\$ 18,850,851,207	\$ 60,159,681
Other Investment Service Fees:		
Limited Partnership Expenses		1,908,317
Bank Fees		4,948,948
		<u>\$ 67,016,946</u>

Brokerage Firm	Number of Shares Traded	Commissions ²	Average Commissions per Share
Merrill Lynch Professional	60,526,930	\$ 730,939	0.0121
Lehman Brothers Inc.	23,489,789	435,249	0.0185
Bear Stearns & Co. Inc.	3,278,913	313,511	0.0956
Weeden & Co.	6,750,573	270,816	0.0401
Goldman Sachs & Co.	3,456,248	267,246	0.0773
Investment Technology Groups	5,463,582	266,841	0.0488
Liquidnet Inc.	1,723,685	257,641	0.1495
Jefferies & Company, Inc.	3,191,059	230,564	0.0723
Citigroup Global Markets Inc.	4,782,605	228,717	0.0478
Credit Suisse	4,991,239	209,936	0.0421
Morgan Stanley & Co.	2,863,446	204,455	0.0714
Deutsche Bank Securities Inc.	3,677,325	202,282	0.0550
Instinet Corporation	2,972,208	195,388	0.0657
Cantor Fitzgerald & Co. Inc.	2,270,184	190,753	0.0840
UBS Securities LLC	5,068,492	190,556	0.0376
J P Morgan Securities Inc.	1,829,200	153,429	0.0839
Wachovia Secs Capital Market	451,905	133,057	0.2944
ITG Inc.	1,684,817	103,187	0.0612
Baird Robert W & Co. Inc.	818,193	102,970	0.1259
BNY Convergenx	1,373,713	102,887	0.0749
Banc of America Securities LLC	600,454	95,695	0.1594
JonesTrading Institutional Svcs LLC	1,996,234	82,961	0.0416
CIBC World Markets Corp	311,395	82,763	0.2658
BNY Brokerage Inc.	273,684	78,540	0.2870
Rosenblatt Securities LLC	3,378,473	74,962	0.0222
Raymond James & Associates Inc.	654,737	74,779	0.1142
National Financial Services Corp	1,811,793	74,417	0.0411
Keybank Capital Markets Inc.	398,981	71,066	0.1781
Freidman Billings	467,095	70,876	0.1517
Thomas Weisel Partners	597,103	68,326	0.1144
Cowen & Company LLC	401,617	62,364	0.1553
Piper Jaffray & Co.	173,119	61,655	0.3561
Capital Institutional Services Inc.	1,128,713	60,456	0.0536
Blair William & Company LLC	107,020	54,387	0.5082
Stifel Nicolaus & Co. Inc.	910,593	54,073	0.0594
All others ³	22,505,480	1,412,789	0.0628
	<u>176,380,597</u>	<u>\$ 7,270,533</u>	<u>0.0412</u>

Data provided by the BNY Mellon, Custodial bank.

¹Assets under management include categories classified as cash and cash equivalents for financial statement purposes.

²Commissions paid to brokers are considered a part of the investment asset cost and are therefore not reported as expenses of the System.

³Other brokers include 120 additional brokers each receiving less than \$50,000 in total commissions.

Investment Section

South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2008 *(Amounts expressed in thousands)*

<u>Investment Manager</u>	<u>Style</u>	<u>Initial Funding Date</u>	<u>Market Value of Assets under Management at June 30, 2008²</u>	<u>Fees</u>
State Street Global Advisors Boston, MA	Large Cap Passive S&P 500 Index Fund	June 16, 1999	\$ 1,667,491	\$ 114
Aronson + Johnson + Ortiz, LP Philadelphia, PA	Large Cap Value	September 21, 2005	542,268	-
Pzena Investment Management, LLC New York, NY	Large Cap Value	September 21, 2005	294,531	1,752
Legg Mason Capital Management, Inc. Baltimore, MD	Large Cap Growth	September 21, 2005	354,766	1,712
WCM Investment Management Lake Forest, CA	Large Cap Growth	September 21, 2005	521,600	2,593
Barclays Global Investors, NA San Francisco, CA	Large Cap Core	April 16, 2004	391,666	1,349
State Street Global Advisors Boston, MA	Small/Mid Cap Passive Russell 2000 Index Fund	October 1, 2001	383,578	57
Wells Capital Management, Inc. (Benson Value Team) Portland, OR	Small Cap Value	October 1, 2002	307,810	2,149
Integrity Asset Management, LLC Louisville, KY	Small Cap Value	March 15, 2005	128,586	935
Thompson, Siegel & Walmsley, Inc. Richmond, VA	Small/Mid Cap Value	March 15, 2005	228,983	1,580
TimesSquare Capital Management, LLC New York, NY	Small/Mid Cap Growth	October 1, 2002	367,920	2,877
Batterymarch Financial Management, Inc. Boston, MA	Small Cap Growth	March 15, 2005	184,045	1,311
Turner Investment Partners, Inc. Berwyn, PA	Small Cap Growth	March 15, 2005	246,448	1,938
ClariVest Asset Management, LLC San Diego, CA	Small Cap Growth	June 5, 2006	267,067	1,483
Pryamis Global Advisors (Fidelity) Boston, MA	Small Cap Core	May 23, 2000	389,988	2,567
Barclays Global Investors, NA ¹ San Francisco, CA	Non - U. S. Index Fund EAFE Index Fund	October 2, 2007	485,689	200
Credit Agricole Asset Management ¹ London, England	Global Fixed Income	September 19, 2007	835,179	-
Loomis Sayles (Global Fixed Income) ¹ Boston, MA	Global Fixed Income	August 1, 2007	801,840	2,238
Mondrian Investment Group, Inc. ¹ Philadelphia, PA	Global Fixed Income	August 15, 2007	886,218	2,231
Western Asset Management Co. ¹ Pasadena, CA	Global Fixed Income	August 1, 2007	813,774	1,689
Loomis Sayles (High Yield) ¹ Boston, MA	High Yield	May 2, 2008	194,488	152
Aquiline Capital Partners, LLC New York, NY	Private Equity	March 28, 2007	25,866	-
Apax Partners, LP ¹ London, England	Private Equity	March 26, 2008	15,403	-

Investment Section

South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2008 *(Amounts expressed in thousands)*

<u>Investment Manager</u>	<u>Style</u>	<u>Initial Funding Date</u>	<u>Market Value of Assets under Management at June 30, 2008²</u>	<u>Fees</u>
Carousel Capital Partners ¹ Charlotte, NC	Private Equity	September 17, 2007	12,435	-
Goldman Sachs & Co. ¹ New York, NY	Private Equity	December 19, 2007	24,514	-
Lehman Brothers ¹ New York, NY	Private Equity	May 22, 2008	1,147	-
Northstar Capital LLC ¹ Minneapolis, MN	Private Equity	February 25, 2008	9,231	-
Pantheon (Europe Fund) ¹ San Francisco, CA	Private Equity	July 2, 2007	18,866	-
Pantheon (USA Fund VII) ¹ San Francisco, CA	Private Equity	July 10, 2007	24,487	-
Paul Capital Partners ¹ San Francisco, CA	Private Equity	May 23, 2008	18,330	-
Square 1 Ventures ¹ Durham, NC	Private Equity	May 8, 2008	3,000	-
TCW ¹ Los Angeles, CA	Private Equity	August 31, 2007	107,934	-
TCW Crescent Mezzanine ¹ Los Angeles, CA	Private Equity	March 20, 2008	15,309	-
Truebridge Capital ¹ Raleigh, NC	Private Equity	December 28, 2007	8,828	-
Warburg Pincus ¹ New York, NY	Private Equity	December 28, 2007	20,799	-
SCRS / TCW Strategic Partnership ¹ Los Angeles, CA	Private Equity	June 20, 2008	40,000	-
Bridgewater Associates, Inc. ¹ Westport, CT	Absolute Return	July 2, 2007	432,611	18,155
D.E. Shaw LLC ¹ New York, NY	Absolute Return	July 2, 2007	375,544	-
En Trust Ltd ¹ New York, NY	Absolute Return	August 31, 2007	400,816	-
FrontPoint LP ¹ Greenwich, CT	Absolute Return	July 2, 2007	376,073	-
GAM ¹ New York, NY	Absolute Return	August 27, 2007	755,594	-
Gottex ¹ Boston, MA	Absolute Return	September 28, 2007	763,425	-
Grosvenor LP ¹ Chicago, IL	Absolute Return	August 29, 2007	767,639	-
Mariner Partners ¹ Harrison, NY	Absolute Return	July 2, 2007	337,991	-
Morgan Stanley ¹ New York, NY	Absolute Return	July 2, 2007	837,579	6,286
SCRS / Morgan Stanley Strategic Partnership ¹ New York, NY	Absolute Return	February 27, 2008	997,397	-

Investment Section

South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2008 *(Amounts expressed in thousands)*

<u>Investment Manager</u>	<u>Style</u>	<u>Initial Funding Date</u>	<u>Market Value of Assets under Management at June 30, 2008²</u>	<u>Fees</u>
Bridgewater Associates, Inc ¹ Westport, CT	Global Asset Allocation	August 1, 2007	746,631	-
Grantham, Mayo, Van Otterloo & Co. LLC ¹ Boston, MA	Global Asset Allocation	August 31, 2007	353,005	1,875
Mellon Bank, NA ¹ San Francisco, CA	Global Asset Allocation	February 8, 2008	358,182	2,249
Putnam Investments ¹ Boston, MA	Global Asset Allocation	January 17, 2008	722,030	1,444
Angelo Gordon, LP ¹ New York, NY	Opportunistic Credit	June 17, 2008	15,040	-
Russell Investment Group ³ Tacoma, WA	Beta Overlay	May 29, 2007	(28,811)	1,223
Residual Assets ⁴			21	-
			<u>\$18,850,851</u>	<u>\$60,159</u>

¹Manager hired during fiscal year 2008.

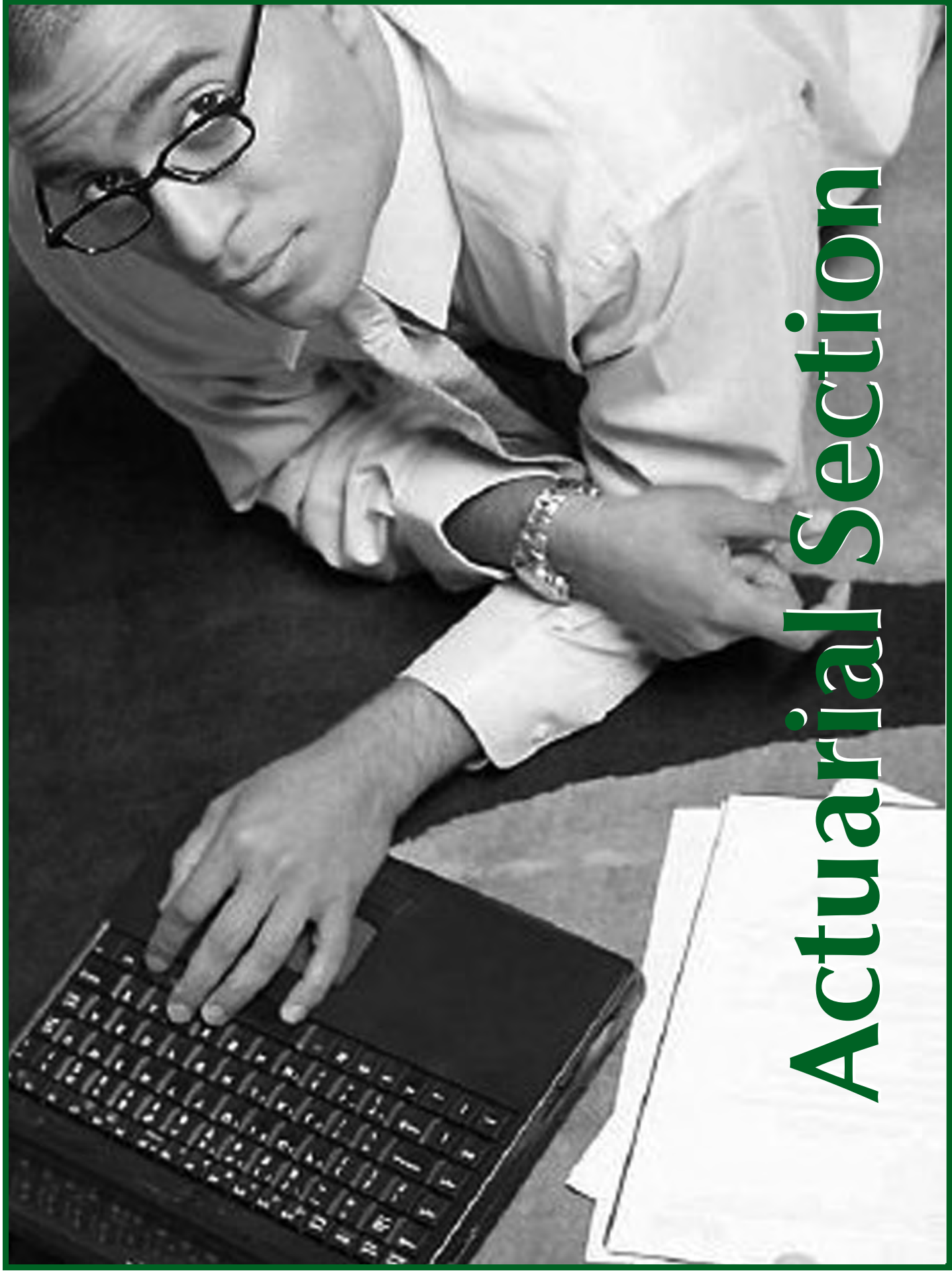
²Assets under management include categories classified as cash and cash equivalents for financial statement purposes.

³Negative value includes Swap positions held.

⁴Balances in the Residual Assets account are held temporarily while waiting to be placed in a more permanent investment.

Several of the alternative investment managers provide account valuations on a net of fee basis. Management fees are netted against investment income and because they are not readily separable for specific investment income, amounts are recorded and reported net of fees.

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Actuarial Section

In comparison to the more than \$2 billion in benefits disbursed by the Retirement Systems, personal income derived in the Palmetto State from the information industry was \$1.853 billion.

The main components of this category are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries; Internet service providers and Web search portals; data processing industries; and the information services industries.

*Based on Bureau of Economic Analysis data for 2007.



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November 20, 2008

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

Re: Certification and Statement Regarding Actuarial Valuations as of July 1, 2007

Dear Members of the Board:

Applicable Laws

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. At your request, we have conducted an annual actuarial valuation of each of the four separate Retirement Systems as of July 1, 2007.

Funding Objective

A funding objective of the Systems is that contribution rates will remain relatively level over time as a percentage of payroll. As these contribution rates are set by the Board, the valuation is used to determine the sufficiency of the contributions to maintain or improve the measures of the Systems' funding progress (i.e. *funded ratio*, *funding period*) and provide for the complete funding of all actuarial liabilities within 30 years.

Funding Methodology

The entry age normal actuarial cost method determines each system's normal cost, the cost of the current year's benefit accrual, as a level percentage of the active member's payroll. Additionally, the method determines the actuarial liability, the value of benefits already earned by active and retired members due to past service. A smoothing technique is utilized to produce a market-related actuarial value of assets with the goal of dampening the impact of investment return volatility. The *funded ratio* is the actuarial value of assets as a percentage of the actuarial liability.

An unfunded actuarial liability exists to the extent a System's actuarial liability exceeds its actuarial value of assets. The contribution amount in excess of a system's normal cost is the level percentage of payroll available to amortize an unfunded actuarial liability. The System's *funding period* is the resulting number of years necessary to fully amortize an unfunded actuarial liability with the available contributions.

Assumptions

Actuarial assumptions are necessary to estimate the future economic and demographic experience of the Systems. The actuarial assumptions were recommended by the prior actuary and adopted by the State Budget and Control Board based on a review of the System's experience completed during Fiscal Year 2004. Certain assumptions have been modified in order to recognize specific emerging trends in experience. We have reviewed these assumptions and believe they are reasonable.

The current actuarial assumptions and methods for each System are in accordance with the applicable Actuarial Standards of Practice, as well as the parameters set forth in the Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.



State Budget and Control Board
South Carolina Retirement Systems
November 20, 2008
Page 2

The results and conclusions of this report are only valid for the July 1, 2007 plan year and should not be interpreted as applying in future years. Differences between our projections and actual amounts depend on the extent to which future experience conforms exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Data Reliance

In preparing the valuations, we, as the actuary, relied on data provided by the Systems. In fulfillment of the scope of our assignment, we performed a limited review of the data for consistency and reasonableness and did not find material defects in the census data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

Supporting Schedules

Our firm, as actuary, is responsible for the actuarial trend data in the financial section of the report and the supporting schedules in the actuarial section, beginning with the information for the July 1, 2004. Information for previous years was supplied by other actuarial firms employed by the Systems at that time. Milliman's work product was prepared exclusively for the South Carolina Retirement Systems for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning the Systems' operations, and uses data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

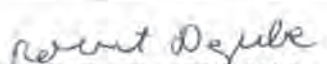
Certification

Based on the results of the four July 1, 2007 valuations, we believe that the valuations appropriately reflect each plan's long term obligations and the current contribution levels are sufficient to fund the liabilities of each plan over a reasonable time frame, and based on these criteria may be deemed actuarially sound.

I, Robert Dezube, am a consulting actuary for Milliman. I am also a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. On the basis of the foregoing, I certify that, to the best of my knowledge this report is complete and accurate and has been prepared in accordance with South Carolina's statutes and generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Respectfully submitted,

Milliman, Inc.


Robert S. Dezube, FSA, MAAA
Principal and Consulting Actuary

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Actuarial Section

South Carolina Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2007 (Amounts expressed in thousands)

	July 1, 2007
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 5,464,756
ii) Employer Annuity Accumulation Fund	18,076,682
iii) Total Current Assets	<u>\$ 23,541,438</u>
b. Present Value of Future Member Contributions	\$ 3,466,636
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 2,137,670
ii) Accrued Liability Contributions ¹	10,225,240
iii) Total Future Employer Contributions	<u>\$ 12,362,910</u>
d. Total Assets	<u><u>\$ 39,370,984</u></u>
2. <u>Liabilities</u>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 5,464,756
ii) Present Value of Future Member Contributions ²	3,624,231
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 9,088,987</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment (including TERI)	\$ 19,084,672
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	<u>11,197,325</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 30,281,997</u>
c. Total Liabilities	<u><u>\$ 39,370,984</u></u>

¹\$157,595 paid by future employee contributions as of July 1, 2007.

²Including future employee contributions towards accrued liability.

Actuarial Section

Police Officers Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2007 (Amounts expressed in thousands)

	<u>July 1, 2007</u>
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 658,023
ii) Employer Annuity Accumulation Fund	2,502,217
iii) Total Current Assets	<u>\$ 3,160,240</u>
b. Present Value of Future Member Contributions	\$ 502,233
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 529,376
ii) Accrued Liability Contributions	570,304
iii) Total Future Employer Contributions	<u>\$ 1,099,680</u>
d. Total Assets	<u><u>\$ 4,762,153</u></u>
2. <u>Liabilities</u>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 658,023
ii) Present Value of Future Member Contributions	502,233
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 1,160,256</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 1,818,914
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	1,782,983
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 3,601,897</u>
c. Total Liabilities	<u><u>\$ 4,762,153</u></u>

Actuarial Section

General Assembly Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2007 (Amounts expressed in thousands)

	July 1, 2007
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 7,735
ii) Employer Annuity Accumulation Fund	39,190
iii) Total Current Assets	<u>\$ 46,925</u>
b. Present Value of Future Member Contributions	\$ 2,425
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 2,027
ii) Accrued Liability Contributions	24,089
iii) Total Future Employer Contributions	<u>\$ 26,116</u>
d. Total Assets	<u><u>\$ 75,466</u></u>
2. <u>Liabilities</u>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 7,735
ii) Present Value of Future Member Contributions*	2,425
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 10,160</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 54,115
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	<u>11,191</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 65,306</u>
c. Total Liabilities	<u><u>\$ 75,466</u></u>

*Includes future special contributors

Actuarial Section

Judges and Solicitors Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2007 (Amounts expressed in thousands)

	July 1, 2007
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 18,999
ii) Employer Annuity Accumulation Fund	113,991
iii) Total Current Assets	<u>\$ 132,990</u>
b. Present Value of Future Member Contributions	\$ 10,102
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 14,678
ii) Accrued Liability Contributions	96,398
iii) Total Prospective Employer Contributions	<u>\$ 111,076</u>
d. Total Assets	<u><u>\$ 254,168</u></u>
2. <u>Liabilities</u>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 18,999
ii) Present Value of Future Member Contributions	10,102
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 29,101</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 149,435
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	75,632
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 225,067</u>
c. Total Liabilities	<u><u>\$ 254,168</u></u>

Actuarial Section

South Carolina Retirement System Results of the Valuation as of July 1, 2007 (Dollar amounts expressed in thousands)

	July 1, 2007
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 19,084,672
b. Present Active and Inactive Members	20,286,312
c. Total Actuarial Present Value	<u>\$ 39,370,984</u>
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 3,604,304
b. Employer	2,000,002
c. Total Future Normal Contributions	<u>\$ 5,604,306</u>
3. <u>Actuarial Liability</u>	\$ 33,766,678
4. <u>Current Actuarial Value of Assets</u>	\$ 23,541,438
5. <u>Unfunded Actuarial Liability</u>	\$ 10,225,240
6. <u>Unfunded Actuarial Liability Rates</u>	
a. Active Members	4.94%
b. TERI Members (including employee contributions) ¹	15.56%
c. ORP Members	4.06%
d. Reemployed Members (including employee contributions)	15.56%
	29 years
7. <u>Unfunded Actuarial Liability Liquidation Period</u>	

¹ TERI participants who entered TERI before July 1 2005, do not make employee contributions.

Actuarial Section

Police Officers Retirement System Results of the Valuation as of July 1, 2007 (Dollar amounts expressed in thousands)

	July 1, 2007
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 1,818,914
b. Present Active and Inactive Members	2,943,239
c. Total Actuarial Present Value	\$ 4,762,153
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 502,233
b. Employer	529,376
c. Total Future Normal Contributions	\$ 1,031,609
	\$ 3,730,544
3. <u>Actuarial Liability</u>	
	\$ 3,160,240
4. <u>Current Actuarial Value of Assets</u>	
	\$ 570,304
5. <u>Unfunded Actuarial Liability</u>	
	3.22%
6. <u>Unfunded Actuarial Liability Rates</u>	
	16 years
7. <u>Unfunded Actuarial Liability Liquidation Period</u>	

Actuarial Section

General Assembly Retirement System Results of the Valuation as of July 1, 2007 (Dollar amounts expressed in thousands)

	July 1, 2007
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 54,115
b. Present Active and Inactive Members	21,351
c. Total Actuarial Present Value	<u>\$ 75,466</u>
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 2,175
b. Special Contributors	250
c. Employer	2,027
d. Total Future Normal Contributions	<u>\$ 4,452</u>
3. <u>Actuarial Liability</u>	\$ 71,014
4. <u>Current Actuarial Value of Assets</u>	\$ 46,925
5. <u>Unfunded Actuarial Liability</u>	\$ 24,089
6. <u>Unfunded Actuarial Liability Liquidation Period</u>	18 years

Actuarial Section

Judges and Solicitors Retirement System Results of the Valuation as of July 1, 2007 (Dollar amounts expressed in thousands)

	July 1, 2007
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 149,435
b. Present Active and Inactive Members	104,733
c. Total Actuarial Present Value	<u>\$ 254,168</u>
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 10,102
b. Employer	14,678
c. Total Future Normal Contributions	<u>\$ 24,780</u>
3. <u>Actuarial Liability</u>	\$ 229,388
4. <u>Current Actuarial Value of Assets</u>	\$ 132,990
5. <u>Unfunded Actuarial Liability</u>	\$ 96,398
6. <u>Unfunded Actuarial Liability Rates</u>	30.41%
7. <u>Unfunded Actuarial Liability Liquidation Period</u>	28 years

Actuarial Section

South Carolina Retirement System Summary of Actuarial Assumptions and Methods

1. Investment Return to be Earned by Fund

7.25 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 4.25 percent real rate of return, net of investment and administrative expenses.

2. Salary Increases

Salary increases are assumed in accordance with the following representative rates:

Annual Increase			Annual Increase		
Years of Service	General Employees	Teachers	Years of Service	General Employees	Teachers
0	8.00%	8.00%	8	4.50%	4.75%
1	5.75%	8.00%	9	4.50%	4.75%
2	5.00%	5.50%	10	4.25%	4.75%
3	4.75%	5.25%	11	4.25%	4.50%
4	4.50%	5.00%	12	4.25%	4.40%
5	4.50%	5.00%	13	4.25%	4.40%
6	4.50%	5.00%	14	4.25%	4.40%
7	4.50%	4.75%	15+	4.00%	4.00%

3. Decrement Rates

a. Service Retirement

Annual Rates of					
		Unreduced Service Retirement*		Reduced Service Retirement	
		Male	Female	Male	Female
Employees	Age				
	50	12%	14%		
	55	15%	18%	5%	10%
	60	20%	20%	5%	11%
	61	20%	20%	15%	15%
	62	30%	35%	27%	28%
	63	30%	30%	16%	20%
	64	30%	35%	22%	20%
	65	40%	40%		
	66	20%	25%		
	67	20%	25%		
	68	20%	25%		
	69	20%	25%		
	70	100%	100%		
Teachers	50	14%	15%		
	55	18%	25%	6%	9%
	60	25%	25%	14%	15%
	61	30%	40%	18%	20%
	62	20%	35%	25%	25%
	63	20%	25%	28%	20%
	64	35%	30%	28%	30%
	65	45%	40%		
	66	23%	23%		
	67	23%	23%		
	68	23%	23%		
	69	23%	23%		
	70	100%	100%		

Actuarial Section

*Plus the following percentage in the year when they first become eligible for unreduced service retirement before age 65.

	<u>General Employees</u>	<u>Teachers</u>
Male	30%	30%
Female	30%	30%

b. Valuation of Teachers and Employees Retention Incentive (TERI)

It is assumed that 40 percent of all members elect TERI coverage prior to age 60 and 60 percent elect between age 60 and 65 when first eligible for an unreduced retirement benefit. It is also assumed that members in TERI are exposed to adjusted retirement rates during TERI coverage and 100 percent terminate employment at the end of the TERI period (five years). The retirement rate is adjusted by the following schedule based on number of years since entering TERI:

<u>Years Since Entering TERI Program</u>	<u>Multiple of Unreduced Retirement Table</u>
0.00 - 0.99	50%
1.00 - 1.99	65%
2.00 - 2.99	80%
3.00 - 3.99	90%
4.00 - 4.99	100%
5.00	All members assumed to retire immediately

c. In-Service Mortality and Disability

<u>Annual Rates of</u>								
<u>Age</u>	<u>Mortality</u>				<u>Disability</u>			
	<u>Employees</u>		<u>Teachers</u>		<u>Employees</u>		<u>Teachers</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
25	0.04%	0.01%	0.03%	0.01%	0.06%	0.05%	0.04%	0.05%
30	0.04%	0.02%	0.03%	0.01%	0.12%	0.07%	0.06%	0.07%
35	0.08%	0.03%	0.06%	0.03%	0.17%	0.15%	0.08%	0.07%
40	0.11%	0.05%	0.08%	0.04%	0.29%	0.19%	0.16%	0.13%
45	0.15%	0.07%	0.11%	0.06%	0.40%	0.27%	0.26%	0.26%
50	0.21%	0.11%	0.16%	0.09%	0.58%	0.46%	0.42%	0.42%
55	0.30%	0.16%	0.23%	0.14%	0.92%	0.74%	0.68%	0.68%
60	0.49%	0.26%	0.37%	0.22%	1.15%	1.12%	1.05%	1.05%
64	0.70%	0.35%	0.53%	0.30%	1.44%	1.56%	1.31%	1.31%

Actuarial Section

d. Withdrawal Rates

Probability of Decrement Due to Withdrawal

Years of Service - Male Teachers											
Age	0	1	2	3	4	5	6	7	8	9	10+
25	0.2964	0.2029	0.1384	0.0973	0.0721	0.0578	0.0513	0.0508	0.0518	0.0538	0.0560
30	0.2721	0.1922	0.1356	0.0990	0.0776	0.0662	0.0607	0.0577	0.0538	0.0477	0.0387
35	0.2531	0.1823	0.1316	0.0990	0.0805	0.0708	0.0657	0.0611	0.0540	0.0429	0.0273
40	0.2371	0.1730	0.1271	0.0979	0.0817	0.0730	0.0679	0.0619	0.0529	0.0390	0.0199
45	0.2239	0.1649	0.1228	0.0960	0.0811	0.0726	0.0669	0.0600	0.0503	0.0359	0.0167
50	0.2135	0.1587	0.1192	0.0936	0.0787	0.0698	0.0628	0.0553	0.0460	0.0335	0.0174
55	0.2063	0.1549	0.1168	0.0908	0.0742	0.0645	0.0557	0.0479	0.0401	0.0317	0.0222
60	0.1996	0.1518	0.1143	0.0865	0.0669	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Probability of Decrement Due to Withdrawal

Years of Service - Female Teachers											
Age	0	1	2	3	4	5	6	7	8	9	10+
25	0.2299	0.1608	0.1209	0.1006	0.0892	0.0841	0.0827	0.0802	0.0731	0.0660	0.0601
30	0.2269	0.1664	0.1260	0.1015	0.0878	0.0802	0.0751	0.0696	0.0618	0.0527	0.0426
35	0.2171	0.1597	0.1208	0.0966	0.0830	0.0748	0.0682	0.0615	0.0536	0.0434	0.0303
40	0.2045	0.1477	0.1106	0.0885	0.0759	0.0683	0.0616	0.0551	0.0475	0.0368	0.0215
45	0.1930	0.1361	0.1001	0.0798	0.0685	0.0619	0.0561	0.0504	0.0435	0.0329	0.0163
50	0.1866	0.1296	0.0937	0.0738	0.0633	0.0570	0.0523	0.0478	0.0417	0.0317	0.0154
55	0.1879	0.1308	0.0935	0.0727	0.0626	0.0543	0.0509	0.0474	0.0420	0.0331	0.0190
60	0.1948	0.1379	0.0986	0.0758	0.0660	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Probability of Decrement Due to Withdrawal

Years of Service - Male Employees											
Age	0	1	2	3	4	5	6	7	8	9	10+
25	0.3288	0.2466	0.1902	0.1554	0.1345	0.1166	0.0963	0.0783	0.0650	0.0595	0.0662
30	0.2939	0.2211	0.1726	0.1425	0.1236	0.1089	0.0951	0.0821	0.0704	0.0603	0.0530
35	0.2678	0.1997	0.1553	0.1285	0.1122	0.1010	0.0916	0.0822	0.0716	0.0586	0.0424
40	0.2456	0.1804	0.1384	0.1140	0.1002	0.0922	0.0861	0.0791	0.0695	0.0549	0.0335
45	0.2257	0.1636	0.1233	0.1003	0.0882	0.0825	0.0781	0.0727	0.0639	0.0493	0.0266
50	0.2082	0.1501	0.1115	0.0891	0.0774	0.0717	0.0675	0.0626	0.0547	0.0419	0.0224
55	0.1942	0.1410	0.1041	0.0814	0.0691	0.0600	0.0543	0.0488	0.0419	0.0328	0.0212
60	0.1827	0.1351	0.1002	0.0770	0.0632	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Probability of Decrement Due to Withdrawal

Years of Service - Female Employees											
Age	0	1	2	3	4	5	6	7	8	9	10+
25	0.2981	0.2459	0.2060	0.1772	0.1560	0.1385	0.1248	0.1159	0.1094	0.1030	0.0940
30	0.2710	0.2236	0.1864	0.1591	0.1395	0.1253	0.1145	0.1059	0.0970	0.0853	0.0688
35	0.2506	0.2015	0.1657	0.1410	0.1244	0.1130	0.1042	0.0958	0.0857	0.0712	0.0505
40	0.2329	0.1803	0.1451	0.1233	0.1101	0.1010	0.0935	0.0854	0.0748	0.0592	0.0367
45	0.2172	0.1622	0.1275	0.1080	0.0972	0.0894	0.0825	0.0746	0.0644	0.0493	0.0276
50	0.2041	0.1493	0.1151	0.0966	0.0864	0.0787	0.0715	0.0637	0.0543	0.0414	0.0234
55	0.1946	0.1429	0.1091	0.0895	0.0778	0.0688	0.0605	0.0526	0.0445	0.0353	0.0240
60	0.1873	0.1412	0.1079	0.0855	0.0701	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Note: No probability of withdrawal is applied to members eligible to retire.

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4. Mortality After Retirement

For healthy retirees and beneficiaries, the UP-94 Mortality Table rates is used, with the female rates set back one year. A separate table of mortality rates is used for disabled retirees. The following are sample rates:

<u>Age</u>	<u>Healthy</u>		<u>Disabled</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.28%	0.14%	3.06%	2.31%
55	0.48%	0.22%	3.86%	2.66%
60	0.86%	0.42%	4.82%	2.98%
65	1.56%	0.82%	5.42%	3.33%
70	2.55%	1.37%	5.91%	3.70%
75	4.00%	2.19%	6.74%	4.43%
80	6.67%	3.80%	9.02%	6.71%
85	10.46%	6.56%	13.45%	10.15%

5. Marriage Assumption

One hundred percent of all active members are assumed to be married, with female spouses being three years younger.

6. Asset Valuation Method

The actuarial value of assets is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected market investment return (including the return on TERI balances) and actual net investment income with the resulting value not being less than 80 percent or more than 120 percent of the market value of assets.

7. Cost Methods

a. Normal Retirement, Termination, Death and Disability Benefits

The contribution rate is set by statute for employees and for the employers. The funding period is determined, as described below, using the Entry Age Normal actuarial cost method.

The Entry Age Normal actuarial cost method assigns the plan's total unfunded liabilities (the actuarial present value of future benefits less the actuarial value of assets) to various periods. The unfunded actuarial liability is assigned to years prior to the valuation, and the normal cost is assigned to the year following the valuation. The remaining costs are the normal costs for future years. Then each year's contribution is composed of (i) that year's normal cost, plus (ii) a payment used to reduce the unfunded actuarial liability.

The normal cost is the level (as a percentage of pay) contribution required to fund the benefits for all current members. Part of the normal cost is paid from the employees' own contributions. The employers pay the balance from their contributions. The method used for this valuation sets the present value of future normal costs that are to be paid by the employees as 6.50 percent of their present value of future earnings.

The actuarial liability is the difference between the total present value of future benefits and the actuarial present value of future normal costs. The unfunded actuarial liability is the excess of the actuarial liability over the actuarial value of assets.

The balance of the employers' contributions – the remainder after paying their share of the normal cost – is used to reduce the unfunded actuarial liability. The calculation of the amortization period takes into account increases to contribution rates applicable to future years, payroll growth, and the results are rounded to the nearest year. Also, the calculation of the amortization period reflects additional contributions the System receives with respect to post July 1, 2005, TERI participants, ORP

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participants, and return-to-work retirees. These contributions are assumed to grow at the same payroll growth rate as for active SCRS employees.

It is assumed that amortization payments are made monthly at the end of the month.

b. Group Life Insurance Benefit

One-year term cost method.

8. Unused Annual Leave

To account for the effect of unused annual leave on Average Final Compensation, liabilities for active members are increased 2.14 percent.

9. Unused Sick Leave

To account for the effect of unused sick leave on members' final credited service, the service of active members who retire is increased three months.

10. Future Cost-of-Living Increases

Benefits are assumed to increase 1 percent annually beginning on the July 1st next following receipt of 12 monthly payments.

11. Administrative and Investment Expenses

The investment return assumption represents the expected return net of all administrative and investment expenses.

12. Payroll Growth Rate

4.00 percent per annum.

13. Recommended Changes from Prior Valuation

Recognize the expected return on the total of TERI account balances when calculating the amount of market value gains and losses to defer in the determination of the actuarial value of assets.

14. Adoption Date

The current actuarial assumptions and methods were adopted by the State Budget and Control Board on April 20, 2004. The rate of election for TERI and retirement rates were approved by the Board on May 16, 2006.

Actuarial Section

South Carolina Retirement System Development of Actuarial Value of Assets (Amounts expressed in thousands)

Item	Valuation as of July 1, 2007
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ 1,339,490
b. Current Year - 1	(435,359)
c. Current Year - 2	(14,499)
d. Current Year - 3	\$ 330,912
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ 1,071,592
b. Current Year - 1 (60% Deferral)	(261,215)
c. Current Year - 2 (40% Deferral)	(5,800)
d. Current Year - 3 (20% Deferral)	66,182
e. Total Deferred for Year	<u>\$ 870,759</u>
3. Market Value of Plan Assets, End of Year	\$ 24,412,197
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 23,541,438
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 19,529,758
b. 120% of Market Value of Assets, End of Year	\$ 29,294,636
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 23,541,438

Actuarial Section

Police Officers Retirement System Summary of Actuarial Assumptions and Methods

1. Investment Return to be Earned by Fund

7.25 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 4.25 percent real rate of return, net of investment and administrative expenses.

2. Salary Increases

Salary increases are assumed in accordance with the following representative rates:

<u>Years of Service</u>	<u>Annual Increase</u>	<u>Years of Service</u>	<u>Annual Increase</u>
0	11.50%	8	4.75%
1	6.75%	9	4.75%
2	5.75%	10	4.75%
3	5.50%	11	4.75%
4	5.25%	12	4.50%
5	5.00%	13	4.50%
6	4.75%	14	4.50%
7	4.75%	15+	4.50%

3. Decrement Rates

The following are representative values of the assumed annual rates of withdrawal, inservice mortality, disability, and service retirement.

a. Service Retirement, Mortality, and Disability:

<u>Age</u>	<u>Annual Rate of</u>		
	<u>Service Retirement*</u>	<u>Mortality</u>	<u>Disability</u>
20		0.03%	0.12%
25		0.03%	0.14%
30		0.04%	0.18%
35		0.07%	0.35%
40		0.10%	0.46%
45	20.00%	0.14%	0.69%
50	20.00%	0.19%	0.86%
55	14.00%	0.27%	
60	15.00%	0.44%	
64	25.00%	0.63%	

*Plus an additional 22 percent for participants under age 55 in year when first eligible for unreduced service retirement.

All employees are assumed to retire at age 65. In addition, 25 percent of disabilities are assumed to be duty-related, and 5 percent of pre-retirement deaths are assumed to be accidental (duty-related).

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b. Withdrawal:

Probability of Decrement Due to Withdrawal											
Years of Service											
Age	0	1	2	3	4	5	6	7	8	9	10+
25	0.2494	0.1816	0.1342	0.1047	0.0885	0.0780	0.0715	0.0640	0.0545	0.0524	0.0618
30	0.2478	0.1822	0.1376	0.1107	0.0959	0.0876	0.0810	0.0732	0.0633	0.0545	0.0481
35	0.2450	0.1795	0.1359	0.1104	0.0967	0.0899	0.0837	0.0763	0.0665	0.0539	0.0381
40	0.2398	0.1739	0.1304	0.1055	0.0927	0.0868	0.0814	0.0747	0.0653	0.0510	0.0305
45	0.2312	0.1649	0.1212	0.0964	0.0845	0.0783	0.0738	0.0681	0.0595	0.0458	0.0256
50	0.2193	0.1532	0.1090	0.0839	0.0730	0.0646	0.0610	0.0564	0.0490	0.0382	0.0236
55	0.2050	0.1393	0.0944	0.0684	0.0587						
60	0.1871	0.1228	0.0773	0.0503	0.0419						

Note: No probability of withdrawal is applied to members eligible to retire.

4. Mortality After Retirement

For healthy retirees and beneficiaries, the UP-94 Mortality Table rates is used, with female rates set back one year and male rates set forward three years. A separate table of mortality rates is used for disabled retirees. The following are sample rates for the retirees and beneficiaries:

Age	Healthy		Disabled
	Male	Female	All
50	0.39%	0.14%	2.30%
55	0.68%	0.22%	2.89%
60	1.23%	0.42%	3.62%
65	2.14%	0.82%	4.07%
70	3.35%	1.37%	4.43%
75	5.40%	2.19%	5.05%
80	8.87%	3.80%	6.77%
85	13.65%	6.56%	10.09%

5. Marriage Assumption

One hundred percent of all active members are assumed to be married, with female spouses being four years younger.

6. Asset Valuation Method

The actuarial value of assets is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual net income (both based on market value) with the resulting value not being less than 80 percent or more than 120 percent of the market value of assets.

7. Cost Methods

a. Normal Retirement, Termination, Death and Disability Benefits

Projected benefit method with level percentage entry age normal cost. Gains and losses are reflected in the period remaining to liquidate the unfunded actuarial liability. The resulting amortization period is based upon payments level as a percentage of payroll and the results are rounded to the nearest year. We completed a separate valuation of the accidental (duty-related) death benefit.

b. Group Life Insurance Benefit and Accidental Death Benefits

One-year term cost method.

Actuarial Section

8. Unused Annual Leave

To account for the effect of unused annual leave on Average Final Compensation, liabilities for active members are increased 3.75 percent.

9. Unused Sick Leave

To account for the effect of unused sick leave on members' final credited service, the service of active members who retire is increased three months.

10. Future Cost-of-Living Increases

None assumed.

11. Administrative and Investment Expenses

The investment return assumption represents the expected return net of all administrative and investment expenses.

12. Payroll Growth Rate

4.00 percent per annum.

13. Changes from Prior Valuation

None.

14. Adoption Date

The current actuarial assumptions and methods were adopted by the State Budget and Control Board on April 20, 2004.

Actuarial Section

Police Officers Retirement System Development of Actuarial Value of Assets (Amounts expressed in thousands)

Item	Valuation as of July 1, 2007
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ 156,569
b. Current Year - 1	(65,188)
c. Current Year - 2	(18,170)
d. Current Year - 3	\$ 31,828
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ 125,255
b. Current Year - 1 (60% Deferral)	(39,113)
c. Current Year - 2 (40% Deferral)	(7,268)
d. Current Year - 3 (20% Deferral)	6,366
e. Total Deferred for Year	<u>\$ 85,240</u>
3. Market Value of Plan Assets, End of Year	\$ 3,245,480
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 3,160,240
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 2,596,384
b. 120% of Market Value of Assets, End of Year	\$ 3,894,576
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 3,160,240

Actuarial Section

General Assembly Retirement System Summary of Actuarial Assumptions and Methods

1. Investment Return to be Earned by Fund

7.25 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 4.25 percent real rate of return, net of investment and administrative expenses.

2. Salary Increases

None assumed.

3. Decrement Rates

The following are representative values of the assumed annual rates of in-service mortality, disability, and service retirement. No withdrawals are assumed. All members who are not re-elected are assumed to continue paying the member rate as a special contributor.

a. Unreduced Service Retirement

<u>Age</u>	<u>Rates of Retirement</u>
60 & under	40%
61	7%
62	7%
63	7%
64	7%
65	15%
66	15%
67	15%
68	15%
69	15%
70 & older	100%

In addition, members with 30 years of service are assumed to commence benefit payments immediately even if they do not terminate employment.

b. In-service Mortality and Disability

<u>Age</u>	<u>Annual Rates of</u>			
	<u>Mortality</u>		<u>Disability</u>	
	<u>Employees</u>		<u>Employees</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
25	0.04%	0.01%	0.06%	0.05%
30	0.04%	0.02%	0.12%	0.07%
35	0.08%	0.03%	0.17%	0.15%
40	0.11%	0.05%	0.29%	0.19%
45	0.15%	0.07%	0.40%	0.27%
50	0.21%	0.11%	0.58%	0.46%
55	0.30%	0.16%	0.92%	0.74%
60	0.49%	0.26%	1.15%	1.12%
64	0.70%	0.35%	1.44%	1.56%

Actuarial Section

4. Mortality After Retirement

For healthy retirees and beneficiaries, the UP-94 Mortality Table rates, with the female rates set back one year. A separate table of mortality rates is used for disabled retirees. The following are sample rates:

Age	Healthy		Disabled	
	Male	Female	Male	Female
50	0.28%	0.14%	3.06%	2.31%
55	0.48%	0.22%	3.86%	2.66%
60	0.86%	0.42%	4.82%	2.98%
65	1.56%	0.82%	5.42%	3.33%
70	2.55%	1.37%	5.91%	3.70%
75	4.00%	2.19%	6.74%	4.43%
80	6.67%	3.80%	9.02%	6.71%
85	10.46%	6.56%	13.45%	10.15%

5. Marriage Assumption

One hundred percent of all active and special contributor members are assumed to be married, with female spouses being four years younger.

6. Asset Valuation Method

The actuarial value of assets is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual net income (both based on market value) with the resulting value not being less than 80 percent or more than 120 percent of the market value of assets.

7. Cost Method

Projected benefit method with level percentage entry age normal cost and a closed, level-dollar amortization of the unfunded actuarial accrued liability.

8. Future Cost-of-Living Increases

None assumed.

9. Payroll Growth Rate

None assumed.

10. Administrative and Investment Expenses

The investment return assumption represents the expected return net of all administrative and investment expenses.

11. Changes from Prior Valuation

None.

12. Adoption Date

The current actuarial assumptions and methods were adopted by the State Budget and Control Board on May 4, 2004.

Actuarial Section

General Assembly Retirement System Development of Actuarial Value of Assets (Amounts expressed in thousands)

Item	Valuation as of July 1, 2007
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ 2,715
b. Current Year - 1	(1,220)
c. Current Year - 2	(9)
d. Current Year - 3	\$ 927
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ 2,172
b. Current Year - 1 (60% Deferral)	(732)
c. Current Year - 2 (40% Deferral)	(4)
d. Current Year - 3 (20% Deferral)	185
e. Total Deferred for Year	\$ 1,621
3. Market Value of Plan Assets, End of Year	\$ 48,546
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 46,925
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 38,837
b. 120% of Market Value of Assets, End of Year	\$ 58,255
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 46,925

Actuarial Section

Judges and Solicitors Retirement System Summary of Actuarial Assumptions and Methods

1. **Investment Return to be Earned by Fund**

7.25 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 4.25 percent real rate of return, net of investment and administrative expenses.

2. **Salary Increases**

3.25 percent per annum, compounded annually.

3. **Disability and Pre-retirement Mortality Rates**

The following are representative values of the assumed annual rates of disability and pre-retirement death:

<u>Age</u>	<u>Annual Rates of</u>			
	<u>Mortality</u>		<u>Disability</u>	
	<u>Employees</u>		<u>Employees</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
25	0.06%	0.03%	0.04%	0.05%
30	0.07%	0.04%	0.06%	0.07%
35	0.07%	0.04%	0.08%	0.07%
40	0.10%	0.05%	0.15%	0.12%
45	0.18%	0.08%	0.25%	0.25%
50	0.30%	0.13%	0.40%	0.40%
55	0.46%	0.21%	0.65%	0.65%
60	0.65%	0.33%	1.00%	1.00%
65	0.99%	0.54%	1.25%	1.25%

No in-service withdrawals are assumed.

4. **Mortality After Retirement**

For healthy retirees and beneficiaries, the 1983 Group Annuity Mortality Table rates. A separate table of mortality rates is used for disabled retirees. The following are sample rates for the healthy retirees and beneficiaries:

<u>Age</u>	<u>Male</u>	<u>Female</u>
60	0.92%	0.42%
65	1.56%	0.71%
70	2.75%	1.24%
75	4.46%	2.40%
80	7.41%	4.29%
85	11.48%	6.99%

Actuarial Section

5. Normal Retirement Assumption

Rates differ based upon the member being eligible to Retire in Place (RIP) prior to reaching age 72. Upon meeting the retirement eligibility requirement, participants are assumed to retire at the following rates:

Normal Retirement Assumption

<u>Solicitors</u>				<u>Judges</u>			
Age	Service	% RIP Eligible	% Not RIP Eligible	Age	Service	% Retiring	% Not RIP Eligible
70 to 72	15 to 19	12	12	70 to 72	15 to 19	12	12
65 to 69	20 to 23	40	40	65 to 69	20 to 24	40	40
Any	24	20	40	Any	25	15	25
Any	25	15	25	Any	26	10	15
Any	26	10	12	Any	27	10	15
Any	27	10	12	Any	28	10	15
Any	28	10	12	Any	29	10	15
Any	29	5	12	Any	30	5	15
Any	30	5	12	Any	31	5	15
Any	31*	12*	35	Any	32*	12*	35
Any	32+	12	12	Any	33+	12	15

*Additionally, the remaining 88 percent of eligible members are assumed to Retire in Place. 100 percent of participants are assumed to retire upon reaching the mandatory retirement age of 72.

6. Marriage Assumption

Ninety-five percent of all active members are assumed to be married with female spouses being three years younger.

7. Asset Valuation Method

The actuarial value of assets is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual net income (both based on market value) with the resulting value not being less than 80 percent or more than 120 percent of the market value of assets.

8. Cost Methods

Projected benefit method with level percentage entry age normal cost. Gains and losses are reflected in the period remaining to liquidate the unfunded actuarial accrued liability. The calculation of the amortization period takes into account future increases to contribution rates applicable to future years, payroll growth and the results are rounded to the nearest year.

9. Future Cost-of-Living Increases

3.25 percent per annum.

10. Administrative and Investment Expenses

The investment return assumption represents the expected return net of all administrative and investment expenses.

11. Payroll Growth Rate

3.25 percent per annum.

12. Changes from Prior Valuation

The retirement assumption has been modified to reflect the expected behavior under the new retire in place provisions. It is now assumed that 100 percent of eligible members that have accrued the maximum benefit that do not elect to retire, elect to retire in place.

Actuarial Section

13. Adoption Date

The current actuarial assumptions, except for the retirement rate assumption, were adopted by the State Budget and Control Board on April 20, 2004. The retirement rates were approved by the Board on May 16, 2006.

Judges and Solicitors Retirement System Development of Actuarial Value of Assets (Amounts expressed in thousands)

Item	Valuation as of July 1, 2007
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ 7,052
b. Current Year - 1	(2,921)
c. Current Year - 2	(31)
d. Current Year - 3	1,619
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ 5,642
b. Current Year - 1 (60% Deferral)	(1,753)
c. Current Year - 2 (40% Deferral)	(12)
d. Current Year - 3 (20% Deferral)	324
e. Total Deferred for Year	\$ 4,201
3. Market Value of Plan Assets, End of Year	\$ 137,191
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 132,990
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 109,753
b. 120% of Market Value of Assets, End of Year	\$ 164,629
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 132,990

Actuarial Section

South Carolina Retirement System Schedule of Active Member Valuation Data* As of July 1, 2007

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-07	777	187,968	\$ 7,093,181	\$ 37,736	3.28%
7-01-06	763	184,282	6,733,379	36,538	4.06%
7-01-05	768	181,022	6,356,489	35,114	3.30%
7-01-04	763	181,827	6,180,599	33,992	1.06%
7-01-03	763	185,538	6,240,768	33,636	3.50%
7-01-02	746	189,166	6,147,712	32,499	3.42%
7-01-01	739	191,494	6,017,537	31,424	5.15%
7-01-00	729	196,825	5,881,847	29,884	5.49%
7-01-99	726	193,213	5,473,759	28,330	3.83%
7-01-98	720	190,259	5,191,048	27,284	2.78%

*Does not include Teacher and Employee Retention Incentive (TERI) participants.

Police Officers Retirement System Schedule of Active Member Valuation Data As of July 1, 2007

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-07	313	25,645	\$ 992,849	\$ 38,715	3.09%
7-01-06	314	24,813	931,815	37,554	5.05%
7-01-05	314	23,795	850,610	35,747	3.16%
7-01-04	314	23,734	822,448	34,653	3.35%
7-01-03	314	23,871	800,394	33,530	6.08%
7-01-02	302	23,963	757,393	31,607	3.59%
7-01-01	296	24,821	757,335	30,512	5.50%
7-01-00	297	24,782	716,749	28,922	4.82%
7-01-99	307	23,127	638,086	27,591	4.11%
7-01-98	301	22,883	606,426	26,501	2.83%

Actuarial Section

General Assembly Retirement System Schedule of Active Member Valuation Data* As of July 1, 2007

Valuation Date	Number of Employers	Number of Active Members*	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-07	2	170	\$ 3,854	\$ 22,671	0.00%
7-01-06	2	170	3,854	22,671	0.00%
7-01-05	2	170	3,853	22,668	0.38%
7-01-04	2	170	3,839	22,582	(0.13%)
7-01-03	2	170	3,844	22,612	0.17%
7-01-02	2	200	4,515	22,573	(0.91%)
7-01-01	2	209	4,761	22,781	(0.12%)
7-01-00	2	213	4,858	22,808	0.31%
7-01-99	2	219	4,979	22,737	(0.26%)
7-01-98	2	211	4,810	22,797	0.00%

*Beginning July 1, 2003, does not include special contributors.

Judges and Solicitors Retirement System Schedule of Active Member Valuation Data As of July 1, 2007

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-07	2	128	\$ 16,407	\$ 128,176	3.00%
7-01-06	2	128	15,929	124,445	3.00%
7-01-05	2	128	15,465	120,820	4.00%
7-01-04	2	128	14,870	116,172	3.00%
7-01-03	2	128	14,437	112,789	1.59%
7-01-02	2	128	14,211	111,026	0.73%
7-01-01	2	128	14,109	110,223	4.26%
7-01-00	2	125	13,214	105,715	4.49%
7-01-99	2	126	12,748	101,174	4.99%
7-01-98	2	120	11,564	96,363	3.05%

Actuarial Section

South Carolina Retirement System

The Number and Earnable Compensation of Active Members

As of July 1, 2007
(Dollar amounts expressed in thousands)

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
State Employees	53,971	\$ 2,235,667
Teachers	83,356	3,075,431
Other	50,641	1,782,083
Total	187,968	\$ 7,093,181

Note: In addition, there are 153,477 inactive members with contributions still in the system. 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, 2007
(Dollar amounts expressed in thousands)

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
25,645	\$ 992,849

Note: In addition, there are 11,038 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

Actuarial Section

General Assembly Retirement System
The Number and Earnable Compensation of Active Members
As of July 1, 2007
(Dollar amounts expressed in thousands)

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
170	\$ 3,854

Note: There are 56 inactive members with contributions still in the system, and there are 27 special contributors. The results of the valuation were adjusted to take these members into account. Numbers shown above do not include open seats or members receiving retirement benefits while continuing in office.

Judges and Solicitors Retirement System
The Number and Earnable Compensation of Active Members
As of July 1, 2007
(Dollar amounts expressed in thousands)

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
128	\$ 16,407

Note: There are seven inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account. Numbers above were not adjusted for open seats.

Actuarial Section

South Carolina Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries*

As of July 1, 2007
(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Employees:		
Men	19,365	\$ 436,658
Women	22,552	354,218
Total	41,917	790,876
Teachers:		
Men	7,922	193,264
Women	32,909	613,625
Total	40,831	806,889
Disability Retirements:		
Employees:		
Men	2,987	37,467
Women	3,588	41,025
Total	6,575	78,492
Teachers:		
Men	863	11,871
Women	3,509	43,859
Total	4,372	55,730
Beneficiaries:		
Men	1,996	14,679
Women	5,206	59,754
Total	7,202	74,433
Grand Total	100,897	\$ 1,806,420

*Includes Teacher and Employee Retention Incentive (TERI) participants.

Actuarial Section

Police Officers Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries

As of July 1, 2007

(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	6,776	\$ 132,876
Women	1,302	16,057
Total	8,078	148,933
Disability Retirements:		
Men	1,233	23,455
Women	369	5,056
Total	1,602	28,511
Beneficiaries:		
Men	35	308
Women	986	10,922
Total	1,021	11,230
Grand Total	10,701	\$ 188,674

General Assembly Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries

As of July 1, 2007

(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	230	\$ 4,414
Women	26	506
Total	256	4,920
Disability Retirements:		
Men	1	15
Women	0	0
Total	1	15
Beneficiaries:		
Men	0	0
Women	76	1,148
Total	76	1,148
Grand Total	333	\$ 6,083

Actuarial Section

Judges and Solicitors Retirement System The Number and Annual Retirement Allowances of Retired Members and Beneficiaries

As of July 1, 2007

(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	116	\$ 10,730
Women	3	300
Total	119	11,030
Disability Retirements:		
Men	1	92
Women	0	0
Total	1	92
Beneficiaries:		
Men	10	240
Women	45	1,349
Total	55	1,589
Grand Total	175	\$ 12,711

Actuarial Section

South Carolina Retirement System Schedule of Retirants Added to and Removed from Rolls* (Dollar amounts except average allowance expressed in thousands)

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-07	5,944	\$ 130,286	2,252	\$ 28,455	100,897	\$ 1,806,420	6.0%	\$ 17,904
7-01-06	4,621	118,271	2,083	24,099	97,205	1,704,589	5.8%	17,536
7-01-05	7,203	167,748	2,143	23,537	94,667	1,610,417	9.8%	17,011
7-01-04	7,319	151,477	2,132	22,656	89,607	1,466,206	9.6%	16,363
7-01-03	7,866	163,867	2,510	27,662	84,420	1,337,385	11.3%	15,842
7-01-02	7,344	140,077	2,334	24,531	79,064	1,201,180	10.6%	15,193
7-01-01	12,523	284,739	2,474	23,735	74,054	1,085,634	31.7%	14,660
7-01-00	4,772	93,459	1,830	17,139	64,005	824,630	10.2%	12,884
7-01-99	4,961	68,522	2,436	12,175	61,063	748,310	8.1%	12,255
7-01-98	4,580	61,751	2,169	13,592	58,538	691,963	7.5%	11,321

*Includes Teacher and Employee Retention Incentive (TERI) participants.

Police Officers Retirement System Schedule of Retirants Added to and Removed from Rolls (Dollar amounts except average allowance expressed in thousands)

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-07	772	\$ 16,474	205	\$ 2,745	10,701	\$ 188,674	7.8%	\$ 17,631
7-01-06	678	16,880	205	2,691	10,134	174,945	8.8%	17,263
7-01-05	778	12,576	173	2,147	9,661	160,756	9.8%	16,640
7-01-04	894	16,256	265	2,923	9,056	146,348	10.8%	16,114
7-01-03	947	18,614	226	2,733	8,427	133,015	13.6%	15,784
7-01-02	956	17,378	220	2,639	7,706	117,134	14.4%	15,200
7-01-01	989	17,235	341	3,986	6,970	102,395	14.9%	14,691
7-01-00	549	9,979	152	1,581	6,322	89,146	10.4%	14,101
7-01-99	606	8,490	238	1,731	5,925	80,748	9.1%	13,628
7-01-98	492	6,924	154	1,085	5,557	73,989	8.6%	13,315

Actuarial Section

General Assembly Retirement System Schedule of Retirants Added to and Removed from Rolls (Dollar amounts except average allowance expressed in thousands)

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-07	18	\$ 321	2	\$ 13	333	\$ 6,083	5.3%	\$ 18,267
7-01-06	13	238	8	179	317	5,775	1.0%	18,218
7-01-05	22	486	7	125	312	5,716	6.8%	18,321
7-01-04	12	185	9	119	297	5,353	1.2%	18,023
7-01-03	40	839	12	226	294	5,287	13.1%	17,983
7-01-02	24	453	9	160	266	4,674	6.7%	17,571
7-01-01	27	609	11	204	251	4,381	10.2%	17,454
7-01-00	8	118	7	110	235	3,976	0.2%	16,919
7-01-99	16	257	6	62	234	3,968	5.2%	16,957
7-01-98	9	125	6	159	224	3,773	(0.9%)	16,844

Judges and Solicitors Retirement System Schedule of Retirants Added to and Removed from Rolls (Dollar amounts except average allowance expressed in thousands)

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-07	32 ¹	\$ 2,690	1	\$ 30	175 ¹	\$ 12,711	26.5%	\$ 72,634
7-01-06	4	464	1	28	144	10,051	4.5%	69,799
7-01-05	3	581	1	27	141	9,615	6.1%	68,191
7-01-04	11	925	2	139	139	9,061	9.5%	65,190
7-01-03	11	716	7	493	130	8,275	2.8%	63,654
7-01-02	13	706	5	248	126	8,052	6.0%	63,905
7-01-01	9	685	6	442	118	7,594	3.3%	64,356
7-01-00	7	772	4	276	115	7,351	7.2%	63,926
7-01-99	9	598	3	209	112	6,855	6.0%	61,205
7-01-98	8	812	3	198	106	6,466	10.5%	60,996

¹Includes 16 participants who have retired in place.

Actuarial Section

Summary of Accrued and Unfunded Accrued Liabilities (Dollar amounts expressed in thousands)

	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
SCRS	7-01-07	\$ 23,541,438	\$ 33,766,678	69.7%	\$10,225,240	\$ 7,093,181	144.2%
	7-01-06	22,293,446	32,018,519	69.6%	9,725,073	6,733,379	144.4%
	7-01-05	21,625,510	30,217,471	71.6%	8,591,961	6,356,489	135.2%
	7-01-04	20,862,659	25,977,852	80.3%	5,115,193	6,180,599	82.8%
	7-01-03	20,197,936	24,398,931	82.8%	4,200,995	6,240,768	67.3%
	7-01-02	19,298,174	22,446,574	86.0%	3,148,400	6,147,712	51.2%
	7-01-01	18,486,773	21,162,147	87.4%	2,675,374	6,017,537	44.5%
	7-01-00	17,286,108	19,414,972	89.0%	2,128,864	5,881,847	36.2%
	7-01-99	16,120,513	16,298,438	98.9%	177,925	5,473,759	3.3%
	7-01-98	14,946,070	15,952,345	93.7%	1,006,275	5,191,048	19.4%
	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
PORS	7-01-07	\$ 3,160,240	\$ 3,730,544	84.7%	\$ 570,304	\$ 992,849	57.4%
	7-01-06	2,935,841	3,466,281	84.7%	530,440	931,815	56.9%
	7-01-05	2,774,606	3,173,930	87.4%	399,324	850,610	46.9%
	7-01-04	2,616,835	2,984,584	87.7%	367,749	822,448	44.7%
	7-01-03	2,511,369	2,744,849	91.5%	233,480	800,394	29.2%
	7-01-02	2,351,100	2,527,876	93.0%	176,776	757,393	23.3%
	7-01-01	2,197,982	2,324,257	94.6%	126,275	757,335	16.7%
	7-01-00	2,008,554	2,095,991	95.8%	87,437	716,749	12.2%
	7-01-99	1,844,517	1,898,237	97.2%	53,720	638,086	8.4%
	7-01-98	1,684,641	1,733,578	97.2%	48,937	606,426	8.1%

Note: Effective 7-1-1999, actuarial assumptions were changed as a result of a 5 year experience study.

Effective for the 7-1-2000 valuation, eligibility for an unreduced retirement annuity under SCRS was reduced from 30 years of service to 28 years. The SCRS also adopted a deferred retirement option plan.

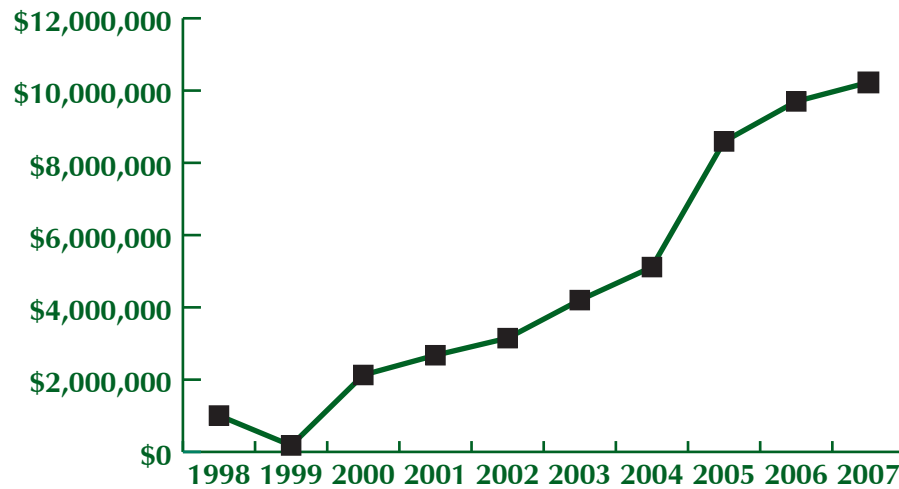
Effective 7-1-2003, actuarial assumptions were changed as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, disability incidence assumptions and withdrawal rate assumptions were revised for both SCRS and PORS. In addition, the assumed mortality rates for retired SCRS members were revised, along with the assumed mortality rates of active and disabled members for PORS.

Effective 7-1-2005, actuarial assumptions were changed to include an increase in member contributions to 6.25 percent of earnings for fiscal year 2006 and 6.50 percent beginning fiscal year 2007; all return-to-work retirees and those TERI participants who joined the system after 7-01-2005 contributing at the same rate as active employees; a reduction in the interest rate credited to accumulated employee contributions from 6 percent to 4 percent; and the addition of a guaranteed COLA equal to the change in CPI, but not to exceed 1 percent, for SCRS retirees beginning the July 1st following a full year of annuity payments.

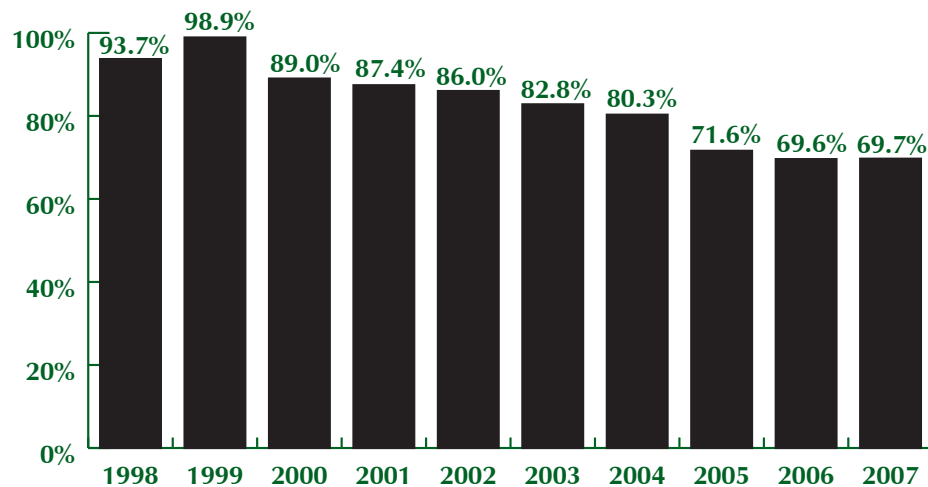
Actuarial Section

South Carolina Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



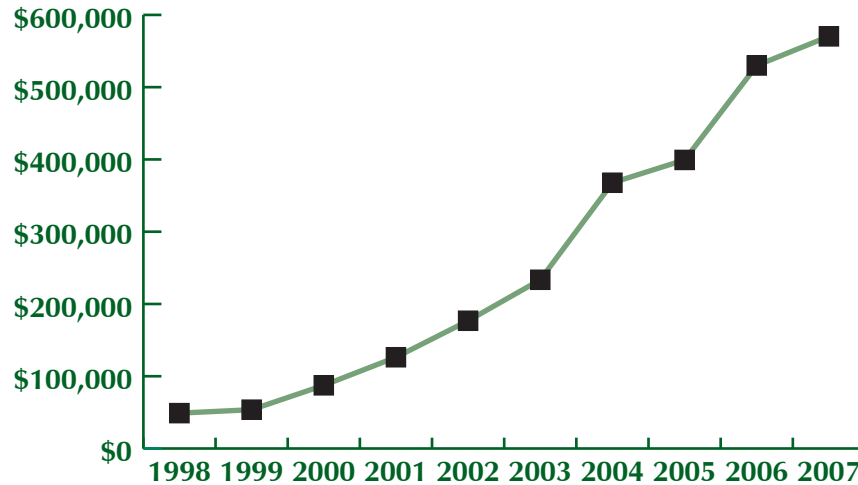
Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



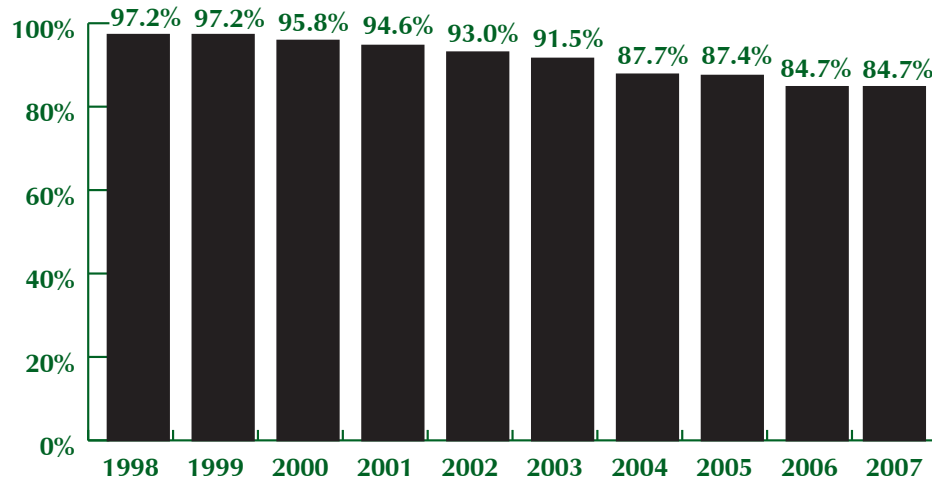
Actuarial Section

Police Officers Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



Actuarial Section

Summary of Accrued and Unfunded Accrued Liabilities (Dollar amounts expressed in thousands)

GARS	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
				Accrued Liabilities			
	7-01-07	\$ 46,925	\$ 71,014	66.1%	\$ 24,089	\$ 3,854	625.0%
	7-01-06	46,075	69,734	66.1%	23,659	3,854	613.9%
	7-01-05	46,316	69,161	67.0%	22,845	3,853	592.9%
	7-01-04	45,087	68,332	66.0%	23,245	3,839	605.5%
	7-01-03	44,682	66,619	67.1%	21,937	3,844	570.8%
	7-01-02	43,841	73,046	60.0%	29,205	4,515	646.9%
	7-01-01	42,788	68,291	62.7%	25,503	4,761	535.6%
	7-01-00	40,730	63,947	63.7%	23,217	4,858	477.9%
	7-01-99	38,685	63,501	60.9%	24,816	4,979	498.4%
	7-01-98	36,260	60,330	60.1%	24,070	4,810	500.4%

JSRS	Valuation Date	Valuation Assets	Actuarial Liability	Actuarial Assets as a % of Actuarial	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
				Accrued Liabilities			
	7-01-07	\$ 132,990	\$ 229,388	58.0%	\$ 96,398	\$ 16,407	587.5%
	7-01-06	124,837	211,384	59.1%	86,547	15,929	543.3%
	7-01-05	118,888	204,847	58.0%	85,959	15,465	555.8%
	7-01-04	112,016	185,052	60.5%	73,036	14,870	491.2%
	7-01-03	106,114	166,655	63.7%	60,541	14,437	419.3%
	7-01-02	100,074	166,440	60.1%	66,366	14,211	467.0%
	7-01-01	94,795	159,246	59.5%	64,451	14,109	456.8%
	7-01-00	87,536	144,631	60.5%	57,095	13,214	432.1%
	7-01-99	81,780	134,272	60.9%	52,492	12,748	411.8%
	7-01-98	75,699	124,756	60.7%	49,057	11,564	424.2%

Note: The 7-1-2002, GARS valuation reflected the change in legislation effective January 1, 2003, which allows a member who has attained the age of 70 or has 30 years of service to retire and draw an annuity while continuing to serve in the General Assembly.

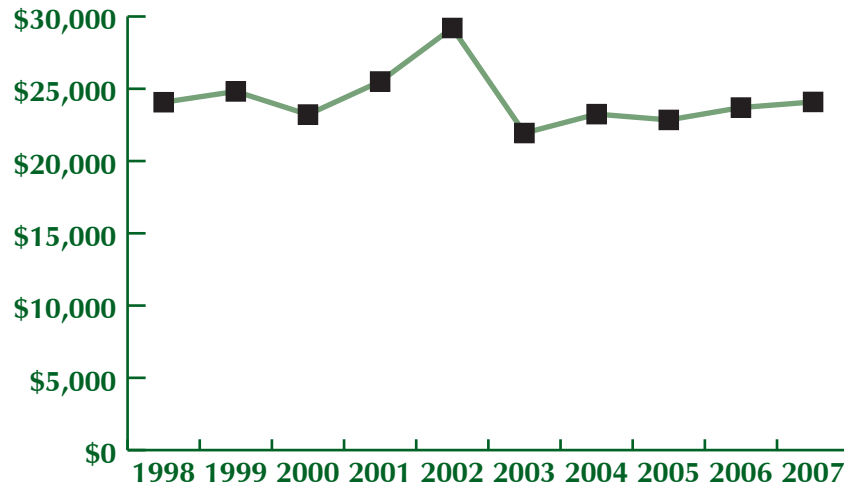
Effective 7-1-2003, actuarial assumptions for GARS and JSRS were changed as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, and disability incidence assumptions were revised.

Effective 7-1-2005, actuarial assumptions were changed to include updated normal retirement rates based on analysis of historical normal retirement experience.

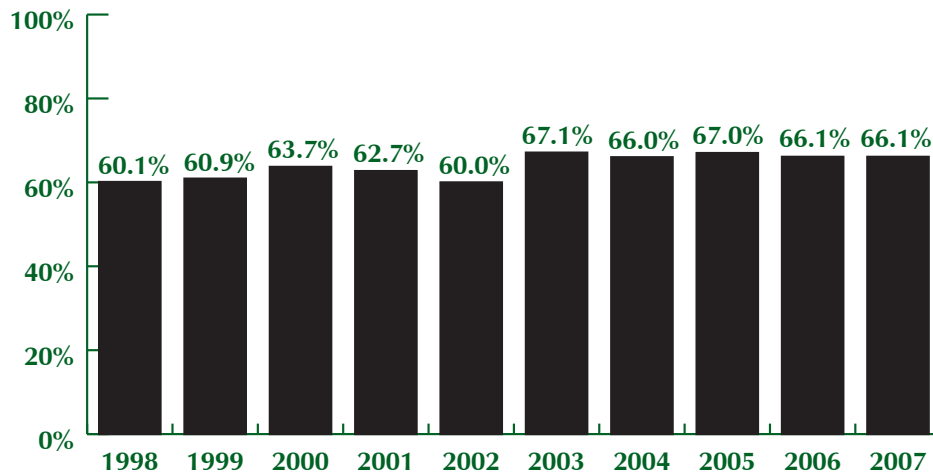
Actuarial Section

General Assembly Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



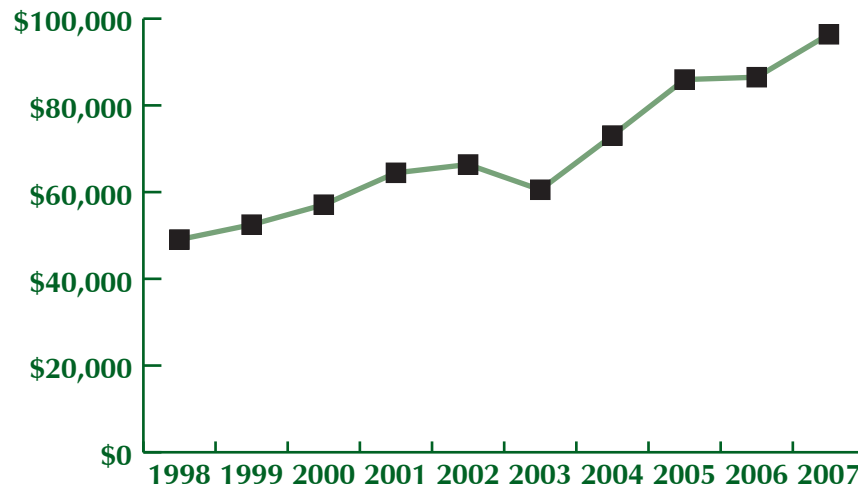
Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



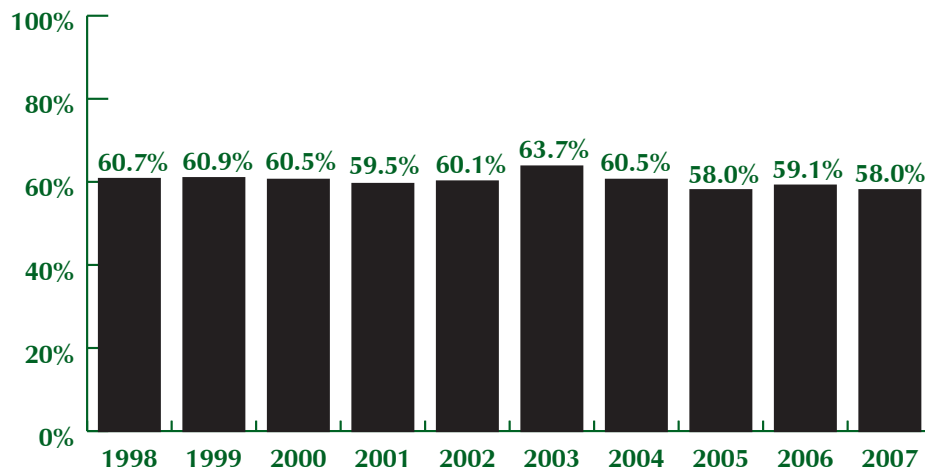
Actuarial Section

Judges and Solicitors Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



Actuarial Section

South Carolina Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2007 (Amounts expressed in millions)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 9,725
Interest on Unfunded Actuarial Liability	705
Amortization Payment	(415)
Asset Experience	(296)
Salary Experience	77
Other Liability Experience	210
COLA (ad hoc)	267
Benefit Changes	-
Assumption/Method Changes	(48)
Total Increase/(Decrease)	\$ 500
End of Year Unfunded Actuarial Liability	<u>\$ 10,225</u>

Police Officers Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2007 (Amounts expressed in millions)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 530.4
Interest on Unfunded Actuarial Liability	38.5
Amortization Payment	(42.6)
Asset Experience	(29.7)
Salary Experience	0.7
Other Liability Experience	30.1
COLA	42.9
Benefit Changes	-
Assumption/Method Changes	-
Total Increase/(Decrease)	\$ 39.9
End of Year Unfunded Actuarial Liability	<u>\$ 570.3</u>

Actuarial Section

General Assembly Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2007 (Amounts expressed in millions)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 23,659
Interest on Unfunded Actuarial Liability	1,715
Required Amortization Payment	(2,174)
Asset Experience	(669)
Salary Experience	-
Other Liability Experience	1,558
Benefit Changes	-
Assumption/Method Changes	-
Total Increase/(Decrease)	\$ 430
End of Year Unfunded Actuarial Liability	\$ 24,089

Judges and Solicitors Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2007 (Amounts expressed in millions)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 86.5
Interest on Unfunded Actuarial Liability	6.3
Amortization Payment	(4.5)
Asset Experience	(1.4)
Salary Experience	(0.2)
Other Liability Experience	2.3
COLA	(0.4)
Benefit Changes	3.8
Assumption/Method Changes	4.0
Total Increase/(Decrease)	\$ 9.9
End of Year Unfunded Actuarial Liability	\$ 96.4

Actuarial Section

Solvency Test (Dollar amounts expressed in thousands)

	Valuation Date	(1) Active Member Contributions	(2) Retirants & Beneficiaries	(3) Active Members (Employer Funded Portion)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
						(1)	(2)	(3)
SCRS	7-01-07	\$ 5,464,756	\$ 19,084,672	\$ 9,217,250	\$ 23,541,438	100%	94.7%	0.0%
	7-01-06	5,229,175	17,800,254	8,989,090	22,293,446	100%	95.9%	0.0%
	7-01-05	4,915,423	16,891,954	8,410,094	21,625,510	100%	98.9%	0.0%
	7-01-04	4,750,077	14,184,765	7,043,010	20,862,659	100%	100%	27.4%
	7-01-03	4,627,360	13,240,368	6,531,203	20,197,936	100%	100%	35.7%
	7-01-02	4,512,402	11,600,395	6,333,777	19,298,174	100%	100%	50.3%
	7-01-01	4,339,747	10,367,913	6,454,487	18,486,773	100%	100%	58.6%
	7-01-00	4,563,513	7,484,050	7,367,149	17,286,108	100%	100%	71.1%
	7-01-99	4,278,861	6,944,021	5,075,556	16,120,513	100%	100%	96.5%
	7-01-98	3,972,263	6,305,903	5,674,179	14,946,070	100%	100%	82.3%
PORS	7-01-07	\$ 658,023	\$ 1,818,914	\$ 1,253,607	\$ 3,160,240	100%	100%	54.5%
	7-01-06	622,008	1,668,449	1,175,824	2,935,841	100%	100%	54.9%
	7-01-05	585,701	1,530,199	1,058,030	2,774,606	100%	100%	62.0%
	7-01-04	548,699	1,415,627	1,020,258	2,616,835	100%	100%	64.0%
	7-01-03	516,313	1,265,173	963,363	2,511,369	100%	100%	75.8%
	7-01-02	492,178	1,136,998	898,700	2,351,100	100%	100%	80.3%
	7-01-01	464,217	977,769	882,271	2,197,982	100%	100%	85.7%
	7-01-00	427,449	844,631	823,911	2,008,554	100%	100%	89.4%
	7-01-99	389,456	783,042	725,739	1,844,517	100%	100%	92.6%
	7-01-98	352,424	702,155	678,999	1,684,641	100%	100%	92.8%

Note: Effective 7-1-1999, actuarial assumptions were changed as a result of a 5 year experience study.

Effective for the 7-1-2000 valuation, eligibility for an unreduced retirement annuity under SCRS was reduced from 30 years of service to 28 years. The SCRS also adopted a deferred retirement option plan.

Effective 7-1-2003, actuarial assumptions were changed as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, disability incidence assumptions and withdrawal rate assumptions were revised for both SCRS and PORS. In addition, the assumed mortality rates for retired SCRS members were revised, along with the assumed mortality rates of active and disabled members for PORS.

Effective 7-1-2005, actuarial assumptions were changed to include an increase in member contributions to 6.25 percent of earnings for fiscal year 2006 and 6.50 percent beginning fiscal year 2007; all return-to-work retirees and those TERI participants who joined the system after 7-01-2005 contributing at the same rate as active employees; a reduction in the interest rate credited to accumulated employee contributions from 6 percent to 4 percent; and the addition of a guaranteed COLA equal to the change in CPI, but not to exceed 1 percent, for SCRS retirees beginning the July 1st following a full year of annuity payments.

Actuarial Section

Solvency Test (Dollar amounts expressed in thousands)

	Valuation Date	(1) Active Member Contributions	(2) Retirants & Beneficiaries	(3) Active Members (Employer Funded Portion)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
						(1)	(2)	(3)
GARS	7-01-07	\$ 7,735	\$ 54,115	\$ 9,164	\$ 46,925	100%	72.4%	0.0%
	7-01-06	8,094	51,870	9,770	46,075	100%	73.2%	0.0%
	7-01-05	8,024	51,353	9,784	46,316	100%	74.6%	0.0%
	7-01-04	8,485	48,126	11,721	45,087	100%	76.1%	0.0%
	7-01-03	8,324	46,781	11,515	44,682	100%	77.7%	0.0%
	7-01-02	9,470	47,485	16,091	43,841	100%	72.4%	0.0%
	7-01-01	9,329	45,013	13,949	42,788	100%	74.3%	0.0%
	7-01-00	9,220	39,409	15,318	40,730	100%	80.0%	0.0%
	7-01-99	8,459	40,298	14,744	38,685	100%	75.0%	0.0%
	7-01-98	7,898	38,282	14,150	36,260	100%	74.1%	0.0%
JSRS	7-01-07	\$ 18,999	\$ 149,435	\$ 60,954	\$ 132,990	100%	76.3%	0.0%
	7-01-06	21,857	112,823	76,704	124,837	100%	91.3%	0.0%
	7-01-05	20,005	110,876	73,966	118,888	100%	89.2%	0.0%
	7-01-04	17,640	106,159	61,253	112,016	100%	88.9%	0.0%
	7-01-03	16,545	96,409	53,701	106,114	100%	92.9%	0.0%
	7-01-02	16,162	101,716	48,562	100,074	100%	82.5%	0.0%
	7-01-01	15,254	97,512	46,480	94,795	100%	81.6%	0.0%
	7-01-00	12,979	94,633	37,019	87,536	100%	78.8%	0.0%
	7-01-99	12,286	87,464	34,522	81,780	100%	79.5%	0.0%
	7-01-98	11,424	81,193	32,139	75,699	100%	79.2%	0.0%

Note: The 7-1-2002, GARS valuation reflected the change in legislation effective January 1, 2003, which allows a member who has attained the age of 70 or has 30 years of service to retire and draw an annuity while continuing to serve in the General Assembly.

Effective 7-1-2003, actuarial assumptions for GARS and JSRS were changed as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, and disability incidence assumptions were revised.

Effective 7-1-2005, actuarial assumptions were changed to include updated normal retirement rates based on analysis of historical normal retirement experience.



Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

February 14, 2008

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

Re: Certification and Statement Regarding the Actuarial Valuation of the South Carolina National Guard Retirement System as of July 1, 2007

Dear Members of the Board:

Applicable Laws

The law governing the operation of the South Carolina National Guard Retirement System provides that actuarial valuation of the assets and liabilities of the System shall be made at least every other year. We have prepared the annual actuarial valuation of the Retirement System as of July 1, 2007.

Funding Objective

A funding objective of the System is that the contributions will remain relatively level over time. As these contributions are set by the Board, the valuation is used to determine the sufficiency of the contributions to maintain or improve the measures of the System's funding progress (i.e. *funded ratio*, *funding period*) and provide for the complete funding of all actuarial liabilities over a period of approximately 26 years.

Funding Methodology

The entry age normal actuarial cost method determines the System's normal cost, the cost of the current year's benefit accrual. Additionally, the method determines the actuarial liability, the value of benefits already earned by active and retired members due to past service. A smoothing technique is utilized to produce a market-related actuarial value of assets with the goal of dampening the impact of investment return volatility. The *funded ratio* is the actuarial value of assets as a percentage of the actuarial liability.

An unfunded actuarial liability exists to the extent the System's actuarial liability exceeds its actuarial value of assets. The contribution amount in excess of the System's normal cost is the level dollar amount available to amortize an unfunded actuarial liability. The System's *funding period* is the resulting number of years necessary to fully amortize the unfunded actuarial liability with the available contributions.

Assumptions

Actuarial assumptions are necessary to estimate the future economic and demographic experience of the System. The actuarial assumptions used in the valuation are internally consistent and reasonably based on the actual experience of the System.

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State Budget and Control Board
South Carolina Retirement Systems
February 14, 2008
Page 2

The current actuarial assumptions are in accordance with the applicable Actuarial Standards of Practice, as well as the parameters set forth in the Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

The results and conclusions of this report are based on the valuation as of July 1, 2007. Differences between our projections and actual amounts depend on the extent to which future experience conforms exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Data Reliance

In preparing the valuations, we, as the actuary, relied on data provided by the System. In fulfillment of the scope of our assignment, we performed a limited review of the data for consistency and reasonableness and did not find material defects in the census data.

Supporting Schedules

Our firm, as actuary, is responsible for the actuarial trend data in the financial section of the report and the supporting schedules in the actuarial section, beginning with the information for the July 1, 2004 to June 30, 2005 period. Information for previous years was supplied by other actuarial firms employed by the System at that time.

Certification

Based on the results of the July 1, 2007 valuation, we believe that the valuation is appropriately reflecting the System's long term obligations and the current contribution levels are sufficient to fund the liabilities over a reasonable time frame, and based on these criteria may be deemed actuarially sound.

I, Edward A. Macdonald, President of Cavanaugh Macdonald Consulting, LLC, am a Member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. On the basis of the foregoing, I certify that, to the best of my knowledge this report is complete and accurate and has been prepared in accordance with South Carolina's statutes and generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'E. Macdonald'.

Edward A. Macdonald, ASA, FCA, MAAA
President

Actuarial Section

National Guard Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2007 (Amounts expressed in thousands)

	<u>July 1, 2007</u>
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	\$ 15,937
b. Present Value of Future Member Contributions	\$ -
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 4,985
ii) Accrued Liability Contributions	<u>39,980</u>
iii) Total Future Employer Contributions	\$ <u>44,965</u>
d. Total Assets	\$ <u><u>60,902</u></u>
2. <u>Liabilities</u>	
a. Benefits to be Paid to Retired Members and Beneficiaries	\$ 24,627
b. Benefits to be Paid to Former Members Entitled to Deferred Pensions	\$ 15,789
c. Benefits to be Paid to Current Active Members	\$ <u>20,486</u>
d. Total Liabilities	\$ <u><u>60,902</u></u>

Actuarial Section

National Guard Retirement System Results of the Valuation as of July 1, 2007 (Dollar amounts expressed in thousands)

		<u>July 1, 2007</u>
1. <u>Actuarial Present Value of Future Benefits</u>		
a. Present Retired Members and Beneficiaries	\$	24,627
b. Former Members Entitled to Deferred Pensions		15,789
b. Present Active Members		<u>20,486</u>
c. Total Actuarial Present Value	\$	60,902
 2. <u>Present Value of Future Normal Contributions</u>		
a. Employees	\$	-
b. Employer		<u>4,985</u>
c. Total Future Normal Contributions	\$	4,985
 3. <u>Actuarial Liability</u>	\$	55,917
 4. <u>Current Actuarial Value of Assets</u>	\$	15,937
 5. <u>Unfunded Actuarial Liability</u>	\$	39,980
 6. <u>Unfunded Actuarial Liability Annual Payment Amount</u>	\$	3,499
 7. <u>Unfunded Actuarial Liability Liquidation Period</u>		26 years

Actuarial Section

National Guard Retirement System Summary of Actuarial Assumptions and Methods

1. **Investment Return to be Earned by Fund**

7.25% per annum net of investment and administrative expenses, compounded annually.

2. **Separations from Active Service**

Representative values of the assumed annual rates of separation from active service are as follows:

Annual Rates of				
Retirement				
Age	Under Age 60 with 20 Years of Service	Age 60 with 20 Years of Service or 30 Years of Service	Death	Disability ¹
25			.0005	.0009
30			.0006	.0011
35			.0009	.0015
40	.100		.0012	.0022
45	.100		.0022	.0036
50	.100		.0039	.0061
55	.100	1.000	.0061	.0101
60		1.000	.0092	.0163

¹Applied only to members with less than 20 years of service.

No rates of withdrawals are assumed.

3. **Mortality After Retirement**

The 1983 Group Annuity Mortality Table rates for males is used.

4. **Marriage Assumption**

Not applicable because no death benefits are payable.

5. **Asset Valuation Method**

The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected value of assets, based on the assumed valuation rate of return. The amount recognized in addition to the expected return each year is 20 percent of the difference between the market value and expected actuarial value.

6. **Cost Methods**

Projected benefit method with entry age normal cost and open-end accrued liability. Gains and losses are reflected in the unfunded accrued liability.

7. **Administrative and Investment Expenses**

The investment return assumption represents the expected return net of all administrative and investment expenses.

Actuarial Section

8. Changes from Prior Valuation

There have been no changes since the prior valuation.

9. Adoption Date

Cavanaugh Macdonald Consulting, LLC, is the consulting actuary responsible for the actuarial trend data in the financial section of the report and the supporting schedules in the actuarial section. The exact adoption date for the current actuarial assumptions and methods is unknown. The discount rate and retirement rates were last changed for the 1996 valuation. The death, disability, and mortality rates were changed in 1990 by the prior actuary.

National Guard Retirement System **Development of Actuarial Value of Assets** *(Amounts expressed in thousands)*

Item	Valuation as of July 1, 2007
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ 947
b. Current Year - 1	(906)
c. Current Year - 2	(363)
d. Current Year - 3	(565)
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (80% Deferral)	\$ 758
b. Current Year - 1 (60% Deferral)	(544)
c. Current Year - 2 (40% Deferral)	(145)
d. Current Year - 3 (20% Deferral)	(113)
e. Total Deferred for Year	(44)
3. Market Value of Plan Assets, End of Year	\$ 15,893
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 15,937
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 12,714
b. 120% of Market Value of Assets, End of Year	\$ 19,072
6. Final Actuarial Value of Plan Assets, End of Year (Item 4., But Not Less Than Item 5.a., or Greater Than Item 5.b.)	\$ 15,937

Actuarial Section

National Guard Retirement System Schedule of Active Member Valuation Data As of July 1, 2007

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-07	1	11,076	N/A	N/A	N/A
7-01-06	1	2,502	N/A	N/A	N/A
6-30-05	1	2,864	N/A	N/A	N/A
6-30-04	1	3,425	N/A	N/A	N/A
6-30-02	1	4,010	N/A	N/A	N/A
6-30-00	1	5,289	N/A	N/A	N/A
6-30-98	1	9,604	N/A	N/A	N/A
6-30-96	1	11,198	N/A	N/A	N/A

National Guard Retirement System The Number and Annual Retirement Allowances of Retired Members As of July 1, 2007 *(Dollar amounts expressed in thousands)*

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	3,187	\$ 3,012
Women	17	16
Total	3,204	3,028
Disability Retirements:		
Men	N/A	N/A
Women	N/A	N/A
Total	N/A	N/A
Beneficiaries:		
Men	N/A	N/A
Women	N/A	N/A
Total	N/A	N/A
Grand Total	3,204	\$ 3,028

Actuarial Section

National Guard Retirement System Schedule of Retirants Added to and Removed from Rolls (Dollar amounts except average allowance expressed in thousands)

Year Ended	Added to Rolls*		Removed from Rolls*		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-07	362	\$ 329	61	\$ 58	3,204	\$ 3,028	9.8%	\$ 945
7-01-06	303	276	90	91	2,903	2,757	7.2%	950
6-30-05	244	214	89	81	2,690	2,572	5.5%	956
6-30-04	-	-	-	-	2,535	2,439	12.9%	962
6-30-02	-	-	-	-	2,213	2,160	10.9%	976
6-30-00	-	-	-	-	1,962	1,947	7.7%	992
6-30-98	-	-	-	-	1,801	1,808	13.6%	1,004
6-30-96	-	-	-	-	1,550	1,591	18.9%	1,026

*Sufficient data is not available to complete these columns for years ending before June 30, 2005.

Summary of Accrued and Unfunded Accrued Liabilities (Dollar amounts expressed in thousands)

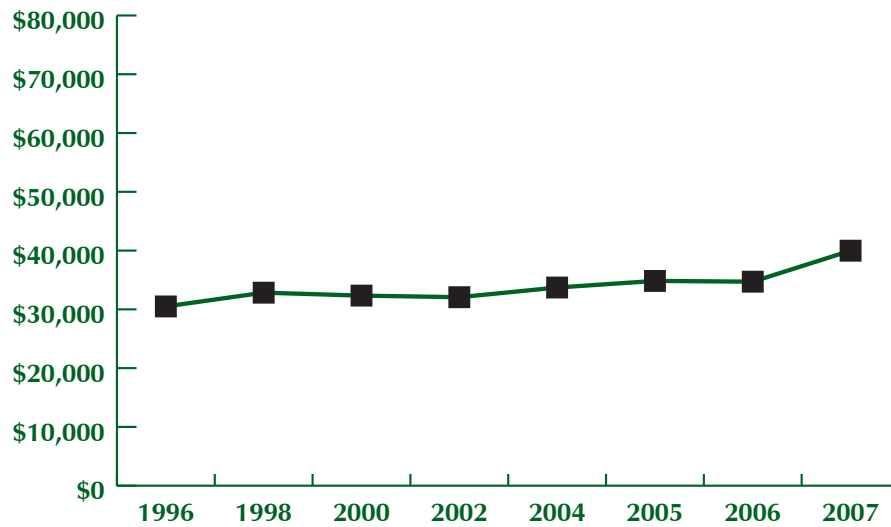
NGRS	Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Actuarial Assets as a % of Actuarial Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Active Member Payroll
	7-01-07	\$ 15,937	\$ 55,917	28.5%	\$ 39,980	N/A	N/A
	7-01-06	14,046	48,755	28.8%	34,709	N/A	N/A
	6-30-05	12,151	46,985	25.9%	34,835	N/A	N/A
	6-30-04	13,567	47,281	28.7%	33,714	N/A	N/A
	6-30-02	12,608	44,678	28.2%	32,069	N/A	N/A
	6-30-00*	11,089	43,427	25.5%	32,338	N/A	N/A
	6-30-98	8,640	41,478	20.8%	32,839	N/A	N/A
	6-30-96	6,259	36,756	17.0%	30,497	N/A	N/A

*As of April 30, 2000.

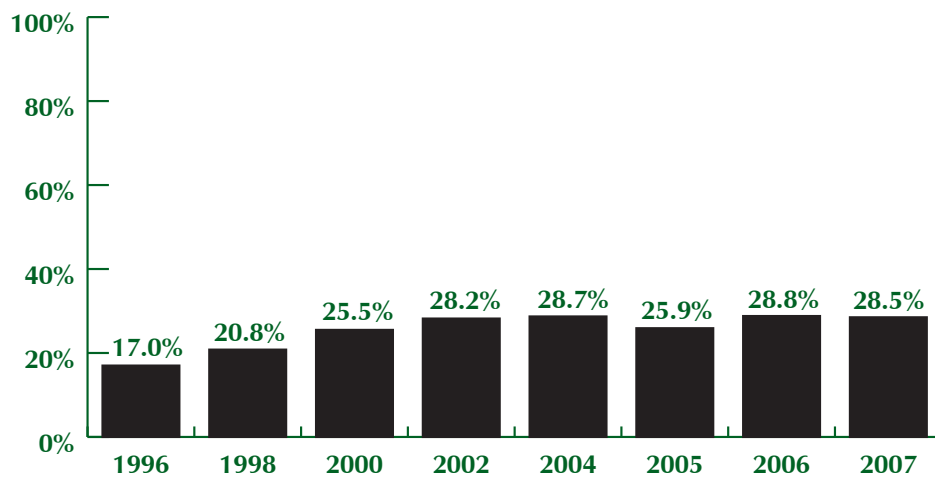
Actuarial Section

National Guard Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



Actuarial Section

National Guard Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2007 (Amounts expressed in thousands)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 34,709
Interest on Unfunded Actuarial Liability	2,516
Amortization Payment	(3,454)
Asset Experience	177
Salary Experience	-
Other Liability Experience	1,069
COLA	-
Benefit Changes	4,963
Assumption/Method Changes	-
Total Increase/(Decrease)	\$ 5,271
End of Year Unfunded Actuarial Liability	<u>\$ 39,980</u>

Solvency Test (Dollar amounts expressed in thousands)

		(1) Active Member Contributions	(2) Retirants	(3) Active Members (Employer Funded)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
	Valuation Date					(1)	(2)	(3)
NGRS	7-01-07	\$ -	\$ 24,627	\$ 31,290	\$ 15,937	N/A	64.7%	0.0%
	7-01-06	-	22,366	26,389	14,046	N/A	62.8%	0.0%
	6-30-05	-	20,804	26,181	12,151	N/A	58.4%	0.0%
	6-30-04	-	19,704	27,577	13,567	N/A	68.9%	0.0%
	6-30-02	-	17,597	27,081	12,608	N/A	71.6%	0.0%
	6-30-00	-	16,186	27,241	11,089	N/A	68.5%	0.0%
	6-30-98	-	14,651	26,827	8,640	N/A	59.0%	0.0%
	6-30-96	-	13,138	23,618	6,259	N/A	47.6%	0.0%

Actuarial Section

Summary of Basic Provisions

SCRS	PORS	GARS	JSRS	NGRS
1. Membership				
All permanent, full-time and part-time employees of covered employers must join unless specifically exempted by statute or are eligible and elect to participate in the State ORP.	To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner or deputy coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.	Generally, all persons are required to participate upon taking office as member of the General Assembly unless exempted by statute.	All solicitors, circuit public defenders, judges of a Circuit or Family Court, and justices of the Court of Appeals and Supreme Court are required to participate upon taking office unless exempted by statute.	Individuals serving in the South Carolina National Guard.
2. Employee Contributions				
Class I 5% of earnable compensation	Class I \$21 per month	10% of earnable compensation	10% of earnable compensation	Not applicable as this is a non-contributory plan
Class II 6.5% of earnable compensation	Class II 6.5% of earnable compensation			
3. Employer Contributions				
Class I 4.25% of earnable compensation	Class I 7.8% of earnable compensation	Annual lump-sum appropriation	44.64% of earnable compensation	Annual lump-sum appropriation
Class II 9.06% of earnable compensation	Class II 10.3% of earnable compensation			
Group Life Insurance 0.15% of earnable compensation	Group Life Insurance 0.2% of earnable compensation	Group Life Insurance Included within annual lump-sum appropriation	Group Life Insurance 0.45% of earnable compensation	Group Life Insurance Not applicable
Accidental Death Program Not applicable	Accidental Death Program 0.2% of earnable compensation	Accidental Death Program Not applicable	Accidental Death Program Not applicable	Accidental Death Program Not applicable

Actuarial Section

SCRS	PORS	GARS	JSRS	NGRS
4. Requirements for Service Annuity				
5 years earned service	5 years earned service	8 years service	10 years earned service in position of judge; 8 years earned service in position of solicitor or circuit public defender.	20 years total creditable military service, at least 15 of which must have been served in the South Carolina National Guard. Additionally, the last 10 years of service must have been served in the South Carolina National Guard.
The member is entitled to a deferred reduced annuity at age 60.	The member is entitled to a deferred annuity at age 55.	The member is entitled to a deferred annuity at age 60.	For members who joined prior to 7/1/2004, member is eligible for a deferred annuity at age 55 with 12 years in position. For members who joined after 6/30/2004, member is eligible for a deferred annuity at age 65.	
5. Normal Retirement Age				
Age 65	Age 55	Age 60	Varies depending on service	Age 60
6. Requirements for Full Service Retirement				
Age 65 or 28 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 60 provided the member was honorably discharged from active duty with at least 20 years of total creditable military service. Of that 20 years of service, 15 years, and the final 10 years, must have been served in the South Carolina National Guard.
The member must have a minimum of five years of earned service to qualify for retirement.	The member must have a minimum of five years of earned service to qualify for retirement.	Age 70 or 30 years of service while continuing to serve in the General Assembly	Age 65 with 20 years of service	
			25 years of service as judge regardless of age	
			24 years of service as solicitor or circuit public defender regardless of age	
			Age 65 with 4 years earned service as judge or solicitor and at least 25 years other service with the state if a member as of 6/30/2004.	
7. Early Retirement				
Age 60 with 5% reduction for each year of age under age 65	Age 55 with five years of service credit	Age 60 with 8 years of service credit	Age 55 with 10 years of service in the position of a judge or 8 years of service in the position of a solicitor or circuit public defender for members who joined the system prior to 7/1/2004. For members who joined after 6/30/2004, the age requirement is 65.	Not applicable
Age 55 with 25 years service, reduced 4% for each year of service under 28	The member must have a minimum of five years of earned service to qualify for early retirement.			
The member must have a minimum of five years of earned service to qualify for early retirement.				
8. Formula for Normal Service Retirement				
Class I 1.45% of Average Final Compensation times years of credited service	Class I \$10.97 per month for each year of service	4.82% of earnable compensation times years of credited service	Annual allowance of 71.3% of the current active salary of the member's position.	For 20 years of service, retirees receive a \$50 monthly benefit. For each year of service
Continued on Next Page	Continued on Next Page		Continued on Next Page	Continued on Next Page

Actuarial Section

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8. Formula for Normal Service Retirement (continued)

Class II

1.82% of Average Final Compensation times years of credited service

Class II

2.14% of Average Final Compensation times years of credited service

Benefit formula increases by 2.67% for each year of active service over 25 years for judges or over 24 years for solicitors or circuit public defenders. The monthly retirement allowance may not exceed 90% of the current active salary for the member's position. Upon retirement, a member will receive an additional benefit equal to employee contributions and accumulated interest remitted after reaching the maximum 90% benefit.

beyond the 20 years, up to 30 years of service, the retiree receives an additional \$5. The maximum monthly benefit a retiree can receive is \$100.

9. Requirements for Disability Retirement

5 years of earned service unless injury is job related

5 years of earned service unless injury is job related

5 years of credited service

5 years of credited service

Not applicable

10. Formula for Disability Retirement

The disability retirement benefit based on a projection of service credit to age 65 with an actuarial reduction.

The disability retirement benefit is based on a projection of service credit to age 55.

The disability retirement benefit is based on the greater of the following options:

- Service benefit based upon actual credited service or
- 50% of service benefit based on projection of service to earlier of age 60 or 35 years service.

The disability retirement benefit is based on the service retirement formula.

Not applicable

11. Benefit Options

Option A

(Maximum/Retiree Only)
Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.

Option A

(Maximum/Retiree Only)
Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.

Maximum Benefit (Retiree Only)

Formula benefit as calculated in item 8. Non-recovered contributions paid upon death.

Maximum Benefit (Retiree/One-Third Spouse)

Formula as calculated in item 8. Continued annuity of one-third of member's benefit to a spouse beneficiary upon death of retiree or return of contributions to a designated non-spouse beneficiary.

Formula benefit as calculated in item 8.

Option B

(100% - 100% Joint Retiree/Survivor)
Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary. This option is subject to non-spousal beneficiary limitations based on state statute and an Internal Revenue Code formula.

Option B

(100% - 100% Joint Retiree/Survivor)
Provides a reduced (from Option A) lifetime benefit that upon retiree's death continues to retiree's beneficiary. This option is subject to non-spousal beneficiary limitations based on state statute and an Internal Revenue Code formula.

Option 1

Provides a reduced (from the Maximum Benefit) lifetime benefit that upon retiree's death continues to retiree's beneficiary. Benefit will not revert to Maximum if all of the retiree's beneficiaries predecease the retiree.

Option 2

Provides a reduced (from the Maximum Benefit) lifetime benefit that

Optional Allowance

Provides a reduced (from the Maximum Benefit) lifetime annuity that upon the retiree's death will continue at one-third of the retiree's annuity to a non-spouse beneficiary (or in equal shares to multiple beneficiaries).

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SCRS	PORS	GARS	JSRS	NGRS
11. Benefit Options (continued)				
Option C (100% - 50% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity. Note: If a retiree selects Option B or Option C and all of the retiree's beneficiaries predecease the retiree, the retiree's benefit will revert to Option A.	Option C (100% - 50% Joint Retiree/Survivor) Provides a reduced (from Option A) lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity. Note: If a retiree selects Option B or Option C and all of the retiree's beneficiaries predecease the retiree, the retiree's benefit will revert to Option A.	upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity. Benefit will not revert to Maximum if all of the retiree's beneficiaries predecease the retiree. Revert to Maximum (1A or 2A) This feature will allow benefits to be changed to the Maximum Benefit if the retiree selects Option 1 or Option 2 and all of the retiree's beneficiaries predecease the retiree.		
12. Deferred Retirement Option Programs				
Upon meeting retirement eligibility, a member can elect to retire and continue working under the Teacher and Employee Retention Incentive (TERI) program for a maximum of five years, after which employment will cease. During TERI participation, the retirement annuity will not be paid to TERI retirees, but monthly benefits will be accumulated in TERI accounts and will be distributed to the members upon termination of employment. For members retiring after June 30, 2005, a payment for unused annual leave is not included in calculating TERI benefits. Upon termination, however, benefits will be increased prospectively to include payment for up to 45 days annual leave paid at termination of employment. No interest is credited to the TERI account. TERI participants who entered the program after June 30, 2005, must continue to contribute at the same rate as active members. Those who entered prior to July 1, 2005, make no employee contributions while participating in	Not applicable	Not applicable	A JSRS member who has not reached age 60, but is eligible to retire and receive the 90 percent maximum JSRS annuity may retire and continue to serve as a judge, solicitor, or circuit public defender. However, the monthly annuity will be deferred, without interest, until the member reaches age 60. Payout of the deferred annuity will be made when the retired JSRS member reaches the normal retirement age of 60. Employee and employer contributions must continue to be paid while a member is participating in the JSRS deferred retirement program, but no additional service is earned.	Not applicable

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12. Deferred Retirement Option Programs (continued)

the TERI program. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits.

13. Return to Work Provisions

A retired member of the system who has been retired for at least 15 consecutive calendar days may be hired and return to covered employment without affecting his monthly retirement benefit. The employer and working retiree must remit employer and employee contributions at the same rate as if the member were an active contributing member. Working retirees are not eligible for subsequent disability retirement, will not earn additional service credit, and will have no additional interest credited to their account.

A retired member of the system who has been retired for at least 15 consecutive calendar days may be hired and return to covered employment without affecting his monthly retirement benefit. The employer and working retiree must remit employer and employee contributions at the same rate as if the member were an active contributing member. Working retirees are not eligible for subsequent disability retirement, will not earn additional service credit, and will have no additional interest credited to their account.

An active GARS member who has reached age 70 or has 30 years of service credit may retire and begin receiving a GARS retirement annuity while continuing to serve in office. The retired GARS member will receive a retirement annuity in lieu of a per diem salary and additional line item pay for certain positions. Generally, a retired member of GARS may return to work after retirement with no limit on the dollar amount that may be earned as compensation; however, certain conditions and restrictions may apply to employers covered by SCRS, PORS, GARS and JSRS.

A member who is age 60 and eligible to receive the maximum monthly benefit, may retire and receive a retirement benefit while continuing to serve as a judge, solicitor, or circuit public defender until the end of the calendar year in which the member reaches age 72. Employee and employer contributions must continue to be paid as if the retiree was an active contributing member, but no additional service credit accrues and no additional interest is credited to their retirement account. Additionally, a retired judge may continue to receive a retirement benefit while employed by a public institution of education, provided the judge does not contribute to or receive service credit in SCRS.

Not applicable

14. Post Retirement Increase

Guaranteed increase of up to 1 percent provided that increase in Consumer Price Index as of prior December 31 is at least 1 percent. Increases in excess of 1 percent, up to a total of 4%, may be approved if the CPI increase exceeded 1 percent and if the unfunded liability amortization period for SCRS does not exceed 30 years.

Increase in Consumer Price Index, up to 4%. (Increases are not guaranteed and must be approved annually subject to compliance with statute.)

Retired member receives benefit based on current salary for member's position.

Retired member receives benefit based on current salary for member's position.

Cost-of-living increases are not provided.

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15. Accidental Death Program

Not applicable

Provides 50% of earnable compensation at time of accidental death in the line of duty as an annuity to either the surviving spouse, children, or parents.

Not applicable

Not applicable

Not applicable

16. Group Life Insurance Benefits

- Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active or working retired contributing member with at least one year of service.
- No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.
- Lump-sum payment to retiree's beneficiary of up to \$6,000 based upon years of service at retirement. TERI participants and working retired contributing members are eligible for an increased group life insurance benefit payment equal to their annual salary in lieu of the standard retired member benefit.

- Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.
- No service requirements for death resulting from an injury arising out of the actual performance of duties for an active member.
- Lump-sum payment to retiree's beneficiary of up to \$6,000 based upon year of service at retirement. Retired contributing members are eligible for an increased group life insurance benefit payment equal to their annual salary in lieu of the standard retired member benefit.

- Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.
- No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.
- Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.

- Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.
- No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.
- Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.

Not applicable

17. Withdrawal of Employee Contributions

Accumulated contributions, plus interest, payable upon request 90 days after termination of all covered employment.

Accumulated contributions, plus interest, payable upon request 90 days after termination of all covered employment.

Accumulated contributions, plus interest, paid as promptly as feasible upon request after termination of all covered employment.

Accumulated contributions, plus interest, paid as promptly as feasible upon request after termination of all covered employment.

Not applicable as this is a non-contributory plan

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Statistical Section

In comparison to the more than \$2 billion in benefits disbursed by the Retirement Systems, South Carolinians derived \$1.583 billion in personal income in 2007 from motor vehicles and parts dealers.

This category includes those businesses that typically operate from a showroom and/or an open lot where the vehicles are on display. The display of vehicles and the related parts require little by way of display equipment. The personnel generally include both the sales and sales support staff familiar with the requirements for registering and financing a vehicle as well as a staff of parts experts and mechanics trained to provide repair and maintenance services for the vehicles.

*Based on Bureau of Economic Analysis data for 2007.

Statistical Section

Employee Contribution Rates¹ Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS	PORS	GARS	JSRS
2008	6.50%	6.50%	10.00%	10.00%
2007	6.50%	6.50%	10.00%	10.00%
2006	6.25%	6.50%	10.00%	9.00%
2005	6.00%	6.50%	10.00%	8.00%
2004	6.00%	6.50%	10.00%	7.00%
2003	6.00%	6.50%	10.00%	7.00%
2002	6.00%	6.50%	10.00%	7.00%
2001	6.00%	6.50%	10.00%	7.00%
2000	6.00%	6.50%	10.00%	7.00%
1999	6.00%	6.50%	10.00%	7.00%

¹The National Guard Retirement System is a non-contributory plan; therefore, employee contribution rates are not applicable.

Employer Contribution Rates¹ Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS Class II ²			PORS Class II ²			JSRS	
	State Dept & Public Schools	Local Government	Group Life	All Employers	Group Life	Accidental Death	All Employers	Group Life
2008	9.06%	9.06%	0.15%	10.30%	0.20%	0.20%	44.64%	0.45%
2007	8.05%	8.05%	0.15%	10.30%	0.20%	0.20%	41.65%	0.45%
2006	7.55%	7.55%	0.15%	10.30%	0.20%	0.20%	41.65%	0.45%
2005	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	41.65%	0.45%
2004	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	41.35%	0.75%
2003	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.91%	0.75%
2002	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.76%	0.75%
2001	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.76%	0.75%
2000	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.76%	0.75%
1999	7.55%	6.70%	0.15%	10.30%	0.20%	0.20%	40.76%	0.75%

¹Employer contributions for the General Assembly Retirement System (GARS) are paid as an annual lump-sum appropriation, in which group life contributions are included. Employer contributions for the National Guard Retirement System (NGRS) are paid through an annual State appropriation.

²For employers with retiree insurance coverage, an additional retiree health insurance surcharge is collected and remitted by the Retirement Systems to the Employee Insurance Program; however, these rates are not considered employer retirement contributions and therefore are not included in this schedule.

Statistical Section

South Carolina Retirement Systems 10 Year Summary of Plan Net Assets As of June 30, (Amounts expressed in thousands)

	2008	2007	2006	2005	2004
Assets					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 2,835,196	\$ 6,855,459	\$ 2,078,394	\$ 3,137,913	\$ 3,087,343
Total investments, at fair value	24,697,700	22,188,448	24,114,946	22,652,248	21,427,345
Securities lending cash collateral invested	3,796,183	5,085,506	4,372,175	4,110,377	3,698,749
Property, net of accumulated depreciation	3,459	3,577	3,696	3,814	3,933
Total Assets	<u>31,332,538</u>	<u>34,132,990</u>	<u>30,569,211</u>	<u>29,904,352</u>	<u>28,217,370</u>
Liabilities					
Deferred retirement benefits	552,260	641,750	670,527	884,776	649,385
Obligations under securities lending	3,796,183	5,085,506	4,372,175	4,110,377	3,698,749
Other liabilities	351,050	356,954	144,561	100,752	86,497
Total Liabilities	<u>4,699,493</u>	<u>6,084,210</u>	<u>5,187,263</u>	<u>5,095,905</u>	<u>4,434,631</u>
Total Net Assets	<u>\$ 26,633,045</u>	<u>\$ 28,048,780</u>	<u>\$ 25,381,948</u>	<u>\$ 24,808,447</u>	<u>\$ 23,782,739</u>

	2003	2002	2001	2000	1999
Assets					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 3,173,518	\$ 3,027,811	\$ 2,986,937	\$ 2,999,073	\$ 1,236,948
Total investments, at fair value	19,694,444	18,219,578	18,232,312	16,706,486	17,599,130
Securities lending cash collateral invested	3,912,893	3,174,643	1,691,977	1,413,893	1,438,860
Property, net of accumulated depreciation	4,052	4,171	4,289	4,408	4,527
Total Assets	<u>26,784,907</u>	<u>24,426,203</u>	<u>22,915,515</u>	<u>21,123,860</u>	<u>20,279,465</u>
Liabilities					
Deferred retirement benefits	424,906	229,590	54,644	-	-
Obligations under securities lending	3,912,893	3,174,643	1,691,977	1,413,893	1,438,860
Other liabilities	67,738	70,414	106,193	50,789	58,096
Total Liabilities	<u>4,405,537</u>	<u>3,474,647</u>	<u>1,852,814</u>	<u>1,464,682</u>	<u>1,496,956</u>
Total Net Assets	<u>\$ 22,379,370</u>	<u>\$ 20,951,556</u>	<u>\$ 21,062,701</u>	<u>\$ 19,659,178</u>	<u>\$ 18,782,509</u>

Statistical Section

South Carolina Retirement System 10 Year Schedule of Changes in Net Assets Year Ended June 30, (Amounts expressed in thousands)

	2008	2007	2006	2005	2004
Additions					
Employee contributions	\$ 540,872	\$ 505,122	\$ 498,458	\$ 433,254	\$ 414,967
Employer contributions	774,269	644,350	577,468	538,809	515,996
Investment income (loss)	(641,196)	2,999,209	1,134,639	1,496,887	1,759,686
Other income	1,321	1,532	1,741	1,982	2,328
Total Additions	<u>675,266</u>	<u>4,150,213</u>	<u>2,212,306</u>	<u>2,470,932</u>	<u>2,692,977</u>
Deductions					
Annuities	1,853,892	1,747,192	1,639,238	1,514,219	1,405,958
Refunds	79,027	77,212	108,569	67,434	66,505
Group Life	17,617	15,948	14,875	13,710	13,515
Administrative & other expenses	20,752	18,254	18,545	16,485	16,425
Total Deductions	<u>1,971,288</u>	<u>1,858,606</u>	<u>1,781,227</u>	<u>1,611,848</u>	<u>1,502,403</u>
Increase (Decrease) in Net Assets	<u>(1,296,022)</u>	<u>2,291,607</u>	<u>431,079</u>	<u>859,084</u>	<u>1,190,574</u>
Beginning Net Assets	24,543,169	22,251,562	21,820,483	20,961,399	19,770,825
Ending Net Assets	<u>\$ 23,247,147</u>	<u>\$ 24,543,169</u>	<u>\$ 22,251,562</u>	<u>\$ 21,820,483</u>	<u>\$ 20,961,399</u>

	2003	2002	2001	2000	1999
Additions					
Employee contributions	\$ 408,359	\$ 413,905	\$ 435,075	\$ 379,491	\$ 353,119
Employer contributions	512,345	509,044	491,329	455,914	419,918
Investment income (loss)	1,662,781	170,284	1,293,997	792,282	393,856
Other income	2,688	3,141	3,518	3,873	4,356
Total Additions	<u>2,586,173</u>	<u>1,096,374</u>	<u>2,223,919</u>	<u>1,631,560</u>	<u>1,171,249</u>
Deductions					
Annuities	1,266,348	1,153,538	924,240	783,170	720,234
Refunds	60,133	63,936	68,894	72,452	84,536
Group Life	14,759	13,492	12,850	10,026	7,873
Administrative & other expenses	14,447	14,910	15,374	15,175	13,659
Total Deductions	<u>1,355,687</u>	<u>1,245,876</u>	<u>1,021,358</u>	<u>880,823</u>	<u>826,302</u>
Increase (Decrease) in Net Assets	<u>1,230,486</u>	<u>(149,502)</u>	<u>1,202,561</u>	<u>750,737</u>	<u>344,947</u>
Beginning Net Assets	18,540,339	18,689,841	17,487,280	16,736,543	16,391,596
Ending Net Assets	<u>\$ 19,770,825</u>	<u>\$ 18,540,339</u>	<u>\$ 18,689,841</u>	<u>\$ 17,487,280</u>	<u>\$ 16,736,543</u>

Statistical Section

Police Officers Retirement System 10 Year Schedule of Changes in Net Assets Year Ended June 30, (Amounts expressed in thousands)

	2008	2007	2006	2005	2004
Additions					
Employee contributions	\$ 76,907	\$ 71,676	\$ 69,254	\$ 60,110	\$ 58,202
Employer contributions	114,862	107,332	101,447	91,291	88,867
Investment income (loss)	(85,415)	374,623	139,785	175,849	212,201
Other income	52	55	60	64	72
Total Additions	<u>106,406</u>	<u>553,686</u>	<u>310,546</u>	<u>327,314</u>	<u>359,342</u>
Deductions					
Annuities	195,989	181,388	167,077	152,588	141,461
Refunds	13,754	12,543	13,248	13,441	11,918
Group Life	2,068	1,919	1,821	1,468	1,555
Administrative & other expenses	2,505	2,179	1,968	1,823	1,732
Total Deductions	<u>214,316</u>	<u>198,029</u>	<u>184,114</u>	<u>169,320</u>	<u>156,666</u>
Increase (Decrease) in Net Assets	<u>(107,910)</u>	<u>355,657</u>	<u>126,432</u>	<u>157,994</u>	<u>202,676</u>
Beginning Net Assets	3,303,981	2,948,324	2,821,892	2,663,898	2,461,222
Ending Net Assets	<u>\$ 3,196,071</u>	<u>\$ 3,303,981</u>	<u>\$ 2,948,324</u>	<u>\$ 2,821,892</u>	<u>\$ 2,663,898</u>

	2003	2002	2001	2000	1999
Additions					
Employee contributions	\$ 56,581	\$ 57,778	\$ 56,952	\$ 50,438	\$ 46,211
Employer contributions	87,084	89,366	94,312	76,267	70,197
Investment income (loss)	184,177	18,670	149,574	93,425	53,304
Other income	82	92	104	113	124
Total Additions	<u>327,924</u>	<u>165,906</u>	<u>300,942</u>	<u>220,243</u>	<u>169,836</u>
Deductions					
Annuities	125,671	112,166	95,340	85,235	78,477
Refunds	11,452	11,214	11,498	10,643	10,940
Group Life	1,594	1,608	1,399	1,404	644
Administrative & other expenses	1,572	1,520	1,551	1,525	1,332
Total Deductions	<u>140,289</u>	<u>126,508</u>	<u>109,788</u>	<u>98,807</u>	<u>91,393</u>
Increase (Decrease) in Net Assets	<u>187,635</u>	<u>39,398</u>	<u>191,154</u>	<u>121,436</u>	<u>78,443</u>
Beginning Net Assets	2,273,587	2,234,189	2,043,035	1,921,599	1,843,156
Ending Net Assets	<u>\$ 2,461,222</u>	<u>\$ 2,273,587</u>	<u>\$ 2,234,189</u>	<u>\$ 2,043,035</u>	<u>\$ 1,921,599</u>

Statistical Section

General Assembly Retirement System 10 Year Schedule of Changes in Net Assets Year Ended June 30, (Amounts expressed in thousands)

	2008	2007	2006	2005	2004
Additions					
Employee contributions	\$ 733	\$ 603	\$ 584	\$ 935	\$ 513
Employer contributions	2,440	2,358	2,171	2,890	2,731
Investment income (loss)	(1,136)	5,950	2,086	3,238	4,031
Other income					
Total Additions	<u>2,037</u>	<u>8,911</u>	<u>4,841</u>	<u>7,063</u>	<u>7,275</u>
Deductions					
Annuities	6,181	5,935	5,726	5,560	5,347
Refunds	102	70		31	
Group Life	28	5	17	16	8
Administrative & other expenses	64	34	98	33	162
Total Deductions	<u>6,375</u>	<u>6,044</u>	<u>5,841</u>	<u>5,640</u>	<u>5,517</u>
Increase (Decrease) in Net Assets	<u>(4,338)</u>	<u>2,867</u>	<u>(1,000)</u>	<u>1,423</u>	<u>1,758</u>
Beginning Net Assets	48,546	45,679	46,679	45,256	43,498
Ending Net Assets	<u>\$ 44,208</u>	<u>\$ 48,546</u>	<u>\$ 45,679</u>	<u>\$ 46,679</u>	<u>\$ 45,256</u>

	2003	2002	2001	2000	1999
Additions					
Employee contributions	\$ 619	\$ 643	\$ 904	\$ 638	\$ 783
Employer contributions	2,577	2,627	2,510	2,636	2,768
Investment income (loss)	4,005	28	3,022	1,827	1,180
Other income					
Total Additions	<u>7,201</u>	<u>3,298</u>	<u>6,436</u>	<u>5,101</u>	<u>4,731</u>
Deductions					
Annuities	5,073	4,537	4,197	3,998	3,941
Refunds	72	23	38	16	49
Group Life	5	12	42	36	9
Administrative & other expenses	84	148	71	67	65
Total Deductions	<u>5,234</u>	<u>4,720</u>	<u>4,348</u>	<u>4,117</u>	<u>4,064</u>
Increase (Decrease) in Net Assets	<u>1,967</u>	<u>(1,422)</u>	<u>2,088</u>	<u>984</u>	<u>667</u>
Beginning Net Assets	41,531	42,953	40,865	39,881	39,214
Ending Net Assets	<u>\$ 43,498</u>	<u>\$ 41,531</u>	<u>\$ 42,953</u>	<u>\$ 40,865</u>	<u>\$ 39,881</u>

Statistical Section

Judges and Solicitors Retirement System 10 Year Schedule of Changes in Net Assets Year Ended June 30, (Amounts expressed in thousands)

	2008	2007	2006	2005	2004
Additions					
Employee contributions	\$ 1,416	\$ 1,784	\$ 1,744	\$ 2,092	\$ 1,893
Employer contributions	7,613	6,706	6,511	6,260	6,078
Investment income (loss)	(3,371)	16,017	5,761	8,148	9,191
Other income					
Total Additions	<u>5,658</u>	<u>24,507</u>	<u>14,016</u>	<u>16,500</u>	<u>17,162</u>
Deductions					
Annuities	12,848	10,348	9,677	9,215	8,605
Refunds	211		20		
Group Life	256	381	124	1	124
Administrative & other expenses	103	92	83	77	72
Total Deductions	<u>13,418</u>	<u>10,821</u>	<u>9,904</u>	<u>9,293</u>	<u>8,801</u>
Increase (Decrease) in Net Assets	<u>(7,760)</u>	<u>13,686</u>	<u>4,112</u>	<u>7,207</u>	<u>8,361</u>
Beginning Net Assets	137,191	123,505	119,393	112,186	103,825
Ending Net Assets	<u>\$ 129,431</u>	<u>\$ 137,191</u>	<u>\$ 123,505</u>	<u>\$ 119,393</u>	<u>\$ 112,186</u>

	2003	2002	2001	2000	1999
Additions					
Employee contributions	\$ 1,209	\$ 1,628	\$ 2,216	\$ 1,194	\$ 1,364
Employer contributions	6,014	5,993	5,875	5,659	5,485
Investment income (loss)	8,795	1,025	7,128	3,791	2,352
Other income					
Total Additions	<u>16,018</u>	<u>8,646</u>	<u>15,219</u>	<u>10,644</u>	<u>9,201</u>
Deductions					
Annuities	8,217	8,063	7,426	6,979	6,813
Refunds		130		71	51
Group Life	8	7	6	15	6
Administrative & other expenses	67	65	67	67	60
Total Deductions	<u>8,292</u>	<u>8,265</u>	<u>7,499</u>	<u>7,132</u>	<u>6,930</u>
Increase (Decrease) in Net Assets	<u>7,726</u>	<u>381</u>	<u>7,720</u>	<u>3,512</u>	<u>2,271</u>
Beginning Net Assets	96,099	95,718	87,998	84,486	82,215
Ending Net Assets	<u>\$ 103,825</u>	<u>\$ 96,099</u>	<u>\$ 95,718</u>	<u>\$ 87,998</u>	<u>\$ 84,486</u>

Statistical Section

National Guard Retirement System 10 Year Schedule of Changes in Net Assets* Year Ended June 30, (Amounts expressed in thousands)

	2008	2007	2006
Additions			
State-appropriated contributions	\$ 3,948	\$ 3,948	\$ -
Investment income (loss)	(348)	2,002	89
Other income	50	50	300
Total Additions	<u>3,650</u>	<u>6,000</u>	<u>389</u>
Deductions			
Annuities	3,199	2,926	1,371
Refunds			
Group Life			
Administrative & other expenses	156	59	204
Total Deductions	<u>3,355</u>	<u>2,985</u>	<u>1,575</u>
Increase (Decrease) in Net Assets	<u>295</u>	<u>3,015</u>	<u>(1,186)</u>
 Transfer from State Adjutant General's Office	 -	 -	 14,064
 Total Increase (Decrease) in Net Assets	 295	 3,015	 12,878
 Beginning Net Assets	 15,893	 12,878	 -
Ending Net Assets	<u><u>\$ 16,188</u></u>	<u><u>\$ 15,893</u></u>	<u><u>\$ 12,878</u></u>

*The South Carolina Retirement Systems did not assume administrative responsibilities for the National Guard Retirement System until January 1, 2006; therefore, prior year data is not presented.

Statistical Section

Pension Trust Funds Additions by Source (Amounts expressed in thousands)

Year Ended June 30,	Employee Contributions ¹	Employer Contributions ¹	Investment Income (loss) ²	Other	Total
South Carolina Retirement System (SCRS)					
2008	\$ 540,872	\$ 774,269	\$ (641,196)	\$ 1,321	\$ 675,266
2007	505,122	644,350	2,999,209	1,532	4,150,213
2006	498,458	577,468	1,134,639	1,741	2,212,306
2005	433,254	538,809	1,496,887	1,982	2,470,932
2004	414,967	515,996	1,759,686	2,328	2,692,977
2003	408,359	512,345	1,662,781	2,688	2,586,173
2002	413,905	509,044	170,284	3,141	1,096,374
2001	435,075	491,329	1,293,997	3,518	2,223,919
2000	379,491	455,914	792,282	3,873	1,631,560
1999	353,119	419,918	393,856	4,356	1,171,249
Police Officers Retirement System (PORS)					
2008	76,907	114,862	(85,415)	52	106,406
2007	71,676	107,332	374,623	55	553,686
2006	69,254	101,447	139,785	60	310,546
2005	60,110	91,291	175,849	64	327,314
2004	58,202	88,867	212,201	72	359,342
2003	56,581	87,084	184,177	82	327,924
2002	57,778	89,366	18,670	92	165,906
2001	56,952	94,312	149,574	104	300,942
2000	50,438	76,267	93,425	113	220,243
1999	46,211	70,197	53,304	124	169,836
General Assembly Retirement System (GARS)					
2008	733	2,440	(1,136)	-	2,037
2007	603	2,358	5,950	-	8,911
2006	584	2,171	2,086	-	4,841
2005	935	2,890	3,238	-	7,063
2004	513	2,731	4,031	-	7,275
2003	619	2,577	4,005	-	7,201
2002	643	2,627	28	-	3,298
2001	904	2,510	3,022	-	6,436
2000	638	2,636	1,827	-	5,101
1999	783	2,768	1,180	-	4,731
Judges and Solicitors Retirement System (JSRS)					
2008	1,416	7,613	(3,371)	-	5,658
2007	1,784	6,706	16,017	-	24,507
2006	1,744	6,511	5,761	-	14,016
2005	2,092	6,260	8,148	-	16,500
2004	1,893	6,078	9,191	-	17,162
2003	1,209	6,014	8,795	-	16,018
2002	1,628	5,993	1,025	-	8,646
2001	2,216	5,875	7,128	-	15,219
2000	1,194	5,659	3,791	-	10,644
1999	1,364	5,485	2,352	-	9,201
National Guard Retirement System (NGRS)					
2008	-	3,948	(348)	50	3,650
2007	-	3,948	2,002	50	6,000
2006 ³	-	-	89	300	389

¹Includes transfers between systems.

²Includes unrealized gains and losses in accordance with GASB Statement 25.

³The South Carolina Retirement Systems did not assume administrative responsibilities for the National Guard Retirement System until January 1, 2006; therefore, prior year data is not presented.

Statistical Section

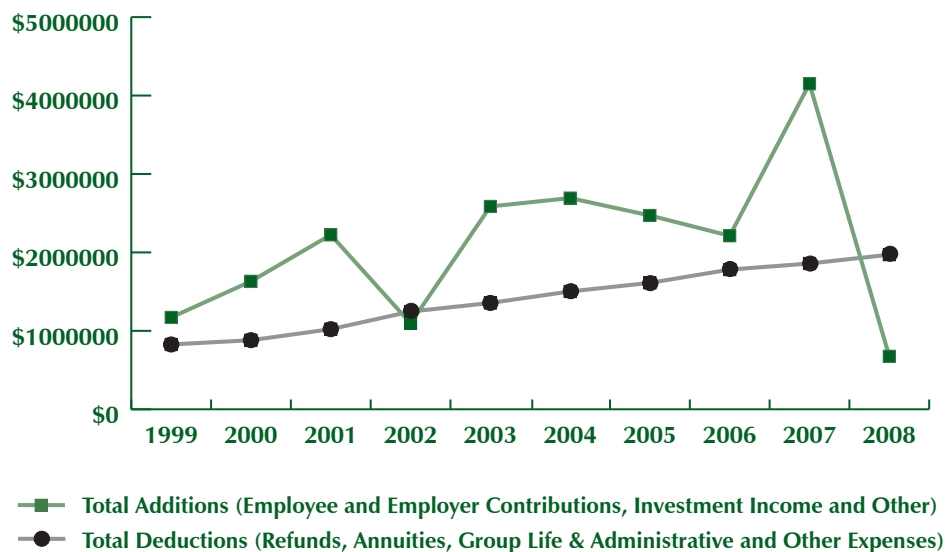
Pension Trust Funds Deductions by Type (Amounts expressed in thousands)

Year Ended June 30,	Refunds	Annuity Expenses	Group Life Expenses	Administrative and Other Expenses	Total
South Carolina Retirement System (SCRS)					
2008	\$ 79,027	\$ 1,853,892	\$ 17,617	\$ 20,752	\$ 1,971,288
2007	77,212	1,747,192	15,948	18,254	1,858,606
2006	108,569	1,639,238	14,875	18,545	1,781,227
2005	67,434	1,514,219	13,710	16,485	1,611,848
2004	66,505	1,405,958	13,515	16,425	1,502,403
2003	60,133	1,266,348	14,759	14,447	1,355,687
2002	63,936	1,153,538	13,492	14,910	1,245,876
2001	68,894	924,240	12,850	15,374	1,021,358
2000	72,452	783,170	10,026	15,175	880,823
1999	84,536	720,234	7,873	13,659	826,302
Police Officers Retirement System (PORS)					
2008	13,754	195,989	2,068	2,505	214,316
2007	12,543	181,388	1,919	2,179	198,029
2006	13,248	167,077	1,821	1,968	184,114
2005	13,441	152,588	1,468	1,823	169,320
2004	11,918	141,461	1,555	1,732	156,666
2003	11,452	125,671	1,594	1,572	140,289
2002	11,214	112,166	1,608	1,520	126,508
2001	11,498	95,340	1,399	1,551	109,788
2000	10,643	85,235	1,404	1,525	98,807
1999	10,940	78,477	644	1,332	91,393
General Assembly Retirement System (GARS)					
2008	102	6,181	28	64	6,375
2007	70	5,935	5	34	6,044
2006	-	5,726	17	98	5,841
2005	31	5,560	16	33	5,640
2004	-	5,347	8	162	5,517
2003	72	5,073	5	84	5,234
2002	23	4,537	12	148	4,720
2001	38	4,197	42	71	4,348
2000	16	3,998	36	67	4,117
1999	49	3,941	9	65	4,064
Judges and Solicitors Retirement System (JSRS)					
2008	211	12,848	256	103	13,418
2007	-	10,348	381	92	10,821
2006	20	9,677	124	83	9,904
2005	-	9,215	1	77	9,293
2004	-	8,605	124	72	8,801
2003	-	8,217	8	67	8,292
2002	130	8,063	7	65	8,265
2001	-	7,426	6	67	7,499
2000	71	6,979	15	67	7,132
1999	51	6,813	6	60	6,930
National Guard Retirement System (NGRS)					
2008	-	3,199	-	156	3,355
2007	-	2,926	-	59	2,985
2006 ¹	-	1,371	-	204	1,575

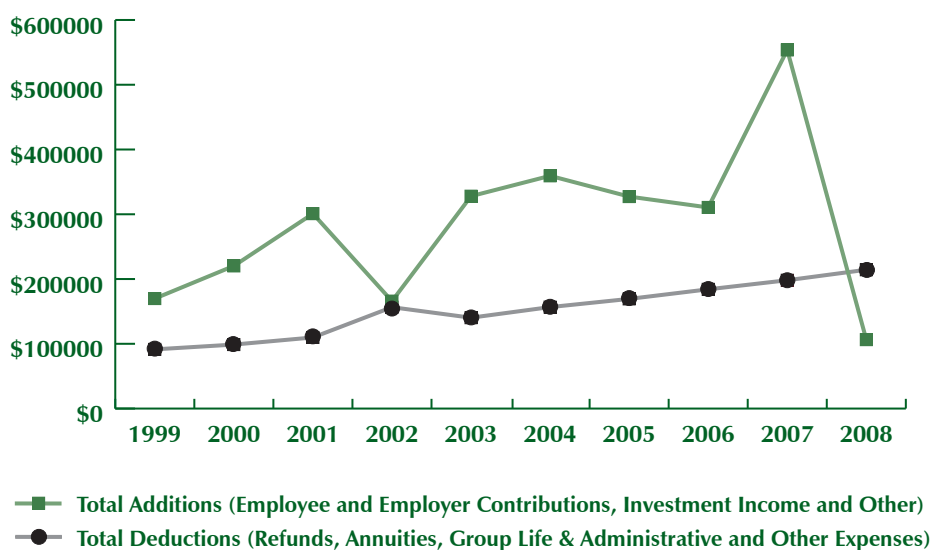
¹The South Carolina Retirement Systems did not assume administrative responsibilities for the National Guard Retirement System until January 1, 2006; therefore, prior year data is not presented.

Statistical Section

South Carolina Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)

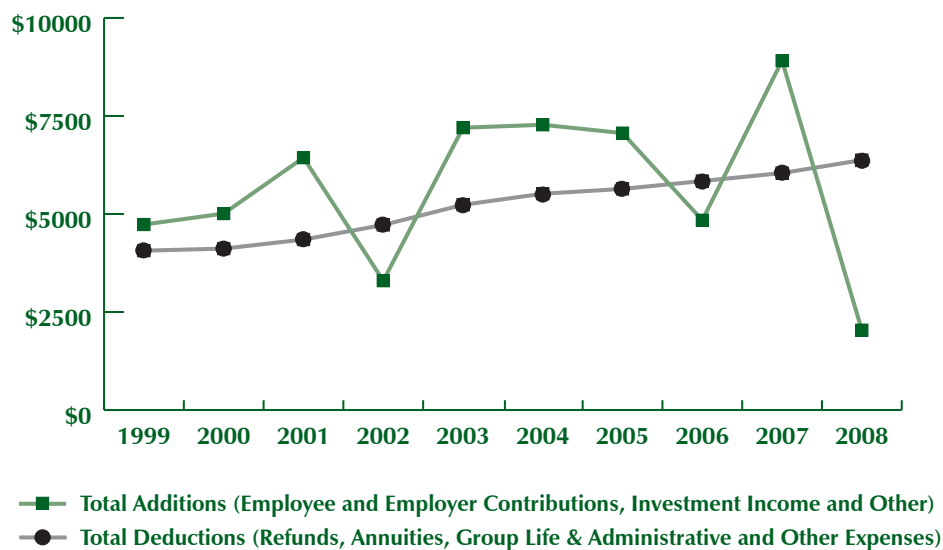


Police Officers Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)

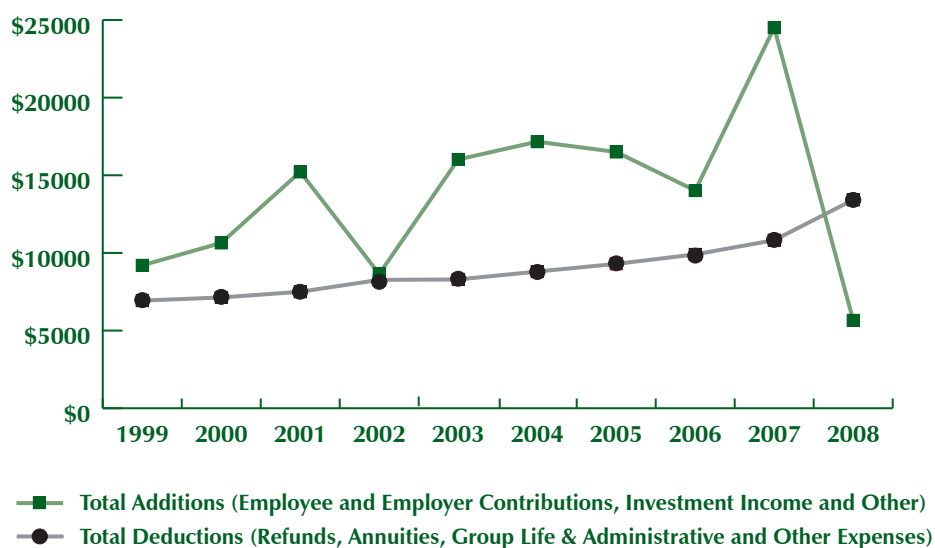


Statistical Section

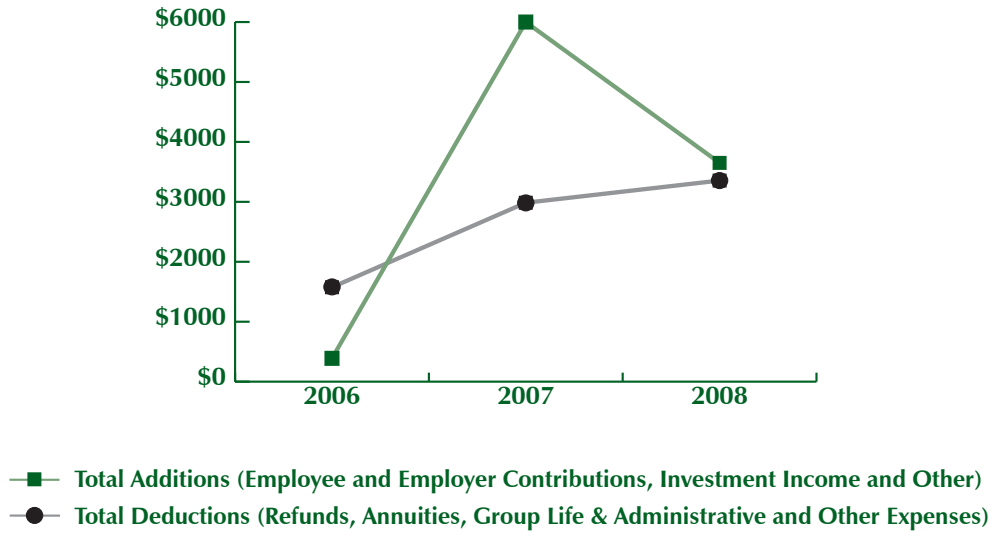
General Assembly Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)



Judges and Solicitors Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)



National Guard Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)



Statistical Section

Pension Trust Funds Benefit Expenses by Type (Amounts expressed in thousands)

Year Ended June 30,	Refunds		Annuity Expenses		Group Life Expenses		Total
	Member	Survivor/Other	Member	Survivor/Other	Active	Retired	
South Carolina Retirement System (SCRS)							
2008	\$ 74,233	\$ 4,794	\$ 1,776,592	\$ 77,300	\$ 7,791	\$ 9,826	\$ 1,950,536
2007	71,778	5,434	1,674,534	72,658	7,509	8,439	1,840,352
2006	104,728	3,841	1,570,938	68,300	6,823	8,052	1,762,682
2005	63,417	4,017	1,450,883	63,336	6,534	7,176	1,595,363
2004	62,124	4,381	1,345,837	60,121	6,203	7,312	1,485,978
2003	56,377	3,756	1,209,621	56,727	7,341	7,418	1,341,240
2002	60,122	3,814	1,099,953	53,585	6,898	6,594	1,230,966
2001	65,767	3,127	875,053	49,187	6,947	5,903	1,005,984
2000	69,468	2,984	738,149	45,021	6,979	3,047	865,648
1999	82,589	1,947	678,403	41,831	4,802	3,071	812,643
Police Officers Retirement System (PORS)							
2008	13,438	316	182,229	13,760	1,174	894	211,811
2007	12,063	480	168,785	12,603	1,178	741	195,850
2006	12,613	639	155,241	11,832	1,015	806	182,146
2005	13,017	424	141,493	11,095	859	609	167,497
2004	11,525	393	131,104	10,357	976	579	154,934
2003	11,155	297	116,180	9,491	978	616	138,717
2002	10,829	385	103,286	8,880	1,056	552	124,988
2001	10,983	515	87,208	8,132	878	521	108,237
2000	10,382	261	77,143	7,356	1,082	322	96,546
1999	10,649	291	71,546	6,931	286	358	90,061
General Assembly Retirement System (GARS)							
2008	55	47	5,016	1,165	22	6	6,311
2007	70	-	4,767	1,168	-	5	6,010
2006	-	-	4,598	1,128	-	17	5,743
2005	31	-	4,493	1,067	-	16	5,607
2004	-	-	4,303	1,044	-	8	5,355
2003	70	2	4,045	1,028	-	5	5,150
2002	21	2	3,542	995	-	12	4,572
2001	38	-	3,308	889	26	16	4,277
2000	3	13	3,178	820	23	13	4,050
1999	49	-	3,108	833	-	9	3,999
Judges and Solicitors Retirement System (JSRS)							
2008	-	211	11,094	1,754	252	4	13,315
2007	-	-	8,747	1,601	371	10	10,729
2006	-	20	8,311	1,366	122	2	9,821
2005	-	-	7,957	1,258	-	1	9,216
2004	-	-	7,382	1,223	117	7	8,729
2003	-	-	7,047	1,170	-	8	8,225
2002	130	-	6,949	1,114	-	7	8,200
2001	-	-	6,380	1,046	-	6	7,432
2000	71	-	6,043	936	-	15	7,065
1999	51	-	6,022	791	-	6	6,870
National Guard Retirement System (NGRS)							
2008	-	-	3,198	1	-	-	3,199
2007	-	-	2,925	1	-	-	2,926
2006 ¹	-	-	1,370	1	-	-	1,371

¹The South Carolina Retirement Systems assumed administration of the National Guard Retirement System effective January 1, 2006; therefore, comparative totals for prior fiscal years are not presented.

Statistical Section

South Carolina Retirement System Retired Members by Type of Benefit As of June 30, 2008

Monthly Benefit	Number of Annuitant Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	9,999	2,282	5,653	1,149	573	342	6,919	130	994	314	196	1,092	354
\$ 251 - \$ 500	12,957	2,196	6,851	1,051	2,277	582	9,086	153	1,117	405	301	1,277	618
\$ 501 - \$ 750	10,493	1,983	5,137	837	2,174	362	7,193	138	775	327	401	1,015	644
\$ 751 - \$ 1,000	8,434	2,153	3,751	655	1,657	218	5,632	98	628	223	499	782	572
\$ 1,001 - \$ 1,250	7,547	2,966	2,677	493	1,266	145	4,682	106	487	188	689	798	597
\$ 1,251 - \$ 1,500	6,788	3,542	1,912	334	904	96	3,991	104	410	174	823	705	581
\$ 1,501 - \$ 1,750	6,396	4,058	1,365	244	670	59	3,552	74	251	140	1,129	706	544
\$ 1,751 - \$ 2,000	6,493	4,767	1,013	192	484	37	3,377	76	212	115	1,168	817	728
Over \$2,000	28,373	24,613	1,907	597	1,196	60	17,416	266	980	696	2,829	2,696	3,490
Deferred	6,719	5,398	1,321	-	-	-	4,289	-	-	-	-	1,487	943
Totals	104,199	53,958	31,587	5,552	11,201	1,901	66,137	1,145	5,854	2,582	8,035	11,375	9,071

Type 1: Normal Retirement for Age and Service
Type 2: Early Retirement
Type 3: Beneficiary Payment
Type 4: Disability Payment
Type 5: Beneficiary Payment, Disability Payment

Option 0: Maximum Benefit
Option 1: 10-Year Beneficiary Protection
Option 2: Survivor Benefit, Full Payment
Option 3: Survivor Benefit, Half Payment
Option 4: Social Security Option
Option 5: Survivor Benefit, Full Payment, Revert to Maximum
Option 6: Survivor Benefit, Half Payment, Revert to Maximum

Police Officers Retirement System Retired Members by Type of Benefit As of June 30, 2008

Monthly Benefit	Number of Annuitant Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	854	547	142	138	15	12	473	78	39	88	-	122	54
\$ 251 - \$ 500	1,282	833	96	194	114	45	705	117	61	94	-	223	82
\$ 501 - \$ 750	1,219	757	76	172	171	43	706	132	37	101	-	152	91
\$ 751 - \$ 1,000	1,187	722	56	134	227	48	684	98	42	95	-	163	105
\$ 1,001 - \$ 1,250	970	572	72	91	212	23	548	60	33	103	-	127	99
\$ 1,251 - \$ 1,500	966	551	69	100	225	21	486	60	36	121	-	133	130
\$ 1,501 - \$ 1,750	907	574	53	58	211	11	510	42	24	113	-	106	112
\$ 1,751 - \$ 2,000	840	603	32	39	157	9	443	23	18	109	-	130	117
Over \$2,000	3,133	2,594	57	85	391	6	1,771	90	80	434	-	298	460
Totals	11,358	7,753	653	1,011	1,723	218	6,326	700	370	1,258	-	1,454	1,250

Type 1: Normal Retirement for Age and Service
Type 2: Early Retirement
Type 3: Beneficiary Payment
Type 4: Disability Payment
Type 5: Beneficiary Payment, Disability Payment

Option 0: Maximum Benefit
Option 1: Survivor Benefit, Full Payment
Option 2: Survivor Benefit, Half Payment
Option 3: Social Security Option
Option 4: Accidental Death Survivor Benefit
Option 5: Survivor Benefit, Full Payment, Revert to Maximum
Option 6: Survivor Benefit, Half Payment, Revert to Maximum

Note: Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

Statistical Section

General Assembly Retirement System Retired Members by Type of Benefit As of June 30, 2008

Monthly Benefit	Number of Annuitant Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	11	5	3	3	-	-	8	1	2	-	-	-	-
\$ 251 - \$ 500	17	6	1	10	-	-	2	6	2	-	-	3	4
\$ 501 - \$ 750	28	16	2	10	-	-	10	10	-	-	-	6	2
\$ 751 - \$ 1,000	47	32	4	11	-	-	20	10	6	-	-	6	5
\$ 1,001 - \$ 1,250	26	15	2	9	-	-	6	13	1	-	-	3	3
\$ 1,251 - \$ 1,500	29	15	2	11	1	-	8	9	5	-	-	4	3
\$ 1,501 - \$ 1,750	61	41	10	10	-	-	11	28	6	-	-	9	7
\$ 1,751 - \$ 2,000	41	35	4	2	-	-	22	4	10	-	-	2	3
Over \$2,000	79	61	6	12	-	-	28	24	8	-	-	16	3
Totals	339	226	34	78	1	-	115	105	40	-	-	49	30

Type 1: Normal Retirement for Age and Service
Type 2: Early Retirement
Type 3: Beneficiary Payment
Type 4: Disability Payment

Option 0: Maximum Benefit
Option 1: Survivor Benefit, Full Payment
Option 2: Survivor Benefit, Half Payment
Option 5: Survivor Benefit, Full Payment, Revert to Maximum
Option 6: Survivor Benefit, Half Payment, Revert to Maximum

Judges and Solicitors Retirement System Retired Members by Type of Benefit As of June 30, 2008

Monthly Benefit	Number of Annuitant Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 251 - \$ 500	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 501 - \$ 750	5	-	-	5	-	-	1	4	-	-	-	-	-
\$ 751 - \$ 1,000	3	-	-	3	-	-	-	3	-	-	-	-	-
\$ 1,001 - \$ 1,250	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,251 - \$ 1,500	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,501 - \$ 1,750	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,751 - \$ 2,000	2	-	-	2	-	-	1	1	-	-	-	-	-
Over \$2,000	164	102	11	50	1	-	157	7	-	-	-	-	-
Totals	174	102	11	60	1	-	159	15	-	-	-	-	-

Type 1: Normal Retirement for Age and Service
Type 2: Early Retirement
Type 3: Beneficiary Payment
Type 4: Disability Payment

Option 0: Maximum Benefit with Spouse Beneficiary
Option 1: Reduced Benefit with Non-Spouse Beneficiary

Note: Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

Statistical Section

National Guard Retirement System Retired Members by Type of Benefit As of July 1, 2008

Monthly Benefit	Number of Annuitant Payees	Type 1	Type 2	Type 3	Type 4	Type 5	Opt 0	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
\$ 1 - \$ 250	3,515	3,514	-	1	-	-	3,515	-	-	-	-	-	-
\$ 251 - \$ 500	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 501 - \$ 750	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 751 - \$ 1,000	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,001 - \$ 1,250	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,251 - \$ 1,500	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,501 - \$ 1,750	-	-	-	-	-	-	-	-	-	-	-	-	-
\$ 1,751 - \$ 2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Over \$2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	3,515	3,514	-	1	-	-	3,515	-	-	-	-	-	-

Type 1: Normal Retirement for Age and Service
Type 3: Beneficiary Payment

Option 0: Maximum Benefit

Note: Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

Statistical Section

South Carolina Retirement System Retired Members by Years of Service

	Years of Credited Service							
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	Avg/Tot
Period 07/01/1998 to 06/30/1999								
Average Monthly Benefit	\$ 143.34	\$ 323.96	\$ 487.26	\$ 717.56	\$ 916.54	\$ 1,391.04	\$ 2,152.73	\$ 1,232.56
Average AFC	\$ 19,957.51	\$ 22,639.42	\$ 24,929.87	\$ 27,513.12	\$ 28,164.24	\$ 35,457.84	\$ 43,006.04	\$ 32,855.54
Number of Retired Members	135	547	602	454	526	617	1,516	4,397
Period 07/01/1999 to 06/30/2000								
Average Monthly Benefit	\$ 147.77	\$ 306.24	\$ 493.77	\$ 778.80	\$ 986.61	\$ 1,432.88	\$ 2,273.86	\$ 1,365.04
Average AFC	\$ 22,228.15	\$ 22,999.81	\$ 24,892.52	\$ 29,920.92	\$ 30,352.07	\$ 35,538.78	\$ 45,707.40	\$ 35,240.17
Number of Retired Members	130	485	624	481	547	649	1,827	4,743
Period 07/01/2000 to 06/30/2001								
Average Monthly Benefit	\$ 139.87	\$ 335.67	\$ 528.54	\$ 795.44	\$ 1,067.68	\$ 1,884.92	\$ 2,414.12	\$ 1,812.34
Average AFC	\$ 22,055.96	\$ 25,236.65	\$ 27,337.72	\$ 32,213.90	\$ 33,705.50	\$ 44,966.91	\$ 50,795.26	\$ 43,679.76
Number of Retired Members	150	488	755	612	641	4,762	4,478	11,886
Period 07/01/2001 to 06/30/2002								
Average Monthly Benefit	\$ 150.52	\$ 323.26	\$ 549.40	\$ 790.79	\$ 1,111.28	\$ 1,823.11	\$ 2,413.44	\$ 1,467.46
Average AFC	\$ 25,542.99	\$ 25,333.93	\$ 28,726.11	\$ 31,301.88	\$ 35,115.91	\$ 44,180.00	\$ 51,913.70	\$ 39,865.78
Number of Retired Members	146	579	735	578	574	3,241	1,028	6,881
Period 07/01/2002 to 06/30/2003								
Average Monthly Benefit	\$ 160.54	\$ 329.27	\$ 563.43	\$ 844.66	\$ 1,128.95	\$ 1,928.47	\$ 2,505.35	\$ 1,543.50
Average AFC	\$ 26,136.52	\$ 25,667.61	\$ 29,290.38	\$ 34,571.64	\$ 36,323.89	\$ 46,878.27	\$ 54,344.49	\$ 42,046.01
Number of Retired Members	168	598	721	645	540	3,789	916	7,377
Period 07/01/2003 to 06/30/2004								
Average Monthly Benefit	\$ 150.83	\$ 312.72	\$ 568.31	\$ 841.48	\$ 1,122.07	\$ 1,968.51	\$ 2,615.83	\$ 1,513.39
Average AFC	\$ 22,206.24	\$ 25,081.86	\$ 30,575.27	\$ 34,400.15	\$ 35,998.79	\$ 48,026.14	\$ 56,694.11	\$ 42,077.12
Number of Retired Members	148	642	798	735	502	3,770	636	7,231
Period 07/01/2004 to 06/30/2005								
Average Monthly Benefit	\$ 180.80	\$ 333.08	\$ 562.07	\$ 863.19	\$ 1,178.34	\$ 1,950.78	\$ 2,568.77	\$ 1,451.27
Average AFC	\$ 26,324.73	\$ 27,081.20	\$ 30,556.43	\$ 35,333.52	\$ 37,505.64	\$ 47,440.22	\$ 54,788.37	\$ 41,364.32
Number of Retired Members	128	750	827	779	614	3,594	507	7,199
Period 07/01/2005 to 06/30/2006								
Average Monthly Benefit	\$ 199.71	\$ 338.75	\$ 551.86	\$ 863.88	\$ 1,216.94	\$ 1,854.07	\$ 2,250.40	\$ 1,192.27
Average AFC	\$ 27,567.45	\$ 26,815.18	\$ 29,691.48	\$ 34,148.08	\$ 38,445.43	\$ 45,229.45	\$ 47,887.99	\$ 37,414.86
Number of Retired Members	85	705	694	642	441	1,692	199	4,464
Period 07/01/2006 to 06/30/2007								
Average Monthly Benefit	\$ 197.53	\$ 336.83	\$ 609.77	\$ 891.15	\$ 1,177.59	\$ 1,980.15	\$ 2,501.41	\$ 1,328.54
Average AFC	\$ 27,516.87	\$ 28,274.13	\$ 33,982.60	\$ 36,510.77	\$ 38,231.80	\$ 48,364.57	\$ 53,227.47	\$ 40,830.84
Number of Retired Members	108	842	847	702	556	2,483	289	5,827
Period 07/01/2007 to 06/30/2008								
Average Monthly Benefit	\$ 174.16	\$ 360.96	\$ 592.08	\$ 901.34	\$ 1,250.31	\$ 2,037.00	\$ 2,670.62	\$ 1,396.49
Average AFC	\$ 31,018.20	\$ 30,168.55	\$ 32,873.97	\$ 36,454.83	\$ 40,272.86	\$ 49,742.93	\$ 57,465.99	\$ 42,316.81
Number of Retired Members	120	792	880	668	564	2,478	393	5,895
10 Year Averages								
Average Monthly Benefit	\$ 162.12	\$ 331.75	\$ 554.51	\$ 835.81	\$ 1,114.92	\$ 1,902.63	\$ 2,391.26	\$ 1,481.13
Average AFC	\$ 24,815.26	\$ 26,274.63	\$ 29,587.58	\$ 33,625.56	\$ 35,393.23	\$ 46,217.40	\$ 50,101.80	\$ 40,542.47
Number of Retired Members	1,318	6,428	7,483	6,296	5,511	27,075	11,789	65,900

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

Statistical Section

Police Officers Retirement System Retired Members by Years of Service

	Years of Credited Service							
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	Avg's/Tot
Period 07/01/1998 to 06/30/1999								
Average Monthly Benefit	\$ 209.82	\$ 621.47	\$ 780.49	\$ 1,193.84	\$ 1,382.98	\$ 1,846.17	\$ 2,644.37	\$ 1,254.76
Average AFC	\$ 26,159.41	\$ 26,790.25	\$ 28,315.21	\$ 32,300.08	\$ 31,951.68	\$ 38,361.06	\$ 46,064.31	\$ 32,851.63
Number of Retired Members	43	72	101	74	57	133	41	521
Period 07/01/1999 to 06/30/2000								
Average Monthly Benefit	\$ 220.86	\$ 598.01	\$ 890.69	\$ 1,056.31	\$ 1,519.80	\$ 1,989.09	\$ 2,615.87	\$ 1,356.61
Average AFC	\$ 30,500.64	\$ 29,771.78	\$ 31,498.85	\$ 32,108.69	\$ 35,870.75	\$ 40,736.89	\$ 45,558.11	\$ 35,573.46
Number of Retired Members	31	82	102	69	48	148	51	531
Period 07/01/2000 to 06/30/2001								
Average Monthly Benefit	\$ 285.80	\$ 585.33	\$ 935.88	\$ 1,243.34	\$ 1,483.13	\$ 1,973.84	\$ 2,872.16	\$ 1,386.45
Average AFC	\$ 36,585.13	\$ 31,922.37	\$ 33,538.81	\$ 34,501.74	\$ 36,550.41	\$ 41,474.79	\$ 50,681.30	\$ 37,850.97
Number of Retired Members	72	110	123	83	65	232	62	747
Period 07/01/2001 to 06/30/2002								
Average Monthly Benefit	\$ 285.46	\$ 549.74	\$ 934.42	\$ 1,208.68	\$ 1,623.61	\$ 2,047.07	\$ 3,128.02	\$ 1,478.71
Average AFC	\$ 40,201.77	\$ 32,772.66	\$ 33,773.35	\$ 37,519.41	\$ 40,085.35	\$ 44,566.31	\$ 55,512.13	\$ 40,738.47
Number of Retired Members	83	132	131	117	87	279	93	922
Period 07/01/2002 to 06/30/2003								
Average Monthly Benefit	\$ 277.51	\$ 584.78	\$ 905.84	\$ 1,300.62	\$ 1,560.15	\$ 2,204.21	\$ 3,218.15	\$ 1,512.11
Average AFC	\$ 37,817.53	\$ 34,509.45	\$ 35,571.19	\$ 40,924.13	\$ 39,947.22	\$ 48,979.84	\$ 58,536.22	\$ 42,833.57
Number of Retired Members	81	140	129	111	83	244	93	881
Period 07/01/2003 to 06/30/2004								
Average Monthly Benefit	\$ 283.51	\$ 538.05	\$ 881.07	\$ 1,223.01	\$ 1,648.24	\$ 2,143.88	\$ 3,072.37	\$ 1,443.02
Average AFC	\$ 34,019.96	\$ 31,747.46	\$ 34,805.64	\$ 37,069.30	\$ 41,825.61	\$ 47,125.31	\$ 54,979.45	\$ 40,416.55
Number of Retired Members	60	123	111	126	80	240	53	793
Period 07/01/2004 to 06/30/2005								
Average Monthly Benefit	\$ 371.48	\$ 665.34	\$ 920.52	\$ 1,222.58	\$ 1,735.14	\$ 2,075.69	\$ 3,202.40	\$ 1,375.17
Average AFC	\$ 39,097.95	\$ 35,333.45	\$ 36,118.73	\$ 37,869.58	\$ 43,866.18	\$ 46,415.20	\$ 58,907.27	\$ 41,139.64
Number of Retired Members	71	121	124	128	81	205	33	763
Period 07/01/2005 to 06/30/2006								
Average Monthly Benefit	\$ 416.64	\$ 581.55	\$ 998.77	\$ 1,264.32	\$ 1,823.39	\$ 2,317.35	\$ 3,413.99	\$ 1,515.16
Average AFC	\$ 35,398.14	\$ 36,919.77	\$ 37,803.02	\$ 38,735.81	\$ 44,284.40	\$ 51,205.24	\$ 62,552.57	\$ 43,387.88
Number of Retired Members	42	117	110	111	66	191	35	672
Period 07/01/2006 to 06/30/2007								
Average Monthly Benefit	\$ 314.02	\$ 581.04	\$ 922.43	\$ 1,311.78	\$ 1,821.74	\$ 2,366.06	\$ 3,769.46	\$ 1,457.50
Average AFC	\$ 33,843.20	\$ 35,734.78	\$ 38,101.82	\$ 41,300.34	\$ 45,304.36	\$ 52,984.23	\$ 68,937.82	\$ 43,671.24
Number of Retired Members	70	132	119	112	99	190	29	751
Period 07/01/2007 to 06/30/2008								
Average Monthly Benefit	\$ 333.39	\$ 670.51	\$ 1,032.52	\$ 1,328.54	\$ 1,904.71	\$ 2,422.26	\$ 3,778.86	\$ 1,549.85
Average AFC	\$ 38,220.88	\$ 36,929.10	\$ 39,516.49	\$ 41,518.83	\$ 47,673.67	\$ 54,686.54	\$ 69,834.70	\$ 45,684.31
Number of Retired Members	72	132	118	97	102	192	37	750
10 Year Averages								
Average Monthly Benefit	\$ 303.18	\$ 596.50	\$ 922.49	\$ 1,242.15	\$ 1,674.89	\$ 2,144.16	\$ 3,125.68	\$ 1,442.38
Average AFC	\$ 36,047.32	\$ 33,704.61	\$ 35,024.93	\$ 37,814.09	\$ 41,526.13	\$ 46,889.75	\$ 56,150.59	\$ 40,818.11
Number of Retired Members	625	1,161	1,168	1,028	768	2,054	527	7,331

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

Statistical Section

General Assembly Retirement System Retired Members by Years of Service

	Years of Credited Service							
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	Avg/Tot
Period 07/01/1998 to 06/30/1999								
Average Monthly Benefit	\$ 179.95	\$ 793.91	\$ 775.10	\$ 1,799.47	\$ 1,731.57	\$ 2,534.25	\$ 2,250.23	\$ 1,458.25
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired Members	1	3	2	1	6	1	2	16
Period 07/01/1999 to 06/30/2000								
Average Monthly Benefit	-	-	-	-	\$ 1,761.95	-	-	\$ 1,761.83
Average AFC	-	-	-	-	\$ 22,400.00	-	-	\$ 22,400.00
Number of Retired Members	-	-	-	-	6	-	-	6
Period 07/01/2000 to 06/30/2001								
Average Monthly Benefit	-	\$ 647.16	\$ 705.16	\$ 1,474.20	\$ 1,907.68	\$ 2,647.92	\$ 3,250.49	\$ 2,273.04
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 23,120.00	\$ 22,400.00	\$ 27,400.00	\$ 25,955.55	\$ 24,571.42
Number of Retired Members	-	2	1	5	2	2	9	21
Period 07/01/2001 to 06/30/2002								
Average Monthly Benefit	-	\$ 654.55	\$ 1,006.93	\$ 1,709.49	\$ 1,952.14	\$ 2,253.85	\$ 2,617.34	\$ 1,812.40
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 24,066.66	\$ 22,400.00	\$ 22,400.00	\$ 23,066.66
Number of Retired Members	-	2	1	2	6	2	2	15
Period 07/01/2002 to 06/30/2003								
Average Monthly Benefit	-	\$ 788.91	\$ 992.27	\$ 1,379.23	\$ 1,916.75	\$ 2,097.10	\$ 2,760.89	\$ 1,842.34
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 23,727.27	\$ 22,856.25
Number of Retired Members	-	5	4	5	5	2	11	32
Period 07/01/2003 to 06/30/2004								
Average Monthly Benefit	-	-	\$ 975.67	\$ 1,579.78	\$ 2,069.32	-	-	\$ 1,714.25
Average AFC	-	-	\$ 22,400.00	\$ 22,400.00	\$ 23,828.57	-	-	\$ 23,233.33
Number of Retired Members	-	-	3	2	7	-	-	12
Period 07/01/2004 to 06/30/2005								
Average Monthly Benefit	-	\$ 719.79	\$ 1,060.18	\$ 1,504.62	\$ 1,765.31	\$ 2,343.33	\$ 2,567.82	\$ 1,801.39
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired Members	-	1	3	5	6	5	3	23
Period 07/01/2005 to 06/30/2006								
Average Monthly Benefit	-	-	\$ 1,192.02	\$ 1,398.49	\$ 1,900.02	\$ 1,953.73	\$ 2,691.46	\$ 1,750.70
Average AFC	-	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired Members	-	-	3	2	2	1	2	10
Period 07/01/2006 to 06/30/2007								
Average Monthly Benefit	-	\$ 899.73	\$ 914.61	\$ 1,348.59	\$ 1,843.28	-	\$ 2,619.33	\$ 1,778.87
Average AFC	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	-	\$ 22,400.00	\$ 22,400.00
Number of Retired Members	-	1	1	3	8	-	3	16
Period 07/01/2007 to 06/30/2008								
Average Monthly Benefit	\$ 319.69	-	\$ 969.43	\$ 1,649.07	\$ 1,684.61	\$ 2,095.51	\$ 2,555.55	\$ 1,687.41
Average AFC	\$ 22,400.00	-	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00
Number of Retired Members	1	-	2	5	5	1	3	17
10 Year Averages								
Average Monthly Benefit	\$ 249.82	\$ 753.51	\$ 988.42	\$ 1,508.54	\$ 1,851.31	\$ 2,306.99	\$ 2,799.15	\$ 1,812.27
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,520.00	\$ 22,777.35	\$ 23,114.28	\$ 23,731.42	\$ 22,877.38
Number of Retired Members	2	14	20	30	53	14	35	168

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

Statistical Section

Judges and Solicitors Retirement System Retired Members by Years of Service

	Years of Credited Service							
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	Avg/Tot
Period 07/01/1998 to 06/30/1999								
Average Monthly Benefit	\$ 6,011.54	-	-	-	\$ 6,092.79	\$ 6,726.43	-	\$ 6,443.00
Average AFC	\$ 101,176.00	-	-	-	\$ 102,543.50	\$ 102,479.00	-	\$ 102,311.28
Number of Retired Members	1	-	-	-	2	4	-	7
Period 07/01/1999 to 06/30/2000								
Average Monthly Benefit	-	-	-	\$ 5,777.70	\$ 6,252.00	\$ 6,354.94	\$ 9,226.88	\$ 6,623.66
Average AFC	-	-	-	\$ 107,933.00	\$ 105,223.00	\$ 106,896.50	\$ 123,025.00	\$ 109,651.16
Number of Retired Members	-	-	-	2	1	2	1	6
Period 07/01/2000 to 06/30/2001								
Average Monthly Benefit	-	\$ 6,613.61	-	-	\$ 6,613.61	\$ 7,111.82	-	\$ 6,862.25
Average AFC	-	\$ 111,309.00	-	-	\$ 111,309.00	\$ 111,032.00	-	\$ 111,170.50
Number of Retired Members	-	1	-	-	1	2	-	4
Period 07/01/2001 to 06/30/2002								
Average Monthly Benefit	-	-	\$ 4,152.92	-	\$ 6,745.87	\$ 7,348.64	\$ 8,148.82	\$ 7,062.42
Average AFC	-	-	\$ 113,535.00	-	\$ 113,535.00	\$ 113,535.00	\$ 110,546.00	\$ 112,254.00
Number of Retired Members	-	-	1	-	2	1	3	7
Period 07/01/2002 to 06/30/2003								
Average Monthly Benefit	-	-	-	\$ 4,958.74	\$ 6,115.60	\$ 7,322.62	-	\$ 6,266.33
Average AFC	-	-	-	\$ 111,542.33	\$ 112,040.50	\$ 114,281.50	-	\$ 112,870.44
Number of Retired Members	-	-	-	3	2	4	-	9
Period 07/01/2003 to 06/30/2004								
Average Monthly Benefit	-	-	-	\$ 5,057.41	\$ 6,688.09	\$ 6,385.11	\$ 8,564.85	\$ 7,180.75
Average AFC	-	-	-	\$ 114,886.50	\$ 113,535.00	\$ 116,521.00	\$ 114,210.75	\$ 114,584.00
Number of Retired Members	-	-	-	2	1	1	4	8
Period 07/01/2004 to 06/30/2005								
Average Monthly Benefit	-	-	-	-	\$ 6,850.98	-	\$ 8,538.70	\$ 7,413.00
Average AFC	-	-	-	-	\$ 115,255.50	-	\$ 113,862.00	\$ 114,791.00
Number of Retired Members	-	-	-	-	2	-	1	3
Period 07/01/2005 to 06/30/2006								
Average Monthly Benefit	-	-	-	\$ 7,226.08	-	\$ 8,198.72	\$ 9,097.69	\$ 8,173.66
Average AFC	-	-	-	\$ 121,617.00	-	\$ 121,617.00	\$ 121,316.00	\$ 121,516.66
Number of Retired Members	-	-	-	1	-	1	1	3
Period 07/01/2006 to 06/30/2007								
Average Monthly Benefit	-	-	\$ 4,430.37	\$ 5,184.19	\$ 7,456.84	\$ 8,433.08	\$ 9,227.51	\$ 8,697.00
Average AFC	-	-	\$ 125,265.00	\$ 124,955.00	\$ 124,955.00	\$ 121,968.00	\$ 126,312.05	\$ 125,770.78
Number of Retired Members	-	-	1	1	1	2	18	23
Period 07/01/2007 to 06/30/2008								
Average Monthly Benefit	-	-	\$ 4,079.72	\$ 7,867.78	-	\$ 7,976.64	\$ 9,343.39	\$ 8,006.20
Average AFC	-	-	\$ 127,165.50	\$ 132,417.00	-	\$ 121,968.00	\$ 127,890.33	\$ 127,605.80
Number of Retired Members	-	-	2	1	-	1	6	10
10 Year Averages								
Average Monthly Benefit	\$ 6,011.54	\$ 6,613.61	\$ 4,185.68	\$ 5,682.45	\$ 6,551.75	\$ 7,216.94	\$ 9,050.72	\$ 7,530.53
Average AFC	\$ 101,176.00	\$ 111,309.00	\$ 123,282.75	\$ 115,925.50	\$ 111,814.25	\$ 112,248.66	\$ 123,165.97	\$ 117,684.51
Number of Retired Members	1	1	4	10	12	18	34	80

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

Statistical Section

National Guard Retirement System Retired Members by Years of Service

	Years of Credited Service								Avg/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus		
Period 07/01/1998 to 06/30/1999									
Average Monthly Benefit	-	-	- \$	50.00	\$ 62.85	\$ 92.05	\$ 100.00	\$ 76.37	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	16	56	39	24	135	
Period 07/01/1999 to 06/30/2000									
Average Monthly Benefit	-	-	- \$	50.00	\$ 63.21	\$ 92.82	\$ 100.00	\$ 76.90	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	16	56	23	36	131	
Period 07/01/2000 to 06/30/2001									
Average Monthly Benefit	-	-	- \$	50.00	\$ 63.12	\$ 90.75	\$ 100.00	\$ 77.61	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	17	64	33	43	157	
Period 07/01/2001 to 06/30/2002									
Average Monthly Benefit	-	-	- \$	50.00	\$ 62.24	\$ 85.95	\$ 100.00	\$ 72.25	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	24	78	21	37	160	
Period 07/01/2002 to 06/30/2003									
Average Monthly Benefit	-	-	- \$	50.34	\$ 62.86	\$ 88.48	\$ 100.00	\$ 74.59	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	29	96	33	54	212	
Period 07/01/2003 to 06/30/2004									
Average Monthly Benefit	-	-	- \$	50.00	\$ 62.61	\$ 90.22	\$ 100.00	\$ 75.14	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	29	88	44	47	208	
Period 07/01/2004 to 06/30/2005									
Average Monthly Benefit	-	-	- \$	50.31	\$ 62.56	\$ 91.11	\$ 100.00	\$ 74.38	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	32	109	45	51	237	
Period 07/01/2005 to 06/30/2006									
Average Monthly Benefit	-	-	- \$	50.00	\$ 62.64	\$ 90.58	\$ 100.00	\$ 75.25	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	42	134	60	74	310	
Period 07/01/2006 to 06/30/2007									
Average Monthly Benefit	-	-	- \$	50.00	\$ 62.13	\$ 89.34	\$ 100.00	\$ 76.04	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	51	150	91	92	384	
Period 07/01/2007 to 06/30/2008									
Average Monthly Benefit	-	-	- \$	50.00	\$ 62.18	\$ 90.28	\$ 100.00	\$ 75.35	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	49	144	70	85	348	
10 Year Averages									
Average Monthly Benefit	-	-	- \$	50.06	\$ 62.55	\$ 90.19	\$ 100.00	\$ 75.35	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	305	975	459	543	2,282	

Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLAs).

Statistical Section

South Carolina Retirement System Principal Participating Employers in 2008 and 1999

Participating Government	2008					1999				
	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired ¹
State Agency	36,731	1	16.31%	32,338	4,393	43,023	1	21.20%	43,023	-
School District of Greenville County	9,213	2	4.09%	8,069	1,144	7,258	2	3.57%	7,258	-
Charleston County School District	5,629	3	2.50%	5,015	614	5,515	4	2.71%	5,515	-
University of South Carolina	5,375	4	2.38%	4,458	917	5,045	5	2.48%	5,045	-
Horry County School District	4,853	5	2.15%	4,424	429	3,732	7	1.83%	3,732	-
MUSC Hospital Authority/MUSC	4,733	6	2.10%	4,575	158	6,402	3	3.15%	6,402	-
Spartanburg Regional Medical Center	4,601	7	2.04%	4,436	165	-	-	-	-	-
Richland County School District 1	4,219	8	1.87%	3,573	646	4,247	6	2.09%	4,247	-
Lexington Medical Center	3,663	9	1.62%	3,553	110	-	-	-	-	-
Berkeley County Department of Education	3,635	10	1.61%	3,250	385	3,472	9	1.71%	3,472	-
Aiken County Department of Education	-	-	-	-	-	3,039	10	1.49%	3,039	-
Clemson University	-	-	-	-	-	3,559	8	1.75%	3,559	-
All Other	142,449		63.33%	128,401	4,048	117,619		58.02%	117,619	-
Total ²	225,101		100.00%	202,092	23,009	202,911		100.00%	202,911	-

In 2008, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	31	18,048
City/County	581	51,207
Public Schools	101	73,194
Total	713	142,449

In 1999, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	29	10,873
City/County	511	47,078
Public Schools	91	59,668
Total	631	117,619

¹Prior to July 1, 1999, contributions for working retirees were not required; therefore, membership information was not collected.

²2008 total reflects 723 governments and 1999 total reflects 641 governments.

Statistical Section

Police Officers Retirement System Principal Participating Employers in 2008 and 1999

Participating Government	2008					1999				
	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired ¹
State Agency	11,313	1	5.02%	10,674	639	10,756	1	44.29%	10,756	-
County Council of Richland County	904	2	0.40%	814	90	690	2	2.84%	690	-
City of Columbia	829	3	0.36%	799	30	607	4	2.49%	607	-
Greenville County Council	803	4	0.35%	725	78	647	3	2.66%	647	-
Horry County Council	786	5	0.34%	763	23	404	8	1.66%	404	-
County of Charleston	704	6	0.31%	627	77	532	5	2.19%	532	-
City of Charleston	647	7	0.28%	607	40	348	10	1.43%	348	-
County Council of Lexington	524	8	0.23%	478	46	382	9	1.57%	382	-
City of North Charleston	520	9	0.23%	507	13	434	7	1.78%	434	-
Spartanburg County Council	516	10	0.22%	443	73	453	6	1.86%	453	-
	12,576		92.26%	11,540	1,036	9,030		37.23%	9,030	-
All Other	30,122		100.00%	27,977	2,145	24,283		100.00%	24,283	-
Total ²										

In 2008, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	25	547
City/County	284	11,931
Public Schools	45	98
Total	354	12,576

In 1999, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	17	438
City/County	239	8,583
Public Schools	5	9
Total	261	9,030

¹Prior to July 1, 1999, contributions for working retirees were not required; therefore, membership information was not collected.

²2008 total reflects 364 governments and 1999 total reflects 271 governments.

Note: The Principal Participating Employers schedule is not presented for GARS, JSRS, and NGRS as employers for these systems are considered components of the State Agency category.

Statistical Section

Participating Employers

Participating Employers Covered by Statute	<u>SCRS</u>	<u>PORS</u>
State Agencies & Institutions of Higher Education	111	69
Public School Districts	105	49

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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Participating Employers Covered by Separate Agreement	575	302
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ABBEVILLE COUNTY COUNCIL	Y	Y
ABBEVILLE GREENWOOD REGIONAL LIBRARY BD	Y	
AIKEN BAMBERG BRNWELL EDGEFLD REG LIB BD	Y	
AIKEN COUNTY COMM ON ALCOHOL&DRUG ABUSE	Y	
ALLENDALE COUNTY COUNCIL	Y	Y
ALLENDALE COUNTY OFFICE ON AGING	Y	
ALLENDALE HAMPTON JASPER REG LIBRARY	Y	
ALLENDALE-BARNWELL DIS & SPEC NEEDS BD	Y	
ALLIGATOR RURAL WATER & SEWER CO	Y	
ANDERSON CO COMM ON ALCOHOL & DRUG ABUSE	Y	
ANDERSON CO COUNCIL-FINANCE OFFICE	Y	Y
ANDERSON CO DISABILITIES & SPEC NEEDS BD	Y	
ANDERSON CO FIRE PROTECTION COMMISSION	Y	Y
ANDERSON COUNTY LIBRARY BOARD	Y	
ANDERSON REGIONAL JOINT WATER SYSTEM	Y	
ASHLEY RIVER FIRE DISTRICT	Y	Y
AXIS I CENTER OF BARNWELL	Y	
BAMBERG BOARD OF PUBLIC WORKS	Y	
BAMBERG CO DISBILITIES & SPEC NEEDS BD	Y	
BAMBERG COUNTY COUNCIL	Y	Y
BAMBERG COUNTY OFFICE ON AGING	Y	
BARNWELL COUNTY COUNCIL	Y	Y
BDST SERVICES, INC.	Y	
BEAUFORT MEMORIAL HOSPITAL	Y	
BEAUFORT SOIL & WATER CONSERVATION DIST	Y	
BEAUFORT-JASPER CO WATER AUTHORITY	Y	
BEECH ISLAND RURAL COMMUNITY WATER DIST	Y	
BELMONT FIRE & SANITATION DIST COMM	Y	Y
BELTON-HONEA PATH WATER AUTHORITY	Y	
BEREA PUBLIC SERVICE DISTRICT COMMISSION	Y	
BERKELEY CHARLESTON DORCHESTER RTMA	Y	Y
BERKELEY COUNTY GOVERNMENT	Y	Y
BERKELEY COUNTY WATER & SANITATION	Y	
BETHUNE RURAL WATER COMPANY INC	Y	
BIG CREEK WATER AND SEWERAGE DISTRICT	Y	
BLDG COMM OF THE CITY & CO OF FLORENCE	Y	
BLUE RIDGE RURAL WATER COMPANY, INC.	Y	
BLUFFTON TOWNSHIP FIRE DISTRICT	Y	Y
BOILING SPRINGS FIRE DEPARTMENT		Y
BOILING SPRINGS FIRE DISTRICT		Y
BROADWAY WATER AND SEWER DISTRICT	Y	
BURTON CNER FOR DIS & SPC ND	Y	Y
BURTON FIRE DISTRICT	Y	Y
CALHOUN CO DISABILITIES & SPEC NEEDS BD	Y	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
CALHOUN COUNTY COUNCIL	Y	Y
CALHOUN COUNTY COUNCIL ON AGING	Y	
CAROMI VILLAGE VOLUNTEER FIRE DEPARTMENT		Y
CATAWBA AREA AGENCY ON AGING	Y	
CATAWBA REGIONAL COUNCIL OF GOVERNMENTS	Y	
CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS	Y	
CENTRAL MIDLANDS REGIONAL TRANSIT AUTHOR	Y	
CHARLESTON AREA TRANSPORTATION AUTHORITY	Y	
CHARLESTON CO HOUSING & REDEV AUTHORITY	Y	
CHARLESTON CO PARK AND RECREATION COMM	Y	
CHARLESTON COMMISSIONERS OF PUBLIC WORKS	Y	
CHARLESTON COUNTY AIRPORT DISTRICT	Y	Y
CHARLESTON COUNTY HUMAN SERVICES COMM	Y	
CHARLESTON COUNTY LIBRARY	Y	
CHARLESTON NAVAL COMPLEX REDEVELOPMENT	Y	
CHEROKEE CO COMM ON ALCOHOL & DRUG ABUSE	Y	
CHEROKEE CO DISABILITIES & SPEC NEEDS BD	Y	
CHEROKEE COUNTY COUNCIL	Y	Y
CHEROKEE COUNTY DEVELOPMENT BOARD	Y	
CHEROKEE COUNTY PUBLIC LIBRARY	Y	
CHEROKEE COUNTY RECREATION DIST	Y	
CHEROKEE SPRINGS FIRE DISTRICT		Y
CHESCO SERVICES	Y	Y
CHESTER CO BD OF DIRECTORS	Y	Y
CHESTER CO HOSPITAL & NURSING CTR., INC.	Y	
CHESTER COUNTY LIBRARY	Y	
CHESTER METRO DISTRICT	Y	
CHESTER SEWER DISTRICT	Y	
CHESTER/LANCASTER CO DSN BOARD, INC.	Y	
CHESTERFIELD CO DISAB & SPEC NEEDS BD	Y	
CHESTERFIELD CO RURAL WATER CO INC	Y	Y
CHESTERFIELD COUNTY COUNCIL	Y	Y
CHESTERFIELD SOIL & WATER CONS DISTRICT	Y	
CITY OF ABBEVILLE	Y	Y
CITY OF AIKEN		Y
CITY OF ANDERSON	Y	Y
CITY OF BAMBERG	Y	Y
CITY OF BARNWELL	Y	Y
CITY OF BEAUFORT	Y	Y
CITY OF BELTON	Y	Y
CITY OF BENNETTSVILLE	Y	Y
CITY OF CAMDEN & MUNICIPAL UTILITIES	Y	Y
CITY OF CAYCE	Y	Y
CITY OF CHARLESTON	Y	Y
CITY OF CHESTER	Y	Y
CITY OF CLEMSON	Y	Y
CITY OF CLINTON	Y	Y
CITY OF COLUMBIA	Y	Y
CITY OF CONWAY	Y	Y
CITY OF DARLINGTON	Y	Y
CITY OF DENMARK	Y	Y
CITY OF DILLON	Y	Y
CITY OF EASLEY	Y	Y
CITY OF FLORENCE	Y	Y

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
CITY OF FOLLY BEACH	Y	Y
CITY OF FOREST ACRES	Y	Y
CITY OF FOUNTAIN INN	Y	Y
CITY OF GAFFNEY	Y	Y
CITY OF GEORGETOWN	Y	Y
CITY OF GOOSE CREEK	Y	Y
CITY OF GREENVILLE	Y	Y
CITY OF GREENWOOD	Y	Y
CITY OF GREER	Y	Y
CITY OF HANAHAN	Y	Y
CITY OF HARDEEVILLE	Y	Y
CITY OF HARTSVILLE	Y	Y
CITY OF INMAN	Y	Y
CITY OF ISLE OF PALMS	Y	Y
CITY OF JOHNSONVILLE	Y	Y
CITY OF LAKE CITY	Y	Y
CITY OF LANCASTER	Y	Y
CITY OF LAURENS	Y	Y
CITY OF LIBERTY	Y	Y
CITY OF LORIS	Y	Y
CITY OF MANNING	Y	Y
CITY OF MARION	Y	Y
CITY OF MAULDIN	Y	Y
CITY OF MULLINS	Y	Y
CITY OF MYRTLE BEACH	Y	Y
CITY OF NEW ELLENTON	Y	Y
CITY OF NEWBERRY	Y	Y
CITY OF NORTH AUGUSTA	Y	Y
CITY OF NORTH CHARLESTON	Y	Y
CITY OF NORTH MYRTLE BEACH		Y
CITY OF ORANGEBURG	Y	Y
CITY OF PICKENS	Y	Y
CITY OF ROCK HILL	Y	Y
CITY OF SENECA	Y	Y
CITY OF SIMPSONVILLE	Y	Y
CITY OF SPARTANBURG	Y	Y
CITY OF SUMTER	Y	Y
CITY OF TEGA CAY	Y	Y
CITY OF TRAVELERS REST	Y	Y
CITY OF UNION	Y	Y
CITY OF WALHALLA	Y	Y
CITY OF WALTERBORO	Y	Y
CITY OF WEST COLUMBIA	Y	Y
CITY OF WOODRUFF	Y	Y
CITY OF YORK	Y	Y
CLARENDON CO COMM ON ALCOHOL & DRUG ABUS	Y	
CLARENDON CO DISB & SPECIAL NEEDS BOARD	Y	
CLARENDON COUNTY	Y	Y
CLEAR SPRING FIRE-RESCUE	Y	Y
CLINTON NEWBERRY NATURAL GAS AUTHORITY	Y	
CO COUNCIL OF LEXINGTON	Y	Y
COLLETON CO DISABILITIES & SPEC NEED BD	Y	
COLUMBIA MUSEUM OF ART	Y	
COMBINED UTILITY SYSTEM	Y	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
COMM OF PUBLIC WORKS MUNICIPAL UTILITIES	Y	
COMMISSION OF PUBLIC WORKS	Y	
COMMISSION OF PUBLIC WORKS	Y	
COMMISSION ON PUBLIC WORKS	Y	
CONVERSE FIRE DISTRICT		Y
COUNTY COUNCIL FOR DORCHESTER COUNTY	Y	Y
COUNTY COUNCIL OF BEAUFORT COUNTY	Y	Y
COUNTY COUNCIL OF NEWBERRY COUNTY	Y	Y
COUNTY COUNCIL OF PICKENS COUNTY	Y	Y
COUNTY COUNCIL OF RICHLAND COUNTY	Y	Y
COUNTY OF AIKEN	Y	Y
COUNTY OF CHARLESTON	Y	Y
COUNTY OF COLLETON	Y	Y
COUNTY OF HAMPTON	Y	Y
COUNTY OF LAURENS	Y	Y
COUNTY OF MARLBORO	Y	Y
COUNTY OF MCCORMICK	Y	Y
CROFT FIRE DISTRICT		Y
CULTURAL & HERITAGE COMM OF YORK COUNTY	Y	
DARLINGTON CO COMMUNITY ACTION AGENCY	Y	
DARLINGTON CO DISAB & SPECIAL NEEDS BD	Y	
DARLINGTON CO SOIL & WATER CONS DISTRICT	Y	
DARLINGTON CO WATER & SEWER COMMISSION	Y	
DARLINGTON COUNTY COUNCIL	Y	Y
DARLINGTON COUNTY COUNCIL ON AGING	Y	
DARLINGTON COURT LIBRARY COMM	Y	
DAUFUSKIE ISLAND FIRE DISTRICT		Y
DEF CORP OF ALLENDALE HAMPTON & JASPER	Y	
DEFENDER COORPORATION OF RICHLAND CO	Y	Y
DEFENDER CORPORATION FOR DORCHESTER CO	Y	
DEFENDER CORPORATION OF AIKEN COUNTY	Y	
DEFENDER CORPORATION OF CHEROKEE COUNTY	Y	
DEFENDER CORPORATION OF PICKENS COUNTY	Y	Y
DILLON COUNTY COUNCIL	Y	Y
DONALDS-DUE WEST WATER & SEWER AUTHORITY	Y	
DONALDSON DEVELOPMENT COMM DONALDSON CTR	Y	
DONALDSON FIRE SERVICE AREA	Y	
DORCHESTER CO BD OF DIS & SPECIAL NEEDS	Y	
DORCHESTER CO COMM ON ALCOHOL&DRUG ABUSE	Y	
DORCHESTER COUNTY LIBRARY	Y	
DORCHESTER COUNTY WATER AUTHORITY	Y	
DORCHESTER SENIORS, INC	Y	
DUNCAN CHAPEL FIRE DISTRICT	Y	
EASLEY CENTRAL WATER DISTRICT	Y	
EAST RICHLAND CO PUBLIC SERVICE DIST	Y	
ECONOMIC DEV. ALLIANCE OF PICKENS COUNTY	Y	
EDGEFIELD COUNTY COUNCIL	Y	Y
EDGEFIELD COUNTY WATER & SEWER AUTHORITY	Y	
FAIRFIELD CO DISAB & SPECIAL NEEDS BD	Y	
FAIRFIELD CO SUBSTANCE ABUSE COMMISSION	Y	
FAIRFIELD COUNTY COUNCIL	Y	Y
FAIRFIELD COUNTY COUNCIL ON AGING	Y	
FAIRFIELD COUNTY LIBRARY	Y	
FAIRFIELD MEMORIAL HOSPITAL	Y	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
FLORENCE CO COMM ON ALCOHOL & DRUG ABUSE	Y	
FLORENCE CO DISABILITIES & SPEC NEEDS BD	Y	
FLORENCE COUNTY COUNCIL	Y	Y
FLORENCE REGIONAL AIRPORT	Y	Y
FRIPP ISLAND PUBLIC SERVICE DISTRICT	Y	
GAFFNEY BOARD OF PUBLIC WORKS	Y	
GANTT FIRE SEWER AND POLICE DISTRICT	Y	Y
GASTON RURAL COMMUNITY WATER DISTRICT	Y	
GATEWAY COUNSELING CENTER	Y	
GENERATIONS UNLIMITED	Y	
GEORGETOWN CO ALCOHOL & DRUG ABUSE COMM	Y	
GEORGETOWN CO DISAB & SPECIAL NEED BD	Y	
GEORGETOWN COUNTY COUNCIL	Y	Y
GEORGETOWN COUNTY WATER AND SEWER DIST	Y	
GEORGETOWN SOIL & WATER CONSERVATION DIS	Y	
GILBERT-SUMMIT RURAL WATER DISTRICT	Y	
GLASSY MOUNTAIN FIRE SERVICE AREA	Y	
GLEAMNS HUMAN RESOURCES COMMISSION	Y	
GLENDALE FIRE DISTRICT	Y	
GLENN SPRINGS-PAULINE FIRE DEPARTMENT		Y
GOUCHER WATER COMPANY, INC.	Y	
GRAND STRAND WATER & SEWER AUTHORITY	Y	
GREATER GREENVILLE SANITATION COMM	Y	
GREENVILLE AIRPORT COMMISSION	Y	
GREENVILLE AREA DEVELOPMENT CORPORATION	Y	
GREENVILLE CO COM ON ALCOHOL-DRUG ABUSE	Y	
GREENVILLE CO DISAB & SPECIAL NEEDS BD	Y	
GREENVILLE CO MUSEUM COMMISSION	Y	
GREENVILLE CO RECREATION DISTRICT	Y	
GREENVILLE COMM OF PUBLIC WORKS	Y	
GREENVILLE COUNTY COUNCIL	Y	Y
GREENVILLE COUNTY LIBRARY	Y	Y
GREENVILLE REDEVELOPMENT AUTHORITY	Y	
GREENVILLE-SPARTANBURG AIRPORT DISTRICT	Y	Y
GREENWOOD CO COUNCIL-ADM & FIN OFFICE	Y	Y
GREENWOOD COMM OF PUBLIC WORKS	Y	
GREENWOOD METROPOLITAN DISTRICT COMM	Y	
GREER COMMISSION OF PUBLIC WORKS	Y	
GREER DEVELOPMENT CORP	Y	
HAMPTON CO DISABILITIES & SPEC NEEDS BD	Y	
HARTSVILLE COMMUNITY CENTER BLDG COMM	Y	
HARVIN CLARENDON COUNTY LIBRARY	Y	
HAZEL PITTMAN CENTER	Y	
HILLTOP FIRE DISTRICT	Y	Y
HILTON HEAD NO 1 PUBLIC SERVICE DISTRICT	Y	
HOLLY SPRINGS VOLUNTEER FIRE DISTRICT		Y
HOMELAND PARK WATER DISTRICT	Y	
HORRY CO COUNCIL	Y	Y
HORRY CO DISABILITIES & SPECIAL NEEDS BD	Y	
HORRY COUNTY SOLID WASTE AUTHORITY, INC	Y	
HORRY SOIL CONSERVATION DISTRICT	Y	
HOUSING AUTH OF THE CITY OF CHARLESTON	Y	
HOUSING AUTH OF THE CITY OF EASLEY	Y	
HOUSING AUTH OF THE CITY OF GREENWOOD	Y	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
HOUSING AUTH OF THE CITY OF MYRTLE BEACH	Y	
HOUSING AUTH OF THE CITY OF NO CHAS	Y	
HOUSING AUTHORITY OF CITY OF NEWBERRY	Y	
HOUSING AUTHORITY OF CITY OF UNION	Y	
HOUSING AUTHORITY OF DARLINGTON	Y	
HOUSING AUTHORITY OF FLORENCE	Y	
HOUSING AUTHORITY OF FORT MILL	Y	
HOUSING AUTHORITY OF LANCASTER	Y	
HOUSING AUTHORITY OF THE CITY OF AIKEN	Y	
HOUSING AUTHORITY OF THE CITY OF CHESTER	Y	
HOUSING AUTHORITY OF THE CITY OF CONWAY	Y	
HOUSING AUTHORITY OF THE CITY OF GAFFNEY	Y	
HOUSING AUTHORITY OF TOWN OF WOODRUFF	Y	
HOUSING AUTY OF CITY OF SUMTER	Y	
INMAN COMMUNITY FIRE DEPARTMENT		Y
INMAN-CAMPOBELLO WATER DISTRICT	Y	Y
IRMO CHAPIN RECREATION DISTRICT	Y	Y
IRMO FIRE DISTRICT		Y
ISLE OF PALMS WATER & SEWER COMMISSION	Y	
JAMES ISLAND PUBLIC SERVICE DIST COMM	Y	Y
JASPER CO BD OF DIS & SPECIAL NEEDS	Y	
JASPER COUNTY COUNCIL	Y	Y
JOHNSONVILLE RURAL FIRE DISTRICT		Y
JOINT MUNICIPAL WATER & SEWER COMMISSION	Y	
KEOWEE FIRE TAX DISTRICT		Y
KERSHAW CO BD DOF DIS & SPECIAL NEEDS	Y	
KERSHAW CO COMM ON ALCOHOL & DRUG ABUSE	Y	Y
KERSHAW COUNTY COUNCIL	Y	Y
KINGSTREE HOUSING AUTHORITY	Y	
LADYS ISLAND - ST HELENA FIRE DISTRICT	Y	Y
LAKE CITY HOUSING AUTHORITY	Y	
LAKE CUNNINGHAM FIRE DISTRICT	Y	Y
LANCASTER CO COMM ON ALCOHOL&DRUG ABUSE	Y	
LANCASTER CO WATER & SEWER DISTRICT	Y	
LANCASTER COUNTY COUNCIL	Y	Y
LANCASTER COUNTY COUNCIL ON AGING	Y	
LANCASTER COUNTY LIBRARY	Y	
LANCASTER COUNTY NATURAL GAS AUTHORITY	Y	
LAURENS CO DISABILITIES & SPEC NEEDS BD	Y	
LAURENS COMMISSIONERS OF PUBLIC WORKS	Y	
LAURENS COUNTY WATER & SEWER COMMISSION	Y	
LEE CO DISABILITIES & SPECIAL NEEDS BD	Y	
LEE COUNTY COUNCIL	Y	Y
LEXINGTON CO DEFENDER AGENCY INC	Y	
LEXINGTON MEDICAL CENTER	Y	Y
LEX-RICH ALCOHOL & DRUG ABUSE COUNCIL	Y	
LIBERTY-CHESNEE-FINGERVILLE WATER DIST	Y	
LITTLE RIVER WATER & SEWER CO., INC	Y	
LOWCOUNTRY COUNCIL OF GOVERNMENTS	Y	
LOWCOUNTRY REGIONAL EMS COUNCIL	Y	
LOWCOUNTRY REGIONAL TRANSPORTATION AUTH	Y	
LOWER SAVANNAH COUNCIL OF GOVERNMENTS	Y	
LUGOFF FIRE DISTRICT		Y
LUGOFF WATER DISTRICT OF KERSHAW COUNTY	Y	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
MARCO RURAL WATER CO., INC.	Y	
MARION CO COM ON ALCOHOL & DRUG ABUSE	Y	
MARION COUNTY COUNCIL	Y	Y
MARION COUNTY LIBRARY	Y	
MARION-DILLON CO DISAB & SPEC NEEDS BD	Y	
MARLBORO CO DISABILITIES & SPEC NEEDS BD	Y	
MARLBORO WATER COMPANY	Y	
MCCORMICK COMM OF PUBLIC WORKS	Y	
MCCORMICK COUNTY WATER & SEWER AUTHORITY	Y	
METROPOLITAN SEWER SUB-DISTRICT	Y	
METROPOLITAN SUBDISTRICT B WATER & SEWER	Y	
MID COUNTY WATER COMPANY, INC	Y	
MONCKS CORNER WATER WORKS COMMISSION	Y	
MT PLEASANT WATER & SEWER COMM	Y	
MUNICIPAL ASSOCIATION OF SOUTH CAROLINA	Y	
MURRELLS INLET-GARDEN CITY FIRE DIST	Y	Y
N SPARTANBURG AREA FIRE & RESCUE DIST	Y	Y
NEWBERRY CO DISABILITIES & SP ND BD	Y	
NEWBERRY CO NURSING HOME COMMISSION	Y	Y
NEWBERRY CO WATER AND SEWER AUTHORITY	Y	
NEWBERRY COUNTY LIBRARY	Y	
NORTH CHARLESTON SEWER DISTRICT	Y	Y
NORTH GREENVILLE FIRE DISTRICT	Y	
OCONEE COUNTY	Y	Y
OCONEE COUNTY SEWER COMMISSION	Y	
OCONEE DISABILITIES & SPEC NEEDS BD	Y	
OLD FORT FIRE DISTRICT	Y	Y
OLD NINETY SIX TOURISM COMMISSION	Y	
OLD TOWN FIRE & RESCUE DEPARTMENT	Y	
ORANGEBURG CO DISAB & SPECIAL NEEDS BD	Y	
ORANGEBURG COUNTY COUNCIL	Y	Y
ORANGEBURG DEPT OF PUBLIC UTILITIES	Y	Y
PALMETTO STATE TEACHERS ASSOCIATION	Y	
PARKER SEWER & FIRE SUBDISTRICT	Y	
PEACHTREE CENTER D/B/A-CHEROKEE LTC	Y	
PEE DEE REGIONAL COUNCIL OF GOVERNMENTS	Y	
PEE DEE REGIONAL EMS, INC	Y	
PEE DEE REGIONAL TRANSPORTATION AUTH	Y	
PELHAM BATESVILLE FIRE DEPARTMENT	Y	Y
PENDLETON DIS HISTORICAL & REC COMM	Y	
PICKENS CO COMM ON ALCOHOL & DRUG ABUSE	Y	
PICKENS CO DISABILITIES & SPEC NEEDS BD	Y	
PIEDMONT PARK FIRE DISTRICT	Y	Y
PIEDMONT PUBLIC SERVICE DISTRICT		Y
PINE RIDGE FIRE DEPARTMENT		Y
PIONEER RURAL WATER DISTRICT	Y	
POPLAR SPRINGS FIRE DEPARTMENT		Y
POWDERSVILLE WATER DISTRICT	Y	
PUBLIC DEFENDER CORP OF HORRY COUNTY	Y	
REC DIST & REC COMM OF RICHLAND COUNTY	Y	Y
RECREATION DIST LEXINGTON CO	Y	
REIDVILLE FIRE DISTRICT		Y
RICH/LEX CO DISAB & SPECIAL NEEDS BD	Y	
RICHLAND COUNTY PUBLIC LIBRARY	Y	Y

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
RICHLAND LEXINGTON AIRPORT DISTRICT	Y	Y
RICHLAND MEMORIAL/PALMETTO HEALTH	Y	
RIVERBANKS PARK COMMISSION	Y	
ROEBUCK FIRE DEPARTMENT		Y
RUBICON	Y	
RURAL COMM WATER DIST OF GEORGETOWN CO	Y	
S C EDUCATION ASSN	Y	
S C HIGH SCHOOL LEAGUE	Y	
S C STATE EMPLOYEES' ASSOCIATION	Y	
SALUDA CO COM ON ALCOHOL & DRUG ABUSE	Y	
SALUDA COMMISSION OF PUBLIC WORKS	Y	
SALUDA COUNTY COUNCIL	Y	Y
SALUDA COUNTY WATER & SEWER AUTHORITY	Y	
SANDY SPRINGS WATER COMPANY	Y	
SANTEE COOPER COUNTIES PROMOTION COMM	Y	
SANTEE FIRE SERVICE DISTRICT	Y	Y
SANTEE-LYNCHES COUNCIL FOR GOVERNMENTS	Y	
SANTEE-WATEREE REG TRANSPORTATION AUTH	Y	Y
SC APPALACHIAN COUNCIL OF GOVERNMENTS	Y	
SC ASSOCIATION OF COUNTIES	Y	
SC ASSOCIATION OF SCHOOL ADMINISTRATORS	Y	
SC ASSOCIATION OF SCHOOL BOARDS	Y	
SC ATHLETIC COACHES ASSOCIATION	Y	
SC LAW ENFORCEMENT OFFICERS ASSOCIATION	Y	
SC MIDLANDS EMER MED SER MGM ASSOC	Y	
SC STATE CREDIT UNION	Y	
SC STATE FIREMENS ASSOCIATION	Y	
SENIOR SERVICES INC OF CHESTER COUNTY	Y	
SHELDON FIRE DISTRICT	Y	Y
SHORELINE BEHAVIORAL HEALTH SERVICES	Y	
SIX MILE RURAL WATER DISTRICT	Y	
SLATER-MARIETTA FIRE DEPT		Y
SOUTH CAROLINA SHERIFFS' ASSOCIATION	Y	Y
SOUTH GREENVILLE AREA FIRE DISTRICT	Y	Y
SOUTH ISLAND PUBLIC SERVICE DISTRICT	Y	
SOUTH LYNCHES FIRE DEPARTMENT		Y
SOUTHSIDE RURAL COMMUNITY WATER DIST	Y	
SPARTANBURG COMRS OF PUBLIC WORK	Y	
SPARTANBURG COUNTY COUNCIL	Y	Y
SPARTANBURG PUBLIC LIBRARY	Y	
SPARTANBURG REGIONAL MEDICAL CENTER	Y	Y
SPARTANBURG SANITARY SEWER DIST	Y	
ST ANDREWS PARISH PARKS & PLAYGROUNDS	Y	
ST ANDREWS PUBLIC SERVICE DIST COMM	Y	
ST GEORGE WATER AND SEWER DEPARTMENT	Y	
ST JOHNS FIRE DISTRICT	Y	Y
ST PAULS FIRE DISTRICT	Y	Y
STARR-IVA WATER COMPANY	Y	
STARTEX JACKSON WELLFD DUNCAN WATER DIST	Y	
SUMTER CO COM ON ALCOHOL & DRUG ABUSE	Y	
SUMTER CO DISABILITIES & SPEC NEEDS BD	Y	Y
SUMTER CONSERVATION DISTRICT	Y	
SUMTER COUNTY COUNCIL	Y	Y
SUMTER COUNTY LIBRARY	Y	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TAYLORS FIRE AND SEWER DISTRICT	Y	Y
THE ERNEST E KENNEDY CENTER	Y	
THE PEE DEE TOURISM COMMISSION	Y	
THE RIVER ALLIANCE	Y	
THREE RIVERS SOLID WASTE AUTHORITY	Y	
TOWN OF ALLENDALE	Y	Y
TOWN OF ANDREWS	Y	Y
TOWN OF AYNOR	Y	Y
TOWN OF BATESBURG-LEESVILLE	Y	Y
TOWN OF BETHUNE	Y	Y
TOWN OF BISHOPVILLE	Y	Y
TOWN OF BLACKSBURG	Y	Y
TOWN OF BLACKVILLE	Y	
TOWN OF BLUFFTON	Y	Y
TOWN OF BLYTHEWOOD	Y	
TOWN OF BONNEAU		Y
TOWN OF BOWMAN	Y	Y
TOWN OF BRIARCLIFFE ACRES	Y	Y
TOWN OF BRUNSON	Y	Y
TOWN OF BURNETTOWN	Y	Y
TOWN OF CALHOUN FALLS	Y	Y
TOWN OF CAMERON	Y	Y
TOWN OF CAMPOBELLO	Y	Y
TOWN OF CARLISLE	Y	
TOWN OF CENTRAL	Y	Y
TOWN OF CHAPIN	Y	Y
TOWN OF CHERAW	Y	Y
TOWN OF CHESNEE	Y	Y
TOWN OF CHESTERFIELD	Y	Y
TOWN OF CLIO	Y	Y
TOWN OF CLOVER	Y	Y
TOWN OF CORDOVA	Y	
TOWN OF COTTAGEVILLE	Y	Y
TOWN OF COWARD	Y	Y
TOWN OF COWPENS	Y	Y
TOWN OF DUE WEST	Y	Y
TOWN OF DUNCAN	Y	Y
TOWN OF EASTOVER	Y	Y
TOWN OF EDGEFIELD	Y	Y
TOWN OF EDISTO BEACH	Y	Y
TOWN OF EHRHARDT	Y	Y
TOWN OF ELGIN	Y	Y
TOWN OF ELKO	Y	
TOWN OF ELLOREE	Y	Y
TOWN OF ESTILL	Y	Y
TOWN OF FAIRFAX	Y	Y
TOWN OF FORT LAWN	Y	Y
TOWN OF FORT MILL	Y	Y
TOWN OF GASTON	Y	Y
TOWN OF GILBERT	Y	
TOWN OF GRAY COURT	Y	
TOWN OF GREAT FALLS	Y	Y
TOWN OF GREELEYVILLE	Y	Y
TOWN OF HAMPTON	Y	Y

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TOWN OF HARLEYVILLE	Y	Y
TOWN OF HEATH SPRINGS	Y	
TOWN OF HEMINGWAY	Y	Y
TOWN OF HILTON HEAD ISLAND		Y
TOWN OF HOLLY HILL	Y	Y
TOWN OF HOLLYWOOD	Y	
TOWN OF HONEA PATH	Y	Y
TOWN OF IRMO	Y	Y
TOWN OF IVA	Y	Y
TOWN OF JACKSON	Y	Y
TOWN OF JAMES ISLAND	Y	
TOWN OF JAMESTOWN	Y	Y
TOWN OF JEFFERSON	Y	
TOWN OF JOHNSTON	Y	Y
TOWN OF JONESVILLE	Y	Y
TOWN OF KERSHAW	Y	
TOWN OF KIAWAH ISLAND	Y	Y
TOWN OF KINGSTREE	Y	Y
TOWN OF LAKE VIEW	Y	Y
TOWN OF LAMAR		Y
TOWN OF LANDRUM	Y	Y
TOWN OF LANE	Y	Y
TOWN OF LATTA	Y	Y
TOWN OF LEXINGTON	Y	Y
TOWN OF LINCOLNVILLE	Y	Y
TOWN OF LITTLE MOUNTAIN	Y	
TOWN OF LYMAN	Y	Y
TOWN OF MCBEE	Y	Y
TOWN OF MCCLELLANVILLE	Y	
TOWN OF MCCOLL	Y	Y
TOWN OF MCCORMICK	Y	Y
TOWN OF MEGGETT	Y	
TOWN OF MONCK'S CORNER	Y	Y
TOWN OF MONETTA	Y	
TOWN OF MT PLEASANT	Y	Y
TOWN OF MT. CROGHAN	Y	
TOWN OF NICHOLS	Y	Y
TOWN OF NINETY-SIX	Y	Y
TOWN OF NORRIS	Y	
TOWN OF NORTH	Y	Y
TOWN OF NORWAY	Y	Y
TOWN OF OLANTA	Y	Y
TOWN OF OLAR	Y	Y
TOWN OF PACOLET	Y	Y
TOWN OF PAGELAND	Y	Y
TOWN OF PAMPLICO	Y	Y
TOWN OF PARKSVILLE	Y	
TOWN OF PATRICK	Y	
TOWN OF PELION	Y	Y
TOWN OF PELZER	Y	
TOWN OF PENDLETON	Y	
TOWN OF PERRY	Y	Y
TOWN OF PINE RIDGE	Y	Y
TOWN OF PINESWOOD	Y	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TOWN OF POMARIA	Y	
TOWN OF PORT ROYAL	Y	Y
TOWN OF PROSPERITY	Y	Y
TOWN OF QUINBY	Y	Y
TOWN OF RAVENEL	Y	
TOWN OF RIDGE SPRING	Y	Y
TOWN OF RIDGELAND	Y	
TOWN OF RIDGEVILLE	Y	Y
TOWN OF RIDGEWAY	Y	Y
TOWN OF RUBY	Y	
TOWN OF SALLEY	Y	Y
TOWN OF SALUDA	Y	Y
TOWN OF SANTEE	Y	Y
TOWN OF SCRANTON	Y	Y
TOWN OF SEABROOK ISLAND	Y	Y
TOWN OF SELLERS	Y	
TOWN OF SIX MILE	Y	
TOWN OF SMYRNA	Y	
TOWN OF SNELLING	Y	
TOWN OF SOCIETY HILL	Y	Y
TOWN OF SOUTH CONGAREE	Y	Y
TOWN OF SPRINGDALE	Y	Y
TOWN OF SPRINGFIELD	Y	Y
TOWN OF ST GEORGE	Y	Y
TOWN OF ST MATTHEWS	Y	Y
TOWN OF ST STEPHEN	Y	Y
TOWN OF SULLIVANS ISLAND	Y	Y
TOWN OF SUMMERTON	Y	Y
TOWN OF SUMMERVILLE	Y	Y
TOWN OF SURFSIDE BEACH	Y	Y
TOWN OF SWANSEA	Y	Y
TOWN OF SYCAMORE	Y	
TOWN OF TIMMONSVILLE	Y	Y
TOWN OF TRENTON	Y	Y
TOWN OF TURBEVILLE	Y	Y
TOWN OF VANCE	Y	Y
TOWN OF VARNVILLE	Y	
TOWN OF WAGENER	Y	Y
TOWN OF WARD	Y	
TOWN OF WARE SHOALS	Y	Y
TOWN OF WELLFORD	Y	Y
TOWN OF WEST PELZER	Y	Y
TOWN OF WEST UNION	Y	
TOWN OF WESTMINSTER	Y	Y
TOWN OF WHITMIRE	Y	Y
TOWN OF WILLIAMSTON	Y	Y
TOWN OF WILLISTON	Y	Y
TOWN OF WINNSBORO	Y	Y
TOWN OF YEMASSEE	Y	
UNA FIRE DEPARTMENT		Y
UNION CO DISABILITIES & SPECIAL NEEDS BD	Y	
UNION COUNTY CARNEGIE LIBRARY	Y	
UNION COUNTY COUNCIL OF AGING	Y	
UNION COUNTY DEVELOPMENT BOARD	Y	

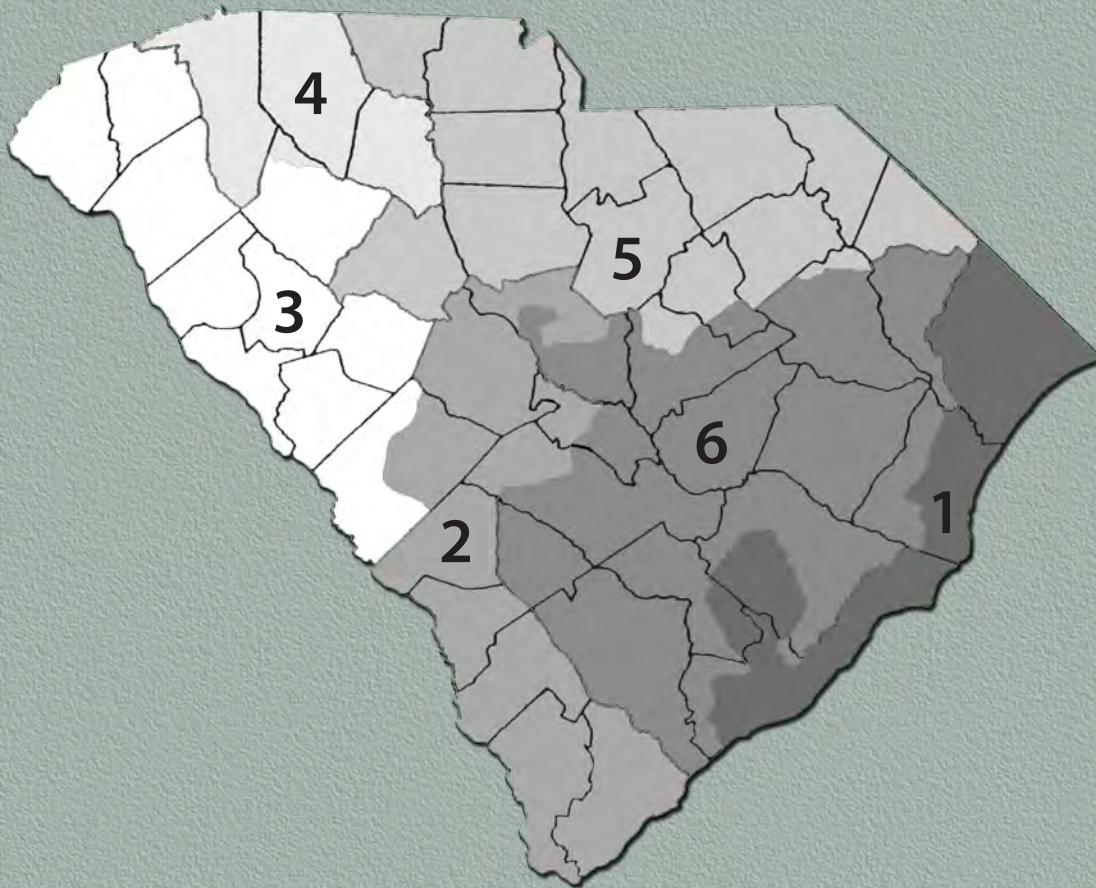
Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
UNION COUNTY SUPERVISOR	Y	Y
UPPER SAVANNAH COUNCIL OF GOVERNMENTS	Y	
VALLEY PUBLIC SERVICE AUTHORITY	Y	
WACCAMAW ECONOMIC OPPORTUNITY COUNCIL	Y	
WACCAMAW REGIONAL COUNCIL OF GOVERNMENTS	Y	
WADE HAMPTON FIRE & SEWER DISTRICT	Y	Y
WESTERN CAROLINA REGIONAL SEWER AUTH	Y	
WESTMINSTER COMM OF PUBLIC WORKS	Y	
WESTVIEW BEHAVIORAL HEALTH SERVICES	Y	
WHITESVILLE RURAL VOL FIRE DEPT		Y
WHITNEY AREA FIRE DEPT		Y
WILLIAMSBURG CO DISAB & SPECIAL NEEDS BD	Y	
WILLIAMSBURG COUNTY COUNCIL	Y	Y
WILLIAMSBURG COUNTY LIBRARY	Y	
WINDY HILL VOLUNTEER FIRE COMPANY		Y
WOODRUFF ROEBUCK WATER DISTRICT	Y	
YORK CO COVENTION & VISITORS BUREAU	Y	
YORK CO DISABILITIES & SPECIAL NEEDS BD	Y	
YORK COUNTY	Y	Y
YORK COUNTY COUNCIL ON AGING	Y	Y
YORK COUNTY LIBRARY	Y	
YORK SOIL & WATER CONSERVATION DIST	Y	

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Ninety-four percent of our retired workforce resides in South Carolina, which results in the nearly \$2 billion in benefits received annually by these in-state members being pumped back into our state's economy.

Benefits Disbursed by South Carolina Congressional District



SC Congressional District	Number of Benefit Recipients	Amount of Benefits Disbursed
1	16,558	\$ 312,877,787
2	23,626	\$ 470,155,573
3	17,779	\$ 306,839,303
4	14,215	\$ 251,174,471
5	17,481	\$ 285,983,694
6	21,393	\$ 341,757,204
Total SC	111,052	\$ 1,968,788,032
Total Out of State	7,928	\$ 115,684,556
Total	118,980	\$ 2,084,472,588

Amounts reported for the purpose of the economic stimulus analysis include retirement annuity and beneficiary checks only, and do not include active group life benefits, refund distributions, or adjustments for year-end accounting accruals; therefore, these amounts are not intended to represent expenses as reported in the financial statements.

Comprehensive Annual Financial Report



South Carolina Retirement Systems

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(800) 868-9002 (within SC only)

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