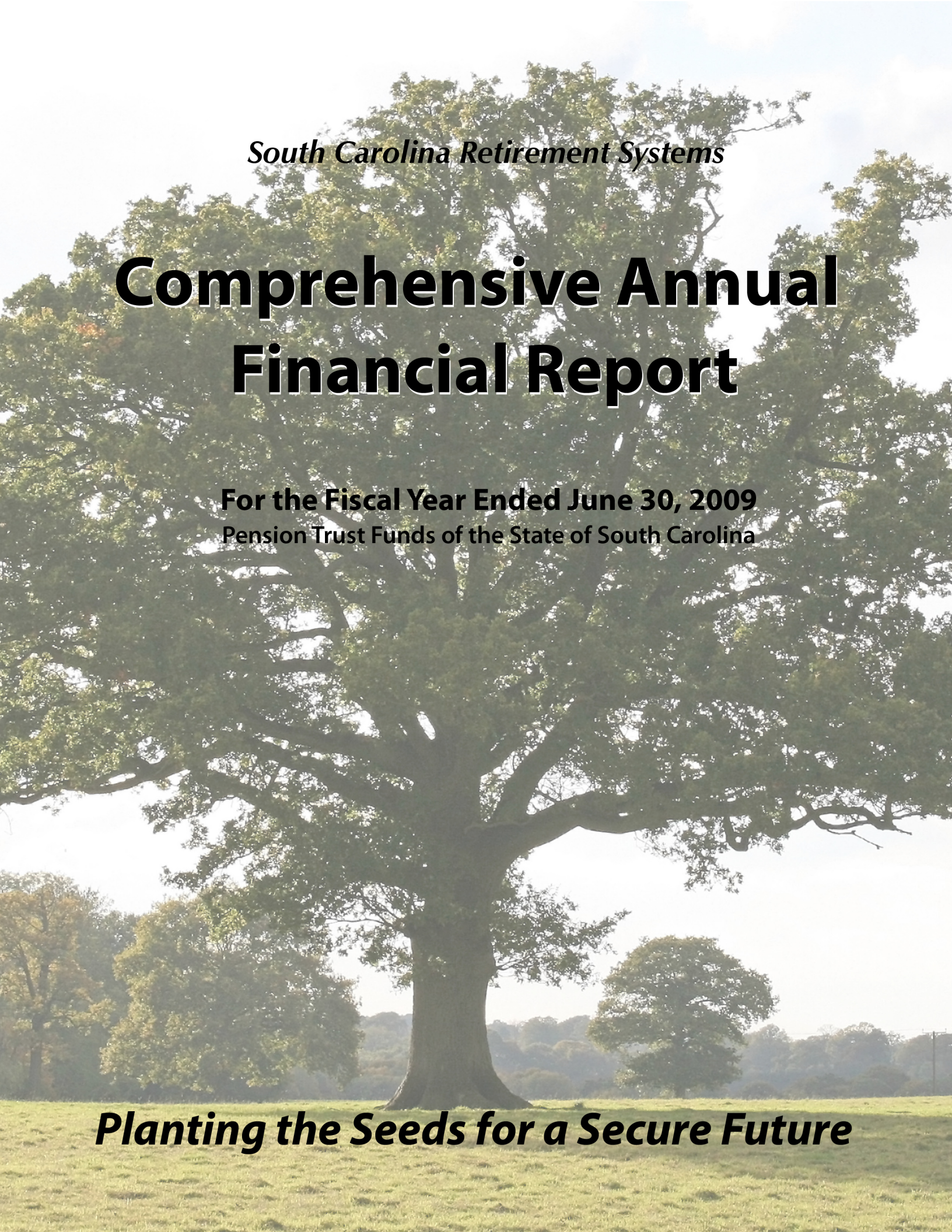




South Carolina Retirement Systems

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2009
Pension Trust Funds of the State of South Carolina

Planting the Seeds for a Secure Future

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

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2009

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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Introductory Section

There are three essential components for seed germination: viable seeds, good soil, and water. Likewise, a solid retirement plan includes saving, prudent investing, and long-term goal setting. Employer and employee contributions in addition to investment earnings are the “fertilizer” needed to grow a healthy, stable plan.

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

1-803-737-6800

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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 20, 2009

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, 2009. 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 Systems 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 is accurate in all material respects and is 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. Management's Discussion and Analysis (MD&A), which can also be found in the financial section starting on Page 23, provides a narrative introduction to and analysis of the financial statements. This letter of transmittal is meant to complement the MD&A and should be read in conjunction with it.

Profile of the Systems

The South Carolina Retirement Systems administers five defined benefit pension plans that provide lifetime service retirement benefits, disability benefits, and death benefits to eligible members and/or their surviving beneficiaries. 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 2009 Highlights

Although no legislative changes were enacted this fiscal year, 2009 was yet another active and challenging year for the South Carolina Retirement Systems. One of the most basic challenges the Retirement Systems continued to face in FY09 was to continue to provide our stakeholders with customer service at a best practices level while reducing costs. In FY09, more than 98 percent of covered employers and retired members who responded to our customer satisfaction survey were very satisfied or satisfied with our service.

Retirement Systems' staff takes their role as stewards of the pension trust funds very seriously and continually strives to improve efficiencies in all operational areas. The Retirement Systems must, however, expend the resources necessary to both maintain our infrastructure and expand our technological and human resources. Our infrastructure has been stagnated by changes required by legislation year after year as well as by court rulings. Our human capital has been extended far beyond capacity as well and the Retirement Systems hopes to provide relief in the form of additional resources when it becomes economically feasible to do so.

Operational System Improvements

One of the most significant accomplishments of the current year was the completion by Retirement Systems' staff of the software development and testing phases for a new integrated payments and claims system, and the successful implementation of the new system. During FY09, staff moved into production improvements to the Electronic Employer Services (EES) system that allow employers to:

- Submit deposit forms for monthly and quarterly reports electronically, which eliminates the cost of printing thousands of forms, postage, and handling;
- Upload quarterly reporting detail data to a secure server, which shortens processing time and further protects confidential member data;
- Submit working retiree data electronically, which ensures greater security and faster processing of data; and
- Submit supplemental contribution reports electronically, which improves the safety of confidential member data and alleviates manual data input by staff.

Internal Revenue Code Compliance

Technical issues addressed during the fiscal year were not limited to those pertaining to information systems. The technical nature of the Internal Revenue Code (IRC) and the frequency with which it can change, require that Retirement Systems' staff periodically review retirement statutes to ensure continued compliance with the 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.

During fiscal year 2009, the Retirement Systems worked with South Carolina General Assembly to implement statutory modifications intended to keep the laws governing the South Carolina Retirement Systems in compliance

Introductory Section

with certain provisions of the IRC. Other changes were implemented to ensure continued compliance with IRC requirements for qualified tax deferred plans, such as required minimum distribution requirements.

Qualified Excess Benefit Plan

Section 415(b) of the IRC sets certain limitations on the amount of benefits that may be paid from a qualified retirement plan. When these calculated limits are exceeded, IRC Section 415(b) requires that the benefits payable directly from the qualified plan be reduced. At the same time, South Carolina statute sets forth the benefit formula and options used to determine the amount of benefits paid under the South Carolina Retirement Systems and once earned, these benefits are guaranteed and cannot be repealed, revoked, or reduced, except in the case of error. Both federal and state laws require the Retirement Systems to comply with IRC Section 415(b).

The IRS recognizes that state laws and constitutional requirements mandate that state retirement plans pay benefits that are guaranteed to their retirees. Therefore, an alternative process exists to allow governmental retirement systems to make sure retirees get all of the benefits to which they are entitled by allowing the excess benefit, or benefits above the calculated IRC limit, to be paid from a Qualified Excess Benefit Arrangement (QEBA). The IRS requires that the QEBA be operated as a separate trust fund. The result is that retirees affected by the IRC limit will receive the same total benefit, a portion of which will be funded by the retirement plan under which they retired and a portion of which will be funded from the QEBA. The total payment then equals the benefit amount promised under state law while complying with IRC requirements.

Ranking Among Peer Pension Plans

Compliance with best practices within the public pension industry is a critical element of the Retirement Systems' management values. Therefore, the South Carolina Retirement Systems participates biennially in a public pension plan benchmarking analysis conducted by Cost Effectiveness Management, Inc., (CEM). Biennial participation allows the Retirement Systems to achieve cost savings while still having access to recent benchmarking information for strategic planning and accountability purposes. Seventy-four public pension plans participated in the CEM survey for 2007, which marked the seventh year of participation for the Retirement Systems. CEM results for 2009 will not be available until spring 2010.

Actuarial Experience Study

SC state statute requires that an experience study be conducted at least once in each five year period. An actuarial experience study conducted for SCRS for the period of July 1, 2002, through June 30, 2007, resulted in several actuarial assumptions for the plan being updated. An experience study reviews how a plan's demographic experience compares with that predicted by the actuarial assumptions. Recommended changes to actuarial assumptions for SCRS were adopted by the SC Budget and Control Board, and were applied in the July 1, 2008, valuation.

Investment Returns

Losses were a common theme during fiscal year 2009 due to the remarkable volatility in nearly all global capital markets as the financial system worldwide reached the brink of collapse in late 2008. The resultant colossal market swings created a complex backdrop against which the South Carolina Retirement System Investment Commission (Commission) continued to pursue the reallocation of assets that began in July 2007.

As of June 30, 2009, the Retirement Systems' investment portfolio value was \$21 billion, down from \$27 billion a year earlier. Of this change, \$822 million was due to cash flows for retiree obligations. The portfolio's overall performance for the fiscal year ending June 30, 2009, was negative 19.04 percent.

Although the Retirement Systems' portfolio posted a negative return for the fiscal year, its assets are invested in a manner consistent with a long-term investment time horizon. While the financial markets continue to experience significant volatility, the assets of the Retirement Systems are invested in a broadly diversified manner to help mitigate risk. 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.

Introductory Section

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, 2008, 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, decreased slightly from 69.7 percent to 69.3 percent. The period for amortizing SCRS' unfunded actuarial accrued liability remained constant at 29 years while the unfunded actuarial liability increased from \$9.7 billion to \$10.2 billion. A 2 percent COLA was granted effective July 1, 2008 in accordance with Act 311 which provided a guaranteed annual COLA up to 2 percent when certain conditions are satisfied. However, at the time of the prior year actuarial valuation dated July 1, 2007, only a 1 percent COLA was guaranteed and as a result, the portion of the COLA in excess of the 1 percent guarantee in effect at the time of the July 1, 2007, valuation represented an actuarial loss and increased the unfunded accrued liability and amortization period. The plan also experienced an actuarial loss on plan assets because investment returns were less than the assumed rate of return; however, an actuarial smoothing technique is utilized to recognize gains and losses over a period of years. Other non-investment related experience activity considered normal within the course of plan experience contributed to gains and losses because experience does not exactly match the assumptions.

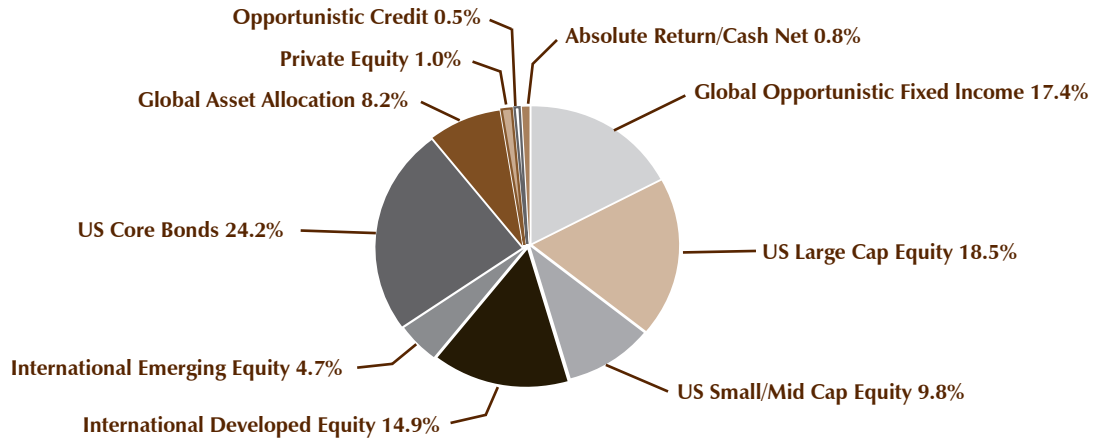
The current funded ratios of the five plans range from a low of 32.6 percent for NGRS to a high of 77.9 percent for PORS. The NGRS has a very low funded ratio because historically the plan was not funded on an actuarial sound basis. In 2006, the General Assembly made a commitment to ensure the plan would be sufficiently funded prospectively and transferred administrative responsibility from the Adjutant General's Office to the South Carolina Retirement System. Now recurring funds are set aside each year in the state's annual budget to fund the NGRS over an amortization period that does not exceed 30 years, so we anticipate continued 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 continues implementation of a modern-day asset allocation policy. With the help of the RSIC's investment consultants, NEPC, the RSIC deployed investments across a progressive asset allocation designed to reduce the amount of risk while aiming to 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 continue implementation of 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.

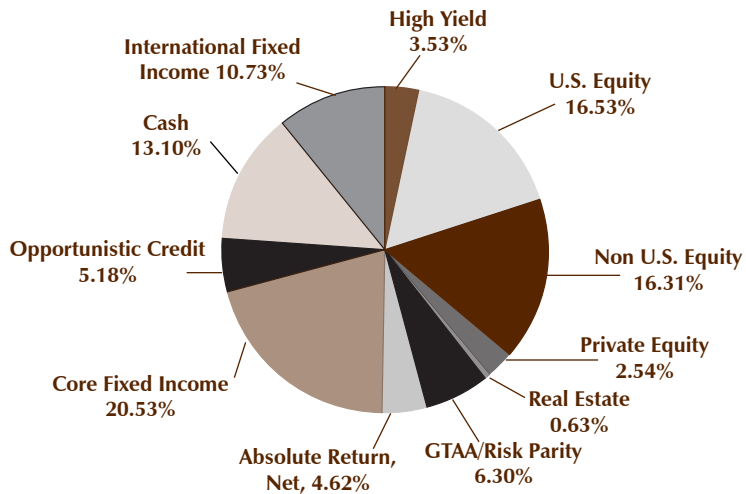
The charts on the following page summarize the Retirement Systems' diversification progress from the prior fiscal year and the long-term target allocation.

Introductory Section

Actual Asset Allocation as of June 30, 2008

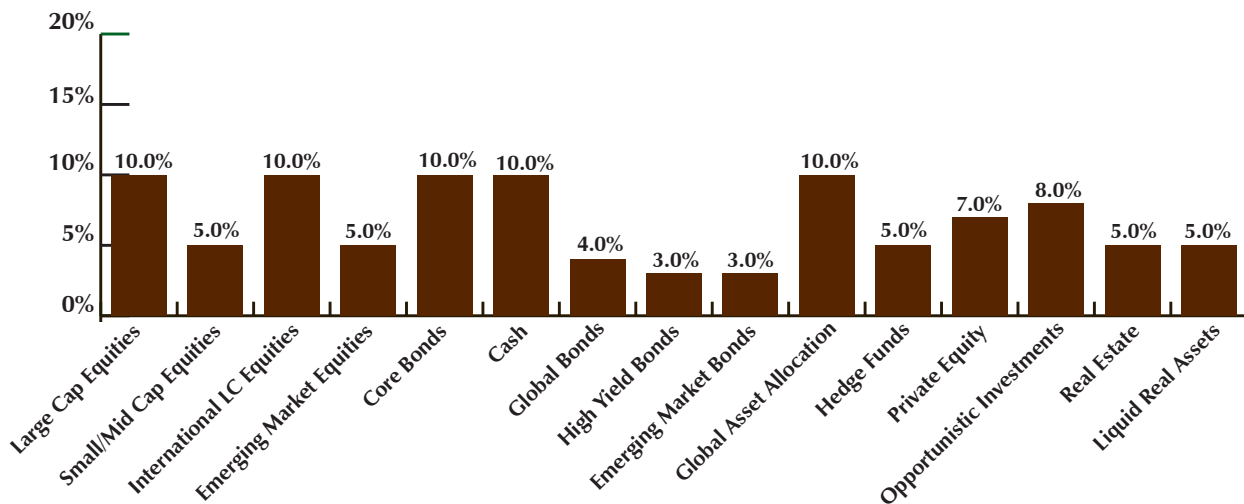


Actual Asset Allocation as of June 30, 2009



Introductory Section

Target Asset Allocation



Note: Target Asset Allocation was adopted by RSIC on March 31, 2009.

For the year ended June 30, 2009, the combined Systems' investment portfolio produced a total aggregate investment return of negative 19.04 percent. Current year performance was significantly less than the actuarial assumed rate of return utilized for actuarial valuation purposes; however, industry standard actuarial smoothing methodology mitigates market volatility by offsetting investment gains and shortfalls over a period of years. As previously referenced, the State Budget and Control Board, as trustees for the Retirement Systems, adopted actuarial assumption changes that will be recognized with the next actuarial valuation dated July 1, 2009.

Investment performance in comparison to the assumed rate of return is a significant factor in our actuarial valuations. As referenced above, the actuarial asset valuation method 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 actuarial asset valuation method dampens year-to-year fluctuations, smooths the effect of volatility in the market and helps provide a consistent estimate of the value of assets. Detailed investment results for fiscal year 2009 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. Annuity benefits are sufficiently funded based on current contribution levels. For additional financial information, please refer to management's discussion and analysis, financial statements and schedules included in the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Carolina Retirement Systems for its *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended June 30, 2008. This was the 22nd consecutive year that the Retirement Systems has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Introductory Section

Public Pension Standards Award

The South Carolina Retirement Systems received the Public Pension Coordinating Council's Public Pension Standards Award in 2008 for the fifth consecutive year. We have applied for the 2009 award and we anticipate that we will receive it again 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.

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 Retirement Systems, to demonstrate compliance with legal provisions, and to allow for the evaluation of responsible stewardship of the funds of the Retirement 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 Retirement Systems.

Respectfully submitted,



Peggy G. Boykin, CPA
Director



Tammy B. Nichols, CPA
Deputy Director of Operations





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

James R. Powers	Chairman
Allen R. Gillespie, CFA	Vice Chairman
Reynolds Williams	Chairman Emeritus
Converse A. Chellis, III, CPA	State Treasurer
Blaine Ewing, III	
Travis Pritchett	
Robert L. Borden, CFA	Chief Executive Officer & Chief Investment Officer

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	Deputy Director of Administration
Tammy B. Nichols, CPA	Deputy Director of Operations
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

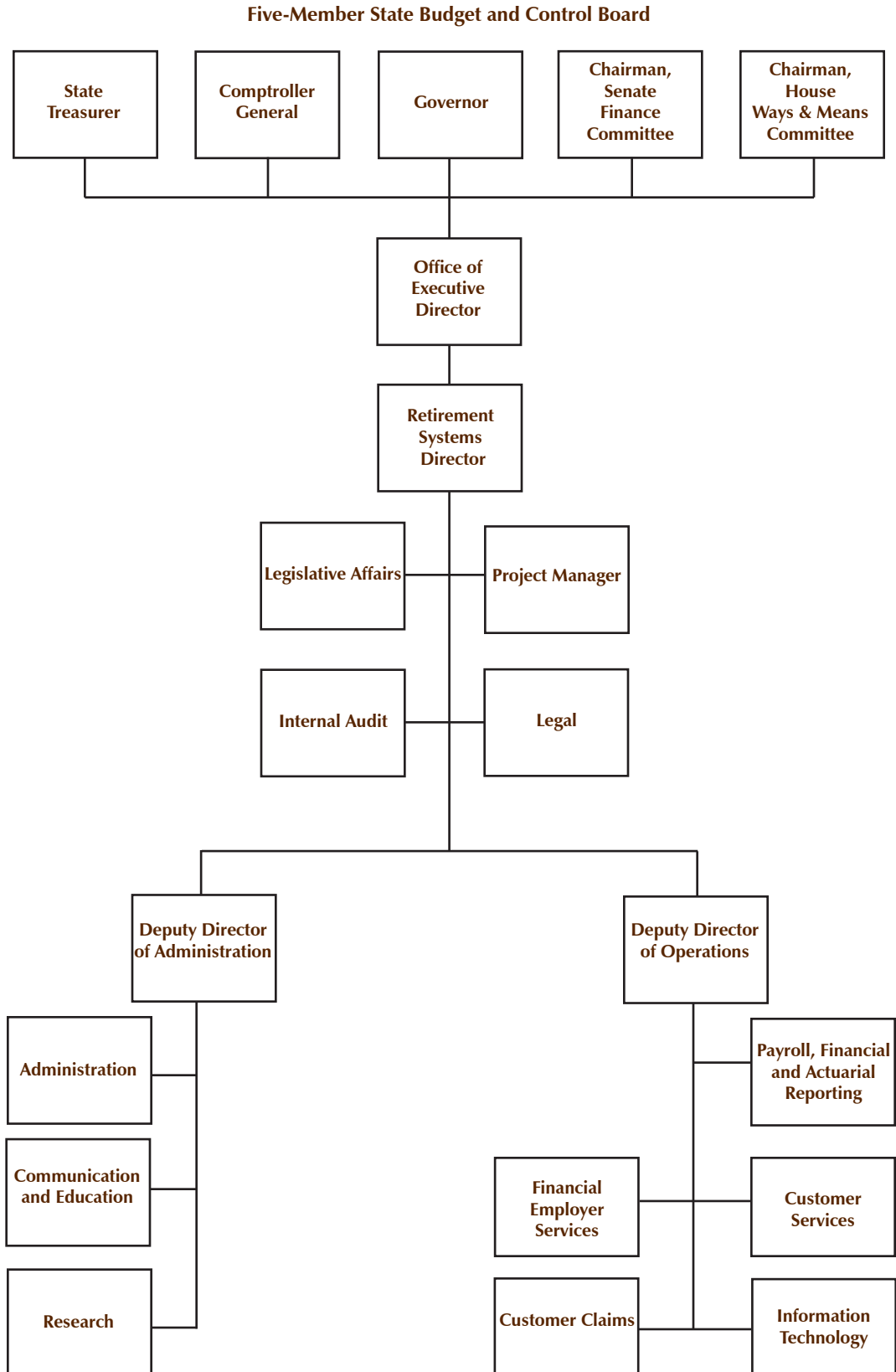
Retirement Systems Staff Responsible for Compilation of CAFR

Tammy B. Nichols, CPA	Deputy Director of Operations
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
Maria Cole	Public Information Coordinator

¹Refer to pages 75-78 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.

Project Manager

Responsible for providing management and leadership in the delivery of projects that support the organization's strategic goals and objectives.

Legislative Affairs

Serves as senior level resource to Division Director and management in legislative and policy issues.



Financial Section

As you see the beginnings of your retirement savings emerge, you can close your eyes and visualize the secure, comfortable retirement of your dreams. Just as trees support their surrounding environment by producing oxygen and shade, so too do the plans administered by the South Carolina Retirement Systems provide for the environment of South Carolina. The more than \$2 billion in benefits paid annually by the Retirement Systems provides a stable source of income for our public retirees. Since 94 percent of our retirees remain in South Carolina, the state reaps a remarkable economic boost from these payments.



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, 2009, 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, 2009, 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, 2009, 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.

Going Beyond The Numbers.

Financial Section

Management's Discussion and Analysis on pages 23 - 28 and the required supplementary information on pages 52 and 53 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.

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2009 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 54 – 60 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 Lalam, PA

October 21, 2009

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, 2009, 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 teachers, 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 Public Defenders; and
- *The 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 are a part of the primary government of the state of South Carolina and are 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, death benefit 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 expenses.

Financial Highlights

- For the fiscal year ended June 30, 2009, the aggregate rate of return on the pooled investments of the consolidated pension trust funds was negative 19.04 percent. Returns for the combined investment portfolio were well below the negative 2.56 percent return from the prior fiscal year and well below the 8 percent actuarial investment assumed rate of return for the plans. The impact of the recent financial market crisis should moderate in time through the use of actuarial smoothing methods and a restoration of investment returns to historic norms.
- The Retirement System Investment Commission executed a transition plan that dictated the pace at which the Retirement System's investments were to be diversified. This transition was determined to have been completed at the end of December. Funds are now invested in a highly diversified portfolio, with holdings and, therefore, risks spread across multiple asset classes, including domestic and global equity and fixed income, high yield debt, real estate, private equity, other alternative investments, and cash. The investment portfolio is structured to focus on the long-term stability of the plan. The transition plan and the elimination of previous restrictions have allowed the trust funds to invest in a manner that is consistent with the majority of other public retirement trust funds.
- The South Carolina Retirement Systems' total net assets for the combined plans decreased by \$6.1 billion or 23 percent during fiscal year 2009. As previously explained, investment performance had a considerably negative impact on plan net assets; however, increased annuity benefits did contribute somewhat to the overall decline in plan net assets. Total plan net assets represent 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 \$26.6 billion to \$20.5 billion was primarily due to negative returns in the investment market and increased deductions for pension expenditures.
- The asset allocation reflects significant changes from the prior fiscal year. These variances are a result of both the implementation of the Investment Commission's transition plan as well as the decline in many global financial markets. During the fiscal year, in response to the market conditions, a portion of the investment portfolio was strategically allocated to cash and cash equivalents to reduce portfolio volatility and to satisfy liquidity requirements for paying retirement benefits and funding obligated commitments.
- 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 income. Declining market prices for securities held in the securities lending collateral pool also contributed to the reduction in 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. Although TERI once proved to be an extremely attractive option for some members, participation has continued to decline over the past few years. The total amount of assets held in trust for future payment of accrued TERI benefits decreased from \$552 million to \$431 million during fiscal year 2009, with the number of members actively participating in TERI decreasing as well from 7,899 to 6,571 at fiscal year end.
- The Judges and Solicitors Retirement System (JSRS) also provides for a deferred retirement option program. 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 judge, solicitor, or 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 years, the balance of the member's deferred retirement benefit is distributed to the member. As of June 30, 2009, three JSRS members were participating in the deferred retirement option program and benefits held in trust totaled \$698,000.
- The number of retired members and beneficiaries receiving monthly benefits under the Retirement Systems' plans increased to almost 124,000 annuitants during the year. The increase in the number of annuitants, coupled with adjustments for cost-of-living increases that were granted July 1, 2008, resulted in the amount of annuity benefit payments increasing nearly 6 percent.
- Although participation in TERI declined during the year, a large number of retirees continue employment after retirement. Retired members of SCRS and PORS are allowed to return to work for a covered employer after retirement or after ending their TERI participation, and receive their full annuity benefit with no limit on the amount of wages they may earn from employment. Retirees who return to work for a covered employer after retirement or TERI are required to pay the same employee contributions as an active member and their employers must pay the corresponding employer contributions.
- Members of JSRS who are age 60 and are eligible to receive the maximum monthly benefit may also retire

Financial Section

and receive their monthly retirement benefit while continuing to earn a salary and serve as a judge, solicitor or circuit public defender until the member attains the age of 72.

- South Carolina state statute allows for retiree cost-of-living allowances (COLAs). Each July 1, eligible retired members of the 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 CPI. If the CPI is negative, no COLA will be granted. The Budget and Control Board, as trustees of the state's pension trust funds, may approve ad hoc COLAs of up to 2 percent in addition to the automatic COLA if certain guidelines are met. Eligible retirees received a 2 percent COLA effective July 1, 2008.
- As a result of the current state of our economy and budget restrictions, we experienced a slight reduction in the amount of administrative and other expenses.
- Qualified Excess Benefit Arrangement (QEBA) trust funds were established for each of the plans administered by the South Carolina Retirement Systems. A QEBA is intended to be a qualified governmental excess benefit arrangement within the meaning of Section 415(m)(3) of the Internal Revenue Code and provides the part of a participant's retirement benefit that would have been paid under the South Carolina Retirement Systems had there been no limitations under Code Section 415(b). The QEBA plans are separate and apart from the funds comprising the Retirement fund and are not commingled with assets of those funds. The QEBA is not prefunded; therefore, no assets or income are accumulated to pay future benefits. The amount of required contributions necessary to pay benefits under the plans is determined and deposited to the trust funds on an as-needed basis. Employer contributions to fund the excess benefits are not credited or commingled with contributions paid into and accumulated in the Retirement funds.

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 funds provide lifetime annuity benefits to vested eligible members who serve as employees of State, public school, local and municipal government, state legislative, judicial and South Carolina National Guard employers.

The principal sources from which the Systems derive revenues are employee contributions, employer contributions and investment earnings. 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 death benefit plan for both active and retired members and an accidental death plan for members of 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)

	2009	2008	% Increase/ (Decrease)
Assets			
Cash and cash equivalents, receivables and prepaid expenses	\$ 3,403,752	\$ 2,835,196	20.05%
Investments, at fair value	17,915,982	24,697,700	(27.46%)
Securities lending cash collateral invested	1,845,862	3,796,183	(51.38%)
Property, net of accumulated depreciation	3,340	3,459	(3.44%)
Total Assets	<u>23,168,936</u>	<u>31,332,538</u>	(26.05%)
Liabilities			
Deferred retirement benefits	431,503	552,260	(21.87%)
Obligations under securities lending	1,845,862	3,796,183	(51.38%)
Other accounts payable	399,193	351,050	13.71%
Total Liabilities	<u>2,676,558</u>	<u>4,699,493</u>	(43.05%)
Total Net Assets	<u>\$ 20,492,378</u>	<u>\$ 26,633,045</u>	(23.06%)

Changes in Plan Net Assets Year Ended June 30 (Amounts expressed in thousands)

	2009	2008	% Increase/ (Decrease)
Additions			
Employee contributions	\$ 645,116	\$ 618,576	4.29%
Employer contributions	962,559	898,417	7.14%
State-appropriated contributions	4,052	3,948	2.63%
Investment income (loss)	(5,433,227)	(731,466)	(642.79%)
Other income	3,071	3,542	(13.30%)
Total Additions	<u>(3,818,429)</u>	<u>793,017</u>	(581.51%)
Deductions			
Annuities	2,191,651	2,072,109	5.77%
Refunds	87,668	93,094	(5.83%)
Death benefits	19,776	19,969	(0.97%)
Administrative & other expenses	23,143	23,580	(1.85%)
Total Deductions	<u>2,322,238</u>	<u>2,208,752</u>	5.14%
Increase (Decrease) in Net Assets	<u>(6,140,667)</u>	<u>(1,415,735)</u>	(333.74%)
Beginning Net Assets	26,633,045	28,048,780	(5.05%)
Ending Net Assets	<u>\$ 20,492,378</u>	<u>\$ 26,633,045</u>	(23.06%)

Financial Section

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

On a combined basis, plan net assets were valued at \$20.5 billion at June 30, 2009, representing a 23 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 offset contributions and resulted in a reduction in total plan income for the fiscal year.

Core fixed income portfolios were the best performers (up 3.96 percent in aggregate), while the public equity portfolios were the worst performers (-28.48 percent). Alternative asset classes outpaced equities, but were down (-15.38 percent) for the year.

The Fund's negative performance relative to the Policy and Strategy benchmarks occurred almost entirely during late 2008, and was mainly due to poor manager performance during the unprecedented decline in the major capital markets. In several cases, the Commission terminated or reduced exposure to managers and strategies where performance concerns arose.

While the financial crisis took a major toll on the Fund, it also has provided an opportunity to acquire undervalued assets. The Commission believes that these investments will provide attractive risk adjusted returns for the next several years.

During fiscal year 2009, the total dollar amount of retirement annuities paid increased nearly 6 percent when compared with the previous fiscal year. This was due primarily to an increase in the number of annuitants, a 2 percent cost-of-living adjustment (COLA) that was granted effective July 1, 2008, and our flexible return to work provisions for working retirees which allow members to retire earlier than they otherwise would. COLAs have historically been a very important benefit to our retirees, providing a critical component of retiree income, especially during inflationary periods. South Carolina state statute provides that each July 1, eligible SCRS retirees will receive an automatic COLA equal to the percentage of the annual increase in the Consumer Price Index for Wage Earners and Clerical Workers (CPI-W) as of the previous December 31, up to an increase of 2 percent. If the CPI-W is less than 2 percent, the COLA will equal the actual increase in the CPI-W. COLAs will be paid only during periods of inflation.

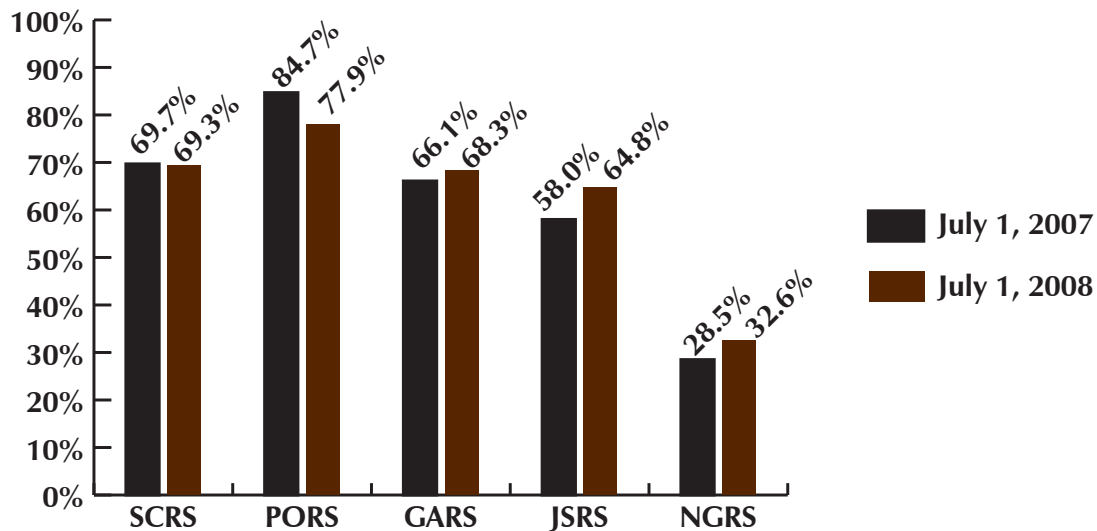
Funding Status

An overall objective in the funding of a defined benefit retirement system is to accumulate sufficient funds to meet long-term benefit obligations. The primary sources of assets to fund benefits include investment income, member contributions and employer contributions. Beginning with the July 1, 2008, actuarial valuation, a ten-year smoothing method is used to actuarially value assets, with a corridor of the resulting value not being less than 80 percent or more than 120 percent of the market value of assets. This asset valuation method mitigates the impact of market volatility and allows changes in market conditions to be recognized (smoothed) over a period of years. Excess returns and shortfalls determined prior to July 1, 2008, remain with a five-year phase in period.

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, 2008, 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. The continued stability was a primary result of the change in the actuarial assumed rate of investment return from 7.25 percent to 8 percent. As of July 1, 2008, 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 following graph.

Financial Section

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



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
P.O. 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, 2009

With comparative totals for June 30, 2008

(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2008
ASSETS							
Cash and cash equivalents	\$ 2,695,971	\$ 375,430	\$ 4,527	\$ 14,568	\$ 1,854	\$ 3,092,350	\$ 1,731,636
Receivables							
Due from other Systems		254	7	1		262	1,715
Employee and employer contributions	167,185	18,339	22	575		186,121	184,616
Employer contributions long-term	457	16				473	596
Accrued investment income	60,211	8,263	106	336	43	68,959	88,600
Unsettled investment sales	45,849	6,354	80	255	33	52,571	823,264
Other investment receivables	2,465	342	4	14	2	2,827	4,479
Total receivables	276,167	33,568	219	1,181	78	311,213	1,103,270
Investments, at fair value							
Short-term securities	61,745	8,557	108	343	43	70,796	101,615
Debt							
Domestic Fixed Income	2,941,043	407,611	5,139	16,330	2,083	3,372,206	6,161,772
Global Fixed Income	2,998,334	415,551	5,239	16,648	2,124	3,437,896	3,531,498
Public Equity							
Domestic Equity	1,962,536	271,996	3,429	10,897	1,390	2,250,248	6,171,292
Global Equity							485,689
Alternatives	7,661,625	1,061,857	13,387	42,541	5,426	8,784,836	8,245,834
Total investments	15,625,283	2,165,572	27,302	86,759	11,066	17,915,982	24,697,700
Securities lending cash collateral invested	1,609,854	223,116	2,813	8,939	1,140	1,845,862	3,796,183
Prepaid administrative expenses	165	23		1		189	290
Capital assets, net of accumulated depreciation	3,009	308	9	14		3,340	3,459
Total assets	20,210,449	2,798,017	34,870	111,462	14,138	23,168,936	31,332,538
LIABILITIES							
Due to other Systems	261				1	262	1,715
Accounts payable - unsettled investment purchases	31,521	4,369	55	175	22	36,142	106,027
Investment fees payable	8,286	1,149	14	46	6	9,501	17,449
Obligations under securities lending	1,609,854	223,116	2,813	8,939	1,140	1,845,862	3,796,183
Deferred retirement benefits	430,805			698		431,503	552,260
Due to Employee Insurance Program	37,553	741				38,294	36,630
Benefits payable	2,045	207	7		2	2,261	2,352
Other liabilities	272,645	37,803	476	1,615	194	312,733	186,877
Total liabilities	2,392,970	267,385	3,365	11,473	1,365	2,676,558	4,699,493
Net assets held in trust for Pension Benefits (a schedule of funding progress for each plan is presented on Page 52)	\$ 17,817,479	\$ 2,530,632	\$ 31,505	\$ 99,989	\$ 12,773	\$ 20,492,378	\$ 26,633,045

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, 2009

With comparative totals for the year ended June 30, 2008

(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2008
Additions							
Contributions							
Employee	\$ 564,872	\$ 77,014	\$ 706	\$ 2,524	\$ -	\$ 645,116	\$ 618,576
Employer	827,502	124,148	2,495	8,414		962,559	898,417
State appropriated					4,052	4,052	3,948
Total contributions	1,392,374	201,162	3,201	10,938	4,052	1,611,727	1,520,941
Investment Income							
Net appreciation (depreciation) in fair value of investments	(5,107,679)	(686,433)	(10,063)	(28,759)	(4,299)	(5,837,233)	(1,410,569)
Interest and dividend income	370,840	50,439	686	2,115	292	424,372	714,906
Investment expense	(38,850)	(5,233)	(71)	(215)	(29)	(44,398)	(67,017)
Net income (loss) from investing activities	(4,775,689)	(641,227)	(9,448)	(26,859)	(4,036)	(5,457,259)	(762,680)
From securities lending activities:							
Securities lending income	51,145	6,900	96	284	40	58,465	209,364
Securities lending expense	(30,124)	(4,062)	(57)	(166)	(24)	(34,433)	(178,150)
Net income from securities lending activities	21,021	2,838	39	118	16	24,032	31,214
Total net investment income (loss)	(4,754,668)	(638,389)	(9,409)	(26,741)	(4,020)	(5,433,227)	(731,466)
Supplemental retirement benefits funded by the State	1,152	46				1,198	1,373
State appropriations for administrative expenses							50
Transfers of contributions from other Systems	81	1,625	84	83		1,873	2,119
Total additions	(3,361,061)	(435,556)	(6,124)	(15,720)	32	(3,818,429)	793,017
Deductions							
Refunds of contributions to members	73,882	13,753	33			87,668	93,094
Transfers of contributions to other Systems	1,792		81			1,873	2,119
Regular retirement benefits	1,770,775	210,345	6,416	13,135	3,432	2,004,103	1,849,862
Deferred retirement benefits	184,519			349		184,868	219,427
Supplemental retirement benefits	1,152	46				1,198	1,373
Death benefit claims	17,908	1,720	14	134		19,776	19,969
Accidental death benefits		1,482				1,482	1,447
Depreciation	107	11		1		119	118
Administrative expenses	18,472	2,526	35	103	15	21,151	21,343
Total deductions	2,068,607	229,883	6,579	13,722	3,447	2,322,238	2,208,752
Net increase (decrease)	(5,429,668)	(665,439)	(12,703)	(29,442)	(3,415)	(6,140,667)	(1,415,735)
Net assets held in trust for Pension Benefits							
Beginning of year	23,247,147	3,196,071	44,208	129,431	16,188	26,633,045	28,048,780
End of year	\$ 17,817,479	\$ 2,530,632	\$ 31,505	\$ 99,989	\$ 12,773	\$ 20,492,378	\$ 26,633,045

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 for the fiscal year ended June 30, 2009, follows (dollar amounts expressed in thousands):

	<u>State¹</u>	<u>School</u>	<u>Other</u>	<u>Total</u>
SCRS				
Number of Employers	111	109	581	801
Annual Covered Payroll	\$ 2,283,295	\$ 3,232,765	\$ 1,881,732	\$ 7,397,792
Average Number of Contributing Members	56,683	88,717	55,706	201,106
PORS				
Number of Employers	65	47	313	425
Annual Covered Payroll	\$ 372,869	\$ 347	\$ 658,856	\$ 1,032,072
Average Number of Contributing Members	10,825	11	16,869	27,705
GARS				
Number of Employers	2			2
Annual Covered Payroll	\$ 3,228			\$ 3,228
Number of Elected Positions	170			170
JSRS				
Number of Employers	3			3
Annual Covered Payroll	\$ 16,347			\$ 16,347
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	12,606			12,606

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, 2008, 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>JSRS¹</u>	<u>NGRS</u>	<u>Totals</u>
Retirees and beneficiaries currently receiving benefits	104,522	11,286	342	178	3,492	119,820
Terminated members entitled to but not yet receiving benefits	155,038	11,558	47	5	2,942	169,590
Total active, elected positions, and other special contributing members	192,820	26,427	191	144	12,559	232,141
Total membership	452,380	49,271	580	327	18,993	521,551

¹Total for retirees and beneficiaries includes 15 participants who retired in place and continued to serve as a judge, solicitor, or circuit public defender pursuant to the provisions of Section 9-8-60 (7)(b) of the South Carolina Code of Laws.

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 (4.24 percent) and a death benefit 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, 2009
(Dollar amounts expressed in thousands)

Average Number of Contributing Participants	19,902
Annual Covered Payroll	\$ 933,873
Employer Contributions Retained by SCRS	39,596
Death Benefit Contributions Retained by SCRS	1,401
Employee Contributions to Investment Providers	60,702
Employer Contributions to Investment Providers	46,694

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, 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. Death benefits are also available to active and retired members who have at least one year of service, provided their employer participates in the program.

Each July 1, eligible retirees will receive an automatic cost-of-living adjustment (COLA) equal to the percentage of the annual increase in the Consumer Price Index for Wage Earners and Clerical Workers (CPI) as of the previous December 31, up to an increase of 2 percent. If the CPI is less than 2 percent, the COLA will equal the actual increase in the CPI. COLAs are paid only during periods of inflation.

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. Death 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.

Each July 1, eligible retirees will receive an automatic COLA equal to the percentage of the annual increase in the Consumer Price Index for Wage Earners and Clerical Workers (CPI) as of the previous December 31, up to an increase of 2 percent. If the CPI is less than 2 percent, the

COLA will equal the actual increase in the CPI. COLAs are paid only during periods of inflation.

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 death 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 death 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. Forward contracts and foreign currencies are also classified as cash and cash equivalents.

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 Systems are invested subject to the terms, con-

Financial Section

ditions, 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 appointed and 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 management of the investment program for the Retirement Systems' \$20.5 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 seeking superior long-term results at an acceptable level of risk. As of June 30, 2009, legal agreements were in place with 65 investment managers.

For financial statement purposes, investments of the pension trust funds are reported at fair value in the Statement of Plan Net Assets. Short term securities categorized as cash or cash equivalents are reported at fair value. The Systems holds domestic equity, domestic and global fixed income securities which are traded on organized exchanges and these are valued by the investment custodian using the last reported sales price on a trade-date basis. Private market investments typically utilize a limited partnership structure and private equity funds normally represent investments in operating companies that are not publicly traded on a stock exchange. The fair values of limited partnership investments are based on valuations of the underlying companies of the limited partnerships. Fair values of all other alternative investments are based on the respective investment manager's statements as of June 30, 2009.

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. Those 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 2009 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 2008-2009 State Appropriations Act, an additional employer contribution surcharge of 3.50 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 PORS collected (amounts expressed in thousands) \$249,031 and \$13,829 respectively in retiree insurance surcharges (\$32,709 of which was applicable to the State ORP) and remitted these funds to the Employee Insurance Program.

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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 **Death Benefit Fund**, formerly referred to as the Group Life Fund, (SCRS and PORS only) is the fund to

which participating employers contribute for the purpose of providing a death benefit to active and retired members of the Systems. Employer contributions and investment earnings are credited to this fund. Death 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.

The **Qualified Excess Benefit Arrangement (QEBA) Fund** is the fund from which annuity benefits are paid when a benefit recipient exceeds IRC Section 415(b) limits on the amount an individual may receive annually from a qualified defined benefit pension plan. Employer contributions are credited to this fund on an as-needed basis in an amount equivalent to the amount of benefits being paid out of the QEBA fund due to IRC Section 415(b) limitations.

Balances in the respective reserves at June 30, 2009, were as follows (amounts expressed in thousands):

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>
Employee Fund	\$ 5,980,248	\$ 726,214	\$ 6,822	\$ 18,431	
Employer Fund	11,744,166	1,757,367	24,683	81,558	\$ 12,773
Death Benefit Fund	93,065	20,789			
Accidental Death Fund		26,262			
Qualified Excess Benefit Arrangement Fund	-				
	<u>\$ 17,817,479</u>	<u>\$ 2,530,632</u>	<u>\$ 31,505</u>	<u>\$ 99,989</u>	<u>\$ 12,773</u>

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 agree to the Statement of Plan Net Assets.

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 South Carolina state 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) or collateralized with securities held by the state or its agent in the State Treasurer's name as custodian.

Under the Temporary Liquidity Guarantee Program provided by the FDIC to strengthen confidence and encourage liquidity in the banking industry, the Transaction Account Guarantee (TAG) Program provides separate unlimited FDIC coverage on the full balance of non-interest bearing checking accounts. This coverage is in addition to the recently increased FDIC coverage

on other deposits of \$250,000. Wachovia services our public fund accounts and participates in the TAG program through the end of 2009; therefore, all checking accounts and deposits are either included under the TAG program or the bank holds additional collateral above the \$250,000 FDIC requirement due to classification.

The total amount of the Systems' deposits at June 30, 2009, was as follows (amounts expressed in thousands):

	Carrying Amount
SCRS	\$ 80,874
PORS	4,331
GARS	52
JSRS	83
NGRS	11
Total	<u>\$ 85,351</u>

Actual bank balances at June 30, 2009, totaled \$110,301 (expressed in thousands).

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, swaps, forward contracts, futures and options, domestic and international equity securities, private equity, real estate, and fund of funds

Financial Section

The following table presents the fair value of investments as of June 30, 2009:

Statement of Invested Assets June 30, 2009 (Amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
<u>Short Term Investments</u>	
Commingled Funds U.S. Debt	\$ 98,795
Mutual Funds	2,797,463
Repurchase Agreements	109,103
U.S. Treasury Bills	546
U.S. Government Agencies	70,796
Total Short Term Investments	3,076,703
<u>Equity Allocation</u>	
Domestic Equity	
Common Stocks	2,210,746
Real Estate Investment Trusts	35,731
Convertible Preferred	3,771
Total Equity	2,250,248
<u>Fixed Income Allocation</u>	
Domestic Fixed Income	
U.S. Government:	
U.S. Government Treasuries ¹	193,842
U.S. Government Agencies	63,793
Mortgage Backed:	
Government National Mortgage Association	1,144,967
Federal National Mortgage Association	4,888
Collateralized Mortgage Obligations	6,460
Municipals	73,402
Corporate:	
Corporate Bonds	1,296,428
Convertible Bonds	6,127
Asset Backed Securities	30,564
Corporate Bonds-FDIC Guaranteed Bonds	6,224
Yankee Bonds²	10,225
Private Placements	535,286
Global Fixed Income:	
International Commingled Funds	3,282,584
International Corporate Bonds	6,662
International Emerging Debt	148,650
Total Fixed Income	6,810,102
<u>Alternatives</u>	
Commingled Funds Balanced	729,144
Credit Default Swaps	1,030
Interest Rate Swaps	44
Total Return Swaps	305,918
Hedge Funds	4,622,852
Private Equity Limited Partnerships	279,240
Strategic Partnerships	2,846,608
Total Alternative Investments	8,784,836
Total Invested Assets	\$ 20,921,889
Invested Securities Lending Collateral	\$ 1,845,862

¹U.S. Government Treasuries includes Notes, Bonds, and Treasury Inflation Protected Securities (TIPS).

²Yankee 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.

Reconciliation of Statement of Invested Assets (listed above) to the Statement of Plan Net Assets:

Total Invested Assets	\$ 20,921,889
Short Term Investments classified as Cash & Cash Equivalents:	
Commingled Funds U.S. Debt	(98,795)
Mutual Funds	(2,797,463)
Repurchase Agreements	(109,103)
U.S. Treasury Bills	(546)
Total Investments on Statement of Plan Net Assets	\$ 17,915,982

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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. Interest rate risk is managed within the portfolio using effective duration, which 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. Within the investment policy, operational guidelines specify the degree of interest rate risk taken within each fixed income portfolio.

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, 2009 (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	\$ 98,795	-
Mutual Funds	2,797,463	0.08
Repurchase Agreements	284,727	0.01
U.S. Treasury Bills	546	-
U.S. Government Agencies	70,796	0.29
Total Short Term	<u>3,252,327</u>	
<u>Equity Allocation</u>		
Convertible Preferred	<u>3,771</u>	9.38
Total Equity	<u>3,771</u>	
<u>Fixed Income Allocation</u>		
U.S. Government:		
U.S. Government Treasuries	193,842	4.62
U.S. Government Agencies	63,793	4.08
Mortgage Backed:		
Government National Mortgage Association	1,144,967	2.61
Federal National Mortgage Association	4,888	4.59
Collateralized Mortgage Obligations	6,460	0.64
Municipals	73,402	2.67
Corporate:		
Corporate Bonds	2,719,226	3.53
Convertible Bonds	6,127	0.80
Asset Backed Securities	278,004	0.10
Corporate Bonds-FDIC Guaranteed	6,224	1.09
Yankee Bonds	10,225	12.52
Private Placements	535,286	7.82
International Corporate Bonds	6,662	1.05
Total Fixed Income	<u>5,049,106</u>	
<u>Alternatives</u>		
Interest Rate Swap	<u>44</u>	8.11
Total Alternatives	<u>44</u>	
Total Invested Assets	<u><u>\$ 8,305,248</u></u>	
Total Portfolio Effective Duration (option adjusted duration)		2.24

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. 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. A quality rating of lower than C is not permissible in any of the fixed income guidelines except in those circumstances of downgrades subsequent to purchase, in which case the investment manager is responsible for communicating the downgrade to the Commission's Consultant and Staff. 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, 2009

(Amounts expressed in thousands)

Investment Type and Fair Value	US Treasury	Agency ¹	AAA	AA	A	BAA	BA	B	CAA	CA	NR ²
Short Term Investments											
Commingled Funds U.S. Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,795
Mutual Funds			2,794,578								2,885
Repurchase Agreements											284,727
U.S. Treasury Bills	546										
U.S. Government Agencies		70,796									
Equity Investments											
Convertible Preferred							930				2,841
Fixed Income Allocation											
U.S. Government Treasuries	193,842										
U.S. Government Agencies		63,793									
Mortgage Backed:											
Government National Mortgage Association		1,144,967									
Federal National Mortgage Association		4,888									
Collateralized Mortgage Association		784									5,676
Municipals			31,322	22,079	20,001						
Corporate:											
Corporate Bonds			48,402	600,332	961,537	837,961	155,109	24,920	7,953	1,307	81,705
Convertible Bonds								701	673		4,753
Asset Backed Securities			259,488	5,609	2,186			7,491	3,230		
Corporate Bonds-FDIC Guaranteed			6,224								
Yankee Bonds					10,225						
Private Placements			904	62,001	323,984	92,289	5,857	3,164	1,467	494	45,126
Global Fixed Income:											
International Corporate Bonds			3,982								2,680
International Commingled Funds											3,282,584
International Emerging Debt											148,650
Alternatives											
Credit Default Swaps											1,030
Interest Rate Swaps											44
Total Return Swaps											97,409
	<u>\$ 194,388</u>	<u>\$1,285,228</u>	<u>\$3,144,900</u>	<u>\$690,021</u>	<u>\$1,317,933</u>	<u>\$ 930,250</u>	<u>\$ 161,896</u>	<u>\$ 36,276</u>	<u>\$ 13,323</u>	<u>\$ 1,801</u>	<u>\$4,058,905</u>

¹Agency rating is assigned to securities issued by privately owned government sponsored enterprises such as Federal National Mortgage Association, Federal Home Loan Mortgage Association and several other entities that do not have a credit rating. These enterprises have an implied guarantee due to recent capital injections by the U.S. Government but are still subject to credit risk.

²NR represents securities that were either not rated or had a withdrawn rating.

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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." Additionally, the Commission made a strategic decision to increase the liquidity of the total plan by designating a 10 percent target allocation to cash during the fiscal year which resulted in a 13 percent allocation to the Dreyfus

Government Cash Management Fund at June 30, 2009, totaling \$2.797 billion (US dollars). This investment is a money market fund and operates as a cash sweep for the Systems' accounts at the custodian bank.

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, 2009, (amounts expressed in thousands):

Currency	Cash &	Forward Contracts	Private Equity	Opportunistic	Fixed Income
	Cash Equivalents			Credit	
Australian Dollar	\$ -	\$ 50,728	\$ -	\$ -	\$ -
Brazil Real		2,148			
British Pound Sterling	202	154,526			
Canadian Dollar		62,266			
Chinese Yuan Renminbi		15,449			
Euro Currency	1,182	311,936	38,498	93,526	1,902
Japanese Yen		170,923			
Totals	\$ 1,384	\$ 767,976	\$ 38,498	\$ 93,526	\$ 1,902

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.

To date, the primary reasons for the Commission's use of derivative contracts have pertained to their ability to facilitate changes to the asset allocation of the total plan and for their low cost of implementation. The Commission uses derivatives for several reasons:

- **Asset Allocation:** In many cases, synthetic exposures (using derivatives) are placeholders until managers are hired and funded. In time, the Commission may substitute traditional managers for much of the synthetic exposure currently in the portfolio. Efficient markets dictate that in some asset classes, synthetics are the best way to achieve exposure.
- **Risk Management:** Derivatives allow investors the ability to swiftly and efficiently increase or decrease exposures in order to manage portfolio risk.

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- **Cost:** A synthetic (derivative) solution is often the cheapest way to gain exposure to a new asset class or to manage portfolio risk. Derivatives are more beneficial in each of the three major measures of cost: commission costs, market impact of trading, and opportunity costs.

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 mul-

iple exchanges, the following securities were held in trust by the clearing brokers on June 30, 2009 (amounts in thousands):

\$ 1,800	U. S. Treasury Bonds
\$ 546	U. S. Treasury Bills
\$ 1,592	Cash Collateral
\$ 281,268	Various GNMA 's

These assets represent the required margin amount to establish the Systems' futures exposure. As of June 30, 2009, the Systems had the following exposure to futures contracts (dollar amounts in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value*
MTF CAC40 10EU	July 2009	Long	1,364	\$ 59,998
EURX DAX INDEX	September 2009	Long	280	47,320
EURX ER STX 50	September 2009	Long	4,888	164,411
NEW FTSE 100	September 2009	Long	2,154	149,626
HKFE - HSI	July 2009	Long	197	23,411
IBEX 35 PLUS	July 2009	Long	188	25,624
IDEM S&P/MIB	September 2009	Long	167	22,356
TSE TOPIX	September 2009	Long	1,886	180,713
ME S&P CAN 60	September 2009	Long	622	67,173
SFE SPI 200	September 2009	Long	646	50,933
Total International Equity				791,565
EMINI S&P 500	September 2009	Long	675	30,898
Total Large Cap Equity				30,898
IMM MINI RUSL	September 2009	Long	44	2,232
IMM EMINI MDCP	September 2009	Long	3,632	209,457
Total Small Cap Equity				211,689
US 2YR T-NOTE	September 2009	Long	477	103,136
CBT 5-YR T-NOTE	September 2009	Long	609	69,863
10 YR T-NOTES	September 2009	Long	127	14,766
U.S. T-BONDS	September 2009	Short	(1,301)	(153,985)
Total Core Fixed Income				33,780
LIF Sterling LIBOR	June 2010	Long	589	118,667
LIF Sterling LIBOR	September 2010	Long	289	57,928
LIF EURIBOR	June 2010	Long	110	37,959
LIF EURIBOR	September 2010	Long	129	44,374
CME EURODOLLAR	December 2009	Long	397	98,352
Total Cash & Cash Equivalents				357,280
Total				\$ 1,425,212

*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.

Financial Section

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, 2009, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value	Base Gain/(Loss)	Base Exposure
Barclays	\$ 135,004	\$ (143)	17.14%
Credit Suisse	125,684	(121)	15.96%
Royal Bank of Scotland	124,262	443	15.78%
Mellon Bank	114,720	466	14.57%
State Street	99,944	(138)	12.69%
Royal Bank of Canada	77,213	(166)	9.80%
Hongkong Shanghai	64,462	(523)	8.19%
Westpac Banking Corp	36,687	(553)	4.66%
J.P. Morgan Securities	1,946	(7)	0.25%
Goldman Sachs & Co	1,074	-	0.14%
BNP Paribas	250	(3)	0.03%
Deutsche Bank	2,808	(13)	0.36%
Citigroup	3,375	(18)	0.43%
Totals	\$ 787,429	\$ (776)	100.00%

The Systems has 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.

Credit default swaps are used to manage credit exposure without requiring that one transact in the underlying securities. They are agreements with counterparties to either purchase or sell credit protection. At June 30, 2009, the Systems’ credit default positions provided protection against issuer defaults by giving the Systems the right to “put” bonds to the counterparty in the event of a default. At June 30, 2009, the Systems’ held credit default swaps with notional value of \$13 million (US dollars).

Interest rate swaps are used to adjust interest rate and yield curve exposures and substitute for physical securities. With a typical interest rate swap, one party receives a fixed interest rate in exchange for a variable interest rate. At June 30, 2009, the Systems’ interest rate swap reflected a long position with a notional value of \$11.7 million (US dollars) whereby the Systems pays 3 month LIBOR and receives a fixed rate of 4 percent.

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 and collateralizing unrealized gains and losses.

As of June 30, 2009, 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.

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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, 2009, 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
Barclays	SP500 Proxy	3 month LIBOR minus 22 bps	S&P500	3/19/2010	\$ 131,823	\$ 20,140
Morgan Stanley	Russell 2000 Proxy	3 month LIBOR minus 227 bps	Russell 2000	10/30/2009	143,627	(6,373)
Morgan Stanley	MSCI EM Proxy	3 month LIBOR minus 15 bps	MSCI EM	6/30/2009	180,988	(69,012)
Credit Suisse	MSCI EM Proxy	3 month LIBOR plus 15 bps	MSCI EM	9/17/2009	223,540	(1,460)
BNP Paribas	MSCI EM Proxy	3 month LIBOR plus 17 bps	MSCI EM	12/4/2009	95,173	33,360
J.P. Morgan	MSCI EM Proxy	3 month LIBOR plus 54 bps	MSCI EM	10/30/2009	258,378	84,813
Morgan Stanley	MSCI EM Proxy	3 month LIBOR plus 45 bps	MSCI EM	2/18/2010	115,073	37,874
J.P. Morgan	MSCI EM Proxy	3 month LIBOR plus 45 bps	MSCI EM	2/26/2010	66,159	23,225
J.P. Morgan	MSCI EM Proxy	3 month LIBOR plus 34 bps	MSCI EM	12/14/2009	71,673	22,438
Deutsche Bank	MSCI EM Proxy	3 month LIBOR plus 27 bps	MSCI EM	12/31/2009	178,284	45,958
UBS	EAFE+Canada Proxy	3 month LIBOR minus 30 bps	MSCI EAFE+Canada	10/30/2009	272,104	22,104
Morgan Stanley	EAFE+Canada Proxy	3 month LIBOR minus 25 bps	MSCI EAFE+Canada	11/9/2009	271,034	21,034
Morgan Stanley	EAFE+Canada Proxy	3 month LIBOR plus 30 bps	MSCI EAFE+Canada	11/24/2009	299,294	49,294
UBS	EAFE+Canada Proxy	3 month LIBOR minus 9 bps	MSCI EAFE+Canada	12/4/2009	121,101	21,101
BNP Paribas	EAFE+Canada Proxy	3 month LIBOR minus 43 bps	MSCI EAFE+Canada	1/8/2010	126,637	7,230
Deutsche Bank	EAFE+Canada Proxy	3 month LIBOR minus 45 bps	MSCI EAFE+Canada	1/11/2010	191,453	13,285
Deutsche Bank	EAFE+Canada Proxy	3 month LIBOR minus 20 bps	MSCI EAFE+Canada	2/26/2010	164,201	41,800
J.P. Morgan	EM Debt Proxy	3 month LIBOR plus 75 bps	EM Debt	3/31/2010	116,323	12,463
J.P. Morgan	EM Debt Proxy	3 month LIBOR plus 75 bps	EM Debt	6/30/2009	166,231	14,371
J.P. Morgan	EM Debt Proxy	2 month LIBOR plus 125 bps	EM Debt	7/27/2009	166,202	1,482
Total Return Swap Exposures					\$3,359,298	\$ 395,127

Alternatives

The Alternatives category includes exposure to private equity, global tactical asset allocation, absolute return, opportunistic credit, real estate, derivatives and strategic partnerships. Private equity investments are normally 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. All other asset classes within the Alternatives category may be housed in a variety of legal structures. The Systems established several strategic partnerships to gain access to the best ideas of the investment manager, to receive favorable economics, and to efficiently take advantage of market opportunities. Our investments within the strategic partnership accounts include allocations to private equity, opportunistic credit, real estate, absolute return strategies and cash. The Systems' allocation to opportunistic credit is designed to take advantage of the dislocations that have occurred in the credit markets. The Systems' intent is to access superior risk adjusted returns through a variety of different credit strategies.

Commitments

The Systems entered into commitment agreements with numerous investment managers for future funding of private equity limited partnerships, opportunistic credit limited partnerships and strategic partnerships. As of June 30, 2009, the Systems had committed to fund various private equity and opportunistic credit limited partnerships for an amount of \$1.755 billion (US dollars) and €256 million (Euros). The total unfunded commitment as of June 30, 2009, was \$1.222 billion (US dollars) and €149 million (Euros). In addition, the Systems had committed to fund various strategic partnerships for an amount of \$4.2 billion (US dollars) of which the unfunded commitment as of June 30, 2009 was \$1.111 billion (US dollars). Subsequent to June 30, 2009, the Systems committed to fund an additional \$657 million (US dollars) resulting in unfunded commitments as of October 21, 2009, of \$2.674 billion (US dollars) and €111 million (Euros). One important benefit of the strategic partnerships is that they afford the Systems greater control of the rate at which these commitments are to be funded.

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, 2009, included US Government securities, US 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 US 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 Sys-

tems must return the cash collateral to the borrower upon the expiration of the loan.

At June 30, 2009, the fair value of securities on loan was \$2.012 billion. The fair value of the invested cash collateral was \$1.846 billion. Securities lending obligations at June 30, 2009, were \$2.069 billion with the unrealized loss in invested cash collateral of \$223 million reflected under "Other Liabilities" on the Statement of Plan Net Assets and recorded in the Statement of Changes in Plan Net Assets under "Net appreciation (depreciation) in fair value of investments." As a result of current market conditions, the Commission is re-evaluating the securities lending program in order to minimize risk, enhance performance and ensure a cost effective fee structure is in place.

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 nine days. The average weighted maturity of investments made with cash collateral was 27 days. At June 30, 2009, 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, 2009.

	June 30, 2009						June 30, 2008
	SCRS	PORS	GARS	JSRS	NGRS	TOTALS	TOTALS
Securities lent for cash collateral:							
U.S. Government securities	\$ 107,246	\$ 14,864	\$ 187	\$ 595	\$ 76	\$ 122,968	\$ 146,620
U.S. Government agencies	808,108	111,999	1,412	4,487	572	926,578	2,438,301
Corporate bonds	405,189	56,157	708	2,250	287	464,591	20,340
Common Stock	434,243	60,183	759	2,411	308	497,904	1,148,146
Total securities lent for cash collateral	<u>\$ 1,754,786</u>	<u>\$ 243,203</u>	<u>\$ 3,066</u>	<u>\$ 9,743</u>	<u>\$ 1,243</u>	<u>\$ 2,012,041</u>	<u>\$ 3,753,407</u>
Cash collateral invested as follows:							
Repurchase agreements	\$ 153,169	\$ 21,228	\$ 268	\$ 851	\$ 108	\$ 175,624	\$ 95,759
Asset Backed Securities	215,803	29,909	377	1,198	153	247,440	704,230
Floating Rate Notes	1,240,882	171,979	2,168	6,890	879	1,422,798	2,996,194
Total for cash collateral invested	<u>\$ 1,609,854</u>	<u>\$ 223,116</u>	<u>\$ 2,813</u>	<u>\$ 8,939</u>	<u>\$ 1,140</u>	<u>\$ 1,845,862</u>	<u>\$ 3,796,183</u>

Financial Section

IV. Capital Assets

Capital assets at June 30, 2009, consist of the following amounts (expressed in thousands). There were no additions or dispositions of capital assets during the year.

	SCRS	PORS	GARS	JSRS	TOTALS	TOTALS 2008
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	(1,794)	(183)	(5)	(9)	(1,991)	(1,872)
Net Capital Assets	\$ 3,009	\$ 308	\$ 9	\$ 14	\$ 3,340	\$ 3,459

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, 2009, were as follows (amounts expressed in thousands):

Transfers from	Transfers to					Totals
	SCRS	PORS	GARS	JSRS	NGRS	
SCRS	\$ -	\$ 1,625	\$ 84	\$ 83	\$ -	\$ 1,792
PORS						-
GARS	81					81
JSRS						-
NGRS						-
Totals	\$ 81	\$ 1,625	\$ 84	\$ 83	\$ -	\$ 1,873

The following schedule reflects amounts due to or from other systems as of June 30, 2009, (amounts expressed in thousands):

Due from	Due to					Totals
	SCRS	PORS	GARS	JSRS	NGRS	
SCRS	\$ -	\$ 254	\$ 7	\$ -	\$ -	\$ 261
PORS						-
GARS						-
JSRS						-
NGRS				1		1
Totals	\$ -	\$ 254	\$ 7	\$ 1	\$ -	\$ 262

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

At June 30, 2009, liabilities of approximately \$38.3 million were due to other state departments and agencies, and contributions receivable of approximately \$35 million were due from other state departments and agencies.

The National Guard Retirement System received state-appropriated contributions of just over \$4 million during the fiscal year.

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 \$3.7 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 6,571 members were actively participating in the TERI program at June 30, 2009. The activity for this program is reflected in the following schedule:

Schedule of TERI Activity
Year Ended June 30, 2009
(Amounts expressed in thousands)

Beginning Liability Balance	\$ 551,911
Additions	184,519
TERI Distributions	<u>(305,625)</u>
Ending Liability Balance	<u><u>\$ 430,805</u></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, 2009, three JSRS members were participating in the deferred retirement option program and benefits held in trust totaled \$698,000.

Financial Section

VIII. Funded Status and Funding Progress - Pension Trust Funds

The funded status of each defined benefit pension plan as of July 1, 2008, 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	\$ 24,699,678	\$ 35,663,419	\$ 10,963,741	69.3%	\$ 7,559,172	145.0%
PORS	3,363,136	4,318,955	955,819	77.9%	1,060,747	90.1%
GARS	47,189	69,122	21,933	68.3%	3,854	569.1%
JSRS	138,323	213,406	75,083	64.8%	18,661	402.4%
NGRS	17,426	53,534	36,108	32.5%	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	07/01/08	07/01/08	07/01/08	07/01/08	07/01/08
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	30 years	17 years	16 years	24 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial assumptions:					
Investment rate of return	8%	8%	8%	8%	8%
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 2% ¹	Automatic 2% ¹	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 2 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. Death Benefit Program

In addition to monthly pension benefits provided through the Retirement Systems, a Death Benefit Program is available to employers. For participating employers, death benefits are provided for active and retired members. These benefits are funded through separate death benefit programs for SCRS and PORS on a cost-sharing, multiple-employer basis. Coverage is provided to eligible active and retired working members as well as non-working retirees under the governing statute. Funding for the plans 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 rates for the programs are 0.15 percent and 0.20 percent of payroll for SCRS and PORS respectively. These contributions fund both the active and retiree death benefits.

Active Death Benefits

Upon the death of an SCRS or PORS contributing member in service who had at least one full year of membership or who died as a result of an injury arising in the course of performing his duties regardless of length of membership, a death benefit equal to the annual earnable compensation of the member at the time of death is payable apart and separate from the payment of pension benefits.

Retiree Death Benefits

Retired members of SCRS and PORS whose last employer prior to retirement is covered by the program, and who met applicable service credit requirements, are also protected under the state-sponsored death benefit program. Upon the death of a retired member, the beneficiary of a non-working retiree will receive a benefit payment based on the member's total creditable service at the time of retirement. As of the most recent actuarial valuation dated July 1, 2008, 74,392

non-working retired participants were covered under the SCRS program and 8,198 were covered under the PORS program.

<u>Years of Service Credit</u>		<u>Death Benefit</u>
<u>SCRS</u>	<u>PORS</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 work after retirement by either participating in the TERI program or by returning to covered employment as a working retiree are eligible for an increased level of death benefits. Beneficiaries of working retirees are provided with a death benefit equal to the amount of the member's annual earnable compensation in lieu of the standard \$2,000, \$4,000 or \$6,000 retired member benefit.

Certain parameters are required for determining the actuarial funded status of the program and the calculation of the annual required contribution necessary to amortize any unfunded liability. Accordingly, additional reporting and disclosures for financial statement purposes are presented. Milliman, Inc., the Systems' actuary, performed separate actuarial valuations for the SCRS and PORS retiree death benefit programs as of July 1, 2008. The valuations determined the actuarial accrued liabilities and the required funding necessary to support the retiree death benefit program. Of the 0.15 percent death benefit contribution collected for SCRS, 0.043 percent represents the annual required contribution for the retiree portion. Under PORS, 0.019 percent of the 0.20 percent death benefit contribution is attributable to the retiree portion.

Financial Section

Presented below are the Schedules of Funding Progress and Summary of Actuarial Methods and Significant Assumptions (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	7/01/2008	\$ 129,777	\$ 166,723	\$ 36,946	77.8%	\$ 9,087,000	0.4%
	7/01/2007 ¹	127,910	167,035	39,125	76.6%	8,459,000	0.5%
PORS	7/01/2008	26,528	15,207	(11,321)	174.4%	1,035,729	(1.1%)
	7/01/2007 ¹	25,806	15,636	(10,170)	165.0%	1,020,782	(1.0%)

¹Fiscal Year 2007 was the first year separate actuarial valuations were prepared.

Summary of Actuarial Methods and Significant Assumptions

	SCRS	PORS
Valuation Date	July 1, 2008	July 1, 2008
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Amortization Period	29 years	30 years
Asset Valuation Method	Actuarial Value less a reserve for expected active death benefits	Actuarial Value less a reserve for expected active death benefits
Actuarial Assumptions:		
Investment Rate of Return	8% annual return net of both administrative and investment related expenses	8% 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		PORS	
Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Annual Required Contribution ³	Percentage Contributed
2008	\$ 3,907	100%	\$ 197	100%
2007 ²	3,976	100%	214	100%

²Fiscal Year 2007 was the first year that separate actuarial valuations were prepared; therefore, the Schedule of Employer Contributions includes only contributions paid since the first year's separate valuations.

³PORS annual required contribution is calculated at the recommended minimum contribution rate equal to the normal cost rate.

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.

Ahrens et al. v. The South Carolina Retirement System and the State of South Carolina. This case is a class action case 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 South Carolina Retirement System (SCRS) to make employee contributions are unconstitutional and illegal. A circuit court judge has certified the class in this case and issued an order on the merits in the matter granting the Plaintiffs relief based on the equitable theory of estoppel. The circuit court denied all other claims for relief made by the Plaintiffs, including their contract causes of action. The Retirement Systems and the State of South Carolina have appealed the circuit court’s order to the South Carolina Court of Appeals. As of June 30, 2009, the Retirement Systems had collected approximately \$39 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 ultimately prevail, most, if not all of these contributions could be refunded to the members and no future contributions could be collected from many, if not all,

of the class members. The Retirement Systems and the State of South Carolina believe their appeal is meritorious and is vigorously contesting these claims and pursuing all appellate options.

Arnold et al. v. the South Carolina Police Officers Retirement System, the South Carolina Retirement System and the State of South Carolina. This case is a 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. A circuit court judge has certified the class in this case and issued an order on the merits in the matter granting the Plaintiffs relief based on the equitable theory of estoppel. The circuit court denied all other claims for relief made by the Plaintiffs, including their contract causes of action. The PORS and the State of South Carolina have appealed the circuit court’s order to the South Carolina Supreme Court. As of June 30, 2009, the Retirement Systems had collected approximately \$12.5 million in the form of retirement contributions from members of the Police Officers Retirement System who retired prior to July 1, 2005 and returned to work. If the Plaintiffs were to ultimately prevail, most, if not all of these contributions could be refunded to the members and no future contributions could be collected from many, if not all, of the class members. The Police Officers Retirement System and the State of South Carolina believe their appeal is meritorious and is vigorously contesting these claims and pursuing all appellate options.

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						
7/01/03	\$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%
7/01/08	24,699,678	35,663,419	10,963,741	69.3%	7,559,172	145.0%
PORS						
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%
7/01/08	3,363,136	4,318,955	955,819	77.9%	1,060,747	90.1%
GARS						
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%
7/01/08	47,189	69,122	21,933	68.3%	3,854	569.1%
JSRS						
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%
7/01/08	138,323	213,406	75,083	64.8%	18,661	402.4%
NGRS						
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
7/01/08	17,426	53,534	36,108	32.5%	N/A	N/A

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
2009	\$827,502	100%	\$124,148	100%	\$2,495	100%	\$8,414	100%	\$4,052	100.0%
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%

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, 2009

With comparative totals for the year ended June 30, 2008
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	QEBA FUND	TOTALS	TOTALS 2008
Additions						
Employee contributions						
State department employees	\$ 163,759	\$ 13,324			\$ 177,083	\$ 174,407
Public school employees	222,527	27,267			249,794	240,744
Other political subdivision employees	131,940	6,055			137,995	125,694
Employer contributions						
State department employees		269,900	\$ 4,832	\$ 24	274,756	259,778
Public school employees		357,595	6,043		363,638	342,441
Other political subdivision employees		186,554	2,554		189,108	172,050
Total contributions	518,226	860,695	13,429	24	1,392,374	1,315,114
Investment Income						
Net appreciation (depreciation) in fair value of investments		(5,080,708)	(26,971)		(5,107,679)	(1,236,067)
Interest and dividend income		368,887	1,953		370,840	626,255
Investment expense		(38,645)	(205)		(38,850)	(58,747)
Net income (loss) from investing activities		(4,750,466)	(25,223)	-	(4,775,689)	(668,559)
From securities lending activities:						
Securities lending income		50,875	270		51,145	183,573
Securities lending expense		(29,965)	(159)		(30,124)	(156,210)
Net income from securities lending activities		20,910	111	-	21,021	27,363
Total net investment income (loss)		(4,729,556)	(25,112)	-	(4,754,668)	(641,196)
Supplemental retirement benefits funded by the State		1,152			1,152	1,321
Transfers of contributions from other Systems	81				81	27
Total additions	518,307	(3,867,709)	(11,683)	24	(3,361,061)	675,266
Deductions						
Refunds of contributions to members	73,882				73,882	79,027
Transfers of contributions to other Systems	1,171	621			1,792	2,092
Regular retirement benefits		1,770,751		24	1,770,775	1,633,493
Deferred retirement benefits		184,519			184,519	219,078
Supplemental retirement benefits		1,152			1,152	1,321
Death benefit claims			17,908		17,908	17,617
Depreciation		107			107	107
Administrative expense		18,375	97		18,472	18,553
Total deductions	75,053	1,975,525	18,005	24	2,068,607	1,971,288
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(388,603)	388,603				
Interest credited to members' accounts	216,977	(216,977)				
Net interfund transfers	(171,626)	171,626				
Net increase (decrease)	271,628	(5,671,608)	(29,688)	-	(5,429,668)	(1,296,022)
Net assets held in trust for Pension Benefits						
Beginning of year	5,708,620	17,415,774	122,753	-	23,247,147	24,543,169
End of year	\$ 5,980,248	\$ 11,744,166	\$ 93,065	\$ -	\$ 17,817,479	\$ 23,247,147

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

PORS Pension Trust Fund

Year Ended June 30, 2009

With comparative totals for the year ended June 30, 2008

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	ACCIDENTAL DEATH FUND	TOTALS	TOTALS 2008
Additions						
Employee contributions						
State department employees	\$ 26,470	\$ 1,167			\$ 27,637	\$ 27,925
Public school employees	41	170			211	140
Other political subdivision employees	45,484	3,682			49,166	47,601
Employer contributions						
State department employees		43,070	\$ 785	\$ 785	44,640	42,033
Public school employees		315	6	6	327	256
Other political subdivision employees		76,491	1,386	1,304	79,181	71,806
Total contributions	71,995	124,895	2,177	2,095	201,162	189,761
Investment Income						
Net appreciation (depreciation) in fair value of investments		(674,080)	(5,462)	(6,891)	(686,433)	(164,721)
Interest and dividend income		49,537	398	504	50,439	83,466
Investment expense		(5,139)	(42)	(52)	(5,233)	(7,785)
Net income (loss) from investing activities		(629,682)	(5,106)	(6,439)	(641,227)	(89,040)
From securities lending activities:						
Securities lending income		6,776	55	69	6,900	24,274
Securities lending expense		(3,989)	(33)	(40)	(4,062)	(20,649)
Net income from securities lending activities		2,787	22	29	2,838	3,625
Total net investment income (loss)		(626,895)	(5,084)	(6,410)	(638,389)	(85,415)
Supplemental retirement benefits funded by the State		46			46	52
Transfers of contributions from other Systems	1,004	621			1,625	2,008
Total additions	72,999	(501,333)	(2,907)	(4,315)	(435,556)	106,406
Deductions						
Refunds of contributions to members	13,753				13,753	13,754
Transfers of contributions to other Systems		210,345			210,345	194,490
Regular retirement benefits		46			46	52
Supplemental retirement benefits			1,720		1,720	2,068
Death benefit claims				1,482	1,482	1,447
Accidental death benefits		11			11	11
Depreciation		2,481	21	24	2,526	2,494
Administrative expense	13,753	212,883	1,741	1,506	229,883	214,316
Total deductions						
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(56,770)	56,770				
Interest credited to members' accounts	26,315	(26,315)				
Net interfund transfers	(30,455)	30,455				
Net increase (decrease)	28,791	(683,761)	(4,648)	(5,821)	(665,439)	(107,910)
Net assets held in trust for Pension Benefits						
Beginning of year	697,423	2,441,128	25,437	32,083	3,196,071	3,303,981
End of year	\$ 726,214	\$ 1,757,367	\$ 20,789	\$ 26,262	\$ 2,530,632	\$ 3,196,071

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

GARS Pension Trust Fund

Year Ended June 30, 2009

With comparative totals for the year ended June 30, 2008

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTALS	TOTALS 2008
Additions				
Contributions				
Employee contributions - State departments	\$ 706		\$ 706	\$ 712
Employer contributions - State departments		\$ 2,495	2,495	2,440
Total contributions	706	2,495	3,201	3,152
Investment Income				
Net appreciation (depreciation) in fair value of investments		(10,063)	(10,063)	(2,306)
Interest and dividend income		686	686	1,232
Investment expense		(71)	(71)	(116)
Net income (loss) from investing activities		(9,448)	(9,448)	(1,190)
From securities lending activities:				
Securities lending income		96	96	363
Securities lending expense		(57)	(57)	(309)
Net income from securities lending activities		39	39	54
Total net investment income (loss)		(9,409)	(9,409)	(1,136)
Transfers of contributions from other Systems	84		84	21
Total additions	790	(6,914)	(6,124)	2,037
Deductions				
Refunds of contributions to members	33		33	102
Transfers of contributions to other Systems	81		81	27
Regular retirement benefits		6,416	6,416	6,181
Death benefit claims		14	14	28
Depreciation				
Administrative expense		35	35	37
Total deductions	114	6,465	6,579	6,375
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(1,386)	1,386		
Interest credited to members' accounts	267	(267)		
Net interfund transfers	(1,119)	1,119		
Net increase (decrease)	(443)	(12,260)	(12,703)	(4,338)
Net assets held in trust for Pension Benefits				
Beginning of year	7,265	36,943	44,208	48,546
End of year	\$ 6,822	\$ 24,683	\$ 31,505	\$ 44,208

Financial Section

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

Year Ended June 30, 2009

With comparative totals for the year ended June 30, 2008

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	TOTALS	TOTALS 2008
Additions				
Contributions				
Employee contributions - State departments	\$ 2,338	186	\$ 2,524	\$ 1,353
Employer contributions - State departments		\$ 8,414	8,414	7,613
Total contributions	<u>2,338</u>	<u>8,600</u>	<u>10,938</u>	<u>8,966</u>
Investment Income				
Net appreciation (depreciation) in fair value of investments		(28,759)	(28,759)	(6,693)
Interest and dividend income		2,115	2,115	3,496
Investment expense		<u>(215)</u>	<u>(215)</u>	<u>(326)</u>
Net income (loss) from investing activities		<u>(26,859)</u>	<u>(26,859)</u>	<u>(3,523)</u>
From securities lending activities:				
Securities lending income		284	284	1,021
Securities lending expense		<u>(166)</u>	<u>(166)</u>	<u>(869)</u>
Net income from securities lending activities		<u>118</u>	<u>118</u>	<u>152</u>
Total net investment income (loss)		<u>(26,741)</u>	<u>(26,741)</u>	<u>(3,371)</u>
Transfers of contributions from other Systems	<u>83</u>		<u>83</u>	<u>63</u>
Total additions	<u>2,421</u>	<u>(18,141)</u>	<u>(15,720)</u>	<u>5,658</u>
Deductions				
Refunds of contributions to members				211
Regular retirement benefits		13,135	13,135	12,499
Deferred retirement benefits		349	349	349
Death benefit claims		134	134	256
Depreciation		1	1	
Administrative expense		<u>103</u>	<u>103</u>	<u>103</u>
Total deductions		<u>13,722</u>	<u>13,722</u>	<u>13,418</u>
Interfund transfers according to statutory requirements				
Contributions by members at retirement	(2,067)	2,067		
Interest credited to members' accounts	<u>710</u>	<u>(710)</u>		
Net interfund transfers	<u>(1,357)</u>	<u>1,357</u>		
Net increase (decrease)	<u>1,064</u>	<u>(30,506)</u>	<u>(29,442)</u>	<u>(7,760)</u>
Net assets held in trust for Pension Benefits				
Beginning of year	<u>17,367</u>	<u>112,064</u>	<u>129,431</u>	<u>137,191</u>
End of year	<u>\$ 18,431</u>	<u>\$ 81,558</u>	<u>\$ 99,989</u>	<u>\$ 129,431</u>

Financial Section

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

NGRS Pension Trust Fund

Year Ended June 30, 2009

With comparative totals for the year ended June 30, 2008

(Amounts expressed in thousands)

	TOTALS 2009	TOTALS 2008
Additions		
Contributions		
State appropriated contributions	\$ 4,052	\$ 3,948
Total contributions	<u>4,052</u>	<u>3,948</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	(4,299)	(782)
Interest income	292	457
Investment expense	<u>(29)</u>	<u>(43)</u>
Income (loss) from investing activities	<u>(4,036)</u>	<u>(368)</u>
From securities lending activities:		
Securities lending income	40	133
Securities lending expense	<u>(24)</u>	<u>(113)</u>
Net income from securities lending activities	<u>16</u>	<u>20</u>
Total net investment income (loss)	<u>(4,020)</u>	<u>(348)</u>
State Appropriation for Administrative Expenses		<u>50</u>
Total additions	<u>32</u>	<u>3,650</u>
Deductions		
Regular retirement benefits	3,432	3,199
Administrative charges	<u>15</u>	<u>156</u>
Total deductions	<u>3,447</u>	<u>3,355</u>
Net increase	(3,415)	295
Net assets held in trust for Pension Benefits		
Beginning of year	<u>16,188</u>	<u>15,893</u>
End of year	<u>\$ 12,773</u>	<u>\$ 16,188</u>

Financial Section

Schedule of Administrative Expenses For the Year Ended June 30, 2009 (Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
Personal Services						
Salaries and Wages	\$ 7,915	\$ 1,082	\$ 15	\$ 44	\$ 6	\$ 9,062
Employee Benefits	2,240	306	4	13	2	2,565
Contractual Services						
Data Processing Services	1,412	193	3	8	1	1,617
Medical & Health Services	800	109	2	4	1	916
Financial Audit	42	6				48
Actuarial Services	223	31		1		255
Other Professional Services	214	29		1		244
Legal Services	226	31		1		258
Operating Expenses						
Facilities Management	278	38		2		318
Intergovernmental Services	540	74	1	3		618
Transfers to Investment Commission	3,230	442	6	18	3	3,699
Telephone	88	12		1		101
Insurance	268	37	1	1		307
Postage	309	42	1	2		354
Supplies	295	40	1	2	1	339
Other Miscellaneous Expenses	392	54	1	2	1	450
Total Administrative Expenses	<u>\$ 18,472</u>	<u>\$ 2,526</u>	<u>\$ 35</u>	<u>\$ 103</u>	<u>\$ 15</u>	<u>\$ 21,151</u>

Schedule of Professional and Consultant Fees For the Year Ended June 30, 2009 (Amounts expressed in thousands)

Professional/Consultant	Nature of Service	Amounts Paid
Accurev Inc.	IT Maintenance & Support	\$ 15
Adobe Systems	IT Maintenance & Support	14
Carolina Advanced Digital	IT Maintenance & Support	93
Cavanaugh Macdonald Consulting	Actuary Services	66
Comsys Information Technology	Application Development Resources	634
Document Systems Inc.	IT Tape Storage & Imaging Records Storage	14
Emerson Network Power	IT Maintenance & Support	12
Ice Miller	IRC Consulting Services	61
Independent Fiduciary Services	Investment Accounting Operational Review	111
Investment Training and Consultant	Training for Investment Accounting & Internal Audit	11
Milliman USA	Actuary Services	185
Oracle Corp	Database license & support maintenance	12
Oracle USA inc	Database license & support maintenance	13
Professional Printers	Printing	20
Rogers Laban, PA	Audit	48
SDI Networks	IT Maintenance & Support	31
SHI International	IT Maintenance & Support	79
Software AG Inc.	IT Enterprise License & Maintenance	96
Software House International	IT Maintenance & Support	23
Software Solutions	IT Maintenance & Support	11
Southern Imaging Group	Annual Member Statements	44
Sowell Gray Stepp & Laffitte	Attorney Fees	197
Summit Strategies Inc	Optional Retirement Plan Consultants	115
Sunguard Availability Service	IT Disaster Recovery	41
TeamIA Inc	Imaging Maintenance/Auditing	323
Vocational Rehabilitation	Disability Case Evaluations	916
		<u>\$ 3,185</u>

Financial Section

South Carolina Retirement Systems Schedule of Investment Fees and Expenses* Year Ended June 30, 2009 (Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
Investment Managers Fees:						
Aronson + Johnson + Ortiz ¹	\$ 330	\$ 44	\$ 1	\$ 2	\$ -	\$ 377
Barclays Global Investors, N.A. ³	161	22	-	1	-	184
Batterymarch Financial Management, Inc.	809	109	2	4	1	925
Wells Capital Management, Inc. (Benson Value Team)	1,331	180	3	7	1	1,522
Blackrock Financial Management ²	91	13	-	1	-	105
Bridgewater Associates, Inc.	5,170	697	9	29	4	5,909
Capital Guardian ²	51	7	-	-	-	58
ClariVest Asset Management, LLC	1,019	138	2	6	1	1,166
Pyramis Global Advisors	1,565	211	3	9	1	1,789
GMO	1,730	234	3	10	1	1,978
Integrity Asset Management, LLC	649	88	1	3	-	741
Legg Mason Capital Management, Inc.	652	88	1	4	1	746
Loomis Sayles (Global Fixed Income)	1,440	195	3	8	1	1,647
Loomis Sayles (High Yield)	1,767	239	3	10	1	2,020
Mellon ³	2,872	384	5	16	2	3,279
Mondrian	2,078	280	4	11	2	2,375
Morgan Stanley	4,112	555	7	23	3	4,700
Penn Capital ²	50	7	-	-	-	57
PIMCO ²	341	47	1	2	-	391
Putnam Investments	2,293	309	4	13	2	2,621
Pzena Investment Management, LLC	179	24	-	1	-	204
Russell Investment Group	1,020	138	2	5	1	1,166
State Street Global Advisors Russell 2000 Index Fund ³	4	1	-	-	-	5
State Street Global Advisors S&P 500 Index Fund ³	4	1	-	-	-	5
TimesSquare Capital Management, LLC	1,906	257	4	11	1	2,179
Thompson, Siegel & Walmsley, Inc.	1,024	138	2	5	1	1,170
Turner Investment Partners, Inc.	1,122	151	2	6	1	1,282
Western Asset Management Co.	1,245	168	2	7	1	1,423
WCM Investment Management	1,298	175	2	7	1	1,483
Total	36,313	4,900	66	201	27	41,507
Bank Fees	2,537	333	5	14	2	2,891
Total Investment Management Fees	\$ 38,850	\$ 5,233	\$ 71	\$ 215	\$ 29	\$ 44,398
Securities Lending Expenses:						
Borrower Rebates	\$ 30,124	\$ 4,062	\$ 57	\$ 166	\$ 24	\$ 34,433
Total Securities Lending Expenses	\$ 30,124	\$ 4,062	\$ 57	\$ 166	\$ 24	\$ 34,433

¹Aronson + Johnson + Ortiz, LP, was funded September 2006. The manager's fee is calculated strictly on performance based on annualized returns and includes no base fee. No fees are payable until after the first three full calendar quarters.

²Manager hired during fiscal year 2009.

³Contract terminated during fiscal year 2009.

* 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.



Investment Section

As the tree continues to grow, boughs and branches of various sizes and shapes begin to develop. Similarly, retirement plans must invest in a variety of funds and asset classes in order to achieve an optimally diversified portfolio that will generate significant long-term returns to ensure that the programs remain financially sound.

Investment Section

James R. Powers
Chairman

Allen P. Gillespie, CFA
Vice Chairman

Converse A. Chellis, III, CPA
State Treasurer

Robert L. Borden, CFA, CAIA
Chief Executive Officer
Chief Investment Officer

State of South Carolina Retirement System Investment Commission



Post Office Box 11960
COLUMBIA, SOUTH CAROLINA 29211

Blaine Ewing, III

S. Travis Pritchett

Reynolds Williams
Chairman Emeritus

Nancy E. Shealy
General Counsel

November 17, 2009

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 System) by the Retirement System Investment Commission (RSIC or Commission). In 2005 the RSIC was created as a fiduciary for the Retirement System to assume full responsibility of investing and managing all assets of the Retirement System. We are very proud that, in only its fourth year, the RSIC has been named "Large Public Plan of the Year" by *Money Management Letter*, *Institutional Investor Magazine*, and *Information Management Network*.

Capital Market Summary

Fiscal Year 2009 saw remarkable volatility in nearly all global capital markets as the financial system reached the brink of total collapse in late 2008. The market dislocation slowed the flow of capital throughout the economy, resulting in massive central bank intervention, a steep recession, and five of the eight largest bankruptcies in U.S. history. The decline in stock markets was so severe that one had to look back to the Great Depression to find its equal. Fortunately, fears of a worldwide depression abated, and since early March, many equity markets have seen the steepest rallies in their history. Fixed income assets, which historically have provided investors with stability and liquidity, ceased to do either during the crisis. Prices on these investments declined sharply in late 2008 before recovering large portions of these losses in 2009.

These colossal market swings created a complex backdrop against which to pursue the reallocation of assets that began in July 2007. In late 2008, the RSIC made the decision to reduce the portfolio risk by decreasing the equity allocation and aggressively managing the liquidity of the Retirement System's Investment Portfolio (Portfolio) to fund benefits and opportunities created by the market dislocation mentioned above. We are proud of the work of the RSIC Staff as we navigated the extraordinary volatility during the fall of 2008 with discipline and without resorting to the sale of illiquid assets at distressed prices, as several major institutional investors were forced to do.

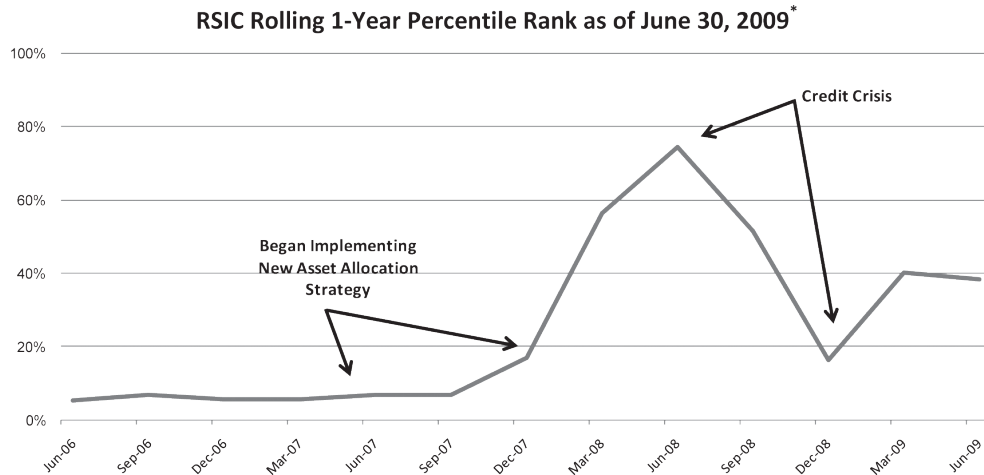
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Investment Section

FYE 2009 Investment Performance Review

As of June 30, 2009, the Portfolio value was \$21.0 billion. This was down from \$27.0 billion a year earlier. Of this change, \$822 million (3%) was due to net cash flows for retiree obligations. The Portfolio's performance for the fiscal year ending June 30, 2009 was -19.3% net of fees. Core Fixed Income portfolios were the best performers (up 4.3% in aggregate), while the Public Equity portfolios were the worst performers (-28.0%). Alternative asset classes outpaced equities, but were down (-15.4%) for the year. The RSIC uses return information provided by NEPC, which uses a time-weighted rate of return calculation and follows the Bank Administration Institute's recommendations on cash flows. The source of data is generally bank statements provided by the client's custodian, and market values reflect the bank's pricing.

When compared to other large pension plans, the Portfolio's return for the year was in the 38th percentile, down from the prior year, but much improved over previous periods. It is important to understand that the Portfolio has substantially less equity risk than the average public pension fund (source: Callan Associates).



* The percentile rankings represent the RSIC's mean ranking taken from five separate peer group universes in which 100 is best and 1 is worst.

The Portfolio's negative performance relative to the Policy and Strategy benchmarks occurred almost entirely during late 2008, and was mainly due to poor manager performance during the unprecedented decline in the major capital markets. In several cases, the Commission terminated or reduced exposure to managers and strategies where performance concerns arose. Additionally, the RSIC has approached several managers to discuss fee reductions or alternative fee arrangements.

It should be noted that, while it would be easy to be discouraged by the past 12 months, we have been pleased to have the opportunity to invest assets at the depressed levels seen during the past year. It is our belief that these timely investments will provide an engine of growth for the Portfolio over the next several years.

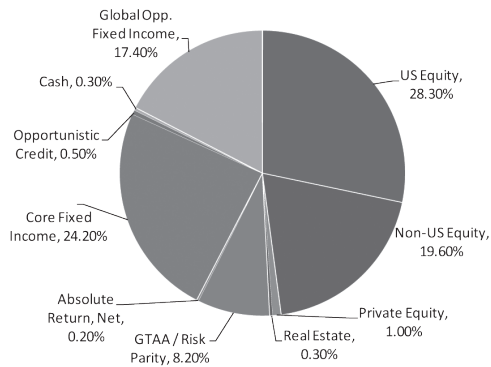
Revised Asset Allocation Targets

Late in the year, the RSIC approved changes to the asset allocation target weights for the Portfolio. The need for these modifications was underscored by the very real risk of a total

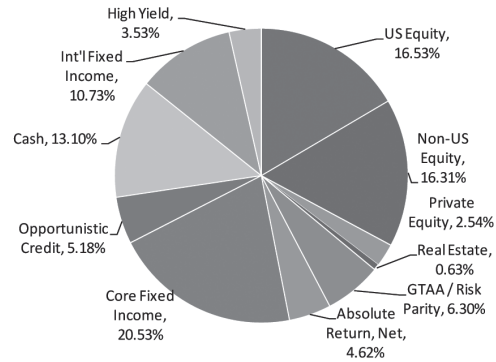
Investment Section

global economic and financial market meltdown reminiscent of the Great Depression. The new asset allocation approved by the RSIC (shown below) includes investments in new asset classes, modifies target allocations to others, and affords the CIO greater flexibility to react to changes in market conditions such as those seen in late 2008. This flexibility is expressed by broadening the acceptable allocation ranges and allowing the CIO to move a majority of the assets to cash in the event of a market meltdown. Prior to this change, these ranges did not permit the CIO to direct the portfolio into a risk-averse asset allocation.

Portfolio Exposure as of June 30, 2008



Portfolio Exposure as of June 30, 2009



Strategic Planning

Another important milestone for the RSIC during the year was the development and approval of a three-year strategic plan. As the diversification of the Portfolio's assets neared completion, the Commission and Staff identified a series of goals that are critical elements in building a best-in-class investment management organization. These goals are detailed in the RSIC's *2008-2009 Annual Investment Report*, along with the RSIC's mission, vision, and values.

Looking Ahead

While Fiscal Year 2009 produced dismal returns for most financial markets, we believe that these declines have provided astute investors with the opportunity to acquire undervalued assets. As the fears of market participants subside, we expect markets to continue to recover.

We are committed to the interests of the members of the Retirement System, and we will continue to manage the assets of the Portfolio in a prudent and transparent 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 CEO/CIO.

Sincerely,

James R. Powers
Chairman

Robert L. Borden, CFA, CAIA
Chief Executive Officer
Chief Investment Officer

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>
2009	\$ 18,240,380	-21.05%	\$ (4,754,668)	-641.53%
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%

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>
2009	\$ 2,536,671	-18.18%	\$ (638,389)	-647.40%
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%

*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>
2009	\$ 31,777	-27.02%	\$ (9,409)	-728.26%
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%

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>
2009	\$ 101,244	-19.64%	\$ (26,741)	-693.27%
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%

*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)

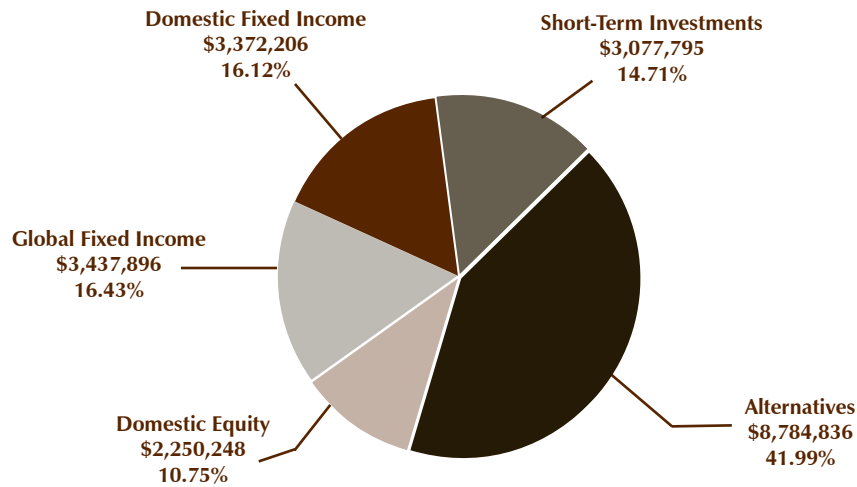
Year Ended <u>June 30,</u>	Market Value of <u>Investments*</u>	% Increase <u>for Year</u>	Net Income (Loss) from <u>Investments</u>	% Increase <u>for Year</u>
2009	\$ 12,909	-17.39%	\$ (4,020)	-1,055.17%
2008	15,627	-0.55%	(348)	-117.38%
2007	15,714	23.83%	2,002	2,149.44%
2006	12,690		89	

*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, 2009 (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. Securities lending assets are excluded.

Data provided in this chart represents summarized values accross broad categories and is derived from the Statement of Plan Net Assets. Refer to the Letter of Transmittal (Page 7) or the Letter from the Retirement System Investment Commission (Page 63) for a more detailed analysis of the asset allocation.

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
	06/30/2008	06/30/2009	Market Value at 06/30/09	06/30/2008	06/30/2009	Market Value at 06/30/09
Short-Term Investments	\$ 1,563,907	\$ 2,676,842	14.68%	\$ 215,653	\$ 379,656	14.97%
Debt:						
Domestic Fixed Income	5,390,761	2,941,043	16.12%	727,962	407,611	16.07%
Global Fixed Income	3,093,577	2,998,334	16.44%	413,183	415,551	16.38%
Public Equity:						
Domestic Equity	5,406,024	1,962,536	10.76%	722,037	271,996	10.72%
Global Equity	425,462			56,825		
Alternatives	7,223,315	7,661,625	42.00%	964,757	1,061,857	41.86%
Total Investments	<u>\$ 23,103,046</u>	<u>\$ 18,240,380</u>	<u>100.00%</u>	<u>\$ 3,100,417</u>	<u>\$ 2,536,671</u>	<u>100.00%</u>

	General Assembly Retirement System			Judges & Solicitors Retirement System		
	<u>Market Value</u>		% of	<u>Market Value</u>		% of
	06/30/2008	06/30/2009	Market Value at 06/30/09	06/30/2008	06/30/2009	Market Value at 06/30/09
Short-Term Investments	\$ 2,988	\$ 4,583	14.42%	\$ 8,865	\$ 14,828	14.65%
Debt:						
Domestic Fixed Income	10,140	5,139	16.17%	29,283	16,330	16.13%
Global Fixed Income	5,827	5,239	16.49%	16,828	16,648	16.44%
Public Equity:						
Domestic Equity	10,183	3,429	10.79%	29,406	10,897	10.76%
Global Equity	801			2,314		
Alternatives	13,605	13,387	42.13%	39,291	42,541	42.02%
Total Investments	<u>\$ 43,544</u>	<u>\$ 31,777</u>	<u>100.00%</u>	<u>\$ 125,987</u>	<u>\$ 101,244</u>	<u>100.00%</u>

	National Guard Retirement System		
	<u>Market Value</u>		% of
	06/30/2008	06/30/2009	Market Value at 06/30/09
Short-Term Investments	\$ 1,123	\$ 1,886	14.61%
Debt:			
Domestic Fixed Income	3,626	2,083	16.14%
Global Fixed Income	2,083	2,124	16.45%
Public Equity:			
Domestic Equity	3,642	1,390	10.77%
Global Equity	287		
Alternatives	4,866	5,426	42.03%
Total Investments	<u>\$ 15,627</u>	<u>\$ 12,909</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, 2009

Top 10 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>
305,400	Exxon Mobil Corp	\$ 18,620,682	\$ 2,580,718	\$ 32,536	\$ 103,390	\$ 13,188	\$ 21,350,514
911,026	Quanta SVCS Inc	18,377,806	2,547,057	32,112	102,041	13,016	21,072,032
44,157	Google Inc CL A	16,235,928	2,250,205	28,369	90,149	11,499	18,616,150
159,670	Intercontinental Exchange Inc	15,908,483	2,204,823	27,797	88,331	11,267	18,240,701
216,042	Amazon Com Inc	15,763,161	2,184,682	27,543	87,524	11,164	18,074,074
357,035	Teva Pharmaceutical Inds ADR Ltd	15,363,748	2,129,326	26,845	85,306	10,881	17,616,106
266,493	Ralcorp Hldgs Inc	14,159,012	1,962,356	24,740	78,617	10,028	16,234,753
350,698	Costco Whsl Corp	14,002,202	1,940,623	24,466	77,746	9,917	16,054,954
332,848	Celgene Corp	13,887,510	1,924,728	24,266	77,109	9,836	15,923,449
469,085	Expeditors Intl Wash Inc	13,639,687	1,890,381	23,833	75,733	9,660	15,639,294
Total							<u><u>\$ 178,822,027</u></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>
\$85,246,105	GNMA POOL #0550657 5.50% due 09/15/35	\$ 77,070,781	\$ 10,681,560	\$ 134,666	\$ 427,929	\$ 54,586	\$ 88,369,522
49,600,000	U. S. Treasury Bonds, 9.125% due 05/15/18	61,977,606	8,589,734	108,294	344,126	43,896	71,063,656
66,138,233	GNMA POOL #0651789 5.50% due 04/15/36	59,741,183	8,279,779	104,386	331,708	42,312	68,499,368
65,788,676	GNMA POOL #0651788 5.50% due 04/15/36	59,425,435	8,236,018	103,834	329,955	42,088	68,137,330
63,395,056	GNMA POOL #0782055 5.50% due 02/15/36	57,182,609	7,925,176	99,916	317,502	40,500	65,565,703
60,000,000	U.S. Treasury Note, 0.875% due 04/30/11	52,191,687	7,233,463	91,195	289,790	36,965	59,843,100
54,322,175	GNMA POOL #0651940 5.50% due 05/15/36	49,068,002	6,800,538	85,737	272,446	34,753	56,261,476
52,817,424	GNMA POOL #0662396 5.50% due 05/15/37	47,665,955	6,606,223	83,287	264,661	33,760	54,653,886
52,165,653	GNMA POOL #0658709 5.50% due 05/15/37	47,077,753	6,524,702	82,259	261,396	33,343	53,979,453
50,000,000	Pacific Mutual Life Ins Co 144A, 7.90% due 12/30/23	43,188,041	5,985,610	75,463	239,798	30,588	49,519,500
Total							<u><u>\$ 635,892,994</u></u>

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

Investment Section

South Carolina Retirement Systems Schedule of Investment Results Combined Investment Portfolio

Benchmarks

Fiscal Years ended June 30,	91 Day Treasury Bill Index	Barclays Capital U.S. Aggregate ¹	Barclays Capital Global Aggregate ¹	S&P Equity Index	MSCI EAFE	Venture Economics- All Private Equity	HFRX Global Hedge Fund Index	50% MSCI World, 50% Citi WGBI	Barclays Capital U.S. High Yield Index ¹	Consumer Price Index (CPI) ²	Assumed Rate of Return
2009	0.95%	6.05%	2.75%	-26.21%	-30.96%	-22.71%	-18.14%	-13.44%	-2.40%	1.40%	8.00%
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%
3-Year Annualized	3.25%	6.43%	6.68%	-8.22%	-7.51%	1.63%	-3.64%	0.12%	2.09%	1.95%	
5-Year Annualized	3.17%	5.01%	5.53%	-2.24%	2.79%	9.17%	-0.50%	3.39%	4.33%	2.54%	
10-Year Annualized	3.23%	5.98%	6.05%	-2.22%	1.59%	9.18%	4.94%	3.17%	4.69%	2.61%	
Actual Performance³											
Fiscal Years ended June 30,	Cash ⁴	Domestic Fixed Income	Non-Core Fixed Income	Domestic Equity	Non U. S. Equity ⁵	Private Equity	Absolute Return	Global Asset Allocation	Opportunistic Credit	Total Portfolio ⁶	
2009	0.82%	4.33%	1.72%	-28.48%	-	-16.02%	-13.22%	-19.21%	-14.18%	-19.04%	
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%	
3-Year Annualized	3.42%	5.65%		-10.39%	-	-	-	-	-	-3.60%	
5-Year Annualized	3.40%	4.88%		-3.32%	-	-	-	-	-	0.16%	
10-Year Annualized	-	5.98%		-1.95%	-	-	-	-	-	3.06%	

¹Barclays PLC purchased Lehman Brothers Holdings Inc's benchmark service in 2008, and subsequently changed the beginning of the index names from "Lehman Brothers" to "Barclays Capital."

²Measure 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.

³Calculations were prepared using a time-weighted, rate of return calculation and follows the Bank Administration Institute's recommendations on cash flows.

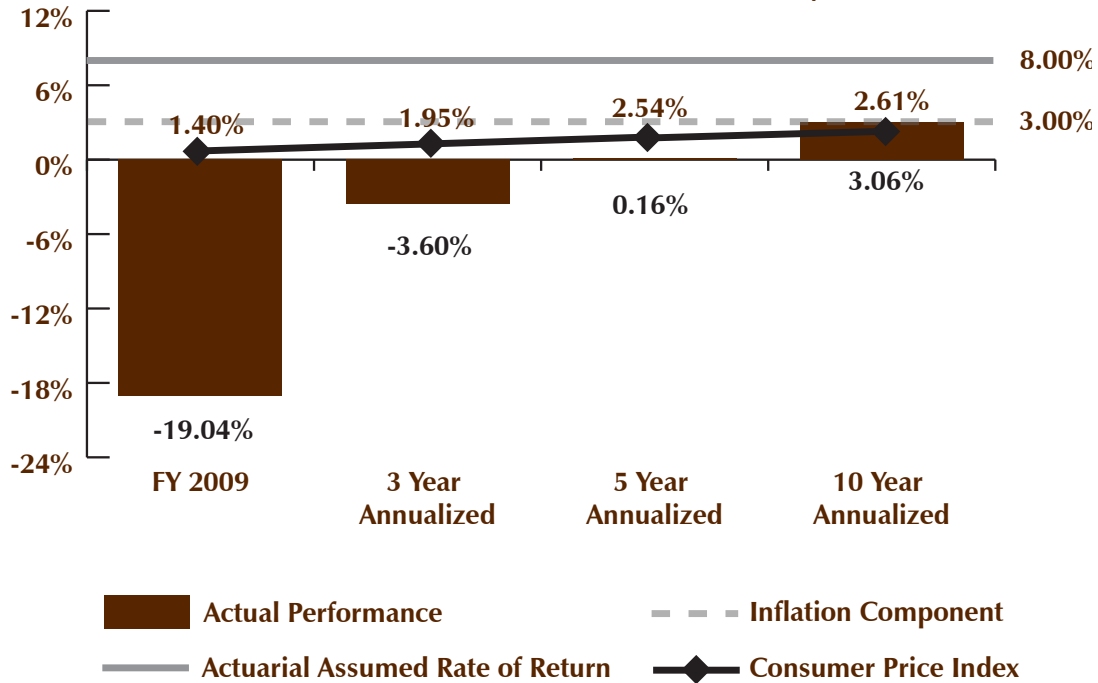
⁴Effective July 1, 2004, a two percent (approximately) portion of the aggregate fixed income portfolio was segmented into a liquidity pool of short duration investments to more efficiently manage cash flows.

⁵Separate performance results were not reported for FY 2008 or FY 2009 for the Non U.S. Equity segment because this segment was initially funded during FY 2008 and was terminated during FY 2009.

⁶Additionally, returns from Domestic Fixed Income, Domestic Equity and Non U.S. Equity were synthetically achieved and although the results of the beta overlay program are included in the Total Portfolio returns, these returns are not specifically included in the individual corresponding segments.

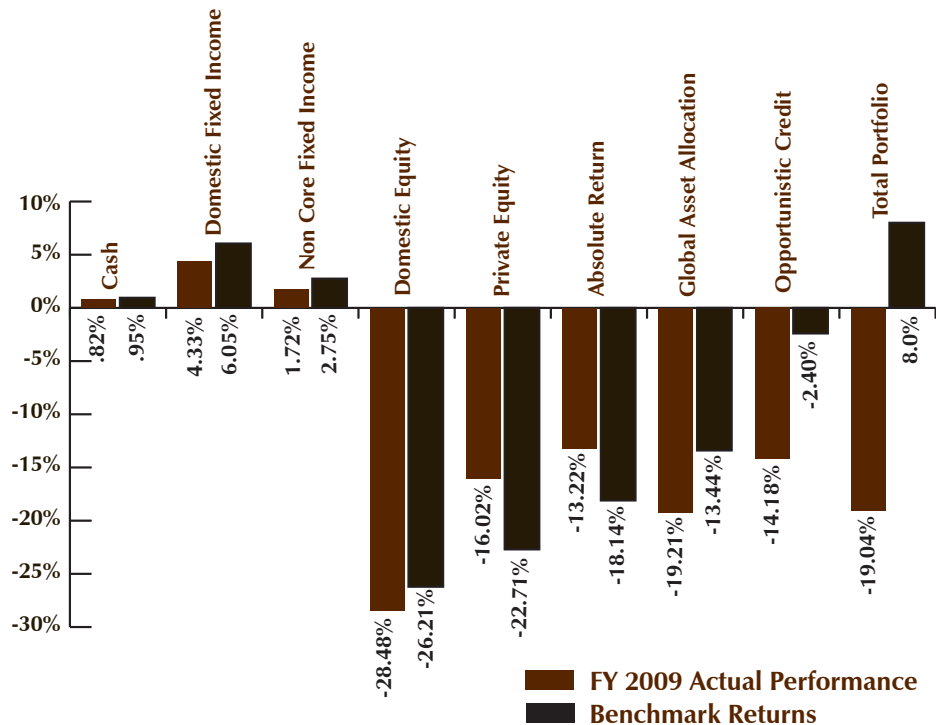
Investment Section

South Carolina Retirement Systems Investment Performance Summary



Note: The actuarial assumed rate of return is 8 percent starting with returns after July 1, 2008 and is composed of an assumed 3 percent inflation rate and a 5 percent real rate of return, net of investment and administrative expenses.

Fiscal Year 2009 Investment Performance by Market Segment



Note: The South Carolina Retirement System Investment Commission (RSIC) adopted an asset allocation model expected to generate a gross annual investment return of 8.77 percent for the total portfolio and returns for individual asset classes are compared to industry benchmarks for each respective asset class.

Investment Section

South Carolina Retirement Systems Schedule of Investment Fees and Commissions For the Year Ended June 30, 2009

	Market Value of Assets under Management at June 30, 2009 ¹	Fees
Investment Managers' Fees	\$ 18,481,171,275	\$ 41,506,676
Other Investment Service Fees:		
Bank Fees		2,891,893
		\$ 44,398,569

Brokerage Firm	Number of Shares Traded	Commissions ²	Average Commissions per Share
Lehman Brothers Inc	76,704,611	\$ 434,094	0.0057
Weeden & Co	29,172,215	429,437	0.0147
Investment Technology Group	22,453,365	378,262	0.0168
Merrill Lynch Pierce Fenner & Smith	13,973,226	306,517	0.0219
Credit Suisse	18,160,144	271,572	0.0150
Instinet Corp	17,853,779	268,212	0.0150
Goldman Sachs & Co	20,021,481	234,839	0.0117
Goldman Sachs Execution & Clearing	14,577,076	230,928	0.0158
Citigroup Global Markets Inc	13,250,906	226,337	0.0171
Liquidnet Inc	10,230,623	220,072	0.0215
J.P. Morgan Securities Inc	8,719,683	209,844	0.0241
Cantor Fitzgerald & Co	10,495,967	198,811	0.0189
Morgan Stanley & Co Inc	7,987,317	184,417	0.0231
UBS Securities LLC	13,336,010	164,089	0.0123
Abel Noser Corp	10,261,449	144,966	0.0141
Deutsche Bank Securities Inc	6,301,417	130,001	0.0206
Jefferies & Co	5,994,720	128,017	0.0214
Wells Fargo Securities LLC	2,760,956	113,862	0.0412
Robert W. Baird & Co Inc	3,592,046	110,706	0.0308
Stifel Nicolaus	2,756,152	88,752	0.0322
Guzman & Co	4,348,600	86,972	0.0200
KeyBanc Capital Markets Inc	1,579,014	65,510	0.0415
Raymond James & Associates Inc	1,705,415	59,588	0.0349
Piper Jaffray & Co	1,599,031	58,794	0.0368
Oppenheimer & Co	1,401,000	57,189	0.0408
Friedman Billings	1,880,905	55,447	0.0295
ITG Inc	4,189,518	55,317	0.0132
BNY Convergenx	3,496,681	54,929	0.0157
Barclays Capital LE	2,445,988	52,242	0.0214
Keefe Bruyette & Woods, Inc	1,363,161	50,972	0.0374
Bloomberg Tradebook LLC	2,517,961	50,359	0.0200
Barclays Capital Inc/LE	2,465,832	50,359	0.0204
All others ³	55,307,443	1,448,766	0.0262
	392,903,692	\$ 6,620,179	0.0168

Source: 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 127 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, 2009 *(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, 2009¹</u>	<u>Fees</u>
State Street Global Advisors ² Boston, MA	Large Cap Passive S&P 500 Index Fund	June 16, 1999	\$ -	\$ 5
Aronson + Johnson + Ortiz, LP Philadelphia, PA	Large Cap Value	September 21, 2005	314,115	377
Pzena Investment Management, LLC ³ New York, NY	Large Cap Value	September 21, 2005	-	204
Legg Mason Capital Management, Inc. Baltimore, MD	Large Cap Growth	September 21, 2005	97,133	746
WCM Investment Management Lake Forest, CA	Large Cap Growth	September 21, 2005	304,852	1,483
Barclays Global Investors, NA ⁴ San Francisco, CA	Large Cap Core	April 16, 2004	-	111
State Street Global Advisors ² Boston, MA	Small/Mid Cap Passive Russell 2000 Index Fund	October 1, 2001	-	5
Wells Capital Management, Inc. (Benson Value Team) Portland, OR	Small Cap Value	October 1, 2002	251,908	1,522
Integrity Asset Management, LLC Louisville, KY	Small Cap Value	March 15, 2005	109,625	741
Thompson, Siegel & Walmsley, Inc. Richmond, VA	Small/Mid Cap Value	March 15, 2005	162,843	1,170
TimesSquare Capital Management, LLC New York, NY	Small/Mid Cap Growth	October 1, 2002	287,989	2,179
Batterymarch Financial Management, Inc. Boston, MA	Small Cap Growth	March 15, 2005	123,953	925
Turner Investment Partners, Inc. Berwyn, PA	Small Cap Growth	March 15, 2005	165,712	1,282
ClariVest Asset Management, LLC San Diego, CA	Small Cap Growth	June 5, 2006	179,650	1,166
Pyramis Global Advisors (Fidelity) Boston, MA	Small Cap Core	May 23, 2000	300,178	1,789
Barclays Global Investors, NA ⁴ San Francisco, CA	Non - U. S. Index Fund EAFE Index Fund	October 2, 2007	-	73
Blackrock Financial Management ⁵ New York, NY	Core fixed income	June 1, 2009	983,307	105
Pacific Investment Management Co. ⁵ Newport Beach, CA	Core fixed income	May 1, 2009	1,037,475	391
Credit Agricole Asset Management London, England	Global Fixed Income	September 19, 2007	730,712	-
Loomis Sayles (Global Fixed Income) Boston, MA	Global Fixed Income	August 1, 2007	597,528	1,647
Mondrian Investment Group, Inc. Philadelphia, PA	Global Fixed Income	August 15, 2007	822,221	2,375
Western Asset Management Co. Pasadena, CA	Global Fixed Income	August 1, 2007	622,877	1,423

Continued on Next Page

Investment Section

South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2009 *(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, 2009¹</u>	<u>Fees</u>
Loomis Sayles (High Yield) Boston, MA	High Yield	May 2, 2008	509,245	2,020
Penn Capital ⁵ Philadelphia, PA	High Yield	May 1, 2009	51,388	57
Capital Guardian ⁵ Los Angeles, CA	Emerging Debt	June 1, 2009	148,650	58
Aquiline Capital Partners, LLC New York, NY	Private Equity	March 28, 2007	45,509	-
Apax Partners, LP London, England	Private Equity	March 26, 2008	14,873	-
Bridgepoint Europe ⁵ London, England	Private Equity	November 14, 2008	2,826	-
Carousel Capital Partners Charlotte, NC	Private Equity	September 17, 2007	26,561	-
Clayton, Dubilier & Rice ⁵ New York, NY	Private Equity	January 12, 2009	169	-
Crestview ⁵ New York, NY	Private Equity	November 6, 2008	(1,067)	-
Goldman Sachs & Co. New York, NY	Private Equity	December 19, 2007	27,606	-
Industry Ventures ⁵ San Francisco, CA	Private Equity	March 27, 2009	11,940	-
Neuberger Berman New York, NY	Private Equity	May 22, 2008	8,244	-
Lexington Partners ⁵ New York, NY	Private Equity	October 9, 2008	4,282	-
Northstar Capital LLC Minneapolis, MN	Private Equity	February 25, 2008	12,259	-
Pantheon (Europe Fund) San Francisco, CA	Private Equity	July 2, 2007	21,337	-
Pantheon (USA Fund VII) San Francisco, CA	Private Equity	July 10, 2007	29,396	-
Paul Capital Partners San Francisco, CA	Private Equity	May 23, 2008	32,218	-
Square 1 Ventures Durham, NC	Private Equity	May 8, 2008	6,563	-
Truebridge Capital Raleigh, NC	Private Equity	December 28, 2007	8,861	-
Venture Investment Managers LP ⁵ Palo Alto, CA	Private Equity	April 21, 2009	2,302	-
Warburg Pincus New York, NY	Private Equity	December 28, 2007	25,759	-
Welsh Carson Anderson & Stowe ⁵ New York, NY	Private Equity	February 10, 2009	(397)	-

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Investment Section

South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2009 *(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, 2009¹</u>	<u>Fees</u>
Bridgewater Associates, Inc. Westport, CT	Absolute Return	July 2, 2007	295,064	5,909
D.E. Shaw LLC New York, NY	Absolute Return	July 2, 2007	343,919	-
En Trust Ltd New York, NY	Absolute Return	August 31, 2007	256,136	-
FrontPoint LP Greenwich, CT	Absolute Return	July 2, 2007	359,804	-
GAM New York, NY	Absolute Return	August 27, 2007	570,319	-
Gottex Boston, MA	Absolute Return	September 28, 2007	665,625	-
Grosvenor LP Chicago, IL	Absolute Return	August 29, 2007	545,645	-
Morgan Stanley New York, NY	Absolute Return	July 2, 2007	611,069	4,700
W. L. Ross ⁵ New York, NY	Absolute Return	September 12, 2008	210,281	-
Bridgewater Associates, Inc Westport, CT	Global Asset Allocation	August 1, 2007	594,550	-
Graham, Mayo, Van Otterloo & Co LLC Boston, MA	Global Asset Allocation	August 31, 2007	329,850	1,978
Mellon Bank, NA ⁶ San Francisco, CA	Global Asset Allocation	February 8, 2008	-	3,279
Putnam Investments Boston, MA	Global Asset Allocation	January 17, 2008	399,293	2,621
Angelo Gordon, LP New York, NY	Opportunistic Credit	June 17, 2008	34,812	-
Avenue Partners ⁵ New York, NY	Opportunistic Credit	March 13, 2009	107,930	-
D. E. Shaw (Direct Capital Fund) ⁵ New York, NY	Opportunistic Credit	July 16, 2008	33,848	-
Sankaty Advisors ⁵ Boston, MA	Opportunistic Credit	July 15, 2008	133,408	-
Selene Investment Partners ⁵ New York, NY	Opportunistic Credit	July 24, 2008	40,114	-
ING Clarion ⁵ New York, NY	Real Estate	May 11, 2009	20,473	-
SCRS / Apollo Strategic Partnership ⁵ New York, NY	Various asset classes	January 15, 2009	75,950	-
SCRS / Goldman Sachs Strategic Partnership ⁵ New York, NY	Various asset classes	August 29, 2008	1,025,359	-
SCRS / Mariner Strategic Partnership ⁵ Harrison, NY	Various asset classes	November 3, 2008	571,872	-

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Investment Section

South Carolina Retirement Systems Schedule of Investment Managers and Fees For the Year Ended June 30, 2009 *(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, 2009¹</u>	<u>Fees</u>
SCRS / Morgan Stanley Strategic Partnership New York, NY	Various asset classes	February 27, 2008	801,126	-
SCRS / TCW Strategic Partnership Los Angeles, CA	Various asset classes	June 20, 2008	372,303	-
Russell Investment Group Tacoma, WA	Beta Overlay	May 29, 2007	2,001,770	1,166
Residual Assets ⁷			49	-
			<u>\$ 18,481,171</u>	<u>\$ 41,507</u>

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

²The contract with State Street Global Advisors was terminated in July, 2008.

³The contract with Pzena Investment Management, LLC was terminated in August 2008.

⁴The contract with Barclays Global Investors, NA for the large cap core was terminated in July, 2008, and the non-U.S. Index fund was terminated in December, 2008.

⁵Manager hired during fiscal year 2009.

⁶The contract with Mellon Capital was terminated in April, 2009.

⁷Balances 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.



Actuarial Section

A tree's roots provide a solid foundation and absorb water and minerals needed to survive. The trunk not only carries the water and minerals to the tree's branches and leaves, but also provides the much needed support for the tree. The foundation and support that are essential to defined benefit plans are their very long-term investment time horizons. The five plans administered by the Retirement Systems are defined benefit plans which means that while the financial markets experience significant volatility, the assets of the Retirement Systems are invested in a broadly diversified manner to help mitigate risks.



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November 10, 2009

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

Re: Certification and Statement Regarding Actuarial Valuations as of July 1, 2008

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, 2008.

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. For SCRS, we performed an experience study to review how the System's demographic experience compared with that predicted by the actuarial assumptions for the period of July 1, 2002 through June 30, 2007. As a result, we recommended changes to a number of actuarial assumptions which were adopted by the Board on June 17, 2008 to apply for the July 1, 2008 valuation. We also performed a study regarding the assumed rate of investment return and recommended an increase in this assumption from 7.25% to 8.00% for all four Systems. This change was adopted by the Board on June 17, 2008 to apply for the July 1, 2008 valuation.

The actuarial assumptions, with the exception of the assumed rate of investment return, for the remaining Systems (PORS, JSRS and GARS) were recommended by the prior actuary and adopted



State Budget and Control Board
South Carolina Retirement Systems
November 10, 2009
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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*.

The results and conclusions of this report are only valid for the July 1, 2008 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.



State Budget and Control Board
South Carolina Retirement Systems
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Certification

Based on the results of the four July 1, 2008 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, and I, Hassan Ghazi, are consulting actuaries for Milliman. We are also members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. On the basis of the foregoing, we certify that, to the best of our 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.

A handwritten signature in dark ink, appearing to read 'Hassan Ghazi'.

Hassan Ghazi, FSA, MAAA
Consulting Actuary

A handwritten signature in dark ink, appearing to read 'Robert S. Dezube'.

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, 2008 (Amounts expressed in thousands)

	July 1, 2008
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 5,708,620
ii) Employer Annuity Accumulation Fund	18,991,058
iii) Total Current Assets	<u>\$ 24,699,678</u>
b. Present Value of Future Member Contributions	\$ 3,557,148
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 1,746,068
ii) Accrued Liability Contributions ¹	10,963,741
iii) Total Future Employer Contributions	<u>\$ 12,709,809</u>
d. Total Assets	<u><u>\$ 40,966,635</u></u>
2. <u>Liabilities</u>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 5,708,620
ii) Present Value of Future Member Contributions ²	3,557,148
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 9,265,768</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment (including TERI)	\$ 20,624,862
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	<u>11,076,005</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 31,700,867</u>
c. Total Liabilities	<u><u>\$ 40,966,635</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, 2008 (Amounts expressed in thousands)

	<u>July 1, 2008</u>
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 697,423
ii) Employer Annuity Accumulation Fund	2,665,713
iii) Total Current Assets	<u>\$ 3,363,136</u>
b. Present Value of Future Member Contributions	\$ 508,681
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 535,079
ii) Accrued Liability Contributions	955,819
iii) Total Future Employer Contributions	<u>\$ 1,490,898</u>
d. Total Assets	<u><u>\$ 5,362,715</u></u>
2. <u>Liabilities</u>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 697,423
ii) Present Value of Future Member Contributions	508,681
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 1,206,104</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 2,183,645
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	<u>1,972,966</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 4,156,611</u>
c. Total Liabilities	<u><u>\$ 5,362,715</u></u>

Actuarial Section

General Assembly Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2008 (Amounts expressed in thousands)

	July 1, 2008
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 7,265
ii) Employer Annuity Accumulation Fund	39,924
iii) Total Current Assets	<u>\$ 47,189</u>
b. Present Value of Future Member Contributions	\$ 2,195
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 1,342
ii) Accrued Liability Contributions	21,934
iii) Total Future Employer Contributions	<u>\$ 23,276</u>
d. Total Assets	<u><u>\$ 72,660</u></u>
2. <u>Liabilities</u>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 7,265
ii) Present Value of Future Member Contributions ¹	2,195
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 9,460</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 53,240
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	<u>9,960</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 63,200</u>
c. Total Liabilities	<u><u>\$ 72,660</u></u>

¹Includes future special contributors

Actuarial Section

Judges and Solicitors Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2008 (Amounts expressed in thousands)

	July 1, 2008
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	
i) Employee Annuity Savings Fund	\$ 17,367
ii) Employer Annuity Accumulation Fund	120,956
iii) Total Current Assets	<u>\$ 138,323</u>
b. Present Value of Future Member Contributions	\$ 11,524
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 15,299
ii) Accrued Liability Contributions	75,083
iii) Total Prospective Employer Contributions	<u>\$ 90,382</u>
d. Total Assets	<u><u>\$ 240,229</u></u>
2. <u>Liabilities</u>	
a. Employee Annuity Savings Fund	
i) Past Member Contributions	\$ 17,367
ii) Present Value of Future Member Contributions	11,524
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 28,891</u>
b. Employer Annuity Accumulation Fund	
i) Benefits Currently in Payment	\$ 141,510
ii) Benefits to be Paid to Current Active Members (includes vested terminated members)	<u>69,828</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 211,338</u>
c. Total Liabilities	<u><u>\$ 240,229</u></u>

Actuarial Section

South Carolina Retirement System Results of the Valuation as of July 1, 2008 (Dollar amounts expressed in thousands)

	July 1, 2008
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 20,624,862
b. Present Active and Inactive Members	20,341,773
c. Total Actuarial Present Value	<u>\$ 40,966,635</u>
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 3,557,148
b. Employer	1,746,068
c. Total Future Normal Contributions	<u>\$ 5,303,216</u>
3. <u>Actuarial Liability</u>	\$ 35,663,419
4. <u>Current Actuarial Value of Assets</u>	\$ 24,699,678
5. <u>Unfunded Actuarial Liability</u>	\$ 10,963,741
6. <u>Unfunded Actuarial Liability Rates</u>	
a. Active Members	5.88%
b. TERI Members (including employee contributions) ¹	15.74%
c. ORP Members	4.24%
d. Re-employed Members (including employee contributions)	15.74%
7. <u>Unfunded Actuarial Liability Liquidation Period</u>	29 years

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, 2008 (Dollar amounts expressed in thousands)

	July 1, 2008
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 2,183,645
b. Present Active and Inactive Members	<u>3,179,070</u>
c. Total Actuarial Present Value	\$ 5,362,715
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 508,681
b. Employer	<u>535,079</u>
c. Total Future Normal Contributions	\$ 1,043,760
3. <u>Actuarial Liability</u>	\$ 4,318,955
4. <u>Current Actuarial Value of Assets</u>	\$ 3,363,136
5. <u>Unfunded Actuarial Liability</u>	\$ 955,819
6. <u>Unfunded Actuarial Liability Rates</u>¹	3.54%
7. <u>Unfunded Actuarial Liability Liquidation Period</u>	30 years

¹Total contribution rate is scheduled to increase by 0.48% (to 11.53%) in FY 2011. The liquidation period of 30 years as of July 1, 2008, reflects this scheduled increase.

Actuarial Section

General Assembly Retirement System Results of the Valuation as of July 1, 2008 (Dollar amounts expressed in thousands)

	July 1, 2008
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 53,240
b. Present Active and Inactive Members	19,420
c. Total Actuarial Present Value	<u>\$ 72,660</u>
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 1,995
b. Special Contributors	200
c. Employer	1,342
d. Total Future Normal Contributions	<u>\$ 3,537</u>
3. <u>Actuarial Liability</u>	\$ 69,122
4. <u>Current Actuarial Value of Assets</u>	\$ 47,189
5. <u>Unfunded Actuarial Liability</u>	\$ 21,933
6. <u>Unfunded Actuarial Liability Liquidation Period</u>	17 years

Actuarial Section

Judges and Solicitors Retirement System Results of the Valuation as of July 1, 2008 (Dollar amounts expressed in thousands)

	July 1, 2008
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 141,510
b. Present Active and Inactive Members	98,719
c. Total Actuarial Present Value	<u>\$ 240,229</u>
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 11,524
b. Employer	15,299
c. Total Future Normal Contributions	<u>\$ 26,823</u>
3. <u>Actuarial Liability</u>	\$ 213,406
4. <u>Current Actuarial Value of Assets</u>	\$ 138,323
5. <u>Unfunded Actuarial Liability</u>	\$ 75,083
6. <u>Unfunded Actuarial Liability Rates</u>	
a. Active Members	31.70%
b. DROP and Retired-in-Place Members (including employee contributions)	55.09%
7. <u>Unfunded Actuarial Liability Liquidation Period</u>	16 years

Actuarial Section

South Carolina Retirement System Summary of Actuarial Assumptions and Methods

1. Investment Return to be Earned by Fund

8.00 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 5.00 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	
	Age	Male	Female	Male	Female
Employees	50	35%	45%		
	55	45%	55%	8%	10%
	60	55%	60%	8%	13%
	61	40%	65%	12%	14%
	62	80%	70%	21%	21%
	63	45%	60%	14%	18%
	64	35%	45%	12%	15%
	65	40%	45%		
	66	20%	20%		
	67	20%	20%		
	68	20%	20%		
	69	20%	20%		
	70	100%	100%		
Teachers	50	50%	55%		
	55	80%	70%	10%	11%
	60	65%	70%	11%	14%
	61	75%	70%	15%	16%
	62	80%	85%	25%	21%
	63	50%	65%	18%	20%
	64	40%	50%	22%	15%
	65	45%	50%		
	66	20%	20%		
	67	20%	20%		
	68	20%	20%		
	69	20%	20%		
	70	100%	100%		

Actuarial Section

- b. Election of Teachers and Employees Retention Incentive (TERI)
 We assumed 37.5% of all members electing to either retire or enter TERI before age 65 will elect to enter TERI and remain for three years.
- c. In-Service Mortality and Disability

Annual Rates of								
Age	Mortality				Disability			
	<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%	0.06%	0.05%	0.06%
30	0.04%	0.02%	0.03%	0.01%	0.13%	0.08%	0.08%	0.08%
35	0.08%	0.03%	0.06%	0.03%	0.19%	0.16%	0.10%	0.08%
40	0.11%	0.05%	0.08%	0.04%	0.32%	0.21%	0.20%	0.13%
45	0.15%	0.07%	0.11%	0.06%	0.44%	0.30%	0.33%	0.28%
50	0.21%	0.11%	0.16%	0.09%	0.63%	0.51%	0.52%	0.44%
55	0.30%	0.16%	0.23%	0.14%	1.01%	0.81%	0.85%	0.72%
60	0.49%	0.26%	0.37%	0.22%	1.27%	1.24%	1.31%	1.10%
64	0.70%	0.35%	0.53%	0.30%	1.58%	1.72%	1.64%	1.38%

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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 based upon the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Age	Healthy				Disabled			
	<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>
50	0.28%	0.14%	0.25%	0.14%	2.46%	1.27%	2.17%	1.27%
55	0.48%	0.22%	0.43%	0.22%	3.01%	1.82%	2.66%	1.82%
60	0.86%	0.42%	0.76%	0.42%	3.57%	2.40%	3.15%	2.40%
65	1.56%	0.82%	1.39%	0.82%	4.26%	3.08%	3.76%	3.08%
70	2.55%	1.37%	2.34%	1.37%	5.32%	4.14%	4.69%	4.14%
75	4.00%	2.19%	3.66%	2.19%	6.98%	5.75%	6.16%	5.75%
80	6.67%	3.80%	6.01%	3.80%	9.30%	7.95%	8.20%	7.95%
85	10.46%	6.56%	9.64%	6.56%	12.04%	11.02%	10.62%	11.02%

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

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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 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. Death 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 2 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. Changes from Prior Valuation

The experience study for the period ending June 30, 2007, recommended several changes to the actuarial assumptions and methods. Some of the more important changes are listed below. Please refer to the experience study report for complete details. The new assumptions were adopted by the Board on June 17, 2008.

1. Increased the real rate of investment return from 4.25 percent to 5 percent which increased the investment return assumption from 7.25 percent to 8 percent.
2. Increased the asset smoothing period from five to 10 years beginning with the investment experience for the year ended June 30, 2008.
3. Increased the annual cost of living increase from 1 percent to 2 percent.
4. Revised retirement and TERI election rates and assumed duration in TERI.
5. Revised the rates of disability incidence and inactive mortality of male teachers and disabled retirees.

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

Item	Valuation as of July 1, 2008
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (2,446,593)
b. Current Year - 1	1,339,490
c. Current Year - 2	(435,359)
d. Current Year - 3	\$ (14,499)
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (90% Deferral) ¹	\$ (2,201,934)
b. Current Year - 1 (60% Deferral)	803,694
c. Current Year - 2 (40% Deferral)	(174,144)
d. Current Year - 3 (20% Deferral)	(2,900)
e. Total Deferred for Year	<u>\$ (1,575,284)</u>
3. Market Value of Plan Assets, End of Year	\$ 23,124,394
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 24,699,678
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 18,499,515
b. 120% of Market Value of Assets, End of Year	\$ 27,749,273
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.)	\$ 24,699,678

¹Reflects the prospective implementation of the 10-year smoothing method of the assets.

Actuarial Section

Police Officers Retirement System Summary of Actuarial Assumptions and Methods

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

8.00 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 5.00 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 Retirement¹</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%	

¹Plus 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											
Age	Years of Service										
	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**

Beginning with the July 1, 2008, actuarial valuation, the actuarial value of assets is equal to the market value of assets less a 10-year phase in of the excess (shortfall) between expected market investment return and actual net investment income (excess returns and shortfalls determined prior to July 1, 2008, remain with a five-year phase in) with the resulting value not being less than 80 percent or more than 120 percent of the market value of assets.

7. **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 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.

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.

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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 2 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. Changes from Prior Valuation

The following changes were the result of Act 311 and Board actions to change investment assumptions and smoothing periods. The new assumptions were adopted by the Board on June 17, 2008.

1. Increased the assumed annual cost of living adjustment from zero percent to 2 percent.
2. Increased the real rate of investment return from 4.25 percent to 5 percent which increased the investment return assumption from 7.25 percent to 8 percent.
3. Increased the asset smoothing period from five to 10 years beginning with the investment experience for the year ended June 30, 2008.

Actuarial Section

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

Item	Valuation as of July 1, 2008
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (320,908)
b. Current Year - 1	156,569
c. Current Year - 2	(65,188)
d. Current Year - 3	\$ (18,170)
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (90% Deferral) ¹	\$ (288,817)
b. Current Year - 1 (60% Deferral)	93,941
c. Current Year - 2 (40% Deferral)	(26,075)
d. Current Year - 3 (20% Deferral)	(3,634)
e. Total Deferred for Year	<u>\$ (224,585)</u>
3. Market Value of Plan Assets, End of Year	\$ 3,138,551
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 3,363,136
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 2,510,841
b. 120% of Market Value of Assets, End of Year	\$ 3,766,261
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.)	\$ 3,363,136

¹Reflects the prospective implementation of the 10-year smoothing method of the assets.

Actuarial Section

General Assembly Retirement System Summary of Actuarial Assumptions and Methods

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

8.00 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 5.00 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%

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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 10-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. Prior to July 1, 2008, returns reflected a five-year phase in.

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

The real rate of investment return was increased from 4.25 percent to 5 percent which increased the investment return assumption from 7.25 percent to 8 percent.

The asset smoothing period was increased from five to 10 years beginning with the investment experience for the year ended June 30, 2008.

12. Adoption Date

The current actuarial assumptions and methods, with the exception of the assumed rate of investment return, were adopted by the State Budget and Control Board on May 4, 2004. The change in the assumed rate of investment return was adopted by the Board for the July 1, 2008, valuation on June 17, 2008.

Actuarial Section

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

Item	Valuation as of July 1, 2008
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (4,578)
b. Current Year - 1	2,715
c. Current Year - 2	(1,220)
d. Current Year - 3	\$ (9)
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (90% Deferral) ¹	\$ (4,120)
b. Current Year - 1 (60% Deferral)	1,629
c. Current Year - 2 (40% Deferral)	(488)
d. Current Year - 3 (20% Deferral)	(2)
e. Total Deferred for Year	\$ (2,981)
3. Market Value of Plan Assets, End of Year	\$ 44,208
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 47,189
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 35,366
b. 120% of Market Value of Assets, End of Year	\$ 53,050
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.)	\$ 47,189

¹Reflects the prospective implementation of the 10-year smoothing method of assets.

Actuarial Section

Judges and Solicitors Retirement System Summary of Actuarial Assumptions and Methods

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

8.00 percent per annum, compounded annually, composed of an assumed 3.00 percent inflation rate and a 5.00 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 retirees and beneficiaries:

<u>Age</u>	<u>Healthy</u>		<u>Disabled</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
60	0.92%	0.42%	4.88%	2.88%
65	1.56%	0.71%	5.95%	3.66%
70	2.75%	1.24%	7.63%	4.88%
75	4.46%	2.40%	10.22%	6.77%
80	7.41%	4.29%	14.71%	9.71%
85	11.48%	6.99%	20.09%	14.16%

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 and Public Defenders</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 ¹	12 ¹	35	Any	32 ¹	12 ¹	35
Any	32+	12	12	Any	33+	12	15

¹Additionally, 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

Beginning with the July 1, 2008, actuarial valuation, the actuarial value of assets is equal to the market value of assets less a 10-year phase in of the excess (shortfall) between expected investment return (including the return on DROP balances) and actual net investment income (excess returns and shortfalls determined prior to July 1, 2008, remain with a five-year phase in) 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.

Actuarial Section

12. Changes from Prior Valuation

The real rate of investment return was increased from 4.25 percent to 5 percent which increased the investment return assumption from 7.25 percent to 8 percent.

The asset smoothing period was increased from five to 10 years beginning with the investment experience for the year ended June 30, 2008.

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. The assumed rate of investment return was adopted by the Board on June 17, 2008.

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

Item	Valuation as of July 1, 2008
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (13,277)
b. Current Year - 1	7,052
c. Current Year - 2	(2,921)
d. Current Year - 3	(31)
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (90% Deferral) ¹	\$ (11,949)
b. Current Year - 1 (60% Deferral)	4,231
c. Current Year - 2 (40% Deferral)	(1,168)
d. Current Year - 3 (20% Deferral)	(6)
e. Total Deferred for Year	<u>\$ (8,892)</u>
3. Market Value of Plan Assets, End of Year	\$ 129,431
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 138,323
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 103,545
b. 120% of Market Value of Assets, End of Year	\$ 155,317
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.)	\$ 138,323

¹Reflects the prospective implementation of the 10-year smoothing method of assets.

Actuarial Section

South Carolina Retirement System Schedule of Active Member Valuation Data¹ As of July 1, 2008

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-08	776	192,820	\$ 7,559,172	\$ 39,203	3.88%
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%

¹Does not include Teacher and Employee Retention Incentive (TERI) participants.

Police Officers Retirement System Schedule of Active Member Valuation Data As of July 1, 2008

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-08	313	26,427	\$ 1,060,747	\$ 40,139	3.68%
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%

Actuarial Section

General Assembly Retirement System Schedule of Active Member Valuation Data¹ As of July 1, 2008

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-08	2	170	\$ 3,854	\$ 22,671	0.00%
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%)

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

Judges and Solicitors Retirement System Schedule of Active Member Valuation Data As of July 1, 2008

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-08	3	144	\$ 18,661	\$ 129,590	1.10%
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%

Actuarial Section

South Carolina Retirement System The Number and Earnable Compensation of Active Members As of July 1, 2008 (Dollar amounts expressed in thousands)

<u>GROUP</u>	<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
State Employees	55,053	\$ 2,376,315
Teachers	85,569	3,269,682
Other	52,198	1,913,175
Total	192,820	\$ 7,559,172

Note: In addition, there are 155,038 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, 2008 (Dollar amounts expressed in thousands)

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
26,427	\$ 1,060,747

Note: In addition, there are 11,558 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, 2008
(Dollar amounts expressed in thousands)

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

Note: There are 47 inactive members with contributions still in the system, and there are 21 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, 2008
(Dollar amounts expressed in thousands)

<u>NUMBER</u>	<u>ANNUAL COMPENSATION</u>
144	\$ 18,661

Note: The number of active members includes 15 participants who are either in the DROP or have retired in place. There are five 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 Beneficiaries¹

As of July 1, 2008

(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Employees:		
Men	19,843	\$ 456,012
Women	23,694	379,577
Total	43,537	835,589
Teachers:		
Men	8,163	201,526
Women	34,128	651,326
Total	42,291	852,852
Disability Retirements:		
Employees:		
Men	3,029	39,018
Women	3,759	44,143
Total	6,788	83,161
Teachers:		
Men	880	12,252
Women	3,634	46,505
Total	4,514	58,757
Beneficiaries:		
Men	2,089	15,838
Women	5,303	62,901
Total	7,392	78,739
Grand Total	104,522	\$ 1,909,098

¹Includes 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, 2008

(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	7,022	\$ 141,700
Women	1,517	19,027
Total	8,539	160,727
Disability Retirements:		
Men	1,299	25,250
Women	395	5,537
Total	1,694	30,787
Beneficiaries:		
Men	40	352
Women	1,013	11,576
Total	1,053	11,928
Grand Total	11,286	\$ 203,442

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

As of July 1, 2008

(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	235	\$ 4,558
Women	32	577
Total	267	5,135
Disability Retirements:		
Men	1	15
Women	0	0
Total	1	15
Beneficiaries:		
Men	0	0
Women	74	1,136
Total	74	1,136
Grand Total	342	\$ 6,286

Actuarial Section

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

As of July 1, 2008

(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	119	\$ 11,083
Women	4	354
Total	123	11,437
Disability Retirements:		
Men	1	93
Women	0	0
Total	1	93
Beneficiaries:		
Men	9	212
Women	45	1,358
Total	54	1,570
Grand Total	178	\$ 13,100

Actuarial Section

South Carolina Retirement System Schedule of Retirants Added to and Removed from Rolls¹ (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		
7-01-08	6,021	\$ 128,547	2,396	\$ 30,178	104,522	\$ 1,904,789	5.4%	\$ 18,224
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

¹Includes 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		
7-01-08	779	\$ 17,458	194	\$ 2,691	11,286	\$ 203,441	7.8%	\$ 18,026
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

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		
7-01-08	19	\$ 337	10	\$ 134	342	\$ 6,286	3.3%	\$ 18,380
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

Judges and Solicitors Retirement System Schedule of Retirants Added to and Removed from Rolls¹ (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		
7-01-08	6	\$ 545	3	\$ 156	178	\$ 13,100	3.1%	\$ 73,596
7-01-07	32	2,690	1	30	175	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

¹Beginning July 1, 2007, includes 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	7-01-08	\$ 24,699,678	\$ 35,663,419	69.3%	\$10,963,741	\$ 7,559,172	145.0%
	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%
	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	7-01-08	\$ 3,363,136	\$ 4,318,955	77.9%	\$ 955,819	\$ 1,060,747	90.1%
	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%

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.

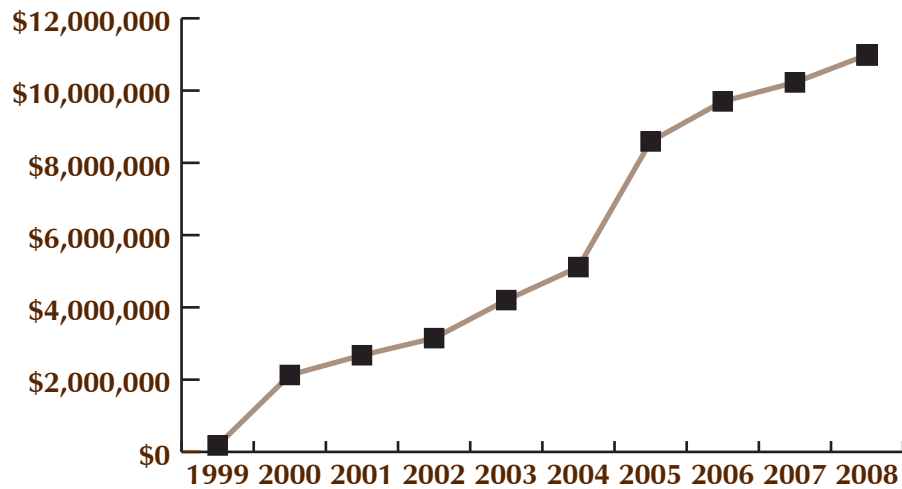
Effective 7-1-2005, actuarial assumptions were changed to include an increase in member contributions to 6.25 percent of earnings for fiscal year 2006 and 6.50 percent beginning fiscal year 2007; all return-to-work retirees and those TERI participants who joined the system after 7-01-2005 contributing 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.

Effective 7-1-2008, actuarial assumptions for SCRS were changed as a result of a 5 year experience study. Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

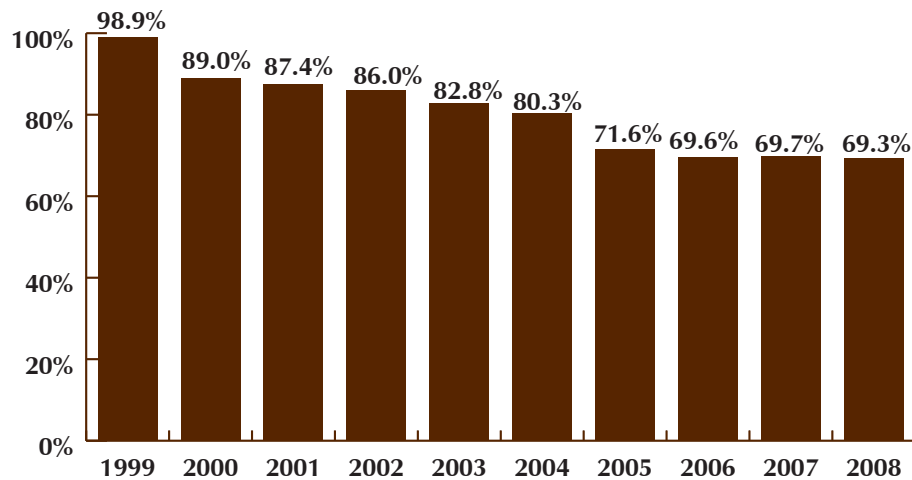
Actuarial Section

South Carolina Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



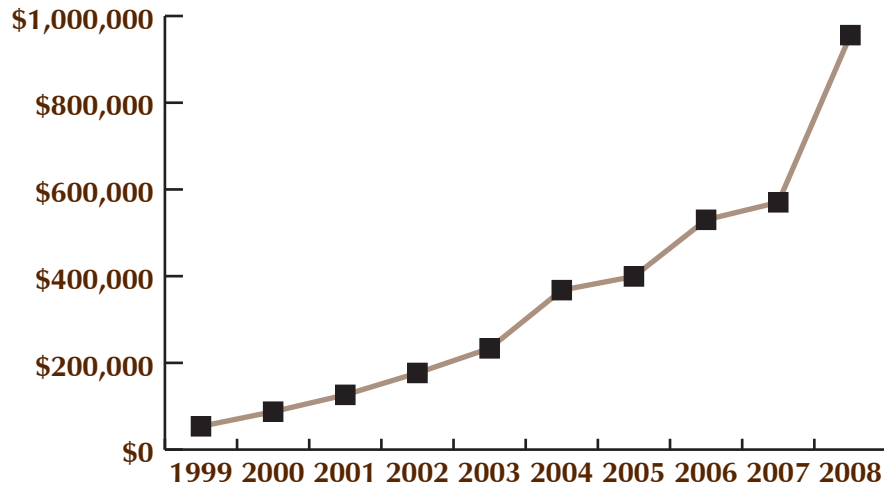
Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



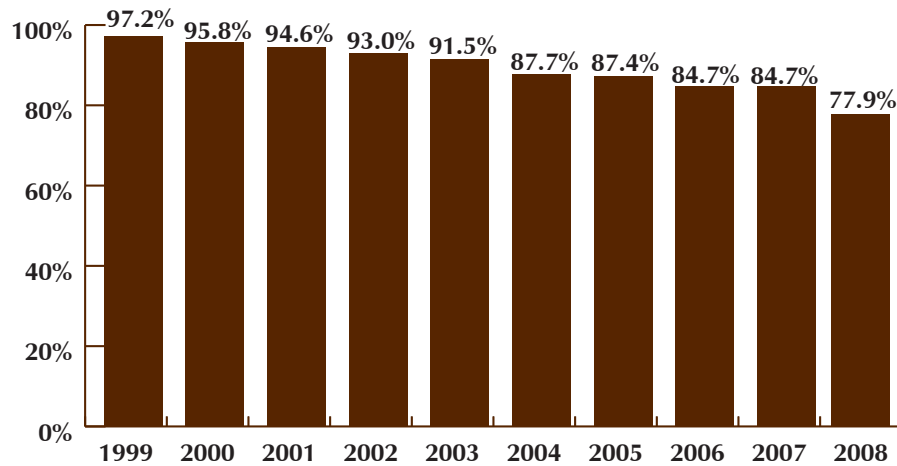
Actuarial Section

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			
	7-01-08	\$ 47,189	\$ 69,122	68.3%	\$ 21,933	\$ 3,854	569.1%
	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%

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			
	7-01-08	\$ 138,323	\$ 213,406	64.8%	\$ 75,083	\$ 18,661	402.4%
	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%

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.

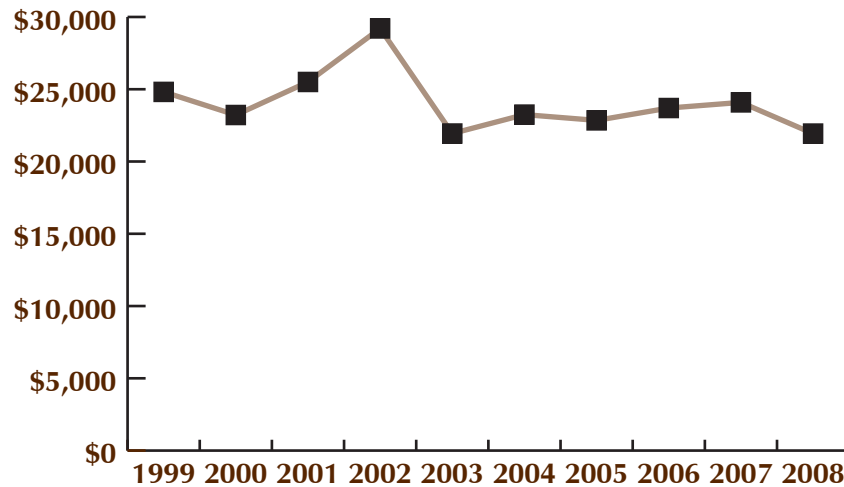
Effective 7-1-2005, actuarial assumptions were changed to include updated normal retirement rates based on analysis of historical normal retirement experience.

Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

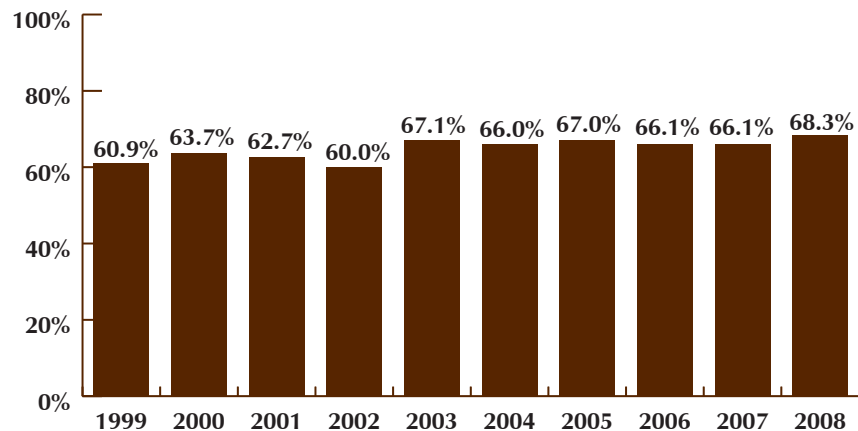
Actuarial Section

General Assembly Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



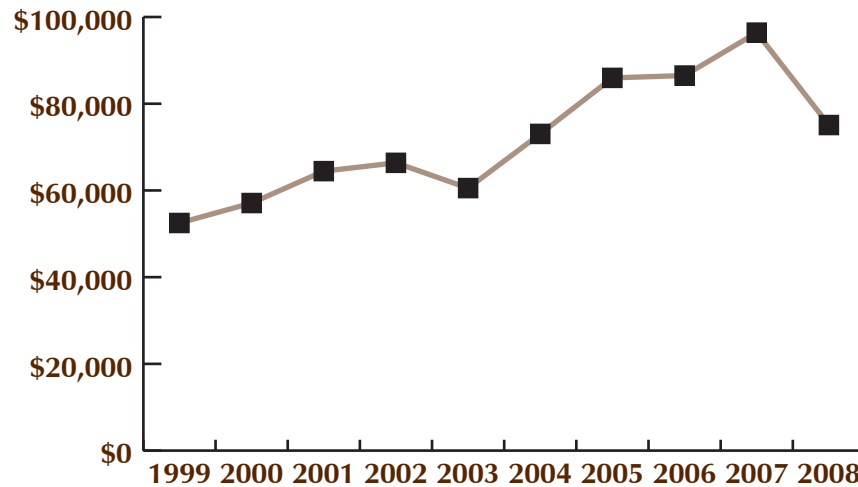
Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



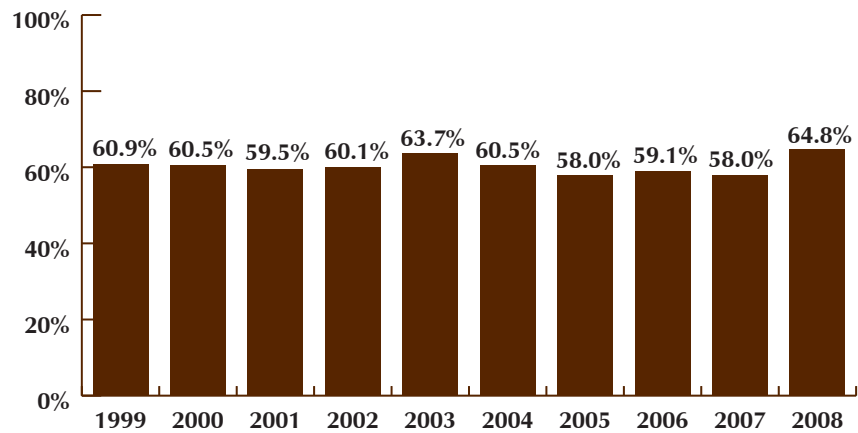
Actuarial Section

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, 2008 (Amounts expressed in millions)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 10,225
Interest on Unfunded Actuarial Liability	741
Amortization Payment	(580)
Asset Experience (with method change)	(63)
Salary Experience	160
Other Liability Experience	302
COLA (in excess of 1% guarantee)	205
Benefit Changes	2,637
Assumption/Method Changes	(2,663)
Total Increase/(Decrease)	\$ 739
End of Year Unfunded Actuarial Liability	<u>\$ 10,964</u>

Police Officers Retirement System Analysis of the Increase in the Unfunded Accrued Liability As of July 1, 2008 (Amounts expressed in millions)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 570.3
Interest on Unfunded Actuarial Liability	41.3
Amortization Payment	(45.6)
Asset Experience (with method change)	4.9
Salary Experience	16.0
Other Liability Experience	.1
COLA	41.4
Benefit Changes	641.9
Assumption/Method Changes	(314.5)
Total Increase/(Decrease)	\$ 385.5
End of Year Unfunded Actuarial Liability	<u>\$ 955.8</u>

Actuarial Section

General Assembly Retirement System

Analysis of the Increase in the Unfunded Accrued Liability

As of July 1, 2008
(Amounts expressed in thousands)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 24,089
Interest on Unfunded Actuarial Liability	1,746
Required Amortization Payment	(2,362)
Asset Experience (with method change)	(142)
Salary Experience	-
Other Liability Experience	2,987
Benefit Changes	-
Assumption/Method Changes	(4,385)
Total Increase/(Decrease)	\$ (2,156)
End of Year Unfunded Actuarial Liability	<u>\$ 21,933</u>

Judges and Solicitors Retirement System

Analysis of the Increase in the Unfunded Accrued Liability

As of July 1, 2008
(Amounts expressed in millions)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 96.4
Interest on Unfunded Actuarial Liability	7.0
Amortization Payment	(5.6)
Asset Experience (with method change)	(0.1)
Salary Experience	(1.7)
Other Liability Experience	(0.6)
COLA	(3.3)
Benefit Changes	0.0
Assumption/Method Changes	(17.0)
Total Increase/(Decrease)	\$ (21.3)
End of Year Unfunded Actuarial Liability	<u>\$ 75.1</u>

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)	(1)	(2)	(3)
SCRS	7-01-08	\$	5,708,620	\$	20,624,862	\$	9,329,937	\$	24,699,678		100%	92.1%	0.0%
	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%
PORS	7-01-08	\$	697,423	\$	2,183,645	\$	1,437,887	\$	3,363,136		100%	100%	33.5%
	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%

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.

Effective 7-1-2008, actuarial assumptions for SCRS were changed as a result of a 5 year experience study. Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

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	7-01-08	\$ 7,265	\$ 53,240	\$ 8,617	\$ 47,189	100%	75.0%	0.0%
	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%
JSRS	7-01-08	\$ 17,367	\$ 141,510	\$ 54,529	\$ 138,323	100%	85.5%	0.0%
	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%

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.

Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.



Cavanaugh Macdonald CONSULTING, LLC

The experience and dedication you deserve

February 13, 2009

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, 2008

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, 2008.

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 24 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 13, 2009
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, 2008. 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, 2008 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 cursive script, appearing to read 'Edward A. Macdonald'.

Edward A. Macdonald, ASA, FCA, MAAA
President

Actuarial Section

National Guard Retirement System Valuation Balance Sheet As of Actuarial Valuation at July 1, 2008 (Amounts expressed in thousands)

	<u>July 1, 2008</u>
1. <u>Assets</u>	
a. Current Assets (Actuarial Value)	\$ 17,426
b. Present Value of Future Member Contributions	\$ -
c. Present Value of Future Employer Contributions	
i) Normal Contributions	\$ 4,504
ii) Accrued Liability Contributions	<u>36,108</u>
iii) Total Future Employer Contributions	\$ <u>40,612</u>
d. Total Assets	\$ <u><u>58,038</u></u>
2. <u>Liabilities</u>	
a. Benefits to be Paid to Retired Members and Beneficiaries	\$ 25,554
b. Benefits to be Paid to Former Members Entitled to Deferred Pensions	\$ 13,764
c. Benefits to be Paid to Current Active Members	\$ <u>18,720</u>
d. Total Liabilities	\$ <u><u>58,038</u></u>

Actuarial Section

National Guard Retirement System Results of the Valuation as of July 1, 2008 (Dollar amounts expressed in thousands)

		<u>July 1, 2008</u>
1. <u>Actuarial Present Value of Future Benefits</u>		
a. Present Retired Members and Beneficiaries	\$	25,554
b. Former Members Entitled to Deferred Pensions		13,764
b. Present Active Members		<u>18,720</u>
c. Total Actuarial Present Value	\$	58,038
 2. <u>Present Value of Future Normal Contributions</u>		
a. Employees	\$	-
b. Employer		<u>4,504</u>
c. Total Future Normal Contributions	\$	4,504
 3. <u>Actuarial Liability</u>	\$	53,534
 4. <u>Current Actuarial Value of Assets</u>	\$	17,426
 5. <u>Unfunded Actuarial Liability</u>	\$	36,108
 6. <u>Unfunded Actuarial Liability Annual Payment Amount</u>	\$	3,438
 7. <u>Unfunded Actuarial Liability Liquidation Period</u>		24 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, 2008
1. Excess (Shortfall) of Investment Income for Current Year and Previous Three Years:	
a. Current Year	\$ (1,524)
b. Current Year - 1	947
c. Current Year - 2	(906)
d. Current Year - 3	(363)
2. Deferral of Excess (Shortfall) of Investment Income for:	
a. Current Year (90% Deferral)	\$ (1,372)
b. Current Year - 1 (60% Deferral)	568
c. Current Year - 2 (40% Deferral)	(362)
d. Current Year - 3 (20% Deferral)	(72)
e. Total Deferred for Year	<u>(1,238)</u>
3. Market Value of Plan Assets, End of Year	\$ 16,188
4. Preliminary Actuarial Value of Plan Assets, End of Year (Item 3 - Item 2.e.)	\$ 17,426
5. Actuarial Value of Assets Corridor	
a. 80% of Market Value of Assets, End of Year	\$ 12,950
b. 120% of Market Value of Assets, End of Year	\$ 19,426
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.)	\$ 17,426

Actuarial Section

National Guard Retirement System Schedule of Active Member Valuation Data As of July 1, 2008

Valuation Date	Number of Employers	Number of Active Members	Annual Payroll (in thousands)	Annual Average Pay	Percentage Increase In Average Pay
7-01-08	1	12,559	N/A	N/A	N/A
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, 2008 (Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements:		
Men	3,467	\$ 3,261
Women	25	23
Total	3,492	3,284
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	3,492	\$ 3,284

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 ¹		Removed from Rolls ¹		Rolls End of the Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
7-01-08	364	\$ 331	76	\$ 75	3,492	\$ 3,284	8.5%	\$ 940
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

¹Sufficient 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)

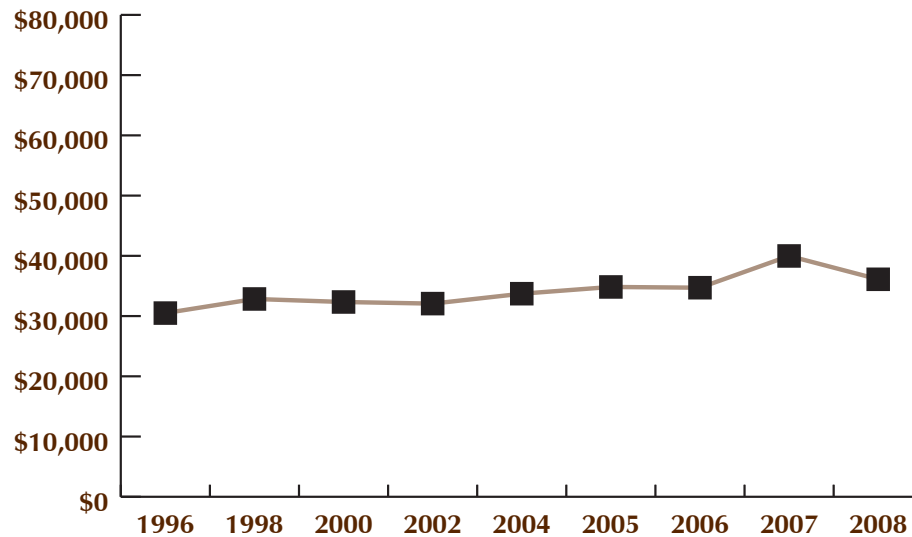
NGRS	Valuation Date	Valuation Assets	Aggregate Accrued Liabilities	Actuarial Assets as a %	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a %
				of Actuarial Accrued Liabilities			of Active Member Payroll
	7-01-08	\$ 17,426	\$ 53,534	32.5%	\$ 36,108	N/A	N/A
	7-01-07	15,937	55,917	28.5%	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 ¹	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

¹As of April 30, 2000.

Actuarial Section

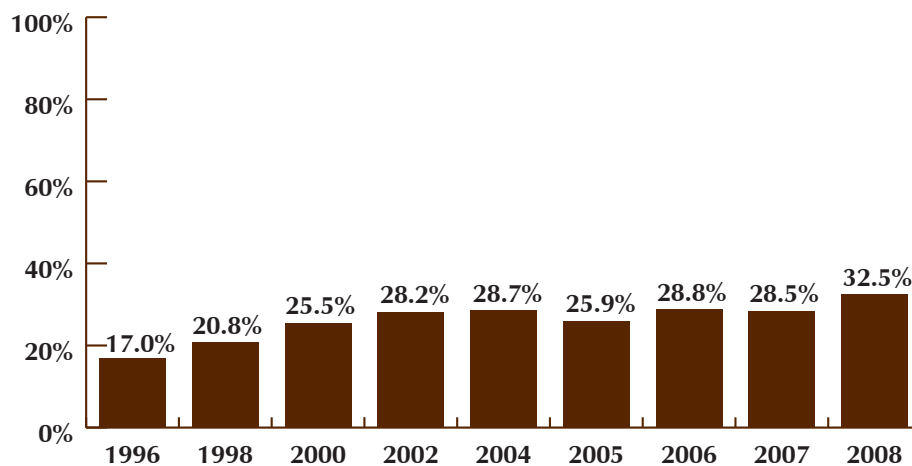
National Guard Retirement System Funding Progress with Funded Ratios

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, 2008 (Amounts expressed in thousands)

Item:	Amount of Increase (Decrease)
Beginning of Year Unfunded Actuarial Liability	\$ 39,980
Interest on Unfunded Actuarial Liability	2,899
Amortization Payment	(3,469)
Asset Experience	333
Salary Experience	-
Other Liability Experience	1,039
COLA	-
Benefit Changes	-
Assumption/Method Changes	(4,674)
Total Increase/(Decrease)	\$ (3,872)
End of Year Unfunded Actuarial Liability	<u>\$ 36,108</u>

Solvency Test (Dollar amounts expressed in thousands)

	Valuation Date	(1) Active Member Contributions	(2) Retirants	(3) Active Members (Employer Funded)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
						(1)	(2)	(3)
NGRS	7-01-08	\$ -	\$ 25,554	\$ 27,980	\$ 17,426	N/A	68.2%	0.0%
	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 9.24% of earnable compensation	Class II 10.65% of earnable compensation			
Death Benefit Program 0.15% of earnable compensation	Death Benefit Program 0.2% of earnable compensation	Death Benefit Program Included within annual lump-sum appropriation	Death Benefit Program 0.45% of earnable compensation	Death Benefit Program 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				
Not applicable	Not applicable	Not applicable	Age 60	Not applicable
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

SCRS	PORS	GARS	JSRS	NGRS
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. Must be disabled based on job specific standard.	5 years of earned service unless injury is job related. Must be disabled based on job specific standard.	5 years of credited service. Must be disabled based on job specific standard.	5 years of credited service. Must be disabled based on job specific standard.	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. Minimum benefit of 15% of AFC at any age.	The disability retirement benefit is based on a projection of service credit to age 55. Minimum benefit of 15% of AFC at any age.	The disability retirement benefit is based on the greater of the following options: a. Service benefit based upon actual credited service or b. 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).	
Continued on Next Page	Continued on Next Page	Continued on Next Page		

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 TERI prior to July 1, 2005, make no employee contributions	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

Continued on Next Page

SCRS

PORS

GARS

JSRS

NGRS

12. Deferred Retirement Option Programs (continued)

while participating in 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

Each July 1, eligible retired members will receive an automatic COLA up to an increase of 2 percent if the Consumer Price Index for Wage Earners and Clerical Workers (CPI) as of the previous December 31 is at least 2 percent. If the CPI is less than 2 percent, the COLA will equal the actual increase in the CPI. COLAs are paid only during periods of inflation.

Each July 1, eligible retired members will receive an automatic COLA up to an increase of 2 percent if the Consumer Price Index for Wage Earners and Clerical Workers (CPI) as of the previous December 31 is at least 2 percent. If the CPI is less than 2 percent, the COLA will equal the actual increase in the CPI. COLAs are paid only during periods of inflation.

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.

Actuarial Section

SCRS	PORS	GARS	JSRS	NGRS
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. Death Benefit Program				
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.	Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.	Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.	Lump-sum payment equal to one year's salary payable to the beneficiary upon the death of an active member with at least one year of service.	Not applicable
No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.	No service requirements for death resulting from an injury arising out of the actual performance of duties for an active member.	No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.	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 death benefit payment equal to their annual salary in lieu of the standard retired member benefit.	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 death benefit payment equal to their annual salary in lieu of the standard retired member benefit.	Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.	Lump-sum payment to retiree's beneficiary of up to \$3,000 based upon years of service at retirement.	
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



Statistical Section

Trees, like pension plans, can live for generations if they are properly cared for and kept sound. The average life span of a tree ranges from around 20 years for a “short lived” tree to more than 100 years for trees with longer life spans. The oldest living tree is the Methuselah tree, located in the White Mountains of California, which is estimated to be more than 4,000 years old. The defined benefit plans administered by the South Carolina Retirement Systems are actuarially sound and provide lifetime benefits that are prefunded and guaranteed by law. SCRS is the oldest of the five plans and has been in existence for 64 years. The Retirement Systems is not only providing for today’s retirees, but for future generations of retirees as well.

Statistical Section

Statistical Section Summary

The objective of the Statistical Section is to provide financial statement users with additional historical perspective, context, and detail to assist in using information presented in the Financial Statements, Notes to Financial Statements, and Required Supplementary Information to understand and assess the Systems' economic condition. Information reported in the Systems' statistical section is presented in four main categories: Financial Trends Information, Operating Information, Revenue Capacity Information, and Demographic and Economic Information.

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Financial Trends Information

Financial Trends Information is intended to assist users in understanding and assessing how the Systems' financial position has changed over time. The ten year summary of plan net assets and ten year schedules of changes in plan net assets as well as the additions by source, deductions by type, and benefit expenses by type for the last ten fiscal years may be considered useful in determining financial trends.

The value of plan net assets previously experienced steady increases through the years; however, negative investment returns realized during the most recent two fiscal year has resulted in a significant decline in asset values for the systems individually and the portfolio as a whole.

While employee and employer contributions have increased though the years due to increases in contribution rates and growth in covered payroll, investment income is much more volatile due to its dependence on the market.

A rise in the number of annuitant payees and cost of living adjustments granted to retirees resulted in a steady increase in benefit expenses over the years. Refund expenses spiked during fiscal year 2006 as a result of a negative ruling on litigation in which contributions were required to be refunded to retired participants in the Teacher and Employee Retention Incentive (TERI) program. In addition, slight growth in death benefit claims has occurred over the past couple of years because beneficiaries of working retirees are now eligible for an increased level of benefits.

Statistical Section

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

	2009	2008	2007	2006	2005
Assets					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 3,403,752	\$ 2,835,196	\$ 6,855,459	\$ 2,078,394	\$ 3,137,913
Total investments, at fair value	17,915,982	24,697,700	22,188,448	24,114,946	22,652,248
Securities lending cash collateral invested	1,845,862	3,796,183	5,085,506	4,372,175	4,110,377
Property, net of accumulated depreciation	3,340	3,459	3,577	3,696	3,814
Total Assets	<u>23,168,936</u>	<u>31,332,538</u>	<u>34,132,990</u>	<u>30,569,211</u>	<u>29,904,352</u>
Liabilities					
Deferred retirement benefits	431,503	552,260	641,750	670,527	884,776
Obligations under securities lending	1,845,862	3,796,183	5,085,506	4,372,175	4,110,377
Other liabilities	399,193	351,050	356,954	144,561	100,752
Total Liabilities	<u>2,676,558</u>	<u>4,699,493</u>	<u>6,084,210</u>	<u>5,187,263</u>	<u>5,095,905</u>
Total Net Assets	<u>\$ 20,492,378</u>	<u>\$ 26,633,045</u>	<u>\$ 28,048,780</u>	<u>\$ 25,381,948</u>	<u>\$ 24,808,447</u>

	2004	2003	2002	2001	2000
Assets					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 3,087,343	\$ 3,173,518	\$ 3,027,811	\$ 2,986,937	\$ 2,999,073
Total investments, at fair value	21,427,345	19,694,444	18,219,578	18,232,312	16,706,486
Securities lending cash collateral invested	3,698,749	3,912,893	3,174,643	1,691,977	1,413,893
Property, net of accumulated depreciation	3,933	4,052	4,171	4,289	4,408
Total Assets	<u>28,217,370</u>	<u>26,784,907</u>	<u>24,426,203</u>	<u>22,915,515</u>	<u>21,123,860</u>
Liabilities					
Deferred retirement benefits	649,385	424,906	229,590	54,644	-
Obligations under securities lending	3,698,749	3,912,893	3,174,643	1,691,977	1,413,893
Other liabilities	86,497	67,738	70,414	106,193	50,789
Total Liabilities	<u>4,434,631</u>	<u>4,405,537</u>	<u>3,474,647</u>	<u>1,852,814</u>	<u>1,464,682</u>
Total Net Assets	<u>\$ 23,782,739</u>	<u>\$ 22,379,370</u>	<u>\$ 20,951,556</u>	<u>\$ 21,062,701</u>	<u>\$ 19,659,178</u>

Statistical Section

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

	2009	2007	2006	2005	2004
Additions					
Employee contributions	\$ 564,872	\$ 540,872	\$ 505,122	\$ 498,458	\$ 433,254
Employer contributions	827,502	774,269	644,350	577,468	538,809
Investment income (loss)	(4,754,668)	(641,196)	2,999,209	1,134,639	1,496,887
Other income	1,233	1,321	1,532	1,741	1,982
Total Additions	<u>(3,361,061)</u>	<u>675,266</u>	<u>4,150,213</u>	<u>2,212,306</u>	<u>2,470,932</u>
Deductions					
Annuities	1,956,446	1,853,892	1,747,192	1,639,238	1,514,219
Refunds	73,882	79,027	77,212	108,569	67,434
Death Benefit Claims	17,908	17,617	15,948	14,875	13,710
Administrative & other expenses	20,371	20,752	18,254	18,545	16,485
Total Deductions	<u>2,068,607</u>	<u>1,971,288</u>	<u>1,858,606</u>	<u>1,781,227</u>	<u>1,611,848</u>
Increase (Decrease) in Net Assets	<u>(5,429,668)</u>	<u>(1,296,022)</u>	<u>2,291,607</u>	<u>431,079</u>	<u>859,084</u>
Beginning Net Assets	23,247,147	24,543,169	22,251,562	21,820,483	20,961,399
Ending Net Assets	<u>\$ 17,817,479</u>	<u>\$ 23,247,147</u>	<u>\$ 24,543,169</u>	<u>\$ 22,251,562</u>	<u>\$ 21,820,483</u>

	2004	2003	2002	2001	2000
Additions					
Employee contributions	\$ 414,967	\$ 408,359	\$ 413,905	\$ 435,075	\$ 379,491
Employer contributions	515,996	512,345	509,044	491,329	455,914
Investment income (loss)	1,759,686	1,662,781	170,284	1,293,997	792,282
Other income	2,328	2,688	3,141	3,518	3,873
Total Additions	<u>2,692,977</u>	<u>2,586,173</u>	<u>1,096,374</u>	<u>2,223,919</u>	<u>1,631,560</u>
Deductions					
Annuities	1,405,958	1,266,348	1,153,538	924,240	783,170
Refunds	66,505	60,133	63,936	68,894	72,452
Death Benefit Claims	13,515	14,759	13,492	12,850	10,026
Administrative & other expenses	16,425	14,447	14,910	15,374	15,175
Total Deductions	<u>1,502,403</u>	<u>1,355,687</u>	<u>1,245,876</u>	<u>1,021,358</u>	<u>880,823</u>
Increase (Decrease) in Net Assets	<u>1,190,574</u>	<u>1,230,486</u>	<u>(149,502)</u>	<u>1,202,561</u>	<u>750,737</u>
Beginning Net Assets	19,770,825	18,540,339	18,689,841	17,487,280	16,736,543
Ending Net Assets	<u>\$ 20,961,399</u>	<u>\$ 19,770,825</u>	<u>\$ 18,540,339</u>	<u>\$ 18,689,841</u>	<u>\$ 17,487,280</u>

Statistical Section

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

	2009	2008	2007	2006	2005
Additions					
Employee contributions	\$ 77,014	\$ 76,907	\$ 71,676	\$ 69,254	\$ 60,110
Employer contributions	124,148	114,862	107,332	101,447	91,291
Investment income (loss)	(638,389)	(85,415)	374,623	139,785	175,849
Other income	1,671	52	55	60	64
Total Additions	<u>(435,556)</u>	<u>106,406</u>	<u>553,686</u>	<u>310,546</u>	<u>327,314</u>
Deductions					
Annuities	211,873	195,989	181,388	167,077	152,588
Refunds	13,753	13,754	12,543	13,248	13,441
Death Benefit Claims	1,720	2,068	1,919	1,821	1,468
Administrative & other expenses	2,537	2,505	2,179	1,968	1,823
Total Deductions	<u>229,883</u>	<u>214,316</u>	<u>198,029</u>	<u>184,114</u>	<u>169,320</u>
Increase (Decrease) in Net Assets	<u>(665,439)</u>	<u>(107,910)</u>	<u>355,657</u>	<u>126,432</u>	<u>157,994</u>
Beginning Net Assets	3,196,071	3,303,981	2,948,324	2,821,892	2,663,898
Ending Net Assets	<u>\$ 2,530,632</u>	<u>\$ 3,196,071</u>	<u>\$ 3,303,981</u>	<u>\$ 2,948,324</u>	<u>\$ 2,821,892</u>

	2004	2003	2002	2001	2000
Additions					
Employee contributions	\$ 58,202	\$ 56,581	\$ 57,778	\$ 56,952	\$ 50,438
Employer contributions	88,867	87,084	89,366	94,312	76,267
Investment income (loss)	212,201	184,177	18,670	149,574	93,425
Other income	72	82	92	104	113
Total Additions	<u>359,342</u>	<u>327,924</u>	<u>165,906</u>	<u>300,942</u>	<u>220,243</u>
Deductions					
Annuities	141,461	125,671	112,166	95,340	85,235
Refunds	11,918	11,452	11,214	11,498	10,643
Death Benefit Claims	1,555	1,594	1,608	1,399	1,404
Administrative & other expenses	1,732	1,572	1,520	1,551	1,525
Total Deductions	<u>156,666</u>	<u>140,289</u>	<u>126,508</u>	<u>109,788</u>	<u>98,807</u>
Increase (Decrease) in Net Assets	<u>202,676</u>	<u>187,635</u>	<u>39,398</u>	<u>191,154</u>	<u>121,436</u>
Beginning Net Assets	2,461,222	2,273,587	2,234,189	2,043,035	1,921,599
Ending Net Assets	<u>\$ 2,663,898</u>	<u>\$ 2,461,222</u>	<u>\$ 2,273,587</u>	<u>\$ 2,234,189</u>	<u>\$ 2,043,035</u>

Statistical Section

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

	2009	2008	2007	2006	2005
Additions					
Employee contributions	\$ 706	\$ 733	\$ 603	\$ 584	\$ 935
Employer contributions	2,495	2,440	2,358	2,171	2,890
Investment income (loss)	(9,409)	(1,136)	5,950	2,086	3,238
Other income	84				
Total Additions	<u>(6,124)</u>	<u>2,037</u>	<u>8,911</u>	<u>4,841</u>	<u>7,063</u>
Deductions					
Annuities	6,416	6,181	5,935	5,726	5,560
Refunds	33	102	70		31
Death Benefit Claims	14	28	5	17	16
Administrative & other expenses	116	64	34	98	33
Total Deductions	<u>6,579</u>	<u>6,375</u>	<u>6,044</u>	<u>5,841</u>	<u>5,640</u>
Increase (Decrease) in Net Assets	<u>(12,703)</u>	<u>(4,338)</u>	<u>2,867</u>	<u>(1,000)</u>	<u>1,423</u>
Beginning Net Assets	44,208	48,546	45,679	46,679	45,256
Ending Net Assets	<u>\$ 31,505</u>	<u>\$ 44,208</u>	<u>\$ 48,546</u>	<u>\$ 45,679</u>	<u>\$ 46,679</u>

	2004	2003	2002	2001	2000
Additions					
Employee contributions	\$ 513	\$ 619	\$ 643	\$ 904	\$ 638
Employer contributions	2,731	2,577	2,627	2,510	2,636
Investment income (loss)	4,031	4,005	28	3,022	1,827
Other income					
Total Additions	<u>7,275</u>	<u>7,201</u>	<u>3,298</u>	<u>6,436</u>	<u>5,101</u>
Deductions					
Annuities	5,347	5,073	4,537	4,197	3,998
Refunds		72	23	38	16
Death Benefit Claims	8	5	12	42	36
Administrative & other expenses	162	84	148	71	67
Total Deductions	<u>5,517</u>	<u>5,234</u>	<u>4,720</u>	<u>4,348</u>	<u>4,117</u>
Increase (Decrease) in Net Assets	<u>1,758</u>	<u>1,967</u>	<u>(1,422)</u>	<u>2,088</u>	<u>984</u>
Beginning Net Assets	43,498	41,531	42,953	40,865	39,881
Ending Net Assets	<u>\$ 45,256</u>	<u>\$ 43,498</u>	<u>\$ 41,531</u>	<u>\$ 42,953</u>	<u>\$ 40,865</u>

Statistical Section

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

	2009	2008	2007	2006	2005
Additions					
Employee contributions	\$ 2,524	\$ 1,416	\$ 1,784	\$ 1,744	\$ 2,092
Employer contributions	8,414	7,613	6,706	6,511	6,260
Investment income (loss)	(26,741)	(3,371)	16,017	5,761	8,148
Other income	83				
Total Additions	<u>(15,720)</u>	<u>5,658</u>	<u>24,507</u>	<u>14,016</u>	<u>16,500</u>
Deductions					
Annuities	13,484	12,848	10,348	9,677	9,215
Refunds		211		20	
Death Benefit Claims	134	256	381	124	1
Administrative & other expenses	104	103	92	83	77
Total Deductions	<u>13,722</u>	<u>13,418</u>	<u>10,821</u>	<u>9,904</u>	<u>9,293</u>
Increase (Decrease) in Net Assets	<u>(29,442)</u>	<u>(7,760)</u>	<u>13,686</u>	<u>4,112</u>	<u>7,207</u>
Beginning Net Assets	129,431	137,191	123,505	119,393	112,186
Ending Net Assets	<u>\$ 99,989</u>	<u>\$ 129,431</u>	<u>\$ 137,191</u>	<u>\$ 123,505</u>	<u>\$ 119,393</u>

	2004	2003	2002	2001	2000
Additions					
Employee contributions	\$ 1,893	\$ 1,209	\$ 1,628	\$ 2,216	\$ 1,194
Employer contributions	6,078	6,014	5,993	5,875	5,659
Investment income (loss)	9,191	8,795	1,025	7,128	3,791
Other income					
Total Additions	<u>17,162</u>	<u>16,018</u>	<u>8,646</u>	<u>15,219</u>	<u>10,644</u>
Deductions					
Annuities	8,605	8,217	8,063	7,426	6,979
Refunds			130		71
Death Benefit Claims	124	8	7	6	15
Administrative & other expenses	72	67	65	67	67
Total Deductions	<u>8,801</u>	<u>8,292</u>	<u>8,265</u>	<u>7,499</u>	<u>7,132</u>
Increase (Decrease) in Net Assets	<u>8,361</u>	<u>7,726</u>	<u>381</u>	<u>7,720</u>	<u>3,512</u>
Beginning Net Assets	103,825	96,099	95,718	87,998	84,486
Ending Net Assets	<u>\$ 112,186</u>	<u>\$ 103,825</u>	<u>\$ 96,099</u>	<u>\$ 95,718</u>	<u>\$ 87,998</u>

Statistical Section

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

	2009	2008	2007	2006
Additions				
State-appropriated contributions	\$ 4,052	\$ 3,948	\$ 3,948	\$ -
Investment income (loss)	(4,020)	(348)	2,002	89
Other income		50	50	300
Total Additions	<u>32</u>	<u>3,650</u>	<u>6,000</u>	<u>389</u>
Deductions				
Annuities	3,432	3,199	2,926	1,371
Administrative & other expenses	<u>15</u>	<u>156</u>	<u>59</u>	<u>204</u>
Total Deductions	<u>3,447</u>	<u>3,355</u>	<u>2,985</u>	<u>1,575</u>
Increase (Decrease) in Net Assets	<u>(3,415)</u>	<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	 <u>(3,415)</u>	 <u>295</u>	 <u>3,015</u>	 <u>12,878</u>
 Beginning Net Assets	 <u>16,188</u>	 <u>15,893</u>	 <u>12,878</u>	 <u>-</u>
Ending Net Assets	<u><u>\$ 12,773</u></u>	<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)					
2009	\$ 564,953	\$ 827,502	\$ (4,754,668)	\$ 1,152	\$ (3,361,061)
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
Police Officers Retirement System (PORS)					
2009	78,018	124,769	(638,389)	46	(435,556)
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
General Assembly Retirement System (GARS)					
2009	790	2,495	(9,409)	-	(6,124)
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
Judges and Solicitors Retirement System (JSRS)					
2009	2,607	8,414	(26,741)	-	(15,720)
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
National Guard Retirement System (NGRS)					
2009	-	4,052	(4,020)	-	32
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

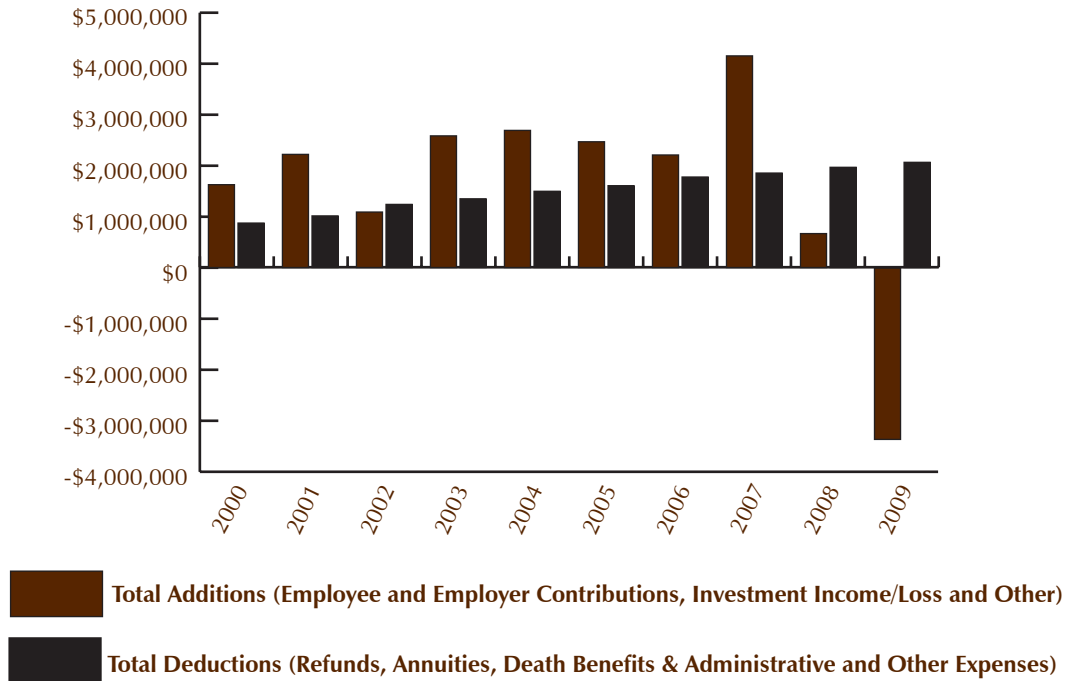
Pension Trust Funds Deductions by Type (Amounts expressed in thousands)

Year Ended June 30,	Refunds	Annuity Expenses	Death Benefit Claims	Administrative and Other Expenses	Total
South Carolina Retirement System (SCRS)					
2009	\$ 73,882	\$ 1,956,446	\$ 17,908	\$ 20,371	\$ 2,068,607
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
Police Officers Retirement System (PORS)					
2009	13,753	211,873	1,720	2,537	229,883
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
General Assembly Retirement System (GARS)					
2009	33	6,416	14	116	6,579
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
Judges and Solicitors Retirement System (JSRS)					
2009	-	13,484	134	104	13,722
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
National Guard Retirement System (NGRS)					
2009	-	3,432	-	15	3,447
2008	-	3,199	-	156	3,355
2007	-	2,926	-	59	2,985
2006 ¹	-	1,371	-	204	1,575

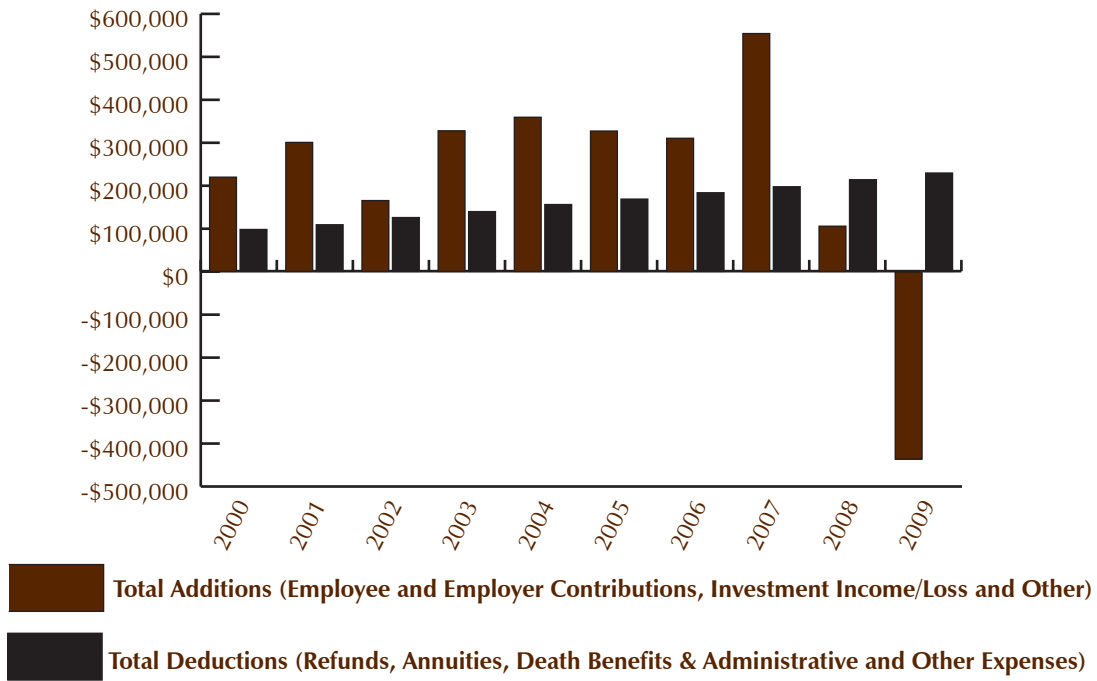
¹The South Carolina Retirement Systems did not assume administrative responsibilities for the National Guard Retirement System until January 1, 2006; therefore, prior year data is not presented.

Statistical Section

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

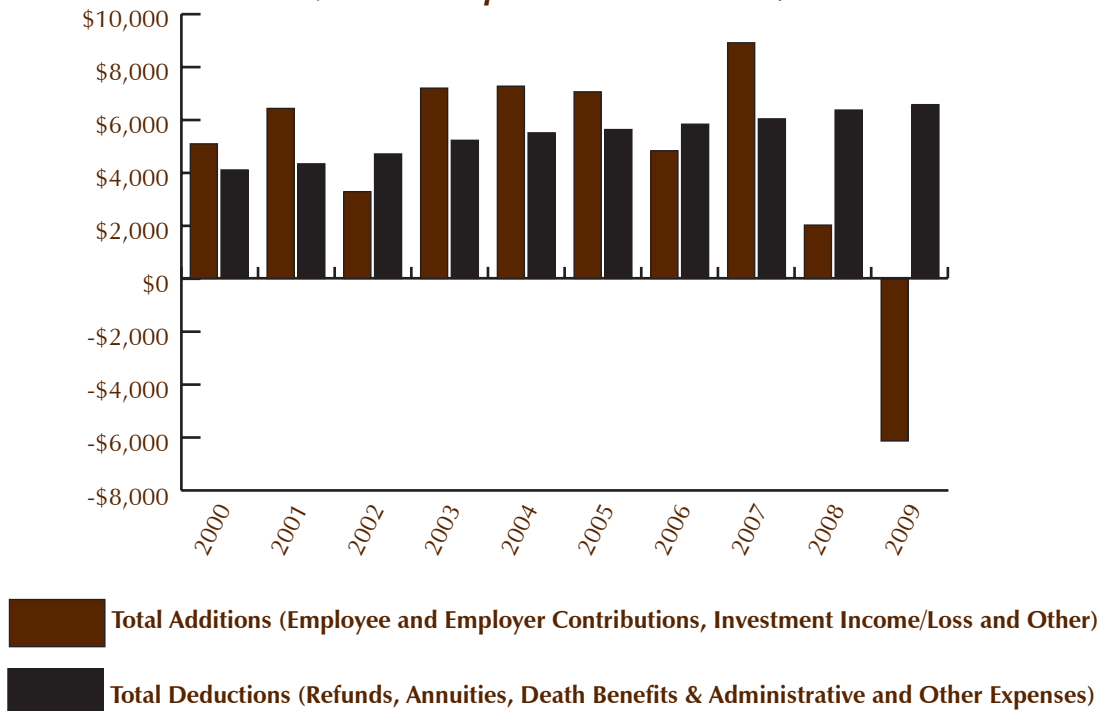


Police Officers Retirement System Pension Trust Funds Additions and Deductions (Amounts expressed in thousands)

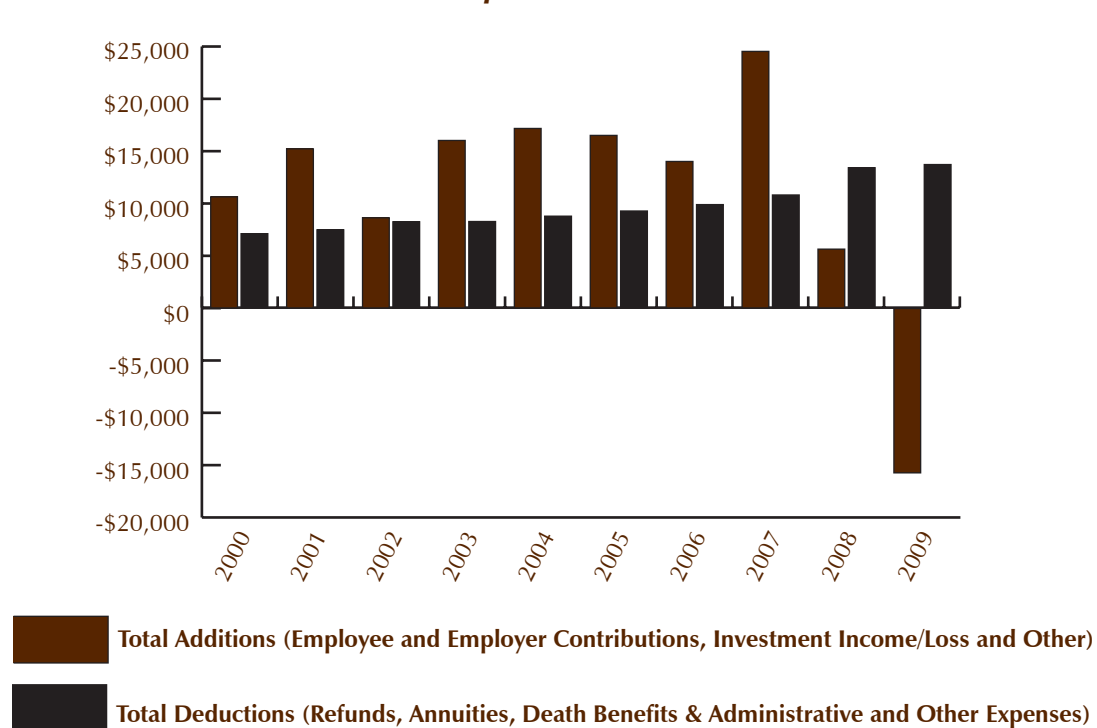


Statistical Section

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

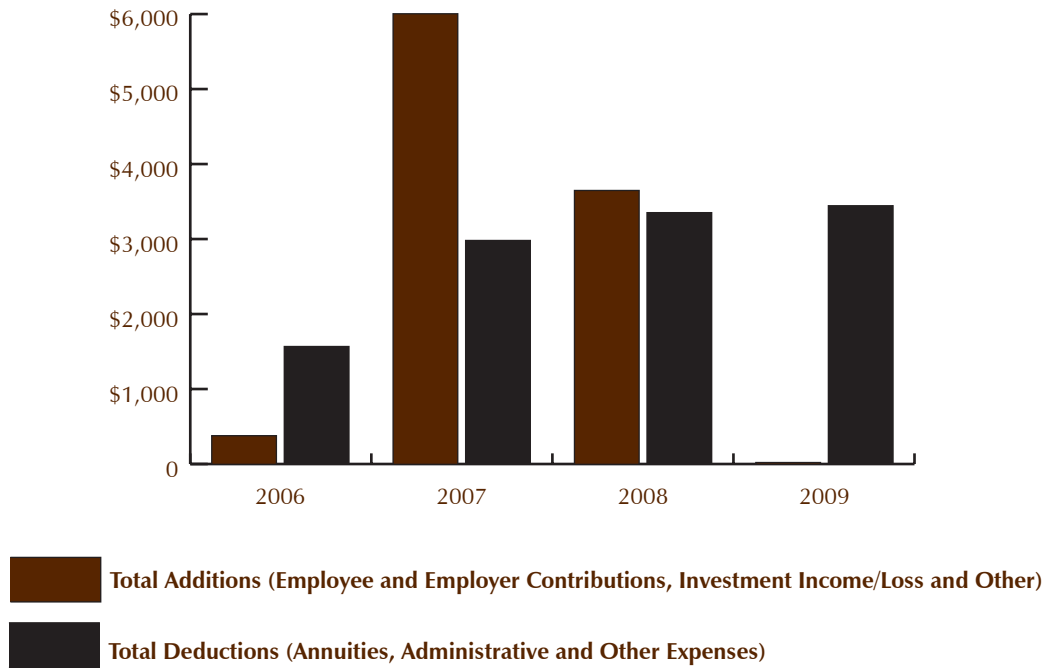


Judges and Solicitors Retirement System
Pension Trust Funds Additions and Deductions
(Amounts expressed in thousands)



Statistical Section

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		Death Benefit Claims		Total	
	Member	Survivor/Other	Member	Survivor/Other	Active	Retired		
South Carolina Retirement System (SCRS)								
2009	\$ 68,762	\$ 5,120	\$ 1,873,998	\$ 82,448	\$ 8,063	\$ 9,845	\$ 2,048,236	
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	
Police Officers Retirement System (PORS)								
2009	13,243	510	197,529	14,344	936	784	227,346	
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	
General Assembly Retirement System (GARS)								
2009	33	-	5,187	1,229	-	14	6,463	
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	
Judges and Solicitors Retirement System (JSRS)								
2009	-	-	11,668	1,816	130	4	13,618	
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	
National Guard Retirement System (NGRS)								
2009	-	-	3,431	1	-	-	3,432	
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.

Operating Information

Operating Information is intended to provide contextual information about the Systems' operations and resources to assist readers in using financial statement information to comprehend and evaluate the Systems' fiscal state. Schedules containing operating information include retired members by type of benefit and retired members by years of service, and principal participating employers for the current fiscal year and 10 years prior.

Although retirement types include service, disability and beneficiary payees, members retiring at normal retirement based on age and service represent the majority of our annuitant payees. Various payment options are available at retirement; however, the majority of members elect to receive benefits under the maximum benefit level.

Effective January 1, 2001, normal service retirement eligibility was reduced from 30 to 28 years for the South Carolina Retirement System. This resulted in an unusually large number of members being eligible for and electing retirement, and a corresponding reduction in the years of service trend was experienced.

The number of covered employees working for certain participating governments declined due to a number of factors. Eligibility in the State ORP was broadened to a wider variety of the public workforce and resulted in additional participants choosing this option instead of the defined benefit plans. In addition, the continuing economic decline has led to a reduction in hiring and increases in terminations and retirement incentives. Also, the implementation of TERI and more liberal return-to-work policies under SCRS and PORS have led to more retired members filling positions that were previously performed by active employees.

Statistical Section

South Carolina Retirement System Retired Members by Type of Benefit As of June 30, 2009

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	9,883	2,216	5,656	1,117	556	338	6,840	123	939	298	173	1,143	367
\$ 251 - \$ 500	13,215	2,240	7,021	1,095	2,264	595	9,242	133	1,075	390	291	1,416	668
\$ 501 - \$ 750	10,811	1,956	5,389	858	2,232	376	7,458	124	739	307	371	1,116	696
\$ 751 - \$ 1,000	8,756	2,205	3,934	685	1,701	231	5,853	89	602	219	480	905	608
\$ 1,001 - \$ 1,250	7,764	2,955	2,846	517	1,303	143	4,863	94	463	183	659	870	632
\$ 1,251 - \$ 1,500	7,014	3,568	2,070	347	926	103	4,184	99	406	174	749	790	612
\$ 1,501 - \$ 1,750	6,604	4,081	1,462	261	728	72	3,706	63	254	124	1,092	760	605
\$ 1,751 - \$ 2,000	6,587	4,702	1,128	220	499	38	3,410	68	214	121	1,204	859	711
Over \$2,000	31,137	26,905	2,227	645	1,290	70	19,255	257	976	674	2,784	3,265	3,926
Deferred	5,855	4,692	1,163	-	-	-	3,551	-	-	-	-	1,500	804
Totals	107,626	55,520	32,896	5,745	11,499	1,966	68,362	1,050	5,668	2,490	7,803	12,624	9,629

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, 2009

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	894	576	146	140	15	17	508	75	38	76	-	143	54
\$ 251 - \$ 500	1,296	845	100	195	110	46	717	109	58	87	-	237	88
\$ 501 - \$ 750	1,273	795	81	177	175	45	746	121	38	92	-	174	102
\$ 751 - \$ 1,000	1,221	742	64	136	228	51	682	99	43	101	-	186	110
\$ 1,001 - \$ 1,250	1,017	606	74	93	223	21	582	54	33	107	-	136	105
\$ 1,251 - \$ 1,500	991	578	66	106	224	17	505	61	36	119	-	139	131
\$ 1,501 - \$ 1,750	940	583	63	60	222	12	531	42	21	108	-	117	121
\$ 1,751 - \$ 2,000	904	648	34	44	169	9	456	23	17	111	-	163	134
Over \$2,000	3,477	2,866	73	91	439	8	2,013	92	80	411	-	358	523
Totals	12,013	8,239	701	1,042	1,805	226	6,740	676	364	1,212	-	1,653	1,368

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, 2009

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	10	4	3	3	-	-	7	1	2	-	-	-	-
\$ 251 - \$ 500	17	6	-	11	-	-	2	6	2	-	-	3	4
\$ 501 - \$ 750	29	16	2	11	-	-	9	10	2	-	-	6	2
\$ 751 - \$ 1,000	48	32	4	12	-	-	19	12	4	-	-	7	6
\$ 1,001 - \$ 1,250	26	16	1	9	-	-	7	12	1	-	-	3	3
\$ 1,251 - \$ 1,500	33	18	2	12	1	-	9	11	6	-	-	4	3
\$ 1,501 - \$ 1,750	63	41	11	11	-	-	13	28	4	-	-	12	6
\$ 1,751 - \$ 2,000	42	35	5	2	-	-	23	4	11	-	-	2	2
Over \$2,000	84	66	6	12	-	-	31	24	8	-	-	15	6
Totals	352	234	34	83	1	-	120	108	40	-	-	52	32

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, 2009

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	171	106	13	51	1	-	164	7	-	-	-	-	-
Totals	181	106	13	61	1	-	166	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 June 30, 2009

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	3,745	3,744	-	1	-	-	3,745	-	-	-	-	-	-
\$ 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	3,745	3,744	-	1	-	-	3,745	-	-	-	-	-	-

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 07/01/1999 to 06/30/2000								
Average Monthly Benefit	\$ 147.77	\$ 306.24	\$ 493.77	\$ 778.83	\$ 986.61	\$ 1,432.88	\$ 2,273.86	\$ 1,365.05
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	\$ 1,884.95	\$ 2,414.12	\$ 1,812.35
Average AFC	\$ 22,055.96	\$ 25,236.65	\$ 27,337.72	\$ 32,213.90	\$ 33,705.50	\$ 44,967.35	\$ 50,795.26	\$ 43,679.94
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	\$ 147.05	\$ 323.25	\$ 549.40	\$ 789.93	\$ 1,111.28	\$ 1,823.11	\$ 2,413.44	\$ 1,467.61
Average AFC	\$ 24,910.57	\$ 25,331.49	\$ 28,726.11	\$ 31,299.32	\$ 35,115.91	\$ 44,180.00	\$ 51,913.70	\$ 39,855.15
Number of Retired Members	145	579	735	577	574	3,241	1,028	6,879
Period 07/01/2002 to 06/30/2003								
Average Monthly Benefit	\$ 160.57	\$ 329.27	\$ 563.43	\$ 844.66	\$ 1,127.61	\$ 1,928.49	\$ 2,505.35	\$ 1,543.52
Average AFC	\$ 26,136.52	\$ 25,667.61	\$ 29,290.38	\$ 34,571.64	\$ 36,283.34	\$ 46,881.25	\$ 54,344.49	\$ 42,046.01
Number of Retired Members	168	598	721	645	539	3,790	916	7,377
Period 07/01/2003 to 06/30/2004								
Average Monthly Benefit	\$ 150.83	\$ 312.98	\$ 567.81	\$ 841.48	\$ 1,122.07	\$ 1,968.51	\$ 2,615.83	\$ 1,513.39
Average AFC	\$ 22,206.24	\$ 25,081.48	\$ 30,568.69	\$ 34,400.15	\$ 35,998.79	\$ 48,026.14	\$ 56,694.11	\$ 42,077.12
Number of Retired Members	148	641	799	735	502	3,770	636	7,231
Period 07/01/2004 to 06/30/2005								
Average Monthly Benefit	\$ 185.12	\$ 332.56	\$ 562.70	\$ 862.65	\$ 1,178.86	\$ 1,950.90	\$ 2,568.77	\$ 1,451.56
Average AFC	\$ 26,347.95	\$ 27,044.07	\$ 30,589.83	\$ 35,321.52	\$ 37,517.69	\$ 47,441.94	\$ 54,788.37	\$ 41,368.04
Number of Retired Members	127	750	826	780	614	3,594	507	7,198
Period 07/01/2005 to 06/30/2006								
Average Monthly Benefit	\$ 199.71	\$ 338.75	\$ 551.99	\$ 863.98	\$ 1,216.96	\$ 1,854.34	\$ 2,250.55	\$ 1,192.41
Average AFC	\$ 27,567.45	\$ 26,815.67	\$ 29,693.62	\$ 34,158.36	\$ 38,462.88	\$ 45,268.94	\$ 47,915.90	\$ 37,434.71
Number of Retired Members	85	705	694	642	447	1,692	199	4,464
Period 07/01/2006 to 06/30/2007								
Average Monthly Benefit	\$ 197.53	\$ 336.35	\$ 610.48	\$ 887.09	\$ 1,176.82	\$ 1,979.43	\$ 2,506.74	\$ 1,328.90
Average AFC	\$ 27,516.68	\$ 28,288.08	\$ 34,014.23	\$ 36,489.05	\$ 38,227.74	\$ 48,422.02	\$ 53,470.10	\$ 40,881.82
Number of Retired Members	108	841	849	700	554	2,483	293	5,828
Period 07/01/2007 to 06/30/2008								
Average Monthly Benefit	\$ 175.84	\$ 362.74	\$ 591.37	\$ 906.99	\$ 1,243.95	\$ 2,039.89	\$ 2,676.79	\$ 1,399.53
Average AFC	\$ 31,668.35	\$ 30,203.93	\$ 32,906.77	\$ 36,621.98	\$ 40,090.35	\$ 49,904.60	\$ 57,768.11	\$ 42,443.70
Number of Retired Members	120	793	880	676	568	2,478	403	5,918
Period 07/01/2008 to 06/30/2009								
Average Monthly Benefit	\$ 182.37	\$ 365.99	\$ 615.28	\$ 934.41	\$ 1,289.63	\$ 2,158.02	\$ 2,980.94	\$ 1,462.23
Average AFC	\$ 28,757.94	\$ 30,203.90	\$ 34,634.76	\$ 37,826.58	\$ 41,654.58	\$ 52,918.52	\$ 64,181.12	\$ 44,396.26
Number of Retired Members	113	761	873	681	633	2,198	433	5,692
10 Year Averages								
Average Monthly Benefit	\$ 165.64	\$ 336.44	\$ 566.61	\$ 854.41	\$ 1,152.46	\$ 1,933.46	\$ 2,449.49	\$ 1,496.12
Average AFC	\$ 25,656.31	\$ 27,026.40	\$ 30,528.61	\$ 34,506.32	\$ 36,757.57	\$ 46,985.06	\$ 51,700.45	\$ 41,388.56
Number of Retired Members	1,294	6,641	7,756	6,529	5,619	28,657	10,720	67,216

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/Tot
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	\$ 1,564.35	\$ 2,204.21	\$ 3,218.15	\$ 1,512.45
Average AFC	\$ 37,817.53	\$ 34,509.45	\$ 35,571.19	\$ 40,924.13	\$ 40,080.42	\$ 48,979.84	\$ 58,536.22	\$ 42,849.26
Number of Retired Members	81	140	129	111	82	244	93	880
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	\$ 920.53	\$ 1,222.58	\$ 1,729.49	\$ 2,075.16	\$ 3,202.40	\$ 1,373.04
Average AFC	\$ 39,097.95	\$ 35,333.45	\$ 36,119.17	\$ 37,869.58	\$ 43,774.25	\$ 46,383.77	\$ 58,907.27	\$ 41,111.11
Number of Retired Members	71	121	124	128	80	204	33	761
Period 07/01/2005 to 06/30/2006								
Average Monthly Benefit	\$ 416.55	\$ 581.55	\$ 998.87	\$ 1,264.32	\$ 1,815.41	\$ 2,319.44	\$ 3,413.99	\$ 1,516.93
Average AFC	\$ 35,369.28	\$ 36,919.77	\$ 37,807.18	\$ 38,735.81	\$ 44,103.36	\$ 51,285.81	\$ 62,552.57	\$ 43,414.28
Number of Retired Members	42	117	110	111	65	193	35	673
Period 07/01/2006 to 06/30/2007								
Average Monthly Benefit	\$ 314.01	\$ 583.62	\$ 921.84	\$ 1,312.17	\$ 1,819.50	\$ 2,366.48	\$ 3,793.93	\$ 1,460.57
Average AFC	\$ 33,829.80	\$ 35,862.01	\$ 38,076.76	\$ 41,299.50	\$ 45,193.83	\$ 53,041.40	\$ 69,279.13	\$ 43,722.25
Number of Retired Members	70	131	119	112	98	191	29	750
Period 07/01/2007 to 06/30/2008								
Average Monthly Benefit	\$ 339.61	\$ 672.13	\$ 1,029.28	\$ 1,335.41	\$ 1,913.22	\$ 2,433.60	\$ 3,760.37	\$ 1,560.43
Average AFC	\$ 38,720.88	\$ 36,988.08	\$ 39,502.53	\$ 41,671.69	\$ 47,970.26	\$ 54,914.40	\$ 69,695.78	\$ 45,924.23
Number of Retired Members	72	132	119	97	98	197	38	753
Period 07/01/2008 to 06/30/2009								
Average Monthly Benefit	\$ 356.73	\$ 677.94	\$ 1,039.62	\$ 1,432.88	\$ 1,941.34	\$ 2,523.44	\$ 3,799.63	\$ 1,737.59
Average AFC	\$ 40,202.58	\$ 40,228.53	\$ 41,103.43	\$ 42,769.19	\$ 49,366.46	\$ 56,035.54	\$ 67,390.86	\$ 48,585.30
Number of Retired Members	67	136	132	88	112	266	60	861
10 Year Averages								
Average Monthly Benefit	\$ 315.58	\$ 604.54	\$ 947.05	\$ 1,262.37	\$ 1,730.48	\$ 2,210.32	\$ 3,236.89	\$ 1,489.63
Average AFC	\$ 37,183.58	\$ 34,854.57	\$ 36,258.61	\$ 38,638.29	\$ 43,246.41	\$ 48,569.92	\$ 58,173.03	\$ 42,262.34
Number of Retired Members	649	1,224	1,200	1,042	815	2,194	547	7,671

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 07/01/1999 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
Period 07/01/2008 to 06/30/2009								
Average Monthly Benefit	-	\$ 683.40	\$ 971.68	\$ 1,324.67	\$ 1,738.19	\$ 2,416.04	\$ 2,590.37	\$ 1,587.90
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	-	2	3	4	7	2	2	20
10 Year Averages								
Average Monthly Benefit	\$ 319.69	\$ 733.40	\$ 1,006.34	\$ 1,477.44	\$ 1,849.95	\$ 2,306.38	\$ 2,818.59	\$ 1,819.11
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,509.09	\$ 22,770.37	\$ 23,066.66	\$ 23,731.42	\$ 22,866.27
Number of Retired Members	1	13	21	33	54	15	35	172

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 07/01/1999 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	-	\$ 8,215.93	\$ 9,343.39	\$ 8,030.20
Average AFC	-	-	\$ 127,165.50	\$ 132,417.00	-	\$ 125,627.00	\$ 127,890.33	\$ 127,971.70
Number of Retired Members	-	-	2	1	-	1	6	10
Period 07/01/2008 to 06/30/2009								
Average Monthly Benefit	-	\$ 7,742.70	-	-	\$ 6,985.17	\$ 8,743.82	\$ 9,446.04	\$ 8,358.22
Average AFC	-	\$ 130,312.00	-	-	\$ 128,026.00	\$ 130,312.00	\$ 128,597.50	\$ 128,788.00
Number of Retired Members	-	-	1	-	3	1	4	9
10 Year Averages								
Average Monthly Benefit	-	\$ 6,613.61	\$ 4,897.08	\$ 5,682.45	\$ 6,722.38	\$ 7,465.49	\$ 9,092.36	\$ 7,717.15
Average AFC	-	\$ 111,309.00	\$ 124,688.60	\$ 115,925.50	\$ 116,981.69	\$ 116,302.06	\$ 123,737.71	\$ 120,260.15
Number of Retired Members	-	1	5	10	13	15	38	82

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 07/01/1999 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	-	-	- \$	50.00	\$ 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	-	-	- \$	50.34	\$ 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	\$ 62.15	\$ 89.34	\$ 100.00	\$ 75.87	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	53	153	91	93	390	
Period 07/01/2007 to 06/30/2008									
Average Monthly Benefit	-	-	- \$	50.00	\$ 61.93	\$ 90.20	\$ 100.00	\$ 75.30	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	49	150	72	88	359	
Period 07/01/2008 to 06/30/2009									
Average Monthly Benefit	-	-	- \$	50.00	\$ 61.28	\$ 90.44	\$ 100.00	\$ 74.62	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	45	125	68	67	305	
10 Year Averages									
Average Monthly Benefit	-	-	- \$	50.05	\$ 62.35	\$ 90.07	\$ 100.00	\$ 75.17	
Average AFC	-	-	-	-	-	-	-	-	
Number of Retired Members	-	-	-	336	1053	490	590	2,469	

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 2009 and 2000

Participating Government	2009					2000				
	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired
State Agency	35,713	1	15.88%	31,557	4,156	43,904	1	20.92%	43,511	393
School District of Greenville County	9,197	2	4.09%	8,012	1,185	7,557	2	3.60%	7,434	123
Charleston County School District	5,520	3	2.45%	4,904	616	5,624	4	2.68%	5,542	82
University of South Carolina	5,262	4	2.34%	4,386	876	5,185	5	2.47%	5,103	82
Spartanburg Regional Medical Center	5,081	5	2.26%	4,887	194	3,195	10	1.52%	3,183	12
Horry County School District	4,965	6	2.20%	4,521	444	3,968	7	1.89%	3,938	30
MUSC Hospital Authority/MUSC	4,719	7	2.09%	4,556	163	6,197	3	2.95%	6,171	26
Richland County School District 1	4,341	8	1.93%	3,675	666	4,436	6	2.11%	4,342	94
Lexington Medical Center	3,891	9	1.73%	3,774	117	-	-	-	-	-
Berkeley County Department of Education	3,774	10	1.67%	3,363	411	3,521	9	1.67%	3,493	28
Clemson University	-	-	-	-	-	3,566	8	1.69%	3,517	49
All Other	142,345		63.36%	127,874	14,471	122,681		58.50%	121,417	1,264
Total ¹	224,808		100.00%	201,509	23,299	209,834		100.00%	207,651	2,183

In 2009, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	30	18,064
City/County	580	51,019
Public Schools	105	73,262
Total	715	142,345

In 2000, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	30	11,322
City/County	520	45,847
Public Schools	94	65,512
Total	644	122,681

¹2009 total reflects 725 governments and 2000 total reflects 654 governments.

Statistical Section

Police Officers Retirement System Principal Participating Employers in 2009 and 2000

Participating Government	2009					2000				
	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees	Rank	Percentage of Total System	Total Active	Total Retired
State Agency	10,965	1	4.87%	10,312	653	11,903	1	45.49%	11,822	81
County Council of Richland County	943	2	0.41%	846	97	714	2	2.72%	706	8
Horry County Council	830	3	0.36%	808	22	439	8	1.67%	439	0
City of Columbia	825	4	0.36%	792	33	667	3	2.54%	667	0
Greenville County Council	797	5	0.35%	712	85	659	4	2.51%	655	4
County of Charleston	726	6	0.32%	644	82	555	5	2.12%	549	6
City of Charleston	703	7	0.31%	664	39	345	10	1.31%	343	2
City of North Charleston	545	8	0.24%	535	10	461	7	1.76%	458	3
County Council of Lexington	543	9	0.24%	494	49	419	9	1.60%	414	5
Spartanburg County Council	518	10	0.23%	449	69	470	6	1.79%	464	6
All Other	12,894		92.31%	11,719	1,175	9,533		36.49%	9,456	77
Total ¹	30,289		100.00%	27,975	2,314	26,165		100.00%	25,973	192

In 2009, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	25	534
City/County	293	12,250
Public Schools	45	110
Total	363	12,894

In 2000, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	17	449
City/County	242	9,074
Public Schools	5	10
Total	264	9,533

¹2009 total reflects 373 governments and 2000 total reflects 274 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

Revenue Capacity Information

Revenue Capacity Information is intended to assist users in realizing and reviewing the factors that affect the Systems' ability to generate revenues. Employee and employer contribution rates for the most recent ten fiscal years are presented to aid in this category.

During its 2005 session, the South Carolina General Assembly passed legislation (Act 153) that changed several provisions of the retirement statute. Act 153 was intended to secure the funding of the South Carolina Retirement System (SCRS) and also protect retiree cost-of-living adjustments (COLAs). Act 153 was designed to spread the burden of the cost to secure retiree COLAs among several groups of people, including working retirees, Teacher and Employee Retention Incentive (TERI) program participants, active employees, and employers, so that no one group was required to bear the entire burden. As a result, employee and employer contribution rates were increased.

Statistical Section

Employee Contribution Rates¹ Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS	PORS	GARS	JSRS
2009	6.50%	6.50%	10.00%	10.00%
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%

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,	State Dept & Public Schools	SCRS Class II ²			PORS Class II ²			JSRS	
		Local Government	Death Benefit		All Employers	Death Benefit	Accidental Death	All Employers	Death Benefit
2009	9.24%	9.24%	0.15%		10.65%	0.20%	0.20%	44.64%	0.45%
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%

¹Employer contributions for the General Assembly Retirement System (GARS) are paid as an annual lump-sum appropriation, in which death benefit 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

Demographic and Economic Information

Demographic and Economic Information is intended to assist users in evaluating the socioeconomic environment within which the Systems operate and to provide information that facilitates comparisons of financial statement information over time and among pension plans. Active and retired member data for the past ten fiscal years can be found in the Actuarial Section on Pages 108 -109 and 115 - 116, respectively, as well as Pages 133 and 134, respectively.

A list of the number of employers currently participating in the SCRS and PORS systems is presented in this section. State agencies, institutions of higher education, and public school districts are covered by Statute. The list of participating employers includes a directory of employers covered by separate agreement.

Statistical Section

Participating Employers

Participating Employers Covered by Statute	<u>SCRS</u>	<u>PORS</u>
State Agencies & Institutions of Higher Education	111	65
Public School Districts	109	47

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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Participating Employers Covered by Separate Agreement	581	313
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ABBEVILLE COUNTY COUNCIL	Y	Y
ABBEVILLE GREENWOOD REGIONAL LIBRARY BOARD	Y	
AIKEN BAMBERG BARNWELL EDGEFIELD REG LIBRARY BOARD	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 DISABILITIES & 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 COUNCIL	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 CENTER FOR DIS & SPC ND	Y	Y
BURTON FIRE DISTRICT	Y	Y

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
CALHOUN CO DISABILITIES & SPEC NEEDS BD	Y	
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 AUTHORITY	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 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 ABUSE	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 HOUSING AUTHORITY	Y	
COLUMBIA MUSEUM OF ART	Y	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
COMBINED UTILITY SYSTEM	Y	
COMM OF PUBLIC WORKS MUNICIPAL UTILITIES	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
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	
DILLON COUNTY COUNCIL	Y	Y
DONALDS-DUE WEST WATER & SEWER AUTHORITY	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	
ELLOREE COMMISSION OF PUBLIC WORKS	Y	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	
FLORENCE CO COMM ON ALCOHOL & DRUG ABUSE	Y	
FLORENCE CO DISABILITIES & SPEC NEEDS BD	Y	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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 DEPT		Y
GOUCHER WATER COMPANY, INC.	Y	
GRAND STRAND WATER & SEWER AUTHORITY	Y	
GRASSY POND WATER CO.INC.	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-ADMIN & FIN OFFICE	Y	Y
GREENWOOD COMM OF PUBLIC WORKS	Y	
GREENWOOD METROPOLITAN DISTRICT COMM	Y	
GREENWOOD SOIL & WATER CONSERVATION DIST	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	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 NORTH CHARLESTON	Y	
HOUSING AUTHORITY OF CITY OF NEWBERRY	Y	
HOUSING AUTHORITY OF CITY OF UNION	Y	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 AUTHORITY OF CITY OF SUMTER	Y	
HOWE SPRINGS FIRE DISTRICT		Y
INMAN COMMUNITY FIRE DEPARTMENT		Y
INMAN-CAMPOBELLO WATER DISTRICT	Y	Y
IRMO CHAPIN RECREATION DISTRICT	Y	Y
IRMO FIRE DISTRICT	Y	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	
JONESVILLE FIRE DISTRICT		Y
KEOWEE FIRE TAX DISTRICT		Y
KERSHAW CO BD OF DIS & SPECIAL NEEDS	Y	
KERSHAW CO COMM ON ALCOHOL & DRUG ABUSE	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	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	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	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
LUGOFF FIRE DISTRICT		Y
LUGOFF WATER DISTRICT OF KERSHAW COUNTY	Y	
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
NORTH SPARTANBURG AREA FIRE & RESCUE DIST	Y	Y
NEW LIFE CENTER	Y	
NEWBERRY CO DISABILITIES & SP ND BD	Y	
NEWBERRY CO NURSING HOME COMMISSION	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 DISABILITIES & SPEC NEEDS BD	Y	
OCONEE JOINT REGIONAL SEWER AUTHORITY	Y	
OLD FORT FIRE DISTRICT	Y	Y
OLD NINETY SIX TOURISM COMMISSION	Y	
OLD TOWN FIRE AND RESCUE DEPARTMENT	Y	
ORANGEBURG CO DISABILITY & SPECIAL NEEDS BOARD	Y	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	
REC DIST & REC COMM OF RICHLAND COUNTY	Y	Y
RECREATION DIST LEXINGTON CO	Y	
REIDVILLE FIRE DISTRICT		Y

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
RENEWABLE WATER RESOURCES	Y	
RICH/LEX CO DISAB & SPECIAL NEEDS BD	Y	
RICHLAND COUNTY PUBLIC LIBRARY	Y	Y
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 EMS MGMT 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 CAROLINA TECHNOLOGY & AVIATION CTR	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 COMMISSIONERS 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	

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
SUMTER CO DISABILITIES & SPEC NEEDS BD	Y	Y
SUMTER CONSERVATION DISTRICT	Y	
SUMTER COUNTY COUNCIL	Y	Y
SUMTER COUNTY LIBRARY	Y	
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	
TIGERVILLE FIRE DEPARTMENT	Y	Y
TOWN OF ALLENDALE	Y	Y
TOWN OF ANDREWS	Y	Y
TOWN OF ATLANTIC BEACH	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 BRANCHVILLE	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 EUTAWVILLE		Y
TOWN OF FAIRFAX	Y	Y

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TOWN OF FORT LAWN	Y	Y
TOWN OF FORT MILL	Y	Y
TOWN OF GASTON	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
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 LIVINGSTON	Y	
TOWN OF LYMAN	Y	Y
TOWN OF MAYESVILLE	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

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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 PINWOOD	Y	
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	
TOWN OF RIDGELAND	Y	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 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 TIMMONSVILLE	Y	Y
TOWN OF TRENTON	Y	Y
TOWN OF TURBEVILLE	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	Y
TOWN OF WESTMINSTER	Y	Y
TOWN OF WHITMIRE	Y	Y
TOWN OF WILLIAMSTON	Y	Y
TOWN OF WILLISTON	Y	Y

Statistical Section

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TOWN OF WINNSBORO	Y	Y
TOWN OF YEMASSEE	Y	Y
TYGER RIVER FIRE DISTRICT		Y
UNA FIRE DEPARTMENT		Y
UNION CO DISABILITIES & SPECIAL NEEDS BD	Y	
UNION COUNTY CARNEGIE LIBRARY	Y	
UNION COUNTY COUNCIL ON AGING	Y	
UNION COUNTY DEVELOPMENT BOARD	Y	
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
WEST FLORENCE RURAL VOLUNTEER FIRE DIST		Y
WESTMINSTER COMM OF PUBLIC WORKS	Y	
WESTVIEW BEHAVIORAL HEALTH SERVICES	Y	
WESTVIEW-FAIRFOREST FIRE DEPARTMENT	Y	Y
WHITESVILLE RURAL VOLUNTEER 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 CONVENTION & VISITORS BUREAU	Y	
YORK CO DISABILITIES & SPECIAL NEEDS BD	Y	
YORK COUNTY	Y	Y
YORK COUNTY COUNCIL ON AGING	Y	
YORK COUNTY LIBRARY	Y	
YORK SOIL & WATER CONSERVATION DIST	Y	



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