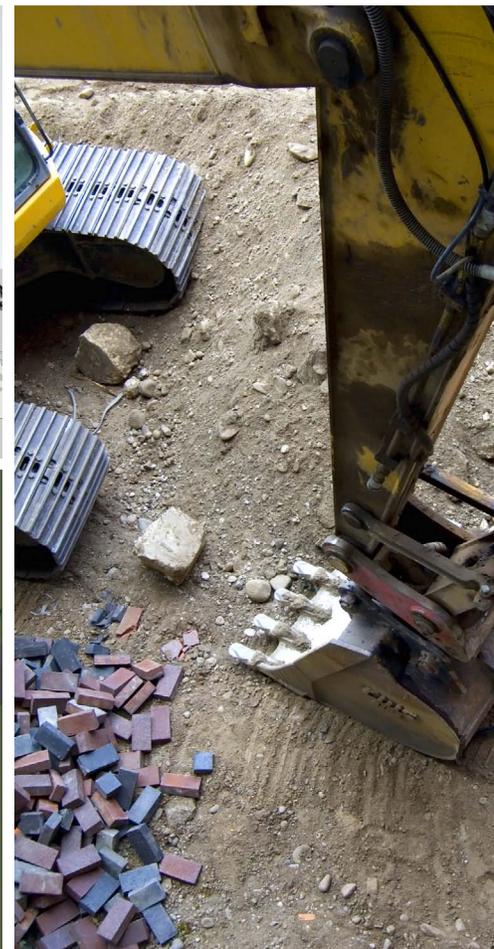
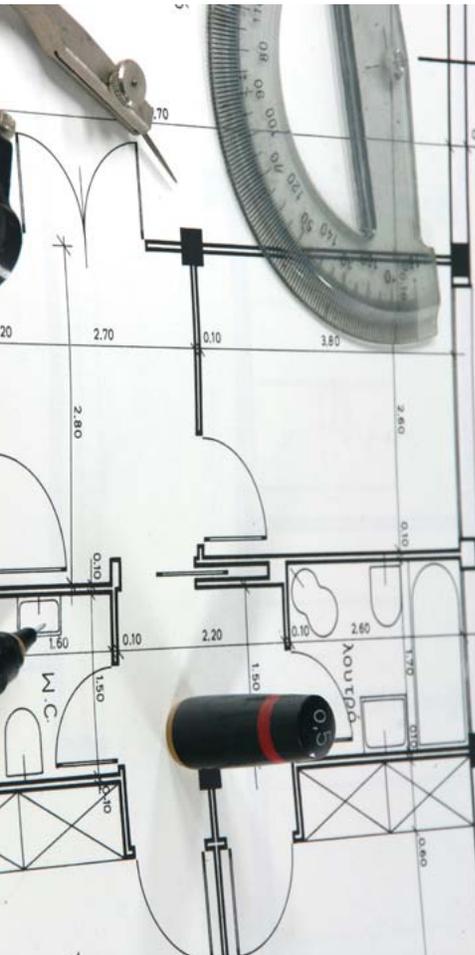


South Carolina Retirement Systems

Comprehensive Annual Financial Report

Building Our Financial Future



For the Fiscal Year Ended June 30, 2012
Pension Trust Funds of the State of South Carolina

South Carolina Retirement Systems

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012

Pension Trust Funds of the State of South Carolina

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

**William M. Blume, Jr., CPA
Director**

Prepared through the joint efforts of the S.C. Public Employee Benefit Authority staff.

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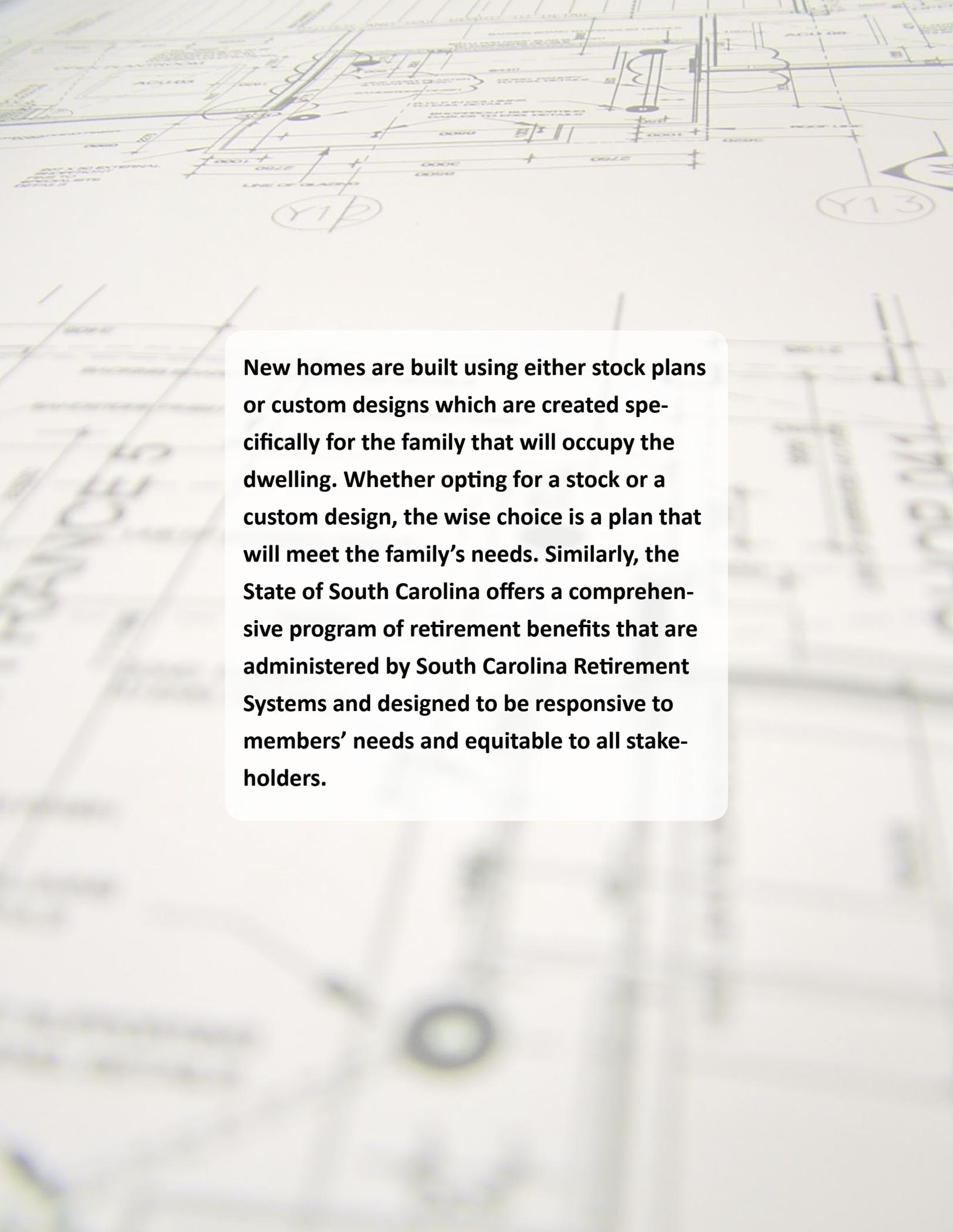
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The background of the image is a detailed architectural blueprint of a house. The drawing shows various rooms, including a kitchen, living area, and bedrooms, with dimensions and structural lines. Handwritten annotations in blue ink are visible, including circled labels 'Y12' and 'Y13'. The text is overlaid on a white rounded rectangle in the center of the page.

New homes are built using either stock plans or custom designs which are created specifically for the family that will occupy the dwelling. Whether opting for a stock or a custom design, the wise choice is a plan that will meet the family's needs. Similarly, the State of South Carolina offers a comprehensive program of retirement benefits that are administered by South Carolina Retirement Systems and designed to be responsive to members' needs and equitable to all stakeholders.

Nikki R. Haley, Chair
Governor
Curtis M. Loftis, Jr.
State Treasurer
Richard Eckstrom
Comptroller General

SC Budget and Control Board South Carolina Retirement Systems

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Hugh K. Leatherman, Sr.
Chairman,
Senate Finance Committee
W. Brian White
Chairman,
Ways and Means Committee
Marcia S. Adams
Executive Director

LETTER OF TRANSMITTAL

December 12, 2012

The Honorable Nikki Haley, Governor
State of South Carolina
Members of the S.C. State Budget and Control Board
S.C. Public Employee Benefit Authority Board

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the South Carolina Retirement Systems (Systems) for the fiscal year ended June 30, 2012. 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 CAFR 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). GASB is an organization established under the Financial Accounting Foundation and establishes and improves governmental standards. GASB is recognized as the official source of generally accepted accounting principles (GAAP) for state and local governments.

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; however, the cost of internal control should not exceed anticipated benefits. The financial statements presented in this CAFR have been independently audited by CliftonLarsonAllen, LLP, under the direction of the State Auditor's Office. CliftonLarsonAllen issued an unqualified opinion, which means that based upon the audit, they concluded that the financial statements were fairly presented in all material respects and are free from material misstatement, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Governmental Auditing Standards, as part of obtaining reasonable assurance about whether the Systems' financial statements are free of material misstatement, CliftonLarsonAllen also considered internal controls over financial reporting and compliance with certain provisions of laws, regulations, contracts, and

Introductory Section

other matters. Although independent auditors cannot guarantee the accuracy of the statements, they do have a reasonable basis for the opinion they rendered. 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 27, 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. A defined benefit plan is a retirement plan in which contributions are made to fund a level of retirement income at a future retirement date. Specified monthly service retirement benefits, as well as disability benefits and death benefits are provided 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.

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. SCRS covers employees of state agencies, public school districts, higher education institutions, and other participating local subdivisions of government.
- The Police Officers Retirement System (PORS) was established July 1, 1962, to provide retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.
- 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. JSRS also covers circuit public defenders.
- 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 2012 Highlights

Among the Retirement Systems' activities during fiscal year 2012 were: the launch of secure, online member access with ability to view and update account information; enhancements to the features available through the Electronic Employer Services (EES) portal to include automation of electronic data submission which eliminated submission and processing of paper forms; implementation of a Customer Service Live Chat feature on our public website; and the structural reorganization of several operational areas to align similar functions, and improve workflow and other efficiencies (see Administrative Activities and Operational System Improvements below).

While legislative changes were not effective until after fiscal year end 2012, on June 26, 2012, S.C. Governor Nikki Haley signed the Retirement Free Conference Report on House Bill 4967, the retirement reform legislation, and Act 278 became law. Throughout the fiscal year, the director and staff of the South Carolina

Retirement Systems worked diligently to provide information about the defined benefit retirement plans to the state's legislative bodies as retirement reform was at the forefront of the legislature's agenda. The final product, in addition to making significant reforms to the retirement plans, also created a new state agency that combined the Retirement Systems and the state's Employee Insurance Program effective July 1, 2012, (see Public Policy Activities below).

Administrative Activities

Retirement Systems' staff continued efforts to improve efficiencies and implement process improvements in all operational areas while limiting expenditures and not filling vacated positions. During fiscal year 2012, the administrative functions for the Defined Contribution Unit were consolidated further. Organizational structure changes also included the consolidation of the Systems' Enrollment unit and Imaging unit, and Postal Center into one unit and in one geographic location to improve workflow and staff utilization.

The Retirement Systems partnered with the state's Employee Insurance Program to provide one-stop services to common customers. Demand for services peaks each spring and summer in concert with public school district spring breaks and the first two weeks after school is out for summer. For two weeks in April 2012 and two weeks in June 2012, insurance staff was temporarily physically located at the Retirement Systems so that members seeking retirement consultations could also speak with an insurance counselor without having to drive downtown, pay to park, etc. The ventures were extremely well received, with many members indicating in post-consultation surveys that they came because of the one-stop opportunity.

Public Policy Activities

Both the South Carolina House of Representatives and the South Carolina Senate charged special retirement subcommittees with coming up with measures that would help reverse the growing trend in the retirement plans' unfunded liabilities while being fair to all stakeholders. The members of both committees conducted exhaustive reviews of actuarial information about the current status of the plans, the potential actuarial impact of possible changes to the plans, and the changes that have been made and worked in other states to help ensure the long term sustainability of the various state pension plans. The committees worked with Retirement Systems' staff, actuaries, and member representative associations as they worked through the problems and potential solutions. Numerous public hearings were held across the state as well to provide opportunities for input from plan members and taxpayers. The intensive efforts resulted in significant reforms designed to improve the funding status of the plans with the earliest reforms taking place effective July 1, 2012.

Retirement reform legislation also created a new state agency effective July 1, 2012, that combined the Retirement and Employee Insurance Program divisions, formerly structured under the SC Budget and Control Board. Again, while the effective date was in fiscal year 2013, there were numerous administrative, operational, and information systems modifications that were undertaken prior to July 1, 2012, in preparation for the creation of the new agency.

Operational System Improvements

During fiscal year 2012, the web-based Electronic Employer Services (EES) system was further enhanced by adding or expanding features which included automation of employer reporting processes that replaced submission and processing of previous paper forms. The Retirement Systems also contracted with the state's Department of Health and Environmental Control to electronically receive death match data because the Social Security Administration no longer releases protected state death match information.

Other significant improvements or additions to operations were the launches of secure, online member access and a Customer Service Live Chat feature on our website throughout the year. Throughout the year, the Retirement Systems introduced new features to member access, a secure online resource through which members may view their retirement account information and make certain changes to that information. Active and inactive members may change their address. Retired members and annuitant payees not only gained initial access but may also change their tax withholdings, direct deposit account information and their address. They may also view and print an IRS 1099-R form, a Teacher and Employee Retention Incentive (TERI) program statement and an annuity verification letter.

Summary of Financial Condition

Actuarial Results

A funding objective of the pension trust funds is to meet future benefit obligations of retirees and beneficiaries through employee and employer contributions and investment earnings. Each year, the 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. The most recent valuations dated July 1, 2011, 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 (GASB'S) standards and the SC Budget and Control Board's policy that require actuarial liabilities be funded over a period not to exceed 30 years.

Prior to the enactment of the reform legislation, the results of the July 1, 2011, actuarial valuation determined the actuarial status and identified the employer contribution requirements that would be adopted by the South Carolina Budget and Control Board to become effective for fiscal year 2014 (i.e. effective July 1, 2013). However, enactment of the pension reform bill changed the results originally disclosed in the 2011 actuarial valuations and therefore, the actuary updated liability and cost information for SCRS and PORS to reflect the legislative changes.

The current funded ratios of the five plans range from a low of 33.3 percent for NGRS to a high of 72.8 percent for PORS. The funded ratio for SCRS, which represents the largest membership of the five plans, increased from 65.5 percent to 67.4 percent while PORS went down from 74.5 percent to 72.8 percent. The unfunded actuarial liability for SCRS decreased from \$13.4 billion to \$12.4 billion and PORS increased from \$1.24 billion to \$1.39 billion. In addition to investment and other experience gains and losses that impact the annual change in the unfunded accrued liability, legislative changes had a major impact on the valuation results for fiscal year 2011. The enactment of retirement reform legislation alone accounted for a \$2.004 billion decrease in the actuarial accrued liability for SCRS and a \$298 million increase for PORS. The increase in the PORS accrued liability was largely the result of the enactment of a guaranteed annual benefit adjustment in place of the prior, ad hoc benefit adjustment provision. The NGRS has a very low funded ratio because at one time, the plan was not funded on an actuarial sound basis, but in 2006, the General Assembly made a commitment to ensure the NGRS plan would be sufficiently funded prospectively and transferred administrative responsibility from the Adjutant General's Office to the South Carolina Retirement Systems. Now recurring funds are set aside each year in the state's annual budget to fund NGRS over an amortization period that does not exceed 30 years, so continued future improvement in the funded ratio is expected.

Although actuarial smoothing techniques mitigate volatility and allow only a portion of investment gains and losses to be recognized each year, under the smoothing techniques utilized, the Systems recognized a net actuarial

loss on investment returns for the valuation year, with the continual recognition of extraordinary investment losses that occurred in 2008 being the single largest source of the increase in the unfunded actuarial accrued liability for fiscal year 2011. Under SCRS, the smoothing methodology resulted in a net amount of \$3.2 billion in excess investment losses being deferred as of the July 1, 2011, valuation. Legislative changes and other non-investment related experience activity such as mortality, salary experience, payroll growth and turnover, which are considered normal within the course of plan experience, contributed to other actuarial gains and losses, as actual experience cannot be precisely predicted and will never exactly match the estimated assumptions.

For additional financial information, refer to management's discussion and analysis, financial statements and schedules included in the financial section and the actuarial section of this report.

Investment Performance

The trailing one-year period as of June 30, 2012, proved to be a challenging year for long-term investors as economic growth continued to sputter and stall, as the effects and limited recovery from the financial crisis of 2008-2009 remained evident. Key events such as continued government intervention through easing monetary policy, the downgrade of the United States' credit rating, the slowing of global growth, the ongoing debt crisis in Europe, and the instability in the Middle East led to significant volatility in the market.

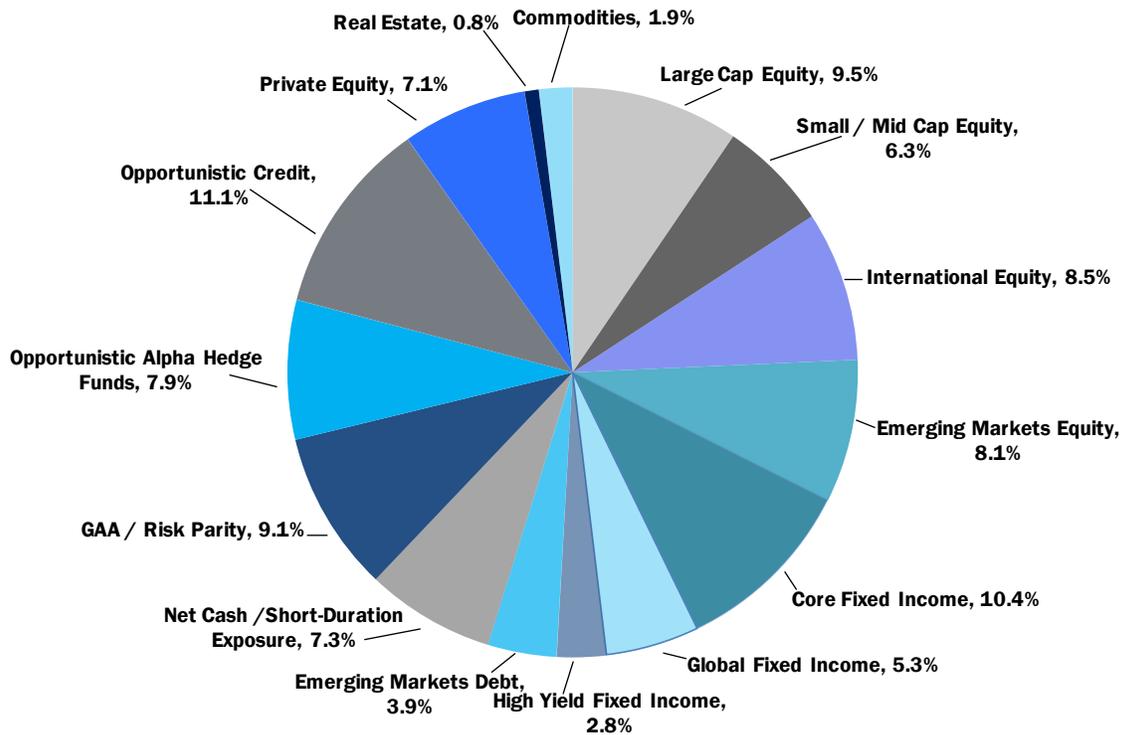
The Retirement System Investment Commission (RSIC) portfolio ended fiscal year 2012 with a net asset value of investments of \$25.3 billion. The investment consultant reported a one-year composite return of 0.4 percent net of fees compared to the Policy benchmark's return of 0.6 percent. The portfolio's underperformance to the Policy benchmark was due primarily to allocation decisions and reducing risk in the portfolio. Additionally, the need for liquidity remains important as the portfolio distributed \$2.7 billion in net retiree benefits, compared to receiving only \$1.7 billion in contributions. The negative cash flow of \$1.0 billion in net benefit obligations, represented approximately 4 percent of the portfolio's assets.

The plan assets are invested by the Commission 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 in an effort to mitigate risk. Although member benefits accrued and payable under the Retirement Systems' defined benefit plans are not dependent on individual member account balances, investment returns are a critical overall funding component.

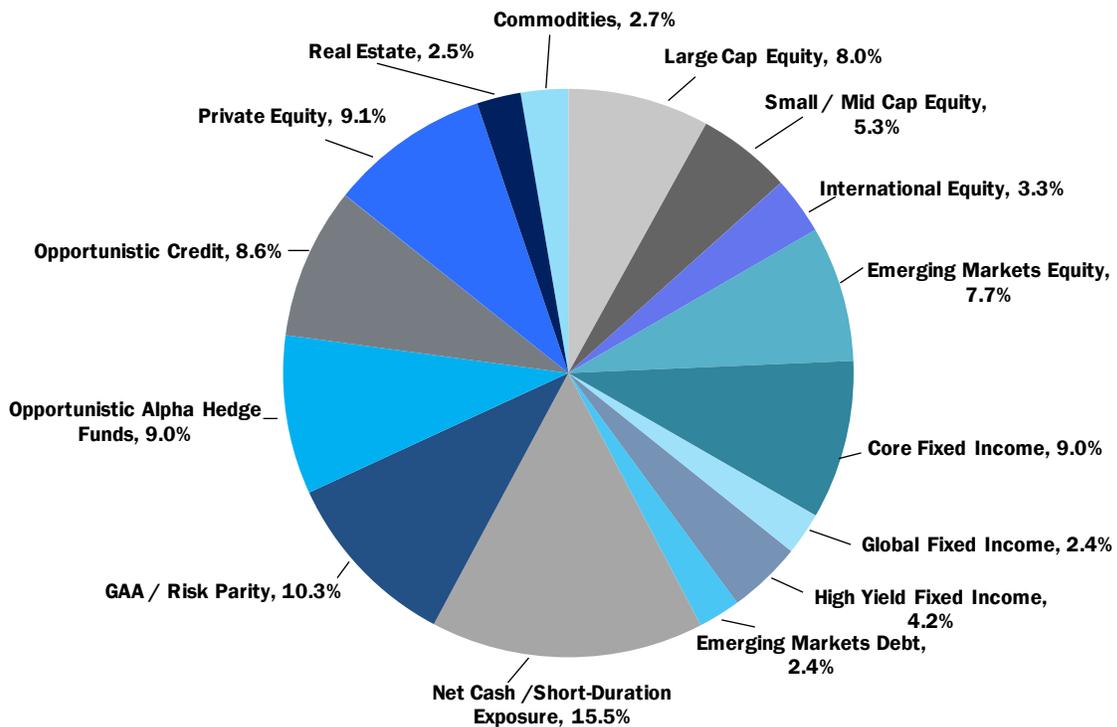
An optimally diversified investment portfolio is designed to generate long-term returns sufficient to ensure the program's financial stability. While the Systems' investment performance was historically limited by state constitution and state statute, the Commission has implemented a modern-day asset allocation policy. With the help of the retained investment consultant, the RSIC manages investments across an asset allocation designed to generate attractive long-term risk-adjusted returns.

The following charts summarize the diversification progress of the Retirement Systems' trust funds from the prior fiscal year and the target allocation in effect as of fiscal year ended June 30, 2012.

Portfolio Exposure as of June 30, 2011^{1, 2}



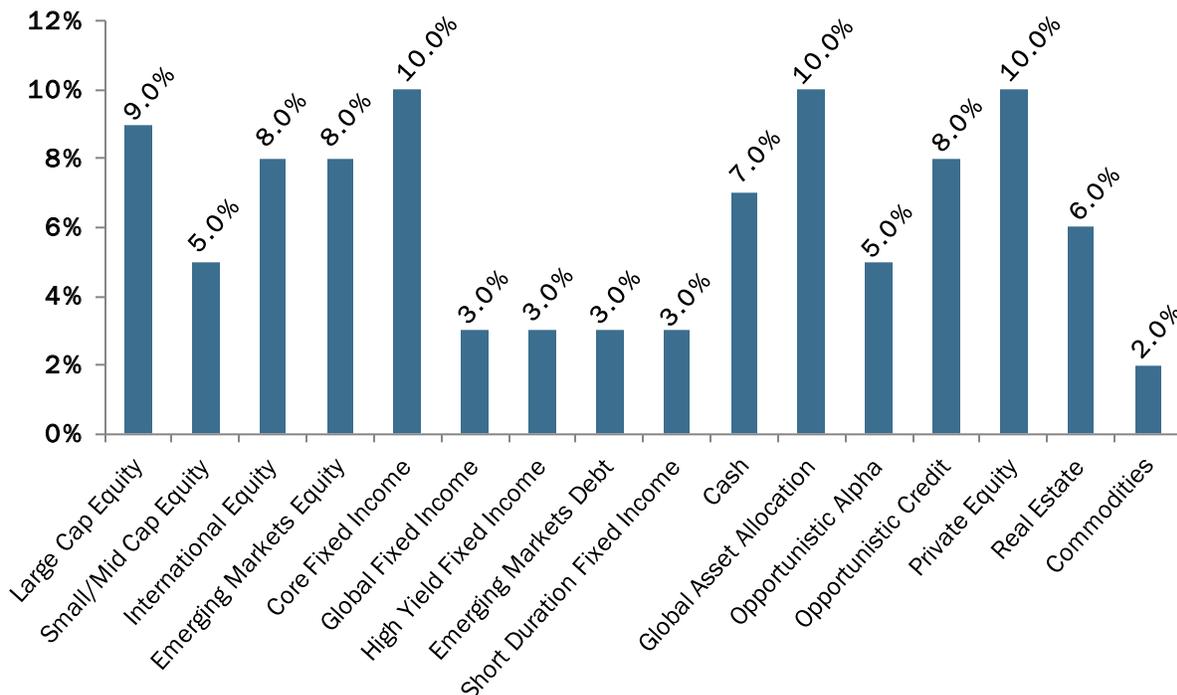
Portfolio Exposure as of June 30, 2012^{1, 2}



¹Portfolio exposure may differ from Manager Returns (Net of Fees) due to adjustments made by manager that invest across asset classes.

²Values rounded for presentation purposes.

Target Asset Allocation



Note: Target Asset Allocation in effect at fiscal year end 2012 and adopted by Commission on April 21, 2011.

Investment performance, in comparison to the actuarial assumed rate of investment return, is one of the most significant factors in the actuarial valuations. As mentioned above, the actuarial asset valuation method utilized dampens year-to-year fluctuations, smooths the effect of volatility in the market and helps provide a consistent estimate for the actuarial value of assets. Detailed investment results for fiscal year 2012 can be found within both the financial and investment sections 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, 2011. This was the 25th 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.

Public Pension Standards Award

The South Carolina Retirement Systems received the Public Pension Coordinating Council's Public Pension Standards Award in 2012 for the 9th consecutive year 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 S.C. Public Employee Benefit Authority 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 trust funds of the Retirement Systems.

We express our gratitude to the members of the Board, the General Assembly, the RSIC, the staff, the consultants, and the many people who have worked so diligently to assure the continued successful operation of the Retirement Systems for the members we serve.

Respectfully submitted,


William M. Blume, Jr., CPA
Director


Tammy B. Nichols, CPA
Deputy Director of Operations

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

South Carolina
Retirement Systems

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Christopher P. Moynell

President

Jeffrey R. Egan

Executive Director



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2012***

Presented to

South Carolina Public Employee Benefit Authority

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle
Program Administrator

Governing Board and Administration As of June 30, 2012

Governing Board - SC State Budget and Control Board

Nikki R. Haley, Chair	Governor
Curtis M. Loftis, Jr.	State Treasurer
Richard Eckstrom	Comptroller General
Hugh K. Leatherman, Sr.	Chairman, Senate Finance Committee
W. Brian White	Chairman, House Ways and Means Committee
Marcia S. Adams	Executive Director

Retirement System Investment Commission¹

Allen R. Gillespie, CFA	Chairman
Reynolds Williams	Vice Chairman, Chairman Emeritus
Edward N. Giobbe	
Curtis M. Loftis, Jr.	State Treasurer
James R. Powers	
Travis Pritchett, DBA	
Hershal Harper, Jr.	Acting Chief Investment Officer
Adam Jordan	Acting Chief Executive Officer

Investment Consultant

New England Pension Consultants

Consulting Actuaries

Gabriel Roeder Smith & Company

Retirement Systems Executive Management

William M. Blume, Jr., CPA	Director
Dianne Poston	Chief of Staff
Tammy B. Nichols, CPA	Deputy Director of Operations
Travis Turner, CPA	Deputy Director of Operations
Sharon Graham, CPA	Assistant Director – Customer Claims
Lisa Phipps	Assistant Director – Information Technology
Jamella Williams	Assistant Director – Customer Services
David Avant	General Counsel – Retirement Systems
Gwen Bynoe	Governmental Affairs
Megan B. Lightle	Manager, Communications
John E. Page, CIA, CISA	Internal Audit Manager

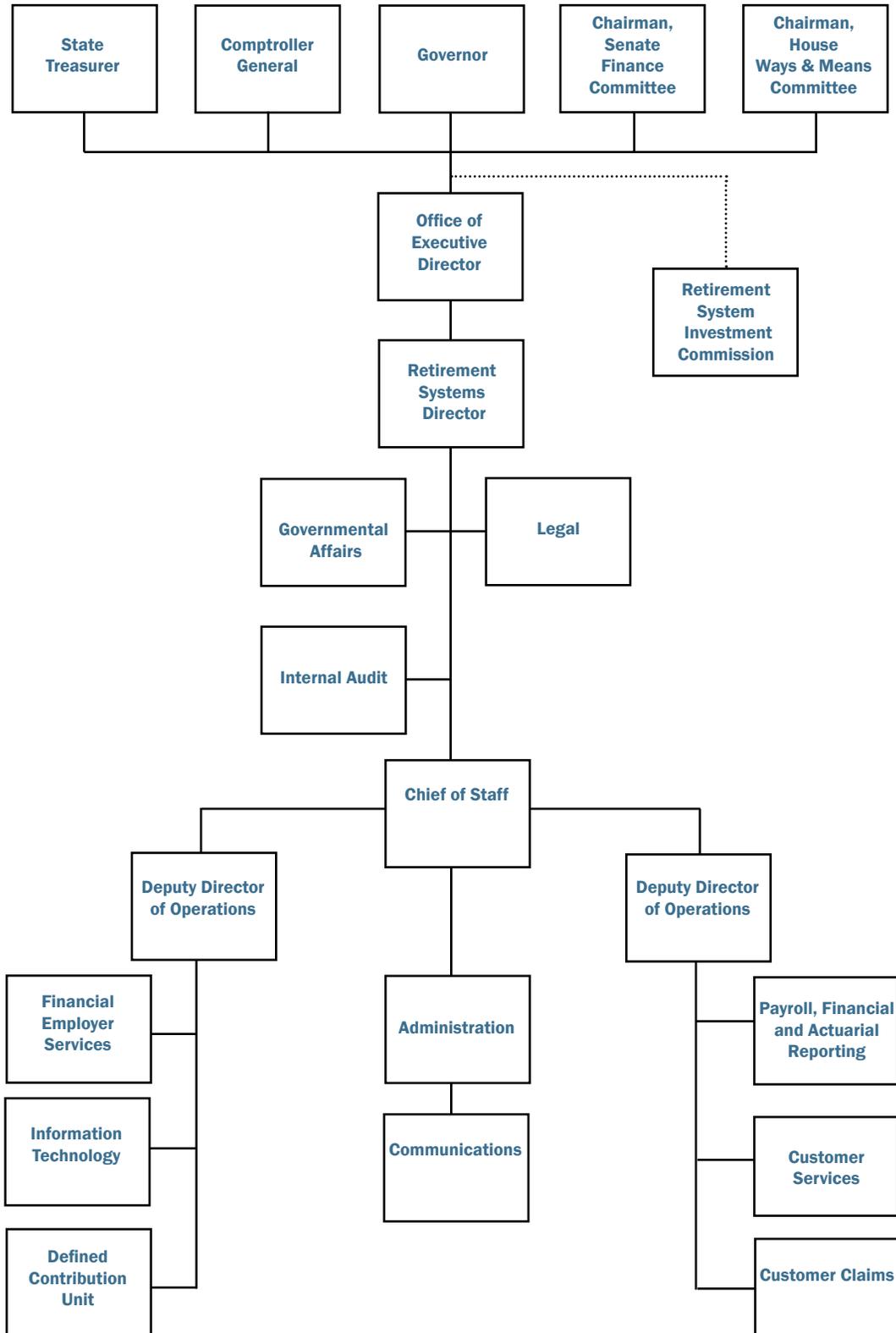
Retirement Systems Staff Responsible for Compilation of CAFR

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Danielle M. Quattlebaum, CPA	Payroll, Financial and Actuarial Reporting
Faith Wright	Payroll, Financial and Actuarial Reporting
Angie Warren	Public Information Coordinator
Tiffany Latimer	Public Information Coordinator

¹Refer to Pages 84-87 for a complete list of investment managers.

Organizational Chart As of June 30, 2012

South Carolina Budget and Control Board



Organizational Description

The structural organization of the Systems is depicted in the organizational chart on Page 20. 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.

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. 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.

Defined Contribution Unit

Responsible for the general oversight of the administration of the State Optional Retirement Program and the South Carolina Deferred Compensation Program.

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.

This page contains no other content.

Financial Section



Securing a proper foundation



The foundation of a house is the base on which the structure rests. Constructing a strong foundation ensures the stability of the home. The plans administered by the South Carolina Retirement Systems provide an essential source of income to the state's public employees while also helping impact the state's economy through the disbursement of annual benefits to more than 125,000 South Carolina residents.



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

Independent Auditor's Report

The Honorable Nikki Haley, Governor,
Members of the State Budget & Control Board, and
Richard H. Gilbert, Jr., Deputy State Auditor
South Carolina Retirement Systems
Columbia, South Carolina

We have audited the accompanying financial statements of South Carolina Retirement Systems (the Systems) a component unit of the State of South Carolina, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Systems' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Systems' 2011 financial statements which are included for additional analysis and, in our report dated October 14, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

The financial statements include alternative investments valued at \$14.5 billion (58% percent of net assets), as explained in note 1, their fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Systems' plan net assets as of June 30, 2012, and the changes in the plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2012 on our consideration of the Systems' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Systems' basic financial statements. The Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Introductory, Investment, Actuarial and Statistical Sections as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

CliftonLarsonAllen LLP

Baltimore, Maryland
November 19, 2012

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, 2012, 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 South Carolina Retirement Systems represents the collective retirement funds that are held in a group trust for the plans and are protected under the constitution. Administrative operations and day to day management of the plans were organizationally aligned under the State Budget and Control Board through June 30, 2012. The System is considered a division or component unit of the primary government of the state of South Carolina and therefore, trust fund financial information is also included in the comprehensive annual financial report of the state. Financial statements prepared on behalf of the Retirement Systems (Plan), include the following information:

- 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 basic financial statements and provide additional information that is necessary in order to gain a comprehensive understanding of data reported in the basic 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

- On June 26, 2012, Governor Nikki Haley signed the Retirement Free Conference Report on House Bill 4967, the retirement reform legislation, and Act 278 became law. Legislative reform included increased contributions for employees and employers, changes to benefit provisions for new members, changes to retiree cost of living adjustments for SCRS and PORS, repeal of the TERI program, modifications to disability eligibility and benefit calculations, allows service purchase at actuarial neutral cost and places restrictions on members retiring after January 1, 2013, who elect to return to covered employment after retirement. A comprehensive list of changes by effective date can also be found on our public website.
- For the fiscal year ended June 30, 2012, the aggregate rate of return earned on the pooled investments of the consolidated pension trust funds as a whole was 0.61 percent. Although performance for the combined investment portfolio was slightly positive, it was significantly below the prior year's return of 18.59 percent and will also be recognized as an actuarial loss as it was well below the 7.5 percent actuarial investment rate of return assumed for the plans. Gains and losses from investment performance are recognized using actuarial smoothing methods which help mitigate sharply fluctuating market returns over a long-term period. The smoothing methodology offsets both deferred investment gains and losses against each other and is intended to produce an actuarial asset value that is fairly consistent with market value during periods of ordinary investment returns. Smoothing avoids over-response to inherently volatile conditions that would otherwise overweight the effects of a single year of performance that would most likely be reversed in subsequent years. Actuarial smoothing is intended to result in more stable contribution rates and a more level funded status and is also an important technique for governmental entities because it permits budgetary planning over more than one fiscal year.
- The South Carolina Retirement System Investment Commission (RSIC), created in 2005 as a fiduciary for the Retirement Systems, has exclusive authority to invest and manage the trust funds' assets. The RSIC operates pursuant to statutory provisions and under governance policies that allow for a diverse asset allocation and which afford the Commission and its chief investment officer discretion and flexibility to quickly react to changes in market conditions. The investment portfolio is structured to focus on ensuring the long-term stability of the plans, seeking superior returns at acceptable levels of risk. NEPC, consulting firm for the Commission, reported that although the plan's investment portfolio underperformed the policy index on a net-of-fee basis for the trailing one-year period, it outperformed the strategy index for this time period. The portfolio also outperformed, on a net of-fee basis, both the strategy and policy indexes for trailing two-, three- and five-year time periods.

- The RSIC is responsible for establishing and maintaining a target asset allocation that manages risk, ensures liquidity, and affords flexibility to quickly react to changes in market conditions. Variances among asset classes are the result of changes to the Investment Commission's asset allocation strategies as well as volatility experienced in the financial markets. During the fiscal year, the Investment Commission added an EAFE (Europe, Australasia, and Far East) manager and several private equity and real estate managers.
- The Portfolio continued to participate in a securities lending program, managed by the custodial bank. The collateral pool has been adversely affected by exposure to Lehman Brothers' securities. Conservative investment guidelines continue to be maintained. Securities lending revenue for the fiscal year was \$1.4 million, a slight increase from \$1.3 million in the prior year. Two notable events during the fiscal year included receipt of a \$7.8 million settlement distribution in relation to a creditor-payment plan approved by the U.S. Bankruptcy Court and a partial sale of approximately \$44 million of the Lehman holdings, resulting in a realized loss of \$30.7 million. Currently there is ongoing litigation between the South Carolina State Treasurer's Office and BNY Mellon relating to losses in the securities lending program.
- Total plan net assets for all five defined benefit plans administered by the South Carolina Retirement Systems went down by \$913 million or (3.5) percent during fiscal year 2012. Net assets of the plans are held in trust to meet future benefit obligations. Net assets are affected by contributions to the system, investment returns and payments out of the system. The decrease in net assets from \$25.89 billion to \$24.98 billion was primarily the result of relatively flat investment performance coupled with an increase in benefit payments while contributions remained steady. Because the plan is in a net cash outflow position (benefit payments exceed contributions), the difference in the net asset value cannot be attributed to investment performance alone. Rather, investment performance must be calculated taking the net cash outflow into consideration.
- The plan experienced increases in the dollar amount of employee and employer contributions from the prior fiscal year. In anticipation of proposed legislation that would potentially impact the future cost of service purchase, the plan experienced a significant increase in the amount of employee contributions received for purchased service. Additionally, the employer contribution rate increased from the prior fiscal year.
- The Teacher and Employee Retention Incentive (TERI) program is a deferred retirement option program under SCRS that allows retired members to accumulate annuity benefits on a deferred basis for up to five years while continuing employment. TERI participants employed by state agencies are exempt from state grievance rights and receive a slightly lower annuity because the calculation of a member's TERI benefit includes no contributions for any unused annual leave payments paid to the member. TERI participants are required to pay the same pre-tax member contribution rate on compensation earned, in the same manner as active members. TERI participants do not earn additional service credit or interest on their TERI account, but are eligible to receive any retiree cost of living increases granted. At the end of the member's TERI participation and upon termination from employment, funds are distributed from the accumulated TERI account. The TERI participant's benefit is also subsequently recalculated to include payment for up to 45 days of unused annual leave paid at termination. The total amount of assets held in trust for future payment of accrued TERI benefits remained relatively stable with a slight increase from \$363 million to \$386 million during fiscal year 2012. The number of members actively participating in TERI increased as well, from 5,862 to 6,986 at fiscal year end. Retirement reform legislation recently enacted closes the TERI program to all participants effective July 2018; therefore, participation spiked during the fiscal year from the surge of members electing to enter the program before its closure.

- The JSRS also provides a deferred retirement option program. A JSRS 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, the balance of the member's deferred retirement benefit is distributed to the member who may continue working and is not required to terminate his position. As of June 30, 2012, benefits held in trust totaled \$586,000.
- The total number of retired members and beneficiaries receiving monthly annuity benefits from the Retirement Systems' plans increased from 134,000 to over 141,000 annuitants during the year. Additionally, eligible annuitants under both SCRS and PORS received an automatic 1.7 percent cost of living allowance effective July 1, 2011. The increase in the number of new annuitants added to the payroll during the year coupled with the retiree benefit adjustment, resulted in an overall 6 percent increase in the dollar amount of annual benefits paid to annuitants. Retirement reform legislation changed COLA provisions for SCRS and PORS retirees and effective July 1, 2012, eligible retirees are entitled to an annual benefit adjustment equal to 1 percent, but not to exceed \$500 annually.
- In addition to the deferred retirement options available in SCRS and JSRS, all of the plans (excluding NGRS) include certain provisions that allow retired members to continue covered employment while also receiving a monthly retirement benefit. The defined benefit plans administered by South Carolina have historically provided extremely lenient return to work provisions in that a retired member of SCRS and PORS is allowed to return to work for a covered employer after retirement, or after ending his TERI participation (SCRS only), and receive his full monthly benefit, with no limit on the amount of wages they may earn from employment. SCRS, PORS and JSRS retirees who return to work for a covered employer after retirement, or after ending participation in the TERI program, are required to pay the same employee contribution as an active member in the same position. A member of the GARS who has reached age 70 or 30 years of service may begin receiving monthly retirement benefits while continuing to serve in the General Assembly. Retired GARS members who continue to serve receive a reduced salary, but make no further employee contributions to the plan. A JSRS member who is age 60 and eligible to receive the maximum monthly benefit may begin receiving monthly retirement benefits while continuing to serve up until the end of the calendar year in which the member reaches age 72. Under all plans, the employer must pay the corresponding employer contribution for that particular plan. Collectively among the plans, the actuary reports that nearly 22,000 retirees continue covered employment while receiving monthly retirement benefits, thereby making up approximately 8 percent of the total public workforce covered by the Retirement Systems. Retirement reform legislation places an earnings limit of \$10,000 on wages earned from covered employment for members retiring under SCRS and PORS after January 1, 2013.
- Qualified Excess Benefit Arrangement (QEBA) trust funds are maintained 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 funds 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.

- In July 2011 the Budget and Control Board hired the actuarial firm of Gabriel Roeder Smith & Company (GRS) to replace Cavanaugh Macdonald as the Systems' consulting actuary. GRS completed a parallel valuation using financial and membership data as of July 1, 2010, and subsequently performed an actuarial experience study on SCRS and PORS. As a result of the experience study, the actuary recommended changes to some of the assumptions and methods utilized. The revised assumptions were adopted by the Budget and Control Board and used for the July 1, 2011, valuation. One of the most significant changes was reducing the investment rate of return assumption from 8 percent to 7.5 percent which automatically reverted COLA provisions back to a prior version of law.
- The actuarial valuation based on membership and financial data as of July 1, 2011, was completed by GRS. Subsequent to issuance of the valuation report, but prior to formal acceptance of the report by the Budget and Control Board, retirement reform legislation was enacted by the S.C. General Assembly. GRS restated the July 2011 results for SCRS and PORS to recognize amended provisions of statute. While Act 278 amended the law to provide for a schedule of employer and employee contributions going forward, the adjusted valuation results require additional increases to employee and employer contribution rates for PORS effective July 1, 2013, in order to maintain a 30-year funding period. Statutory provisions require any necessary increase in the scheduled contributions rates to be split equally between employer and employee. The recommended changes were adopted at the first meeting of the PEBA Board on September 26, 2012, and are subject to approval by the Budget and Control Board.
- Act 278 closes GARS to persons elected to the South Carolina General Assembly in or after the November 2012 general election. Members so elected to the Senate or House of Representatives will have the option to join SCRS, State ORP or opt out all together.

Condensed Financial Information

The Retirement Systems' ability to sufficiently 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, higher education institution, local and municipal government, state legislative, judicial, and South Carolina National Guard employers.

The Systems' principal sources of revenue 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 or their beneficiaries, and refunds of member contributions and interest that are paid subsequent to termination of employment. The defined benefit plans include an incidental death benefit for both active and retired members and an accidental death plan for members of the PORS. The Systems also administer a State Optional Retirement Program (ORP), which is a defined contribution plan available to newly hired employees of state agencies, higher education and public school districts. Retirement reform legislation also opens SCRS and State ORP to newly elected members of the General Assembly effective with the November 2012 general election.

The following summary comparative financial statements of the pension trust funds are presented.

Plan Net Assets
June 30
(Amounts expressed in thousands)

Assets	2012	2011	Increase/ (Decrease)	% Increase/ (Decrease)
Cash and cash equivalents, receivables and prepaid expenses	\$ 3,087,132	\$ 3,977,880	\$ (890,748)	(22.39%)
Investments, at fair value	23,486,984	23,870,891	(383,907)	(1.61%)
Securities lending cash collateral invested	184,025	229,161	(45,136)	(19.70%)
Capital Assets, net of accumulated depreciation	2,984	3,103	(119)	(3.83%)
Total Assets	26,761,125	28,081,035	(1,319,910)	(4.70%)
Liabilities				
Deferred retirement benefits	386,302	364,005	22,297	6.13%
Obligations under securities lending	184,025	229,161	(45,136)	(19.70%)
Other accounts payable	1,211,693	1,596,020	(384,327)	(24.08%)
Total Liabilities	1,782,020	2,189,186	(407,166)	(18.60%)
Total Net Assets	\$ 24,979,105	\$ 25,891,849	\$ (912,744)	(3.53%)

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

Additions	2012	2011	Increase/ (Decrease)	% Increase/ (Decrease)
Employee contributions	\$ 674,311	\$ 644,337	\$ 29,974	4.65%
Employer contributions	969,897	948,485	21,412	2.26%
State-appropriated contributions	3,937	3,904	33	0.85%
Net Investment income	127,554	4,145,907	(4,018,353)	(96.92%)
Other income	2,951	3,022	(71)	(2.35%)
Total Additions	1,778,650	5,745,655	(3,967,005)	(69.04%)
Deductions				
Annuity benefits	2,547,907	2,403,763	144,144	6.00%
Refunds	98,461	99,550	(1,089)	(1.09%)
Death benefits	20,315	18,655	1,660	8.90%
Administrative & other expenses	24,711	23,498	1,213	5.16%
Total Deductions	2,691,394	2,545,466	145,928	5.73%
Increase in Net Assets	(912,744)	3,200,189	(4,112,933)	(128.52%)
Beginning Net Assets	25,891,849	22,691,660	3,200,189	14.10%
Ending Net Assets	\$ 24,979,105	\$ 25,891,849	\$ (912,744)	(3.53%)

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

On a combined basis, the defined benefit Plan net assets were valued at \$24.98 billion at June 30, 2012, representing a (3.53) percent reduction in net assets from the previous fiscal year-end. Diminished investment income, in relation to an increase in net benefits paid out, was the primary driver of the change in Plan net assets for the fiscal year.

The Plan's return for the fiscal year 2012 was 0.61 percent. While lower than the assumed rate of return of 7.50 percent, the fund experienced positive returns for the third consecutive year, led by several strategies that substantially exceeded their benchmarks. Global Asset Allocation (GAA) returned 8.60 percent for the fiscal year, significantly outpacing the GAA benchmark of -0.74 percent. Absolute Return, or Hedge Funds, also outperformed its benchmark, with a 2.44 percent return versus an average Hedge Fund Index return of -4.20 percent. Other strategies that experienced positive returns included: Investment Grade Fixed Income with a 7.76 percent return, Private Equity with a 4.90 percent return, Real Estate with a 3.20 percent return, and Large Cap with a 2.45 percent return.

While the aforementioned strategies provided positive returns for the fiscal year, there were several that contributed negatively to the total fund return, both on an absolute and relative basis. Emerging Markets led the way in negative returns, with Emerging Market Debt (EMD) underperforming its benchmark. While EMD generated a 1.19 percent return, it lagged the benchmark return of 9.76 percent. Other international investments, including International Equity (EAFE) and Emerging Equity (EME), experienced the sharpest declines in fiscal year 2012. The EAFE Index yielded a -13.38 percent return and EME Index yielded a -15.67 return.

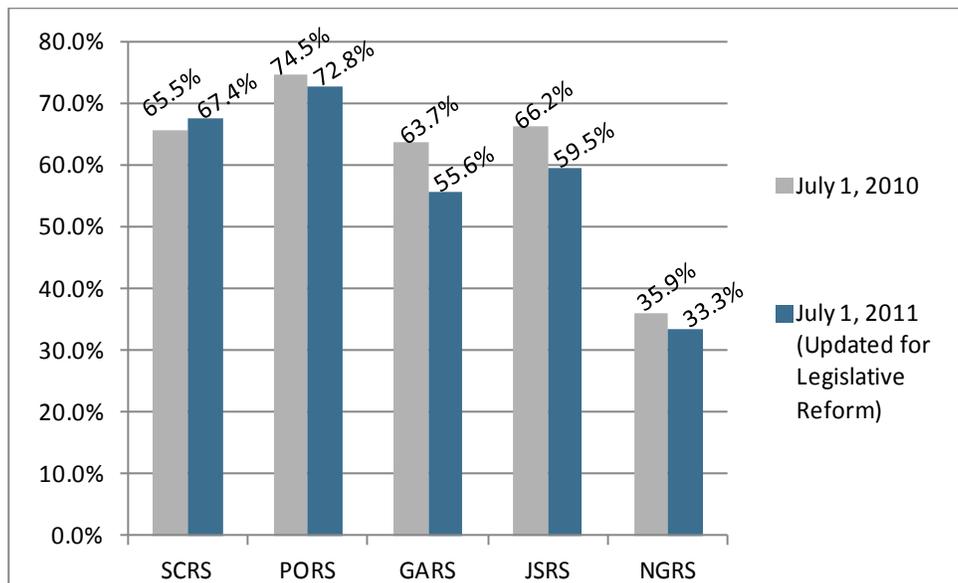
During fiscal year 2012, the total dollar amount of monthly retirement benefits paid to annuitants increased 6 percent compared with the previous fiscal year. As previously referenced, the increase was attributable to an 1.7 percent cost of living allowance granted to eligible SCRS and PORS annuity recipients effective July 1, 2011, along with an increase in the number of new annuitants added to the payroll during the year. Under the South Carolina state statute in place at that time, provided that the actuarial assumed rate of investment return was at least 8 percent, each July 1, eligible SCRS and PORS retirees would receive an automatic COLA. The COLA was 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 was less than 2 percent, the COLA equaled the percentage of the actual increase in the CPI-W. COLAs were awarded only during periods of inflation, so no COLA was awarded when the CPI-W was negative.

Funding Status

An overall objective in the funding of a defined benefit retirement plan is to accumulate sufficient funds to meet long-term benefit obligations. The primary sources of revenue to fund benefits include investment income, member contributions and employer contributions. Beginning with the July 1, 2011, actuarial valuation investment performance is recognized using a five-year smoothing period. Under this method, each year the plan recognizes 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return. This asset valuation method mitigates the short-term impact of market volatility and allows changes in market conditions to be recognized (smoothed) over a longer period of time.

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, 2011, which was adjusted for retirement reform legislation, noted improvement in the funded ratio of SCRS. As of July 1, 2011, funding levels of all the plans are such that annual expected contributions are sufficient for the valuations to find that the plans are actuarially sound. The changes in the levels of funding do not affect the availability of funds or resources for future use and actuarial projections indicate that unfunded liabilities should be amortized and funded within acceptable funding guidelines. The funded ratios of the five plans are presented in the following graph.

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 Public Employee Benefit Authority
 PO Box 11960
 Columbia, SC 29211-1960
 (803) 737-6800
www.retirement.sc.gov

South Carolina Retirement Systems

Statement of Plan Net Assets

June 30, 2012

With comparative totals for June 30, 2011
(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2011
ASSETS							
Cash and cash equivalents	\$1,832,037	\$281,409	\$3,970	\$11,538	\$2,473	\$2,131,427	\$2,975,965
Receivables							
Due from other Systems	59	507				566	550
Employee and employer contributions	186,801	20,266	24	626	15	207,732	172,673
Employer contributions long-term							26
Accrued investment income	51,879	7,378	82	291	38	59,668	63,306
Unsettled investment sales	589,428	87,735	811	3,304	442	681,720	739,291
Other investment receivables	4,627	664	7	26	4	5,328	25,006
Total receivables	832,794	116,550	924	4,247	499	955,014	1,000,852
Investments, at fair value							
Short-term securities							11,663
Debt							
Domestic Fixed Income	3,362,727	500,532	4,626	18,850	2,522	3,889,257	3,817,063
Global Fixed Income	1,313,272	195,477	1,806	7,362	985	1,518,902	3,206,634
Public Equity							
Domestic Equity	1,612,140	239,962	2,218	9,037	1,209	1,864,566	2,086,138
Global Equity	1,503,156	223,741	2,068	8,426	1,127	1,738,518	1,240,731
Alternatives	12,516,005	1,862,972	17,220	70,159	9,385	14,475,741	13,508,662
Total investments	20,307,300	3,022,684	27,938	113,834	15,228	23,486,984	23,870,891
Securities lending cash collateral invested	159,112	23,683	219	892	119	184,025	229,161
Prepaid expenses	598	88	1	3	1	691	1,063
Capital assets, net of accumulated depreciation	2,688	275	8	13		2,984	3,103
Total assets	23,134,529	3,444,689	33,060	130,527	18,320	26,761,125	28,081,035
LIABILITIES							
Due to other Systems	507			59		566	550
Accounts payable - unsettled investment purchases	784,847	116,823	1,080	4,399	589	907,738	1,338,959
Investment fees payable	8,212	1,222	12	46	6	9,498	18,521
Obligations under securities lending	159,112	23,683	219	892	119	184,025	229,161
Deferred retirement benefits	385,716			586		386,302	364,005
Due to Employee Insurance Program	42,469	852				43,321	42,880
Benefits payable	2,910	250	2		31	3,193	4,206
Other liabilities	213,848	31,869	316	1,186	158	247,377	190,904
Total liabilities	1,597,621	174,699	1,629	7,168	903	1,782,020	2,189,186
Net assets held in trust for Pension Benefits	<u>\$21,536,908</u>	<u>\$3,269,990</u>	<u>\$31,431</u>	<u>\$123,359</u>	<u>\$17,417</u>	<u>\$24,979,105</u>	<u>\$25,891,849</u>

Financial Section

South Carolina Retirement Systems Statement of Changes in Plan Net Assets Year Ended June 30, 2012

With comparative totals for the year ended June 30, 2011
(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTAL	TOTAL 2011
Additions							
Contributions							
Employee	\$586,818	\$84,470	\$ 724	\$ 2,299	\$ -	\$ 674,311	\$644,337
Employer	824,652	134,299	2,532	8,414		969,897	948,485
State appropriated					3,937	3,937	3,904
Total contributions	<u>1,411,470</u>	<u>218,769</u>	<u>3,256</u>	<u>10,713</u>	<u>3,937</u>	<u>1,648,145</u>	<u>1,596,726</u>
Investment Income							
Net appreciation (depreciation) in fair value of investments	(54,890)	(7,117)	(70)	(181)	(28)	(62,286)	3,971,692
Interest and dividend income	210,710	31,182	311	1,226	154	243,583	243,920
Investment expense	(47,713)	(7,044)	(71)	(269)	(33)	(55,130)	(71,050)
Net income from investing activities	<u>108,107</u>	<u>17,021</u>	<u>170</u>	<u>776</u>	<u>93</u>	<u>126,167</u>	<u>4,144,562</u>
From securities lending activities:							
Securities lending income	77	11		1		89	676
Securities lending borrower rebates	1,123	166	2	6	1	1,298	669
Net income from securities lending activities	<u>1,200</u>	<u>177</u>	<u>2</u>	<u>7</u>	<u>1</u>	<u>1,387</u>	<u>1,345</u>
Total net investment income	<u>109,307</u>	<u>17,198</u>	<u>172</u>	<u>783</u>	<u>94</u>	<u>127,554</u>	<u>4,145,907</u>
Supplemental retirement benefits funded by the State	733	34				767	869
Transfers of contributions from other Systems		1,923		261		2,184	2,153
Total additions	<u>1,521,510</u>	<u>237,924</u>	<u>3,428</u>	<u>11,757</u>	<u>4,031</u>	<u>1,778,650</u>	<u>5,745,655</u>
Deductions							
Refunds of contributions to members	83,134	15,162	31	134		98,461	99,550
Transfers of contributions to other Systems	2,184					2,184	2,153
Regular retirement benefits	2,084,690	263,997	6,570	14,979	4,065	2,374,301	2,245,254
Deferred retirement benefits	171,096			192		171,288	156,106
Supplemental retirement benefits	733	34				767	869
Death benefits	18,295	1,851	35	134		20,315	18,655
Accidental death benefits		1,551				1,551	1,534
Depreciation	107	10		1		118	118
Administrative expenses	19,392	2,862	30	110	15	22,409	21,227
Total deductions	<u>2,379,631</u>	<u>285,467</u>	<u>6,666</u>	<u>15,550</u>	<u>4,080</u>	<u>2,691,394</u>	<u>2,545,466</u>
Net increase (decrease)	(858,121)	(47,543)	(3,238)	(3,793)	(49)	(912,744)	3,200,189
Net assets held in trust for Pension Benefits							
Beginning of year	22,395,029	3,317,533	34,669	127,152	17,466	25,891,849	22,691,660
End of year	<u>\$21,536,908</u>	<u>\$3,269,990</u>	<u>\$31,431</u>	<u>\$123,359</u>	<u>\$17,417</u>	<u>\$24,979,105</u>	<u>\$25,891,849</u>

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.

A summary of information related to participating employers and members for the fiscal year ended June 30, 2012, follows (dollars amounts expressed in thousands):

	State ¹	School	Other	Total
SCRS				
Number of Employers	113	114	579	806
Annual Covered Payroll for Active Members	\$2,227,527	\$3,173,221	\$1,981,636	\$7,382,384
Average Number of:				
Active Contributing Members	50,337	82,362	53,118	185,817
Retirees and beneficiaries currently receiving benefits	44,702	56,943	20,298	121,943
Terminated members entitled to but not yet receiving benefits ³				150,959
Total SCRS Membership				<u>458,719</u>
PORS				
Number of Employers	62	50	327	439
Annual Covered Payroll	\$352,998	\$525	\$692,950	\$1,046,473
Average Number of:				
Active Contributing Members	9,492	4	16,688	26,184
Retirees and beneficiaries currently receiving benefits	7,179	20	7,559	14,758
Terminated members entitled to but not yet receiving benefits ³				10,892
Total PORS Membership				<u>51,834</u>
GARS				
Number of Employers	2			2
Annual Covered Payroll	\$3,162			\$3,162
Average Number of:				
Elected Positions	170			170
Retirees and beneficiaries currently receiving benefits	358			358
Terminated members entitled to but not yet receiving benefits	56			56
Total GARS Membership	<u>584</u>			<u>584</u>
JSRS				
Number of Employers	3			3
Annual Covered Payroll	\$16,422			\$16,422
Average Number of:				
Active Positions	144			144
Retirees and beneficiaries currently receiving benefits	202			202
Terminated members entitled to but not yet receiving benefits	3			3
Total JSRS Membership	<u>349</u>			<u>349</u>
NGRS				
Number of Employers	1			1
Annual Covered Payroll ²	N/A			N/A
Average Number of:				
Active Members	12,097			12,097
Retirees and beneficiaries currently receiving benefits	4,420			4,420
Terminated members entitled to but not yet receiving benefits	2,443			2,443
Total NGRS Membership	<u>18,960</u>			<u>18,960</u>

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.

³Employee Class not determinable from data.

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 and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election.

State ORP

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election 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 (4.385 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, 2012
(Dollar amounts expressed in thousands)

Average Number of Contributing Participants	20,021
Annual Covered Payroll	\$997,607
Employer Contributions Retained by SCRS	43,745
Death Benefit Contributions Retained by SCRS	1,496
Employee Contributions to Investment Providers	64,844
Employer Contributions to Investment Providers	49,880

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

Individuals newly elected to the Senate or the House of Representatives prior to the November 2012 general election 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 Class II 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.

For fiscal year 2012, eligible SCRS retirees received 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-W) as of the previous December 31, up to an increase of 2 percent. If the CPI-W was less than 2 percent, the COLA equaled the percentage of the actual increase in the CPI-W. COLAs were awarded only during periods of inflation, so no COLA was awarded if the CPI-W was negative. Members who retire under the early retirement provisions at age 55 with 25 years of service were not eligible for COLAs until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired. Effective July 1, 2012, retirement reform legislative provides for automatic annual benefit adjustment of 1 percent up to a maximum of \$500.

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.

For fiscal year 2012, eligible PORS retirees received an automatic cost-of-living adjustment (COLA) equal to the percentage of the annual increase in the CPI-W as of the previous December 31, up to an increase of 2 percent. If the CPI-W was less than 2 percent, the COLA equaled the percentage of the actual increase in the CPI-W. COLAs were awarded only during periods of inflation, so no COLA was awarded if the CPI-W is negative. Effective July 1, 2012, retirement reform legislative provides for automatic annual benefit adjustment of 1 percent up to a maximum of \$500.

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. The Retirement Reform legislation closes GARS to new members. Persons first elected to the General Assembly in November 2012 or after must elect membership in SCRS or State ORP.

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

Through June 30, 2012, the State Budget and Control Board's Office of Internal Operations maintained an internal service fund to account for the administrative costs of operating the Systems. All accounting and corresponding disclosures related to administrative expenses were the responsibility of the internal service fund administered by the Board. Effective July 1, 2012, administrative expenses are the responsibility of the newly created Public Employee Benefit Authority.

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, disability evaluations, fiduciary liability insurance and other professional service fees.

In addition, the Retirement System Investment Commission, a separate State Agency charged with investing the trust fund assets, is funded entirely from the trust fund. Expenses for the Commission include salaries and benefits for both RSIC investment and administrative staff 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, conditions, limitations, and restrictions imposed by Section 16, Article X of the South Carolina Constitution and Section 9-1-1310 (B) and Title 9 Section 16 of the South Carolina Code of Laws. The funds and assets of the various state retirement systems are not funds of the State, but are instead held in trust as provided in Section 9-16-20.

The Investment Commission is structured as a separate state agency reporting to a group of Commissioners. Commission members are appointed and are comprised of six financial experts, including the State Treasurer and a nonvoting retired member. Effective July 1, 2012, the Executive Director of PEBA was added to the Commission, ex officio without voting privileges and the nonvoting retired member was given voting privileges. The Commission employs a chief investment officer who, under the direction and supervision of the Commission, oversees the investment program for the Retirement Systems' \$25.0 billion pension trust fund.

Financial Section

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, 2012, legal agreements were in place with 101 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 and global equity and fixed income securities which are traded on organized exchanges. These investments 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. The fair values of alternative investments including private equity, opportunistic credit, real estate and certain other investments, where current market values are not readily ascertainable, are valued in good faith based on the most recent financial information available for the underlying companies and reported by the investment managers at the measurement date, adjusted for subsequent cash flow activities through June 30, 2012. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

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. A significant number 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 40 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 2012 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 governing 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 2011-2012 State Appropriations Act, an additional employer contribution surcharge of 4.30 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) \$296,599 and \$16,042 respectively in retiree insurance surcharges (\$42,771 of which was applicable to the State ORP) and remitted these funds to the Employee Insurance Program.

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

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

The **Employee Fund** is credited with all contributions made by active members of the Systems. Interest is credited to each member's individual account at an annual rate of 4 percent by transferring funds from the Employer Fund to the Employee Fund. At termination of employment prior to retirement, employee contributions and accumulated interest may be refunded from this fund to the member. At retirement, employee contributions and interest are transferred from the Employee Fund to the Employer Fund for subsequent payment of benefits.

The **Death Benefit Fund**, an incidental death program within SCRS and PORS 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 assets in the Death Benefits Fund are not held separately in a dedicated trust for the sole purpose of paying death benefits to beneficiaries of deceased members. These benefits are considered allowable within the defined benefit plans and are held within the pension trust funds.

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 funds necessary to pay benefits out of the QEBA fund due to IRC Section 415(b) limitations.

Balances in the respective reserves at June 30, 2012, were as follows (amounts expressed in thousands):

	SCRS	PORS	GARS	JSRS	NGRS	Total
Employee Fund	\$ 6,459,192	\$ 773,710	\$ 7,267	\$ 20,005	\$ -	\$ 7,260,174
Employer Fund	14,967,432	2,429,803	24,164	103,354	17,417	17,542,170
Death Benefit Fund	110,284	28,954				139,238
Accidental Death Fund		37,523				37,523
Qualified Excess Benefit Arrangement Fund						
	<u>\$21,536,908</u>	<u>\$ 3,269,990</u>	<u>\$ 31,431</u>	<u>\$ 123,359</u>	<u>\$ 17,417</u>	<u>\$24,979,105</u>

III. Deposits and Investments

Deposit and Investment Risk Disclosures

The tables presented on Pages 45-48 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 that 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. These deposits are secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the state against loss in the event of insolvency or liquidation of the institution or for any other cause. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 or collateralized with securities held by the state or its agent in the State Treasurer's name as custodian.

The total amount of the Systems' deposits at June 30, 2012, was as follows (amounts expressed in thousands):

	Carrying Amount
SCRS	\$ 34,072
PORS	4,446
GARS	65
JSRS	117
NGRS	39
Total	<u>\$ 38,739</u>

Actual bank balances at June 30, 2012, totaled \$54,375 (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.

The following table presents the fair value of investments as of June 30, 2012:

Statement of Invested Assets
June 30, 2012
(Amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
Short Term Investments	
Short Term Investment Funds (U.S. Regulated)	\$ 782,489
Repurchase Agreements	465,941
Commercial Paper	819,707
Total Short Term Investments	<u>2,068,137</u>
Equity Allocation	
Domestic Equity	
Common Stocks	1,799,161
Real Estate Investment Trusts	59,283
Preferred	3,100
Convertible Preferred	3,022
Global Equity	1,738,518
Total Equity	<u>3,603,084</u>
Fixed Income Allocation	
Domestic Fixed Income	
U.S. Government:	
U.S. Government Treasuries ¹	604,922
U.S. Government Agencies	497,883
Mortgage Backed:	
Government National Mortgage Association	161,909
Federal National Mortgage Association	210,550
Federal Home Loan Mortgage Association	33,087
Federal Home Loan Mortgage Association (Multiclass)	6,476
Collateralized Mortgage Obligations	15,528
Municipals	
Corporate:	
Corporate Bonds	1,507,224
Convertible Bonds	27,467
Asset Backed Securities	270,431
Yankee Bonds²	9,578
Private Placements	457,065
Global Fixed Income:	
International Asset Backed	1,996
International Commingled Funds	896,880
International Corporate Bonds	144,655
International Emerging Debt	429,126
International Government Bonds	43,602
Total Fixed Income	<u>5,408,159</u>
Alternatives	
Credit Default Swaps	9,737
Interest Rate Swaps	(3,768)
Total Return Swaps	21,975
Commingled Funds Balanced	2,596,132
Futures Contracts	19,706
Options	50,543
Hedge Funds	1,335,180
Opportunistic Credit	786,679
Private Equity Limited Partnerships	1,159,919
Real Estate	247,244
Strategic Partnerships	8,252,394
Total Alternative Investments	<u>14,475,741</u>
Total Invested Assets	<u>\$ 25,555,121</u>
Invested Securities Lending Collateral	<u>\$ 184,025</u>

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	\$ 25,555,121
Short Term Investments classified as Cash & Cash Equivalents on Statement of Plan Net Assets:	
Short Term Investment Funds (U.S. Regulated)	(782,489)
Repurchase Agreements	(465,941)
Commercial Paper	(819,707)
Total Investments on Statement of Plan Net Assets	<u>\$ 23,486,984</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While the Systems' have no formal interest rate risk policy, 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 100 basis point change in interest rates. Effective duration 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 versus the benchmark 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 at June 30, 2012, are noted below (amounts expressed in thousands):

Investment Type	Fair Value	Effective Duration (option adjusted duration)
Short Term Investments		
Short Term Investment Funds (U.S. Regulated)	\$ 782,489	0.08
Repurchase Agreements	630,699	0.06
Commercial Paper	<u>819,707</u>	0.06
Total Short Term Investments	<u>2,232,895</u>	
Equity Allocation		
Preferred	1,585	1.58
Convertible Preferred	<u>3,022</u>	8.39
Total Equity Investments	<u>4,607</u>	
Fixed Income Allocation		
U.S. Government:		
U.S. Government Treasuries	604,922	7.75
U.S. Government Agencies	497,883	1.35
Mortgage Backed:		
Government National Mortgage Association	161,909	2.52
Federal National Mortgage Association	200,481	2.53
Federal Home Loan Mortgage Association	33,087	2.90
Federal Home Loan Mortgage Association (Multiclass)	5,994	0.23
Collateralized Mortgage Obligations	15,528	2.01
Municipals	89,780	7.20
Corporate:		
Corporate Bonds	1,316,299	3.13
Convertible Bonds	27,467	0.81
Asset Backed Securities	250,461	0.13
Yankee Bonds	9,578	2.78
Private Placements	437,651	3.24
Global Fixed Income:		
International Asset Backed Securities	1,996	0.35
International Corporate Bonds	135,559	3.42
International Government Bonds	<u>43,602</u>	7.58
Total Fixed Income	<u>3,832,197</u>	
Alternatives		
Credit Default Swaps	9,310	(1.20)
Interest Rate Swap	(6,249)	(4.30)
Eurodollar Futures	(53)	66.44
Treasury Note Futures	101	3,012.54
Treasury Bond Futures	(63)	2,536.71
Total Alternatives	<u>3,046</u>	
Total Invested Assets	<u>\$ 6,072,745</u>	
Total Portfolio Effective Duration (option adjusted duration)		2.27

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. Within high yield portfolios, 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, 2012

(Amounts expressed in thousands)

<u>Investment Type and Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BAA</u>	<u>BA</u>	<u>B</u>	<u>CAA</u>	<u>CA</u>	<u>NR²</u>
Short Term Investments									
Short Term Investment Funds (U.S. Regulated)	\$ 782,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements									630,698
Commercial Paper		144,965		651,750					22,992
Equity Investments									
Preferred						1,651			1,449
Convertible Preferred				2,228		644			150
Fixed Income Allocation									
U.S. Government¹	604,922								
U.S. Government Agencies¹	646,392	10,426							2,974
Mortgage Backed:									
Federal National Mortgage Association	210,550								
Federal Home Loan Mortgage Association (Multiclass)	6,476								
Federal Home Loan Mortgage Association	33,087								
Collateralized Mortgage Association	15,528								
Municipals	5,753	39,808	43,784						435
Corporate:									
Corporate Bonds	38,466	32,558	98,334	344,927	165,103	209,767	35,535	265	601,539
Convertible Bonds				5,771	1,634	3,273	4,782		12,007
Asset Backed Securities	58,864	108,853	57,412	11,559	4,455	4,823			24,465
Yankee Bonds			2,156	2,308	5,114				
Private Placements	117,042	49,241	40,626	35,841	28,273	82,849	26,715		76,478
Global Fixed Income:									
International Asset Backed	1,050	946							
International Commingled Funds									896,880
International Corporate Bonds	45,106	7,801	25,898	36,613	16,641	9,608	547		2,441
International Emerging Debt									331,409
International Government Bonds	7,730	6,824	2,186	22,066					4,796
Alternatives									
Credit Default Swaps									9,737
Interest Rate Swaps									(6,144)
Total Return Swaps									(29)
Futures Contracts									19,706
Options									352
	<u>\$2,573,455</u>	<u>\$ 401,422</u>	<u>\$ 270,396</u>	<u>\$1,113,063</u>	<u>\$221,220</u>	<u>\$312,615</u>	<u>\$67,579</u>	<u>\$265</u>	<u>\$2,632,335</u>

¹The long-term debt rating of the United States (U.S.) government was downgraded from AAA to AA+ on 8/5/11 by Standard & Pooers. As a result, BNY Mellon, the Systems' custodial bank, changed their historical U.S. Treasury (UST) rating to AAA and will continue to monitor the actions of the credit agencies.

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

Financial Section

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Systems' policy for reducing this risk is to comply with the Statement of Investment Objectives and Policies as amended and adopted by the Commission which states that "except that no limitations on issues and issuers shall apply to obligations of the U.S. Government and Federal Agencies, the domestic fixed income portfolio shall contain no more than 6 percent exposure to any single issuer." As of June 30, 2012, there is no single issuer exposure within the portfolio

that comprises 5 percent or more of the overall portfolio. Therefore, there is no concentration of credit risk.

Foreign Currency Risk

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

The table below presents the Systems' exposure to foreign currency risk in U.S. dollars as of June 30, 2012, (amounts expressed in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Futures Contracts	Private Equity	Alternative Investments	Fixed Income
Australian Dollar	\$ 324	\$ 34,239	\$ (293)	\$ -	\$ -	\$ 7,730
Brazil Real		263				847
British Pound Sterling	8,969	117,221	1,166			3,209
Canadian Dollar	790	60,614	670			8,773
Chinese Yuan Renminbi		46,669				
Euro Currency	2,983	166,549	5,523	150,792	23,834	33,720
Hong Kong Dollar	1,197	20,309	240			
Japanese Yen	(387)	109,212	4,455			(4)
New Mexico Peso	534	(13,359)				14,767
Norwegian Krone		2,713				
Philippines Peso		3,239				
Singapore Dollar		4,652				
South Korean Won		2,696				
Swedish Krona	(328)	15,665	353			
Totals	\$ 14,082	\$ 570,682	\$ 12,114	\$ 150,792	\$ 23,834	\$ 69,042

Derivatives

Derivatives are financial instruments whose value is derived from underlying assets or data. All of the Systems' derivatives are considered investments. Excluding futures, derivatives generally take the form of contracts in which two parties agree to make payments at a later date based on the value of specific assets or indices. Through certain collective trust funds, the Systems may invest in various derivative financial instruments such as futures and options thereon; forward foreign currency contracts; options; interest rate, currency, equity, index, and total return swaps; interest-only

strips; and CMOs to enhance the performance and reduce volatility. The Systems' derivatives, consisting of futures, options, forward contracts and swaps directly managed by the Commission, are presented in the tables on Pages 49-51.

The Commission uses derivatives contracts primarily 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 un-

til 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.
- Cost: A synthetic (derivative) solution is often the least expensive way to gain exposure to an 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 significantly reducing credit and default risk. Gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Plan Net Assets. To comply with the requirements of multiple exchanges, securities in the amount of \$120.214 million of various GNMA's were held in trust by the clearing brokers on June 30, 2012, to satisfy the required margin amount to establish the Systems' futures exposure.

The table below presents classification information on the Systems' derivatives at June 30, 2012 (amounts in thousands):

	Changes in Fair Value		Fair Value at 6/30/2012	
	Classification	Gain/(Loss)	Classification	Amount
Investment derivatives:				
Futures Contracts	Net appreciation/(depreciation)	\$ (55,387)	Alternative Investments	\$ 19,735
Forward Contracts	Net appreciation/(depreciation)	11,193	Cash & Cash Equivalents	905
Swaps	Net appreciation/(depreciation)	93,592	Alternative Investments	21,975
Options	Net appreciation/(depreciation)	62,398	Alternative Investments	52,572

As of June 30, 2012, the Systems had the following exposure via futures contracts (dollar amounts in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value ¹
MTF CAC40 10EU	July 2012	Long	1,284	\$ 52,012
EURX DAX INDEX	September 2012	Long	226	45,971
EURX ER STX 50	September 2012	Long	2,043	58,465
NEW FTSE 100	September 2012	Long	1,408	121,969
HKFE - HSI	July 2012	Long	164	20,560
IBEX 35 PLUS	July 2012	Long	166	14,716
FTSE MIB INDEX	September 2012	Long	142	12,881
TSE TOPIX	September 2012	Long	1,230	118,545
SFE SPI 200	September 2012	Long	446	46,369
AMSTERDAM INDEX	July 2012	Long	193	15,051
S&P TSE 60 INDEX	September 2012	Long	480	62,283
OMXS30 INDEX	July 2012	Long	1,106	16,484
Total International Equity				585,306
EMINI S&P 500	September 2012	Long	18,189	1,233,578
Total Large Cap Equity				1,233,578
EMINI RUSSELL 2000	September 2012	Short	(2,254)	(179,283)
Total Small Cap Equity				(179,283)
GOLD 100 OZ FUT	August 2012	Long	309	49,570
Total Commodities				49,570
Total				\$ 1,689,171

¹Notional 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.

Forwards are contractual obligations that require the delivery of assets at a fixed price on a predetermined date. These contracts are “over-the-counter” (OTC) instruments, meaning they are not traded on an or-

ganized exchange. Currency forwards gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Plan Net Assets.

As of June 30, 2012, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value	Base Gain/(Loss)	Base Exposure
HSBC Bank	\$ 284,847	\$ 787	13.70%
Commonwealth Bank of Australia	284,779	858	13.70%
Barclays Bank	277,398	814	13.34%
Deutsche Bank	275,744	803	13.26%
JP Morgan Chase	275,682	818	13.26%
Royal Bank of Canada	131,805	(648)	6.34%
Royal Bank of Scotland	130,899	(636)	6.30%
Citibank NA	126,757	(639)	6.10%
UBS	122,736	(623)	5.90%
Credit Suisse	122,735	(627)	5.90%
Brown Brothers Harriman	45,675	(2)	2.20%
Totals	\$ 2,079,057	\$ 905	100.00%

The Systems has entered into various swap agreements to manage risk exposure. Swaps are 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.

diversification among counterparties with high credit ratings and collateralizing unrealized gains and losses. The Systems currently does not participate in a master netting agreement. Unrealized gains and losses are not netted across instrument types.

Total return swaps are primarily 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 market index. Similarly, exposures can be reduced by receiving a reference rate in exchange for the economic risks and returns of an index.

The table below reflects the counterparty credit ratings at June 30, 2012, for currency forwards, options and swap agreements (amounts in thousands):

Quality Rating	Forwards	Swaps	Options	Total
Aaa	\$ (636)	\$ -	\$ -	\$ (636)
Aa1	210			210
Aa3	1,785			1,785
A1	814		27,477	28,291
A2	(627)	21,975		21,348
A3			21,152	21,152
Baa2	(639)		3,943	3,304
NR	(2)			(2)
Total subject to credit risk	\$905	\$ 21,975	\$ 52,572	\$ 75,452

Counterparty risk, or default risk, is the risk that a 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

At June 30, 2012, 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
Societe Generale	DJ-UBS Commodities TR	3 month T-Bill + 9 bps	DJ-UBS Commodities TR	8/31/2012	\$ 279,892	\$ (59,814)
Societe Generale	DJ-UBS Commodities TR	3 month T-Bill + 10 bps	DJ-UBS Commodities TR	2/28/2013	142,698	(13,247)
Total Return Swap Exposures					\$ 422,590	\$ (73,061)

Options are exchange traded agreements between two parties for a future transaction on an underlying asset at a reference or strike price. The buyer of an option has the right, but not the obligation, to transact. The seller of an option has the obligation to transact if forced by the buyer. The price of an option is derived by taking the difference in the underlying asset and the strike price plus a premium for the remaining time until expiration.

As of June 30, 2012, the Systems had the following option positions, listed by strategy (amounts in thousands):

Option Strategy	Expiration	Index	Counterparty	Gain/Loss Since Trade
BRAVE Position #1	11/29/2012	MSCI Emerging Markets Index	Goldman Sachs	\$ 8,979
BRAVE Position #2	11/29/2012	MSCI Emerging Markets Index	Goldman Sachs	12,173
BRAVE Position #3	11/30/2012	MSCI Emerging Markets Index	Credit Suisse	15,407
BRAVE Position #4	11/30/2012	MSCI Emerging Markets Index	Merrill Lynch	3,943
BRAVE Position #5	11/30/2012	DJ US Real Estate Index	Credit Suisse	12,070
Total Options Value				\$ 52,572

The Buffered Return Accelerated Value Equity (BRAVE) option position consists of three parts: a long call, a short call and a short put. By employing this strategy, the Systems gain immediate market exposure to the underlying asset class. These positions also offer sizeable downside protection in exchange for limiting the maximum upside return. These positions allow the Systems to have exposure to various markets at little or no underlying cost, offering a return stream that is based on the performance of an underlying index.

Alternative Investments

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 or contractual investment period has expired. 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. 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 has entered into contractual agreements with numerous alternative investment managers and is committed for future funding of private equity, real estate and opportunistic credit limited partnerships. As of June 30, 2012, the Systems had committed to fund various limited partnerships in the total amount of \$3.482 billion (U.S. dollars) and €278 million (Euros). The total unfunded commitment as of June 30, 2012, was \$1.469 billion (U.S. dollars) and €84 million (Euros). The total remaining commitment adjusted for cash flows as of September 21, 2012, is \$1.402 billion (U.S. dollars) and €81 million (Euros). In addition, although legal contractual agreements in place do not necessarily dictate authorized commitment amounts, various other alternative investment fundings will be deployed at the full discretion of the Investment Commission through the use of the strategic partnership accounts. These underlying investments include hedge funds, private equity, real estate, opportunistic credit, short duration fixed income, commodities, and high yield fixed income.

Securities Lending

The Systems participate in a securities lending program managed by the custodial bank whereby securities are loaned for the purpose of generating additional income. Securities are lent from the investment portfolio 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, 2012, included U.S. Government securities, U.S. Government agencies, corporate bonds and equities. The State Treasurer, as custodian, controls the custody relationship. The contractual agreement with the custodial bank provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Systems income distribution by the securities' issuers while the securities are on loan. Cash and U.S. Government securities were received as collateral for these loans. Collateral securities cannot be pledged or sold without a borrower default. Cash collateral received is invested; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the Systems must return the cash collateral to the borrower upon the expiration of the loan.

At June 30, 2012, the fair value of securities on loan was \$270.84 million. The fair value of the invested cash collateral was \$184.03 million. Securities lending obligations at June 30, 2012, were \$275.90 million with an unrealized loss in invested cash collateral of

\$91.87 million. This unrealized loss is due to certain Lehman bonds held by the securities lending program. This amount is 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." During the fiscal year, the Systems received a \$7.80 million settlement distribution in relation to a Lehman creditor-payment plan approved by the U.S. Bankruptcy Court. This distribution was applied to the amortized cost of the Lehman bonds. The custodial bank's Securities Lending group sold approximately \$44 million of these bonds with proceeds of \$10.70 million which resulted in a realized loss of \$30.77 million. This loss is being held in the securities lending collateral pool as an undistributed loss. Subsequent to June 30, 2012, the custodian bank's Securities Lending group sold the remaining Lehman bonds.

The Commission continues to evaluate 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 counter-party 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 three days. The average weighted maturity of investments made with cash collateral was two days. At June 30, 2012, 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, 2012.

	June 30, 2012					June 30, 2011	
	SCRS	PORS	GARS	JSRS	NGRS	TOTALS	TOTALS
Securities lent for cash collateral:							
U.S. Government securities	\$ 123,398	\$ 18,367	\$ 170	\$ 692	\$ 93	\$ 142,720	\$ 55,286
Corporate bonds	42,884	6,383	59	241	32	49,599	80,022
Non-U.S. Government securities							28,957
Common stock	67,887	10,105	93	381	51	78,517	153,368
Total securities lent for cash collateral:	<u>\$ 234,169</u>	<u>\$ 34,855</u>	<u>\$ 322</u>	<u>\$ 1,314</u>	<u>\$ 176</u>	<u>\$ 270,836</u>	<u>\$ 317,633</u>
Securities lent for non-cash collateral:							
Common stock	\$ 10,232	\$ 1,523	\$ 14	\$ 57	\$ 8	\$ 11,834	\$ 8,539
	<u>\$ 10,232</u>	<u>\$ 1,523</u>	<u>\$ 14</u>	<u>\$ 57</u>	<u>\$ 8</u>	<u>\$ 11,834</u>	<u>\$ 8,539</u>
Cash collateral invested as follows:							
Repurchase agreements	\$ 142,452	\$ 21,204	\$ 196	\$ 798	\$ 107	\$ 164,757	\$ 195,750
Floating rate notes	16,659	2,480	23	93	13	19,268	129,750
Total for cash collateral invested	<u>\$ 159,111</u>	<u>\$ 23,684</u>	<u>\$ 219</u>	<u>\$ 891</u>	<u>\$ 120</u>	<u>\$ 184,025</u>	<u>\$ 325,500</u>
Securities received as collateral:							
U.S. Government securities	\$ 10,399	\$ 1,548	\$ 14	\$ 58	\$ 8	\$ 12,027	\$ 8,736
	<u>\$ 10,399</u>	<u>\$ 1,548</u>	<u>\$ 14</u>	<u>\$ 58</u>	<u>\$ 8</u>	<u>\$ 12,027</u>	<u>\$ 8,736</u>

IV. Capital Assets

Capital assets at June 30, 2012, consist of the following amounts (expressed in thousands). There were no additions or dispositions of capital assets during the year.

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>TOTALS</u>	<u>TOTALS 2011</u>
Land	\$ 524	\$ 54	\$ 1	\$ 3	\$ 582	\$ 582
Building	4,279	437	13	20	4,749	4,749
Total Capital Assets	<u>4,803</u>	<u>491</u>	<u>14</u>	<u>23</u>	<u>5,331</u>	<u>5,331</u>
Less: Accumulated Depreciation	<u>(2,115)</u>	<u>(216)</u>	<u>(6)</u>	<u>(10)</u>	<u>(2,347)</u>	<u>(2,228)</u>
Net Capital Assets	<u>\$ 2,688</u>	<u>\$ 275</u>	<u>\$ 8</u>	<u>\$ 13</u>	<u>\$ 2,984</u>	<u>\$ 3,103</u>

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, 2012, were as follows (amounts expressed in thousands):

<u>Transfers from</u>	<u>Transfers to</u>					<u>Totals</u>
	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	
SCRS	\$ -	\$ 1,923	\$ -	\$ 261	\$ -	\$ 2,184
PORS						
GARS						
JSRS						
NGRS						
Totals	<u>\$ -</u>	<u>\$ 1,923</u>	<u>\$ -</u>	<u>\$ 261</u>	<u>\$ -</u>	<u>\$ 2,184</u>

The following schedule reflects amounts due to or from other systems as of June 30, 2012, (amounts expressed in thousands):

<u>Due from</u>	<u>Due to</u>					<u>Totals</u>
	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGRS</u>	
SCRS	\$ -	\$ 507	\$ -	\$ -	\$ -	\$ 507
PORS						
GARS						
JSRS	59					59
NGRS						
Totals	<u>\$ 59</u>	<u>\$ 507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 566</u>

VI. Related Party Transactions

The pension plans provide pension and other fringe benefits to employees of all state agencies. Revenues attributed to these agencies are recorded in the financial statements as employee and employer contributions and constitute approximately 33 percent of combined contribution revenues. In addition, the Systems receives custodial and related services from the State Treasurer.

At June 30, 2012, liabilities of approximately \$43.3 million were due to other state departments and agencies, and contributions receivable of approximately \$37 million were due from other state departments and agencies.

The National Guard Retirement System received state-appropriated contributions in the amount of \$3.9 million during the fiscal year.

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' trust funds. Transfers in the amount of approximately \$6.8 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. Retirement reform legislation closes the TERI program to all members effective June 30, 2018.

A total of 6,986 members were actively participating in the TERI program at June 30, 2012. The activity for this program is reflected in the following schedule:

Schedule of TERI Activity Year Ended June 30, 2012 (Amounts expressed in thousands)

Beginning Liability Balance	\$ 363,373
Additions	171,096
TERI Distributions	<u>(148,753)</u>
Ending Liability Balance	<u>385,716</u>

A deferred retirement option program exists 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, 2012, benefits held in trust totaled \$586,000.

VIII. Funded Status and Funding Progress - Pension Trust Funds

The actuarial condition of each defined benefit pension plan summarized below was determined based on the most recent actuarial valuation which was conducted using membership and financial data as of July 1, 2011. The valuation results for SCRS and PORS have been updated to recognize pension reform legislation enacted June 2012 that changed the results disclosed in the original 2011 valuation. Information included in the following schedule is based on the adjustments and certification provided by our consulting actuary, Gabriel, Roeder, Smith and Company. Additionally, a schedule of funding progress is presented as required supplementary information (RSI) following the notes to the financial statements. The RSI schedule presents multiyear information regarding changes to the actuarial values of plan assets relative to the actuarial accrued liabilities for benefits.

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	\$ 25,604,823	\$ 38,011,610	\$ 12,406,787	67.4%	\$ 7,687,558	161.4%
PORS	3,728,241	5,122,501	1,394,260	72.8%	1,087,587	128.2%
GARS	41,484	74,604	33,120	55.6%	3,854	859.4%
JSRS	144,927	243,514	98,587	59.5%	18,661	528.3%
NGRS	20,138	60,388	40,250	33.3%	N/A	N/A

The following schedule provides a summary of the actuarial assumptions and methods used in the July 1, 2011, valuations for each of the individual plans administered by the South Carolina Retirement Systems. The methods and assumptions for SCRS and PORS have been updated to reflect pension reform legislative changes that were enacted June 2012.

Summary of Actuarial Methods and Significant Assumptions

	SCRS	PORS	GARS	JSRS	NGRS
Valuation date	07/01/11	07/01/11	07/01/11	07/01/11	07/01/11
Actuarial cost method	Entry age				
Amortization period	Level percent open	Level percent open	Level dollar closed	Level percent open	Level dollar open
Remaining amortization period ¹	25 years	30 years	16 years	30 years	21 years
Asset valuation method	5-year smoothed market				
Actuarial assumptions:					
Investment rate of return	7.5%	7.5%	7.5%	7.5%	7.5%
Projected salary increases	levels off at 3.5%	levels off at 4%	None	3%	None
Includes inflation at	2.75%	2.75%	2.75%	2.75%	2.75%
Cost-of-living adjustments	lesser of 1% or \$500	lesser of 1% or \$500	None	3%	None

¹As adopted by the PEBA Board and subject to approval by the Budget and Control Board, rates include a 0.34 percent increase in both employee and employer contributions for PORS and an employer contribution increase of 2.24 percent for JSRS, which are effective July 1, 2013, to satisfy the 30-year amortization period requirement.

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, incidental death benefits are provided for active and retired members. These benefits are funded through separate death benefit programs within SCRS and PORS on a cost-sharing, multiple-employer basis. The assets in the Death Benefits Fund are not held separately in a dedicated trust for the sole purpose of paying death benefits to beneficiaries of deceased members. These benefits are considered allowable within the defined benefit plans and are held within the pension trust funds. 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 governing 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, an incidental 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 mem-

ber, 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.

<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.

All benefits provided by the Retirement Systems are included in the actuarial valuation, including the Incidental Death Benefit program for SCRS and PORS. The July 1, 2011, actuarial valuations reflect the inclusion of the assets and liabilities of the Incidental Death Benefit program.

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.

Gail M. Hutto et al. v. The South Carolina Retirement System et al., C/A No. 4:10-cv-02018-JMC, is a putative class action suit that was filed in federal district court in August 2010. In this matter, Plaintiffs asserted that the provisions of Act No. 153 of 2005 of the South Carolina General Assembly requiring working retirees in the South Carolina Retirement System (“SCRS”) and the South Carolina Police Officers’ Retirement System (“PORS”) to make contributions to the systems are unconstitutional and illegal. As of June 30, 2012, the Retirement Systems had collected approximately \$121 million in the form of retirement contributions from members of those retirement systems who retired and returned to work on or after July 1, 2005. Defendants filed a motion to dismiss this matter on a number of grounds, including Eleventh Amendment immunity, abstention, and failure

to state a claim upon which relief may be granted. By an Order and Decision dated September 27, 2012, the federal district court granted Defendants’ motion and dismissed Plaintiffs’ suit, finding that Defendants are immune from suit under the Eleventh Amendment. To date, Plaintiffs have not filed a motion to reconsider that decision or sought appellate review of the decision.

Anderson County v. Joey Preston and the South Carolina Retirement System, Case No. 2009-CP-04-4482, is a civil action pending in the Tenth Judicial Circuit Court of Common Pleas. Defendant Joey Preston (“Preston”) is a retired member of the South Carolina Retirement System who was employed by Plaintiff. In its complaint, Plaintiff seeks to rescind a severance agreement entered into between Plaintiff and Preston, in which, among other things, Plaintiff agreed to pay, and did pay, approximately \$355,000 to the System to purchase retirement service credit on behalf of Preston. Plaintiff has named the South Carolina Retirement System as a defendant in this matter as a stakeholder of a portion of the disputed severance funds and seeks a return of the \$355,000 paid to the System. As a result of the service purchase, Preston was able to retire and begin drawing a retirement benefit. The South Carolina Retirement System is defending this case to ensure that, regardless of the outcome of Plaintiff’s claims related to the severance agreement, the System does not suffer any monetary loss as a result of the service purchase.

XI. Retirement Reform Legislation

Prior to fiscal year end the results of the July 1, 2011, actuarial valuation determined the actuarial and financial information to be disclosed in the Retirement System's accounting information under Governmental Accounting Standards. Enactment of pension reform legislation that became effective subsequent to fiscal year end but before issuance of the financial statements changed the results originally disclosed in the 2011 actuarial valuation. The event is summarized as follows.

Given that retirement programs across the entire nation are experiencing financial stress and difficulties, subcommittees were formed by both the House and Senate with focus on a thorough "top to bottom" review of South Carolina's Retirement Systems to seek solutions that will lead to longer term financial sustainability while attaining fairness for government employees.

The General Assembly found the Retirement Systems to be of great value to the State of South Carolina. The process made it clear that System stability and certainty of benefits to annuitants are paramount and that all parties must share sacrifices in assuring the financial sustainability of the system over the long term. On June 26, 2012, South Carolina Governor Nikki Haley signed the Retirement Free Conference Report on House Bill 4967, commonly referred to as retirement reform legislation, and Act 278 became law.

Effective July 1, 2012, the South Carolina Public Employee Benefit Authority (PEBA) was created as

the new governing body and administrative agency for the Retirement Division and the Employee Insurance Program which were transferred from the State Budget and Control Board. The board of directors consists of eleven members with three appointments by the Governor, two by the President Pro Tempore of the Senate, two by the Chairman of the Senate Finance Committee, two by the Speaker of the House of Representatives and two by the Chairman of the House Ways and Means Committee. Policy determinations made by the PEBA are subject to approval by the State Budget and Control Board.

Legislation provides for an annual benefit adjustment for SCRS and PORS annuitants equal to the lesser of one percent or \$500, creates a new tier (Class III) of membership with different eligibility and benefit provisions, changes eligibility and calculation of disability benefits, changes cost for purchased service credit to be actuarially neutral, increases both member and employer contribution rates for SCRS and PORS and disallows contribution decreases until the Systems are at least 90 percent funded, closes the TERI program after June 30, 2018, implements an earnings limitation of \$10,000 for certain members who retire after January 1, 2013, and discontinues interest accruals on inactive member account balances. Pursuant to the law, the GARS is closed to individuals first elected to serve in the General Assembly at or after the general election of 2012. These individuals may elect to participate in SCRS or State ORP or they may elect to be a nonmember. Additionally, under the new law, the General Assembly is authorized to set and change the assumed rate of return on the System's investments for actuarial valuation purposes.

South Carolina Retirement Systems Required Supplementary Information

Information presented in the required supplementary schedule was determined as part of the actuarial valuations as of the dates indicated. The July 1, 2011, valuation results for SCRS and PORS have been updated to recognize pension reform legislation enacted June 2012 which changed the results disclosed in the original 2011 valuation.

In analyzing data, it's important to note that the larger the funded ratio, which is a comparison of the valuation assets to the aggregate actuarial accrued liabilities, the stronger the system. Observation of these relative indices over a period of years will give an indication of whether the system is becoming stronger or weaker.

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						
7/01/06	\$ 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%
7/01/09	25,183,062	37,150,315	11,967,253	67.8%	7,761,808	154.2%
7/01/10	25,400,331	38,774,029	13,373,698	65.5%	7,769,820	172.1%
7/01/11	25,604,823	38,011,610	12,406,787	67.4%	7,687,558	161.4%
PORS						
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%
7/01/09	3,482,220	4,564,111	1,081,891	76.3%	1,084,154	99.8%
7/01/10	3,612,700	4,850,457	1,237,757	74.5%	1,076,467	115.0%
7/01/11	3,728,241	5,122,501	1,394,260	72.8%	1,087,587	128.2%
GARS						
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%
7/01/09	45,891	68,491	22,600	67.0%	3,854	586.4%
7/01/10	43,712	68,671	24,959	63.7%	3,854	647.6%
7/01/11	41,484	74,604	33,120	55.6%	3,854	859.4%
JSRS						
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%
7/01/09	141,797	214,363	72,566	66.1%	18,661	388.9%
7/01/10	142,871	215,823	72,952	66.2%	18,661	390.9%
7/01/11	144,927	243,514	98,587	59.5%	18,661	528.3%
NGRS						
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
7/01/09	18,600	53,421	34,821	34.8%	N/A	N/A
7/01/10	19,458	54,153	34,695	35.9%	N/A	N/A
7/01/11	20,138	60,388	40,250	33.3%	N/A	N/A

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
2012	\$ 824,652	100%	\$ 134,299	100%	\$ 2,532	100%	\$ 8,414	100%	\$ 3,937	100.8%
2011	808,343	100%	129,314	100%	2,414	100%	8,414	100%	3,905	100.00%
2010	818,523	100%	123,163	100%	2,598	100%	8,414	100%	3,945	102.7%
2009	827,502	100%	124,148	100%	2,495	100%	8,414	100%	3,979	101.8%
2008	774,269	100%	114,095	100%	2,440	100%	7,613	100%	3,823	103.3%
2007	644,350	100%	106,753	100%	2,358	100%	6,706	100%	3,811	103.6%

¹For years prior to June 30, 2010, the 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 (NPO). For fiscal years ended June 30, 2010, forward, the APC was calculated as part of the actuarial valuation; therefore, the amount listed for June 30, 2010, forward contains only the ARC. The NPO is carried as an "Other Liability" in the Financial Statements of the State of South Carolina.

South Carolina Retirement Systems

Schedule of Changes in Plan Net Assets

SCRS Pension Trust Fund

Year Ended June 30, 2012

With comparative totals for the year ended June 30, 2011
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	QEBA FUND	TOTALS	TOTALS 2011
Additions						
Employee contributions						
State department employees	\$170,975	\$16,085	\$ -	\$ -	\$187,060	\$177,554
Public school employees	226,237	25,387			251,624	244,269
Other political subdivision employees	139,594	8,540			148,134	140,347
Employer contributions						
State department employees		264,575	4,763	989	270,327	267,045
Public school employees		348,134	5,794		353,928	348,280
Other political subdivision employees		197,695	2,702		200,397	193,018
Total contributions	536,806	860,416	13,259	989	1,411,470	1,370,513
Investment Income						
Net appreciation (depreciation) in fair value of investments		(54,609)	(281)		(54,890)	3,447,010
Interest and dividend income		209,633	1,077		210,710	211,510
Investment expense		(47,468)	(245)		(47,713)	(61,618)
Net income from investing activities		107,556	551		108,107	3,596,902
From securities lending activities:						
Securities lending income		77			77	587
Securities lending borrower rebates		1,117	6		1,123	580
Net income from securities lending activities		1,194	6		1,200	1,167
Total net investment income		108,750	557		109,307	3,598,069
Supplemental retirement benefits funded by the State		733			733	832
Transfers of contributions from other Systems						52
Total additions	536,806	969,899	13,816	989	1,521,510	4,969,466
Deductions						
Refunds of contributions to members	83,134				83,134	84,591
Transfers of contributions to other Systems	1,492	692			2,184	1,914
Regular retirement benefits		2,083,701		989	2,084,690	1,977,325
Deferred retirement benefits		171,096			171,096	155,874
Supplemental retirement benefits		733			733	832
Death benefits		(8)	18,303		18,295	16,485
Depreciation		107			107	107
Administrative expense		19,292	100		19,392	18,446
Total deductions	84,626	2,275,613	18,403	989	2,379,631	2,255,574
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(702,779)	702,779				
Interest credited to members' accounts	237,145	(237,145)				
Net interfund transfers	(465,634)	465,634				
Net increase (decrease)	(13,454)	(840,080)	(4,587)		(858,121)	2,713,892
Net assets held in trust for Pension Benefits						
Beginning of year	6,472,646	15,807,512	114,871		22,395,029	19,681,137
End of year	\$ 6,459,192	\$14,967,432	\$ 110,284	\$	\$21,536,908	\$22,395,029

South Carolina Retirement Systems

Schedule of Changes in Plan Net Assets

PORS Pension Trust Fund

Year Ended June 30, 2012

With comparative totals for the year ended June 30, 2011
(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	DEATH BENEFIT FUND	ACCIDENTAL DEATH FUND	TOTALS	TOTALS 2011
Additions						
Employee contributions						
State department employees	\$ 25,849	\$ 1,174	\$ -	\$ -	\$ 27,023	\$ 26,254
Public school employees	66	154			220	171
Other political subdivision employees	52,535	4,692			57,227	52,909
Employer contributions						
State department employees		42,292	742	742	43,776	42,777
Public school employees		330	6	6	342	302
Other political subdivision employees		87,289	1,489	1,403	90,181	86,235
Total contributions	78,450	135,931	2,237	2,151	218,769	208,648
Investment Income						
Net appreciation (depreciation) in fair value of investments		(6,977)	(61)	(79)	(7,117)	497,595
Interest and dividend income		30,573	266	343	31,182	30,713
Investment expense		(6,906)	(60)	(78)	(7,044)	(8,945)
Net income from investing activities		16,690	145	186	17,021	519,363
From securities lending activities:						
Securities lending income		11			11	84
Securities lending borrower rebates		163	1	2	166	84
Net income from securities lending activities		174	1	2	177	168
Total net investment income		16,864	146	188	17,198	519,531
Supplemental retirement benefits funded by the State		34			34	37
Transfers of contributions from other Systems	1,231	692			1,923	1,907
Total additions	79,681	153,521	2,383	2,339	237,924	730,123
Deductions						
Refunds of contributions to members	15,162				15,162	14,902
Transfers of contributions to other Systems						92
Regular retirement benefits		263,997			263,997	242,872
Supplemental retirement benefits		34			34	37
Death benefits			1,851		1,851	1,984
Accidental death benefits				1,551	1,551	1,534
Depreciation		10			10	11
Administrative expense		2,806	24	32	2,862	2,632
Total deductions	15,162	266,847	1,875	1,583	285,467	264,064
Interfund transfers according to statutory requirements						
Contributions by members at retirement	(105,851)	105,851				
Interest credited to members' accounts	28,318	(28,318)				
Net interfund transfers	(77,533)	77,533				
Net increase (decrease)	(13,014)	(35,793)	508	756	(47,543)	466,059
Net assets held in trust for Pension Benefits						
Beginning of year	786,724	2,465,596	28,446	36,767	3,317,533	2,851,474
End of year	\$773,710	\$2,429,803	\$28,954	\$37,523	\$3,269,990	\$3,317,533

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

GARS Pension Trust Fund

Year Ended June 30, 2012

With comparative totals for the year ended June 30, 2011

(Amounts expressed in thousands)

	Employee Fund	Employer Fund	Total	TOTALS 2011
Additions				
Contributions				
Employee contributions - State departments	\$ 724	\$ -	\$ 724	\$ 624
Employer contributions - State departments		2,532	2,532	2,414
Total contributions	<u>724</u>	<u>2,532</u>	<u>3,256</u>	<u>3,038</u>
Investment Income				
Net appreciation (depreciation) in fair value of investments		(70)	(70)	5,447
Interest and dividend income		311	311	331
Investment expense		(71)	(71)	(98)
Net income from investing activities		<u>170</u>	<u>170</u>	<u>5,680</u>
From securities lending activities:				
Securities lending income				1
Securities lending borrower rebates		2	2	1
Net income from securities lending activities		<u>2</u>	<u>2</u>	<u>2</u>
Total net investment income		<u>172</u>	<u>172</u>	<u>5,682</u>
Transfers of contributions from other Systems				<u>1</u>
Total additions	<u>724</u>	<u>2,704</u>	<u>3,428</u>	<u>8,721</u>
Deductions				
Refunds of contributions to members	31		31	57
Transfers of contributions to other Systems				147
Regular retirement benefits		6,570	6,570	6,528
Incidental death benefit claims		35	35	58
Death benefits				
Depreciation expense				
Administrative charges		30	30	32
Total deductions	<u>31</u>	<u>6,635</u>	<u>6,666</u>	<u>6,822</u>
Interfund transfers according to statutory requirements	(786)	786		
Contributions by members at retirement	<u>260</u>	<u>(260)</u>		
Interest credited to members' accounts	<u>(526)</u>	<u>526</u>		
Net interfund transfers				
Net increase (decrease)	167	(3,405)	(3,238)	1,899
Net assets held in trust for Pension Benefits				
Beginning of year	7,100	27,569	34,669	32,770
End of year	<u>\$ 7,267</u>	<u>\$ 24,164</u>	<u>\$ 31,431</u>	<u>\$ 34,669</u>

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

JSRS Pension Trust Fund

Year Ended June 30, 2012

With comparative totals for the year ended June 30, 2011

(Amounts expressed in thousands)

	EMPLOYEE FUND	EMPLOYER FUND	QEBA FUND	TOTALS	TOTALS 2011
Additions					
Contributions					
Employee contributions - State departments	\$ 2,101	\$ 198	\$ -	\$ 2,299	\$ 2,209
Employer contributions - State departments		8,303	111	8,414	8,414
Total contributions	<u>2,101</u>	<u>8,501</u>	<u>111</u>	<u>10,713</u>	<u>10,623</u>
Investment Income					
Net appreciation (depreciation) in fair value of investments		(181)		(181)	19,216
Interest and dividend income		1,226		1,226	1,216
Investment expense		(269)		(269)	(346)
Net income from investing activities		<u>776</u>		<u>776</u>	<u>20,086</u>
From securities lending activities:					
Securities lending income		1		1	3
Securities lending borrower rebates		6		6	3
Net income from securities lending activities		<u>7</u>		<u>7</u>	<u>6</u>
Total net investment income		<u>783</u>		<u>783</u>	<u>20,092</u>
Transfers of contributions from other Systems	<u>261</u>			<u>261</u>	<u>193</u>
Total additions	<u>2,362</u>	<u>9,284</u>	<u>111</u>	<u>11,757</u>	<u>30,908</u>
Deductions					
Refunds of contributions to members	134			134	
Regular retirement benefits		14,868	111	14,979	14,518
Deferred retirement benefits		192		192	232
Death benefits		134		134	128
Depreciation		1		1	
Administrative expense		110		110	104
Total deductions	<u>134</u>	<u>15,305</u>	<u>111</u>	<u>15,550</u>	<u>14,982</u>
Interfund transfers according to statutory requirements					
Contributions by members at retirement	(1,834)	1,834			
Interest credited to members' accounts	747	(747)			
Net interfund transfers	<u>(1,087)</u>	<u>1,087</u>			
Net increase (decrease)	1,141	(4,934)		(3,793)	15,926
Net assets held in trust for Pension Benefits					
Beginning of year	18,864	108,288		127,152	111,226
End of year	<u>\$ 20,005</u>	<u>\$ 103,354</u>	<u>\$ -</u>	<u>\$ 123,359</u>	<u>\$ 127,152</u>

South Carolina Retirement Systems Schedule of Changes in Plan Net Assets

NGRS Pension Trust Fund

Year Ended June 30, 2012

With comparative totals for the year ended June 30, 2011

(Amounts expressed in thousands)

	TOTALS 2012	TOTALS 2011
Additions		
Contributions		
State appropriated contributions	\$ 3,937	\$ 3,904
Total contributions	3,937	3,904
Investment Income		
Net appreciation (depreciation) in fair value of investments	(28)	2,424
Interest income	154	150
Investment expense	(33)	(43)
Income from investing activities	93	2,531
From securities lending activities:		
Securities lending income		1
Securities lending borrower rebates	1	1
Net income from securities lending activities	1	2
Total net investment income	94	2,533
State Appropriation for Administrative Expenses		
Total additions	4,031	6,437
Deductions		
Regular retirement benefits	4,065	4,011
Administrative charges	15	13
Total deductions	4,080	4,024
Net increase	(49)	2,413
Net assets held in trust for Pension Benefits		
Beginning of year	17,466	15,053
End of year	\$ 17,417	\$ 17,466

Schedule of Administrative Expenses

For the Year Ended June 30, 2012

(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
Personal Services						
Salaries and Wages	\$ 7,770	\$ 1,147	\$ 12	\$ 44	\$ 6	\$ 8,979
Employee Benefits	2,410	356	4	14	2	2,786
Contractual Services						
Data Processing Services	429	63	1	2		495
Medical & Health Services	326	48	1	2		377
Financial Audit	57	8		1		66
Actuarial Services	530	78	1	3	1	613
Other Professional Services	144	21		1		166
Legal Services	33	5				38
Operating Expenses						
Facilities Management	367	54	1	2		424
Intergovernmental Services	793	117	1	4	1	916
Transfers to Investment Commission	5,857	864	9	33	5	6,768
Telephone	112	17		1		130
Insurance	224	33		1		258
Postage	217	32		1		250
Supplies	79	12		1		92
Other Miscellaneous Expenses	44	7				51
Total Administrative Expenses	<u>\$ 19,392</u>	<u>\$ 2,862</u>	<u>\$ 30</u>	<u>\$ 110</u>	<u>\$ 15</u>	<u>\$ 22,409</u>

Schedule of Professional and Consultant Fees

For the Year Ended June 30, 2012

(Amounts expressed in thousands)

Professional/Consultant	Nature of Service	Amounts Paid
Cavanaugh Macdonald Consulting	Actuary Services	\$ 13
CliftonLarsonAllen	Audit	66
Data Network	IT Maintenance & support	43
Document Systems Inc.	IT tape storage & Imaging records storage	12
ERP Analysts Inc.	IT Maintenance & support	27
Gabriel Roeder Smith & Company	Actuary Services	600
Ice Miller	IRC Consulting Services	29
SHI International	IT Maintenance & Support	63
Software AG Inc.	IT Enterprise License & Maintenance	96
Southern Imaging Group	Annual Member Statements	42
Spartantec Inc.	IT Services software and license	12
Specialty Underwriters LLC	IT Maintenance and support	64
Summit Strategies Inc.	Optional Retirement Plan Consultants	118
Vocational Rehabilitation	Disability Case Evaluations	377
		<u>\$ 1,562</u>

South Carolina Retirement Systems

Schedule of Investment Fees and Expenses¹

Year Ended June 30, 2012

(Amounts expressed in thousands)

	SCRS	PORS	GARS	JSRS	NGRS	TOTALS
Investment Manager Fees Invoiced:						
Aberdeen Asset Management ²	\$ 786	\$ 117	\$ 1	\$ 4	\$ 1	\$ 909
Aronson + Johnson + Ortiz LP	243	36		1		280
Blackrock Financial Management	963	142	2	5	1	1,113
Bridgewater Associates, Inc. ³	13,282	1,952	20	75	9	15,338
Capital Guardian	1,139	168	2	6	1	1,316
Grantham, Mayo, Van Otterloo & Co. LLC	3,635	538	5	21	2	4,201
Integrity Asset Management, LLC	1,109	164	2	6	1	1,282
Jamison, Eaton & Wood	269	40		2		311
Loomis Sayles (Global Fixed Income)	1,303	193	2	7	1	1,506
Loomis Sayles (High Yield)	697	103	1	4		805
Mondrian Investment Group, Inc.	1,760	260	3	10	1	2,034
Och-Ziff Real Estate	537	78	1	3		619
Penn Capital	395	58	1	2		456
Penn Capital Limited Term ²	325	48		2		375
Pacific Investment Management Co.	2,037	301	3	12	1	2,354
Post Advisory Group	743	110	1	4	1	859
Post Advisory Group Limited Duration Portfolio	991	147	1	6	1	1,146
Putnam Investments	3,321	491	5	19	2	3,838
Pyramis Global Advisors	1,517	225	2	9	1	1,754
Russell Investment Group	1,310	194	2	7	1	1,514
Schroders	2,556	378	4	14	2	2,954
Strategos	1,104	163	2	6	1	1,276
TimesSquare Capital Management, LLC	2,476	366	4	14	2	2,862
Thompson, Seigel & Walmsley, Inc.	1,383	205	2	8	1	1,599
Turner Investment Partners, Inc.	1,543	228	2	9	1	1,783
Western Asset Management Co.	909	135	1	5	1	1,051
William Blair ²	18	3				21
Total Investment Manager Fees Invoiced	<u>46,351</u>	<u>6,843</u>	<u>69</u>	<u>261</u>	<u>32</u>	<u>53,556</u>
Bank Fees and Investment Expenses	<u>1,362</u>	<u>201</u>	<u>2</u>	<u>8</u>	<u>1</u>	<u>1,574</u>
Total Investment Management Fees	<u>\$ 47,713</u>	<u>\$ 7,044</u>	<u>\$ 71</u>	<u>\$ 269</u>	<u>\$ 33</u>	<u>\$ 55,130</u>
Securities Lending Expenses:						
Borrower Rebates	<u>\$ (1,123)</u>	<u>\$ (166)</u>	<u>\$ (2)</u>	<u>\$ (6)</u>	<u>\$ (1)</u>	<u>\$ (1,298)</u>
Total Securities Lending Expenses	<u>\$ (1,123)</u>	<u>\$ (166)</u>	<u>\$ (2)</u>	<u>\$ (6)</u>	<u>\$ (1)</u>	<u>\$ (1,298)</u>

¹A significant number of 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 from specific investment income as of the financial statement reporting date, amounts are recorded and reported net of fees and therefore are not included on this schedule.

²Manager hired during fiscal year 2012.

³Effective January 1, 2012, Bridgewater Associates changed from directly invoicing manager fees to a net of fee structure.

Investment Section



Creating the framework



Framing a house involves building a support system, or framework, of studs, joists and rafters to which interior and exterior walls and the roof are attached. Thousands of pieces of wood are cut to precise dimensions and accurately assembled to support the structure and its contents. The state's pension plans, administered by the South Carolina Retirement Systems, are funded by employee contributions, employer contributions and investments. The South Carolina Retirement System Investment Commission prudently invests the plans in a variety of funds and asset classes to ensure that the portfolio is diversified and will be able to generate significant long-term returns.

REYNOLDS WILLIAMS, I.D., CFP
CHAIRMAN
EDWARD N. GIOBBE
VICE CHAIRMAN
WILLIAM M. BEUME, JR., CFA
COMMISSIONER
ALLEN R. GILLESPIE, CFA
COMMISSIONER



SOUTH CAROLINA RETIREMENT SYSTEM
INVESTMENT COMMISSION
1201 MAIN STREET | SUITE 1510 | COLUMBIA, SC | 29201

CURTIS M. LOFTIS, JR.
COMMISSIONER
JAMES R. POWERS
COMMISSIONER
S. TRAVIS PRITCHETT, D.B.A.
COMMISSIONER
HERSHEL HARPER, JR., CFA
CHIEF INVESTMENT OFFICER

November 30, 2012

The Honorable Nikki Haley, Governor
Budget and Control Board
Members of the General Assembly of South Carolina

Dear Ladies and Gentlemen:

On behalf of the Retirement System Investment Commission (RSIC), it is our pleasure to provide the enclosed report on the investments of the South Carolina Retirement Systems' (Retirement System) portfolio for Fiscal Year Ending 2012 (FYE 2012). The RSIC was created in 2005 as a fiduciary for the Retirement System to assume full responsibility of investing and managing all assets of the Retirement System.

FYE 2012 Investment Performance Review

The trailing one-year period as of June 30, 2012 proved to be a challenging year for long-term investors as economic growth continued to sputter and stall, as the effects and limited recovery from the financial crisis of 2008-2009 remained evident. Key events such as the continued government interventions through easing monetary policy, the downgrade of the United States' credit rating, the slowing of global growth, the ongoing debt crisis in Europe, and the instability in the Middle East led to significant volatility in the market.

The RSIC portfolio ended FYE 2012 with a market value of \$25.3 billion and returned 0.4% net of fees compared to the Policy benchmark's return of 0.6%. The Portfolio's underperformance to the Policy benchmark was due primarily to allocation decisions and reducing risk in the portfolio. Additionally, the need for liquidity remains important as the Portfolio distributed \$1.0 billion in net retiree obligations, or approximately 4.0% of the Portfolio's assets.

On a relative basis, the Portfolio's underweight to real estate was the most significant detractor to the Portfolio's return, as the NCREIF Property Index was up 12.0%. The underweight of emerging market debt, relative to the policy benchmark, also detracted from the Portfolio's return, as the JP Morgan EMBI Global Diversified was up 9.8%. To a lesser extent, the combination of an underweight to total equities along with an overweight to cash and short duration in the second half of FYE 2012 during a broad market rally detracted from performance.

Asset Allocation Targets

While long-term target allocations remained unchanged during fiscal year 2012, the RSIC reduced public equity during the latter part of the fiscal year to 24.3%, as compared to its target allocation of 30.0%. The reduction in exposure was across all equity strategies with the largest decrease in International Equity of

Investment Section

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The Honorable Nikki Haley, Governor
Budget and Control Board
Members of the General Assembly of South Carolina
November 30, 2012

5.2%. This conservative positioning is related to growing concerns from the potential for slowing economic growth, as well as the unresolved fiscal crises in Europe.

Fixed Income exposure was reduced in preparation for changes to the Policy asset allocation that would become effective July 1, 2012. The major fixed income strategy shifts included a 2.9% reduction in global fixed income exposure and a 1.5% reduction in emerging markets debt. Core Fixed Income scaled back to 9.0% of the Portfolio, versus the policy target of 10.0%.

The RSIC maintained a significant weight to cash and short duration assets to ensure the ability to meet the liquidity requirements and as a defensive posture. The cash position was 6.7%, which is invested in very liquid, money market type instruments. The short duration position of 8.9% consists of treasury notes, high yield bonds, and bank loans with a maximum remaining maturity of three years. The cash and short duration investments will be a source for paying benefit obligations, rebalancing to other assets, and funding capital calls for existing commitments to investments in real estate and private equity.

Operations

During Fiscal Year 2012, the Commission formalized an Audit Committee, completed a strategic risk assessment with an outside consultant, and recruited both a Director of Internal Audit and Compliance and an Internal Audit and Compliance Officer, positions that did not previously exist. Furthermore, the investment and operations staff was augmented through hiring several new positions including a Director of Private Markets, Private Markets Staff, a Director of Information Technology, and a Reporting Officer which has positively impacted the Commission. The Commission will continue to work toward a more robust operational infrastructure in the future, pursuing both technology and human resource improvements.

Looking Ahead

Our expectations continue to be for relatively modest returns for the next several years. The Commission continues to see significant issues which give us concern when calculating the future investment climate. We expect a continued period of extraordinarily low interest rates as the Federal Reserve continues its commitment to using monetary policy to keep interest rates low and stimulate economic growth. This, however, leads to a challenging environment for bonds, as the yield on the 10-Year Treasury bond is currently below 2.0%. We continue to expect an extended period of low growth as the deleveraging process continues across the US and developed economies. Further, the debt crisis in Europe will continue to be a challenge for the foreseeable future as sovereign debt concerns, austerity measures, and leadership changes from political fallout combine to weigh on Europe's economy. Should Europe fall into recession, we feel certain there will be spillover effects into the US economy. In addition, uncertainty surrounds China's economy as high real estate prices, low domestic consumer demand, and an erosion of low-cost competitive advantage due to higher wages and costs weighs down their economic growth. There is growing concern over whether China will be able to guide its economy to a soft landing or experience a hard crash. Finally, there is much uncertainty and concern over whether a deeply divided Washington will be able to compromise on handling the upcoming Fiscal Cliff and the implications that action taken will have on our recovering economy.

Page 3 of 3
The Honorable Nikki Haley, Governor
Budget and Control Board
Members of the General Assembly of South Carolina
November 30, 2012

In sum, we are cautious about investment returns in the upcoming years because of the continued low interest rate environment, low growth across developed countries, expected volatility as the European debt crisis has yet to abate, and uncertainty surrounding the Fiscal Cliff. We believe that the best opportunities to achieve higher returns without taking on higher risk will be through continued investment in private markets and real estate and maintaining a diversely allocated portfolio, avoiding concentration risk. Additionally, we remain committed to continuing our emphasis on controlling the total cost of the Portfolio.

While the investment return environment is challenging, we are committed to serving the best interests of the participants and beneficiaries of the Retirement System, and we will continue to manage the assets of the Portfolio in a prudent and open manner, seeking superior returns at acceptable levels of risk.

We are honored to serve as the Investment Commission's Chairman and CEO/CIO.

Sincerely,


Allen Gillespie, CFA
Chairman for the period July 1, 2010 – June 30, 2012


Hershel Harper, Jr., CFA
Chief Investment Officer

The investment performance information provided in the Investment Section of the *Comprehensive Annual Financial Report* is provided by the Systems' custodian, BNY Mellon, and is independently calculated using a time weighted rate of return.

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

Year Ended June 30,	Fair Value of Investments¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2012	\$ 22,105,265	(4.85%)	\$ 108,107	(96.99%)
2011	23,232,653	17.26%	3,596,902	37.67%
2010	19,812,203	8.62%	2,612,663	154.95%
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%

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

Year Ended June 30,	Fair Value of Investments¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2012	\$ 3,299,647	(2.58%)	\$ 17,021	(96.72%)
2011	3,386,895	19.93%	519,363	43.25%
2010	2,824,156	11.33%	362,566	156.79%
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%

¹Fair Value also includes investment categories classified as cash equivalents for financial statement purposes. Investments made with cash collateral received in the securities lending program are excluded.

General Assembly Retirement System
Summary of Investment Growth
(Amounts expressed in thousands)

Year Ended June 30,	Fair Value of Investments¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2012	\$ 31,843	(10.27%)	\$ 170	(97.01%)
2011	35,488	8.65%	5,680	22.36%
2010	32,662	2.79%	4,642	149.34%
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%

Judges and Solicitors Retirement System
Summary of Investment Growth
(Amounts expressed in thousands)

Year Ended June 30,	Fair Value of Investments¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2012	\$ 125,255	(3.91%)	\$ 776	(96.14%)
2011	130,357	17.65%	20,086	37.14%
2010	110,798	9.44%	14,646	154.77%
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%

¹Fair value also includes investment categories classified as cash equivalents for financial statement purposes. Investments made with cash collateral received in the securities lending program are excluded.

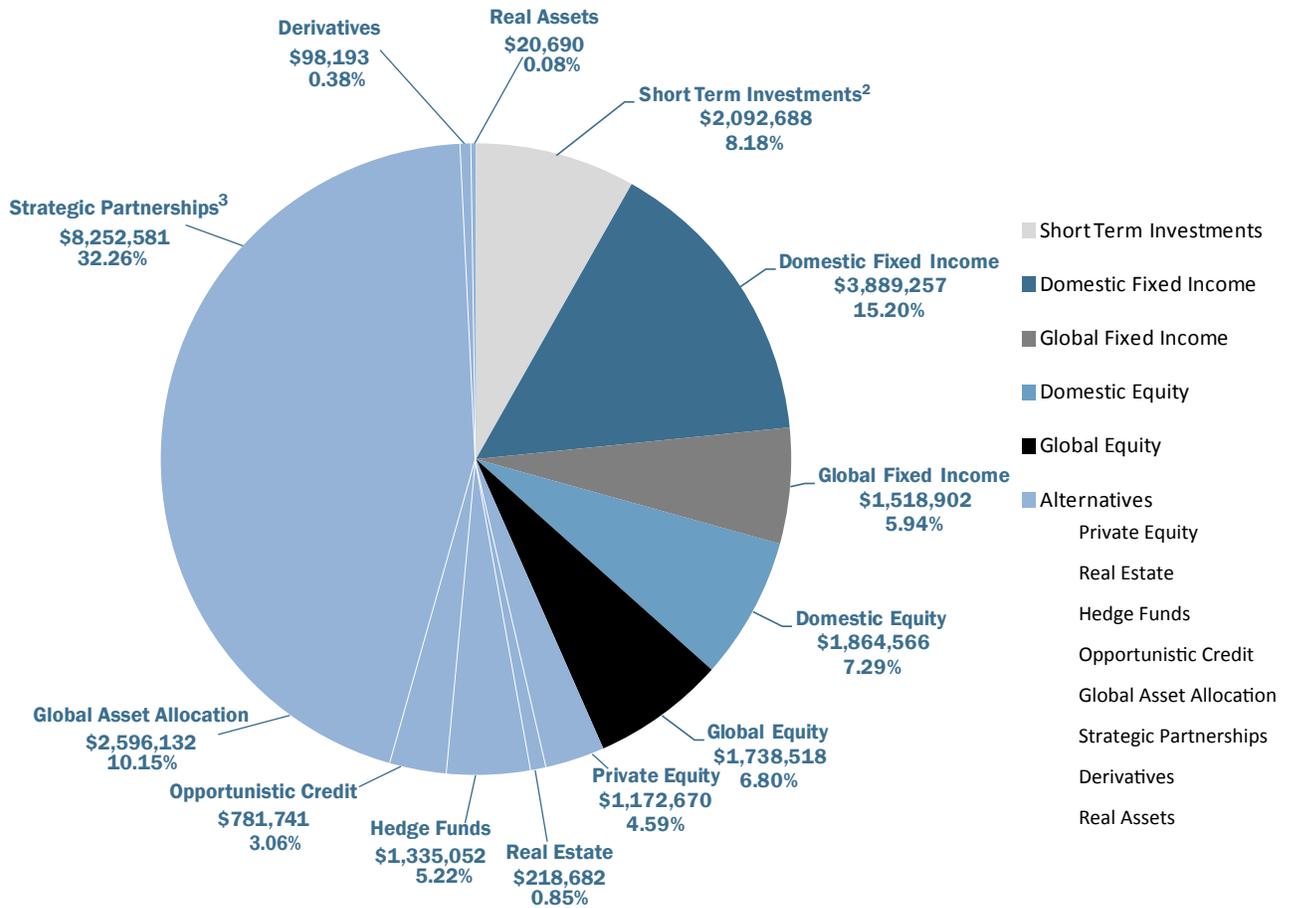
National Guard Retirement System
Summary of Investment Growth
(Amounts expressed in thousands)

Year Ended June 30,	Fair Value of Investments¹	% Increase for Year	Net Income (Loss) from Investments	% Increase for Year
2012	\$ 17,662	(1.13%)	\$ 93	(96.33%)
2011	17,864	19.04%	2,531	35.71%
2010	15,007	16.25%	1,865	146.39%
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	

¹Fair value also includes investment categories classified as cash equivalents for financial statement purposes. Investments made with cash collateral received in the securities lending program 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.

**South Carolina Retirement Systems
Schedule of Total Asset Allocation¹
Fair Value of Investments as of June 30, 2012
(Dollar amounts expressed in thousands)**



¹Data provided in this chart is derived from the Statement of Plan Net Assets and for financial statement purposes, allocations are made based on the manager's style. Actual underlying holdings would result in a different allocation.

²Short-term investments with an original maturity of three months or less were classified as cash equivalents for financial statement purposes. The short-term total includes cash of \$24,551 (in thousands). Investments made with cash collateral received in the securities lending program are excluded.

³Strategic Partnerships include investments in private equity, real estate/assets, opportunistic credit, high yield, short duration and cash.

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

	South Carolina Retirement System			Police Officers Retirement System		
	Fair Value		% of	Fair Value		% of
	06/30/2011	06/30/2012	Fair Value at 06/30/12	06/30/2011	06/30/2012	Fair Value at 06/30/12
Short-Term Investments	\$2,543,705	\$1,797,965	8.14%	\$ 377,757	\$276,963	8.40%
Debt:						
Domestic Fixed Income	3,309,873	3,362,727	15.21%	481,410	500,532	15.17%
Global Fixed Income	2,780,555	1,313,272	5.94%	404,422	195,477	5.92%
Public Equity:						
Domestic Equity	1,808,944	1,612,140	7.29%	263,105	239,962	7.27%
Global Equity	1,075,869	1,503,156	6.80%	156,482	223,741	6.78%
Alternatives	11,713,707	12,516,005	56.62%	1,703,719	1,862,972	56.46%
Total Investments	<u>\$ 23,232,653</u>	<u>\$ 22,105,265</u>	<u>100.00%</u>	<u>\$ 3,386,895</u>	<u>\$ 3,299,647</u>	<u>100.00%</u>

	General Assembly Retirement System			Judges & Solicitors Retirement System		
	Fair Value		% of	Fair Value		% of
	06/30/2011	06/30/2012	Fair Value at 06/30/12	06/30/2011	06/30/2012	Fair Value at 06/30/12
Short-Term Investments	\$ 4,514	\$ 3,905	12.26%	\$ 15,064	\$ 11,421	9.12%
Debt:						
Domestic Fixed Income	4,955	4,626	14.53%	18,445	18,850	15.05%
Global Fixed Income	4,163	1,806	5.67%	15,495	7,362	5.88%
Public Equity:						
Domestic Equity	2,708	2,218	6.97%	10,080	9,037	7.21%
Global Equity	1,611	2,068	6.49%	5,996	8,426	6.73%
Alternatives	17,537	17,220	54.08%	65,277	70,159	56.01%
Total Investments	<u>\$ 35,488</u>	<u>\$ 31,843</u>	<u>100.00%</u>	<u>\$ 130,357</u>	<u>\$ 125,255</u>	<u>100.00%</u>

	National Guard Retirement System		
	Fair Value		% of
	06/30/2011	06/30/2012	Fair Value at 06/30/12
Short-Term Investments	\$ 2,989	\$ 2,434	13.78%
Debt:			
Domestic Fixed Income	2,380	2,522	14.28%
Global Fixed Income	1,999	985	5.58%
Public Equity:			
Domestic Equity	1,301	1,209	6.84%
Global Equity	773	1,127	6.38%
Alternatives	8,422	9,385	53.14%
Total Investments	<u>\$ 17,864</u>	<u>\$ 17,662</u>	<u>100.00%</u>

Note: Fair value excludes investments made with cash collateral received in the securities lending program. Assets of the systems are pooled for investment purposes; however, percentages vary slightly between systems due to cash flow differences, which primarily impact the short-term investment category.

South Carolina Retirement Systems List of Largest Assets Held As of June 30, 2012

Top Ten Equity Holdings

Units	Description	SCRS	PORS	GARS	JSRS	NGRS	Fair Value
307,700	Exxon Mobil Corp	\$ 22,765,330	\$ 3,388,555	\$ 31,320	\$ 127,613	\$ 17,071	\$ 26,329,889
173,300	Chevron Corp	15,807,964	2,352,971	21,748	88,613	11,854	18,283,150
167,600	Davita Inc	14,231,630	2,118,338	19,580	79,776	10,672	16,459,996
484,300	Wells Fargo & Co	14,002,503	2,084,233	19,264	78,492	10,500	16,194,992
408,900	JP Morgan Chase & Co	12,632,086	1,880,250	17,379	70,810	9,472	14,609,997
255,090	SBA Communications Corp	12,582,706	1,872,900	17,311	70,533	9,435	14,552,885
547,600	Pfizer Inc	10,889,707	1,620,902	14,982	61,043	8,166	12,594,800
336,300	AT&T Inc	10,368,911	1,543,383	14,265	58,124	7,775	11,992,458
173,260	Mednax Inc	10,267,561	1,528,298	14,126	57,556	7,699	11,875,240
214,599	Genesee & Wyoming Inc	9,804,273	1,459,338	13,489	54,959	7,352	11,339,411
Total							\$ 154,232,818

Top Ten Fixed Income Holdings

Par Value	Description	SCRS	PORS	GARS	JSRS	NGRS	Fair Value
\$ 136,245,000	US Treasury Note 1.750% due 05/15/2022	\$ 118,757,772	\$ 17,676,758	\$ 163,385	\$ 665,705	\$ 89,052	\$ 137,352,672
75,700,000	US Treasury Note 0.875% due 01/31/2017	66,019,148	9,826,763	90,828	370,075	49,505	76,356,319
69,000,000	Commit to Purchase FNMA 4.500% due 08/01/2042	63,947,003	9,518,330	87,977	358,459	47,951	73,959,720
51,700,000	Commit to Purchase FNMA 3.500% due 07/01/2042	46,984,584	6,993,522	64,640	263,375	35,232	54,341,353
50,000,000	Leggett & Platt due 07/27/2012	43,218,079	6,432,889	59,459	242,262	32,408	49,985,097
46,900,000	US Treasury Note 2.000% due 11/15/2021	42,042,909	6,257,968	57,842	235,675	31,526	48,625,920
42,170,000	US Treasury Note 0.250% due 04/30/2014	36,416,878	5,420,549	50,102	204,137	27,308	42,118,974
34,549,697	GNMA Pool #0550657 5.500% due 09/15/2035	33,270,016	4,952,147	45,772	186,497	24,948	38,479,380
37,000,000	FMC Tech Inc due 09/26/2012	31,952,952	4,756,106	43,960	179,115	23,960	36,956,093
35,000,000	Florida Power & Light due 07/18/2012	30,257,473	4,503,739	41,628	169,610	22,689	34,995,139
Total							\$ 593,170,667

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

South Carolina Retirement Systems Schedule of Investment Results Combined Investment Portfolio

Benchmarks

Fiscal Year ended June 30,	Benchmarks											
	91 Day Treasury Bill Index	Barclays Capital U.S. Aggregate ¹	Barclays Capital Global Aggregate ¹	S&P Equity Index	MSCI EAFE Net	Venture Economics-All Private Equity 1Q in Hedge Fund Arrears	HFRX Global Index	50% MSCI World, 50% Citi WGBI	Barclays Capital U.S. High Yield Index ¹	NCREIF Property Index	Consumer Price Index (CPI) ²	Assumed Rate of Return
2012	0.55%	7.47%	2.73%	5.45%	-13.83%	9.59%	-5.76%	-0.74%	7.27%	12.04%	1.92%	7.50%
2011	0.16%	3.90%	10.51%	30.69%	30.36%	19.75%	4.22%	20.35%	15.63%	16.73%	3.40%	8.00%
2010	0.16%	9.50%	5.00%	14.43%	5.92%	21.54%	6.13%	6.94%	26.77%	-1.48%	1.15%	8.00%
2009	0.95%	6.05%	2.75%	-26.21%	-31.35%	-22.71%	-18.14%	-13.44%	-2.40%	-19.56%	-1.40%	8.00%
2008	3.63%	7.12%	12.89%	-13.12%	-10.61%	12.20%	-3.00%	2.74%	-2.26%	9.21%	4.63%	8.00%
2007	5.21%	6.12%	4.67%	20.59%	27.00%	22.78%	12.72%	12.85%	11.55%	17.25%	2.71%	7.25%
2006	3.99%	-0.81%	0.25%	8.64%	26.56%	25.98%	7.81%	8.09%	4.80%	18.68%	4.33%	7.25%
2005	2.15%	6.80%	7.51%	6.32%	13.65%	17.48%	1.11%	8.90%	10.86%	18.02%	2.53%	7.25%
2004	0.98%	0.33%	4.61%	19.10%	32.37%	22.80%	4.70%	14.63%	10.33%	10.84%	3.27%	7.25%
2003	1.53%	10.40%	14.90%	0.25%	-6.46%	-11.78%	9.66%	7.37%	22.76%	7.64%	2.11%	7.25%
3-Year Annualized	0.12%	6.93%	6.03%	16.40%	5.96%	16.68%	1.39%	8.51%	16.29%	8.81%	2.16%	
5-Year Annualized	0.98%	6.79%	6.70%	0.22%	-6.10%	6.43%	-3.72%	2.59%	8.45%	2.50%	1.93%	
10-Year Annualized	1.87%	5.63%	6.49%	5.33%	5.14%	10.29%	1.56%	6.39%	10.16%	8.29%	2.44%	
	Actual Performance³											
Fiscal Year ended June 30,	Cash ⁴	Domestic Fixed Income	Non-Core Fixed Income ⁵	Domestic Equity	Non U. S. Equity	Private Equity	Hedge Fund	Global Asset Allocation	Opportunistic Credit	Real Estate	Total Portfolio ⁶	
2012	-1.05%	7.76%	2.60%	0.71%	-16.62%	4.90%	2.44%	8.66%	1.38%	3.17%	0.61%	
2011	1.16%	4.74%	14.30%	38.68%		20.18%	11.62%	18.90%	12.49%	5.76%	18.59%	
2010	-0.87%	12.23%	18.00%	19.53%		12.37%	9.73%	13.72%	26.47%	12.02%	14.62%	
2009	0.82%	4.33%	1.72%	-28.48%		-16.02%	-13.22%	-19.21%	-14.18%		-19.60% ⁷	
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%	
3-Year Annualized	0.40%	8.20%	11.44%	19.51%		12.31%	7.81%	13.68%	13.21%	6.92%	11.00%	
5-Year Annualized	9.57%	6.89%		0.90%		2.76%	2.31%				1.46%	
10-Year Annualized		6.18%		5.84%							4.98%	

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 follow the Bank Administration Institute's recommendations on cash flows. No returns are stated for periods of time for which the Systems was not invested in specific markets.

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.

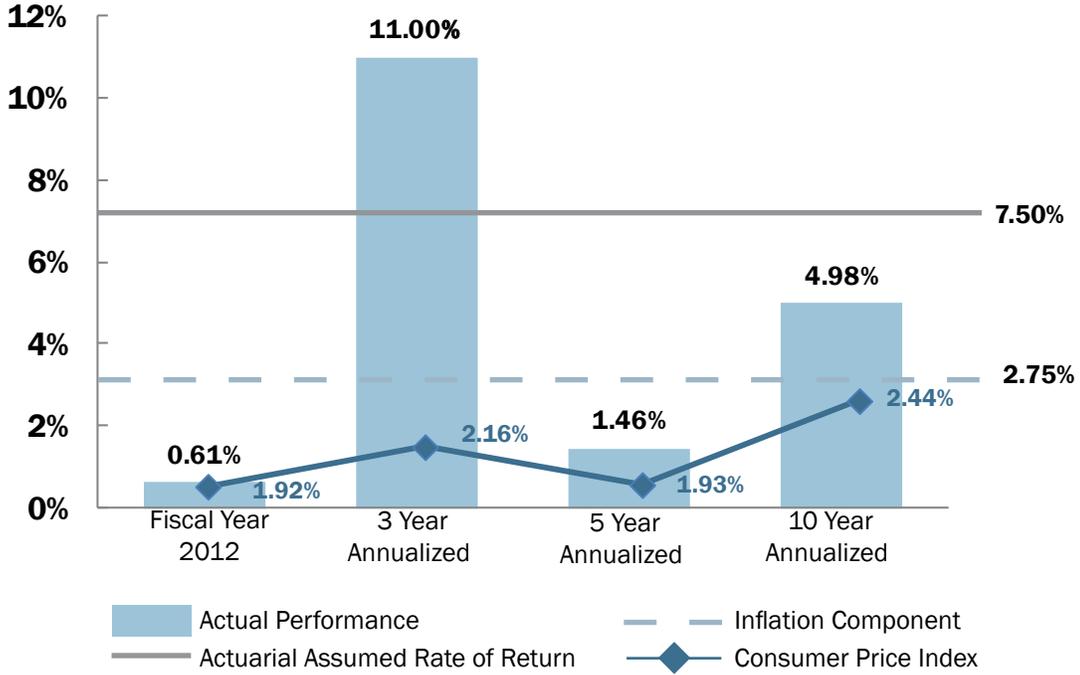
⁵Non-Core Fixed Income is comprised of high yield, global fixed income and emerging market debt.

⁶Returns generated from the synthetic allocations to Domestic Fixed Income, Domestic Equity, and Non U.S. Equity are reflected in the Total Portfolio returns, but they are not specifically included in the individual corresponding asset classes. Total Portfolio Returns reported on this schedule were determined by the custodial bank and are not intended to represent a net of fee return and therefore, amounts may differ from net returns published by the RSIC.

⁷Fiscal year 2009 performance was adjusted for a securities lending loss that was recognized in fiscal year 2009 for financial statement purposes. This adjustment resulted in total performance being restated from -19.04% to -19.60%.

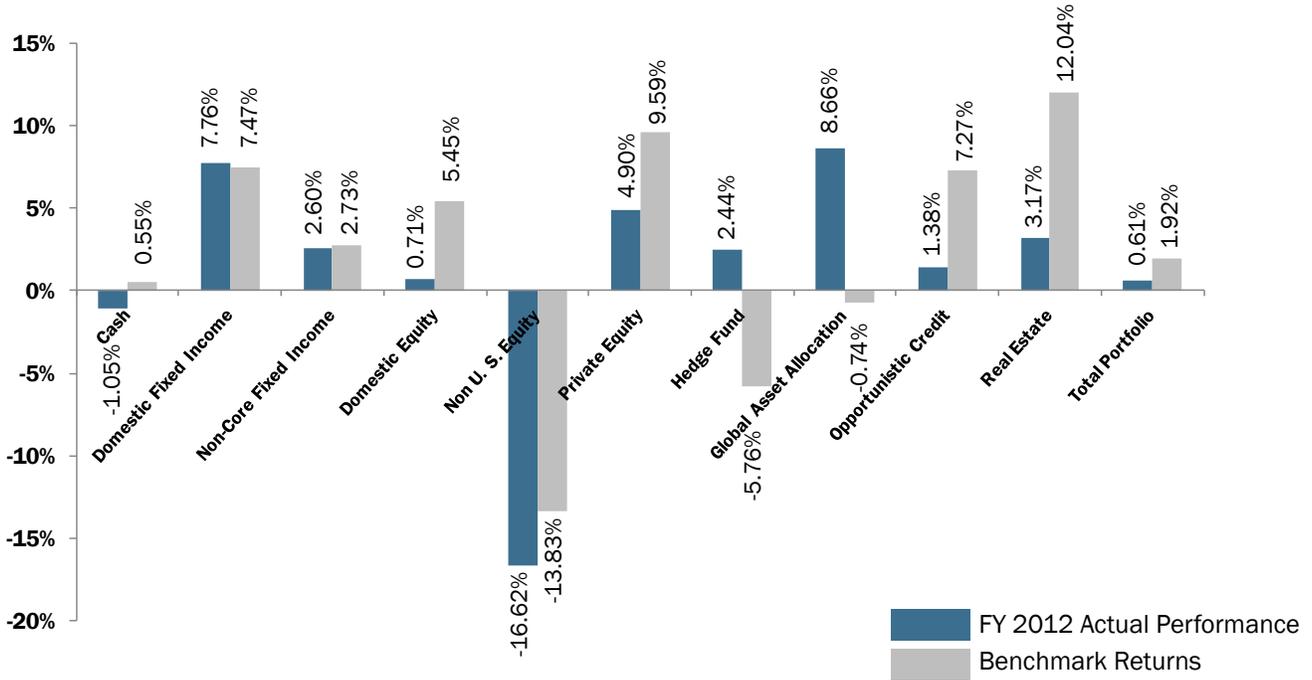
Investment Section

South Carolina Retirement Systems Investment Performance Summary



Note: The actuarial assumed rate of return is 7.50 percent starting with returns after July 1, 2011, and is composed of an assumed 2.75 percent inflation rate and a 4.75 percent real rate of return, net of investment and administrative expenses.

Fiscal Year 2012 Investment Performance by Market Segment



Note: The Commission adopted an asset allocation model in April 2011 expected to generate a gross annual investment return of 8.33 percent for the total portfolio and returns for individual asset classes are compared to industry benchmarks for each respective asset class.

South Carolina Retirement Systems
Schedule of Investment Fees and Commissions
For the Year Ended June 30, 2012

	Fair Value of Assets under Management at June 30, 2012 ¹	Manager Fees Directly Invoiced ⁴
Investment Managers' Fees	\$ 25,441,503,941	\$ 53,556,385
Other Investment Service Fees:		
Bank Fees and Investment Expenses		1,573,565
		\$ 55,129,950

Brokerage Firm	Number of Shares Traded	Commissions ²	Average Commissions per Share
Goldman Sachs & Co.	1,321,370	\$ 1,448,157	\$ 1.0960
Investment Technology Group	15,775,043	284,340	0.0180
Liquidnet, Inc.	8,572,165	184,029	0.0215
Deutsche Bank Securities Inc.	7,438,244	148,844	0.0200
Credit Suisse	6,507,823	133,066	0.0204
UBS Securities LLC	9,773,278	104,950	0.0107
Merrill Lynch Pierce Fenner Smith, Inc.	3,594,295	94,909	0.0264
Barclays Capital LE	4,388,672	80,160	0.0183
Baird, Robert W. & Co., Inc.	1,790,035	71,870	0.0401
Stifel Nicolaus	1,651,817	66,345	0.0402
SG Americas Securities LLC	6,520,800	62,649	0.0096
RBC Capital Markets LLC	2,502,498	62,405	0.0249
ITG Inc.	3,497,056	57,703	0.0165
Knight Clearing Services LLC	2,563,629	55,467	0.0216
Wells Fargo Securities LLC	1,306,478	53,557	0.0410
Goldman Sachs Execution & Clearing	3,109,107	53,479	0.0172
Pershing LLC	2,254,658	53,270	0.0236
Jefferies & Co., Inc	2,166,054	53,136	0.0245
All others ³	39,675,492	1,286,740	0.0324
	124,408,514	\$4,355,076	\$ 0.0350

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 129 additional brokers each receiving less than \$50,000 in total commissions.

⁴Amount does not include all manager fees as a significant number of investment managers provide account valuations on a net of fee basis. In compliance with Generally Accepted Accounting Procedures, these investment expenses are netted against investment income and because the amounts are not readily separable from specific investment income as of the financial statement reporting date, such amounts are not included as a separate expense line item in the Statement of Changes in Plan Net Assets.

South Carolina Retirement Systems
Schedule of Investment Managers and Fees
For the Year Ended June 30, 2012
(Amounts expressed in thousands)

Style	Investment Manager	Initial Funding Date	Fair Value of Assets under Management at June 30, 2012 ¹	Manager Fees Directly Invoiced	Manager Fees Deducted on a Net of Fee Basis ²	Total Investment Manager Fees
Beta Overlay						
	Russell Investment Group	May 29, 2007	\$ 951,946	\$ 1,514	\$ -	\$ 1,514
Core Fixed Income						
	Blackrock Financial Management, Inc.	June 1, 2009	1,096,082	1,113		1,113
	Pacific Investment Management Co.	May 1, 2009	1,147,224	2,354		2,354
Emerging Market Debt						
	Capital Guardian Trust Co.	June 1, 2009	331,409	1,316	109	1,425
Emerging Market Equity						
	Aberdeen ³	October 3, 2011	164,287	909		909
	Capital International	January 5, 2011	318,649		2,363	2,363
	Dimensional Fund Advisors	September 17, 2010	300,020		1,944	1,944
	LSV ³	July 1, 2011	244,624		2,497	2,497
	Schroders	September 17, 2010	448,007	2,954	303	3,257
Global Asset Allocation						
	Bridgewater Associates, Inc.	August 1, 2007	963,939		3,635	3,635
	Grantham, Mayo, Van Otterloo & Co LLC	August 31, 2007	773,992	4,201	2,554	6,755
	Putnam Investments	January 17, 2008	858,201	3,838		3,838
Global Fixed Income						
	Amundi Asset Management ⁴	September 19, 2007				
	Loomis Sayles	August 1, 2007	243,857	1,506		1,506
	Mondrian Investment Group, Inc.	August 15, 2007	431,852	2,034		2,034
	Western Asset Management Co.	August 1, 2007	221,171	1,051	389	1,440
Hedge Funds						
	Bridgewater Associates, Inc. ⁵	July 2, 2007	278,854	15,338	5,952	21,290
	Bridgewater Associates, Inc. ⁵	February 1, 2011	84,234			
	Chilton Investment Co. ⁴	October 4, 2010			955	955
	D.E. Shaw LLC	July 2, 2007	317,858		13,304	13,304
	Gottex	September 28, 2007	194,613		2,425	2,425
	Loomis Sayles	May 13, 2010	370,555		4,264	4,264
	W. L. Ross	September 12, 2008	75,711		1,861	1,861

South Carolina Retirement Systems
Schedule of Investment Managers and Fees
For the Year Ended June 30, 2012
(Amounts expressed in thousands)

<u>Style</u>	<u>Investment Manager</u>	<u>Initial Funding Date</u>	<u>Fair Value of Assets under Management at June 30, 2012¹</u>	<u>Manager Fees Directly Invoiced</u>	<u>Manager Fees Deducted on a Net of Fee Basis²</u>	<u>Total Investment Manager Fees</u>
High Yield						
	Loomis Sayles	May 2, 2008	\$ 165,940	\$ 805	\$ -	\$ 805
	Post Advisory Group	March 9, 2010	126,174	858	1	859
Large Cap Value (Included in Various Other Managers Not Separately Listed)						
Limited Term High Yield						
	Post Advisory Group	May 11, 2010	243,067	1,146		1,146
Opportunistic Credit						
	Angelo Gordon, LP	June 17, 2008	40,821		(1,708)	(1,708)
	Avenue Partners	March 13, 2009	23,741		(735)	(735)
	Avenue Partners	November 1, 2010	89,958		1,178	1,178
	Avenue Partners ³	March 9, 2012	27,940		1,042	1,042
	D. E. Shaw	July 16, 2008	129,923		2,938	2,938
	Sankaty Advisors	July 15, 2008	166,992		5,037	5,037
	Selene Investment Partners	July 24, 2008	72,803		(1,995)	(1,995)
	Selene Investment Partners	March 31, 2011	65,924		3,644	3,644
	Strategos Capital Management, LLC	October 7, 2009	262,996	1,276		1,276
	Torchlight (ING Clarion)	May 11, 2009	103,357		1,474	1,474
	W. L. Ross	June 17, 2010	65,220		587	587
Private Equity						
	Aquiline Capital Partners, LLC	March 28, 2007	105,065		1,050	1,050
	Aquiline Capital Partners, LLC	December 27, 2010	12,363		2,122	2,122
	Bridgepoint Europe	November 14, 2008	46,083		814	814
	Carousel Capital Partners ³	August 31, 2011	(459)		925	925
	Clayton, Dubilier & Rice	January 12, 2009	65,459		2,179	2,179
	Crestview Partners LP	November 6, 2008	76,175		2,267	2,267
	Goldman Sachs & Co.	December 19, 2007	34,151		1,571	1,571
	Industry Ventures	March 27, 2009	35,264		1,113	1,113
	Industry Ventures	June 16, 2011	23,307		2,321	2,321
	Lexington Partners	October 9, 2008	25,082		755	755
	Lexington Partners	July 14, 2010	47,172		1,622	1,622

South Carolina Retirement Systems
Schedule of Investment Managers and Fees
For the Year Ended June 30, 2012
(Amounts expressed in thousands)

<u>Style</u>	<u>Investment Manager</u>	<u>Initial Funding Date</u>	<u>Fair Value of Assets under Management at June 30, 2012¹</u>	<u>Manager Fees Directly Invoiced</u>	<u>Manager Fees Deducted on a Net of Fee Basis²</u>	<u>Total Investment Manager Fees</u>
	Neuberger Berman	May 22, 2008	\$ 35,620	\$ -	\$ 1,181	\$ 1,181
	Northstar Capital LLC	February 25, 2008	23,165		946	946
	Pantheon	July 2, 2007	49,860		573	573
	Pantheon	July 10, 2007	91,618		991	991
	Paul Capital Partners	May 23, 2008	52,683		1,538	1,538
	Truebridge Capital Partners	March 16, 2010	11,005		635	635
	Warburg Pincus	December 28, 2007	95,937		1,896	1,896
	Welsh Carson Anderson & Stowe	February 10, 2009	32,902		1,855	1,855
Real Estate						
	Carlyle Realty Partners	March 11, 2011	19,335		1,529	1,529
	Greystar	March 31, 2011	78,551		3,479	3,479
	Intercontinental Real Estate Corp.	August 3, 2009	7,497			
	LoneStar	June 16, 2011	19,740		1,030	1,030
	Oaktree Capital Management, L.P. ³	December 15, 2011	65,889		1,414	1,414
	Och-Ziff	March 28, 2011	17,265	619	696	1,315
Small Cap Core						
	Pyramis Global Advisors (Fidelity)	May 23, 2000	303,195	1,754		1,754
Small Cap Growth						
	Turner Investment Partners, Inc.	March 15, 2005	247,793	1,783		1,783
Small Cap Value						
	Integrity Asset Management, LLC	March 15, 2005	227,386	1,282		1,282
Small/Mid Cap Growth						
	TimesSquare Capital Management, LLC	October 1, 2002	388,673	2,862		2,862
Small/Mid Cap Value						
	Thompson, Siegel & Walmsley, Inc.	March 15, 2005	252,039	1,599		1,599
Various Other Asset Classes						
	SCRS / Apollo Strategic Partnership	January 15, 2009	1,013,681		22,346	22,346
	SCRS / Crescent Strategic Partnership ³	January 1, 2012	139,483		2,659	2,659
	SCRS / EnTrust Strategic Partnership ⁶	November 1, 2011	507,967		4,113	4,113
	SCRS / GCM Strategic Partnership ⁶	July 1, 2011	744,887		5,932	5,932
	SCRS / Goldman Sachs Strategic Partnership	August 29, 2008	1,032,603		7,567	7,567
	SCRS / GSO Strategic Partnership ³	September 1, 2011	572,425		6,348	6,348
	SCRS / Lighthouse Strategic Partnership	June 29, 2011	1,576,000		33,266	33,266

South Carolina Retirement Systems
Schedule of Investment Managers and Fees
For the Year Ended June 30, 2012
(Amounts expressed in thousands)

<u>Style</u>	<u>Investment Manager</u>	<u>Initial Funding Date</u>	<u>Fair Value of Assets under Management at June 30, 2012¹</u>	<u>Manager Fees Directly Invoiced</u>	<u>Manager Fees Deducted on a Net of Fee Basis²</u>	<u>Total Investment Manager Fees</u>
	SCRS / Mariner Strategic Partnership	November 3, 2008	\$ 1,021,631	\$ -	\$ 31,901	\$ 31,901
	SCRS / Morgan Stanley Strategic Partnership	February 27, 2008	1,095,448		24,615	24,615
	SCRS / Ranieri Strategic Partnership ⁶	September 30, 2011	273,831		1,292	1,292
	SCRS / Reservoir Capital Strategic Partnership	September 1, 2009	140,588		4,189	4,189
	SCRS / TCW Strategic Partnership	June 20, 2008	371,082		5,915	5,915
	Various Other Managers Not Separately Listed⁸		1,474,073	1,444	3,916	5,360
	Internally Managed Assets					
	Core Fixed Income		167,997			
	Short Duration		1,267,813			
	Cash Accounts		150,138			
	Other					
	Residual Assets ⁷		101			
	Total Fair Value of Assets and Manager Fees		<u>\$ 25,441,504</u>	<u>\$ 53,556</u>	<u>\$ 242,579</u>	<u>\$ 296,135</u>
	Adjustments, Cash, Receivables and Payables ¹		(175,008)			
	Net Asset Value as Reported by Custodial Bank		<u>\$ 25,266,496</u>			

¹The "Fair Value" of assets under management includes categories classified as cash equivalents for financial statement purposes and excludes cash, receivables and payables; therefore, these adjustments are necessary to reconcile to "Net Asset Values" reported by the Custodial Bank and the Retirement System Investment Commission.

²A significant number of investment managers provide account valuations on a net of fee basis. In compliance with Generally Accepted Accounting Procedures, these investment expenses are netted against investment income and because some amounts are not readily separable from specific investment income as of the financial statement reporting date, netted amounts are not included as a separate expense line item in the Statement of Changes in Plan Net Assets. The net of fee investment expenses reported on this schedule were compiled by the Retirement System Investment Commission and provided to the Retirement Systems subsequent to the issuance of financial statements. The investment expense numbers provided here represent a good faith attempt to disaggregate amounts that are not readily separable. The collection process is not standard practice for many investment managers. The investment expense numbers netted out of accounts include investment management fees, performance fees (carried interest) and "other" expenses such as organizational expenses in limited partnership structures. The impact of these netted fees is included in the net asset value as well as the net investment performance.

³Manager hired during fiscal year 2012.

⁴Contract was terminated during fiscal year 2012.

⁵Effective January 1, 2012, Bridgewater Associates changed from directly invoicing manager fees to a net of fee structure.

⁶Assets were moved into a Strategic Partnership structure during fiscal year 2012.

⁷Balances in the Residual Assets account are held temporarily while waiting to be placed in a more permanent investment.

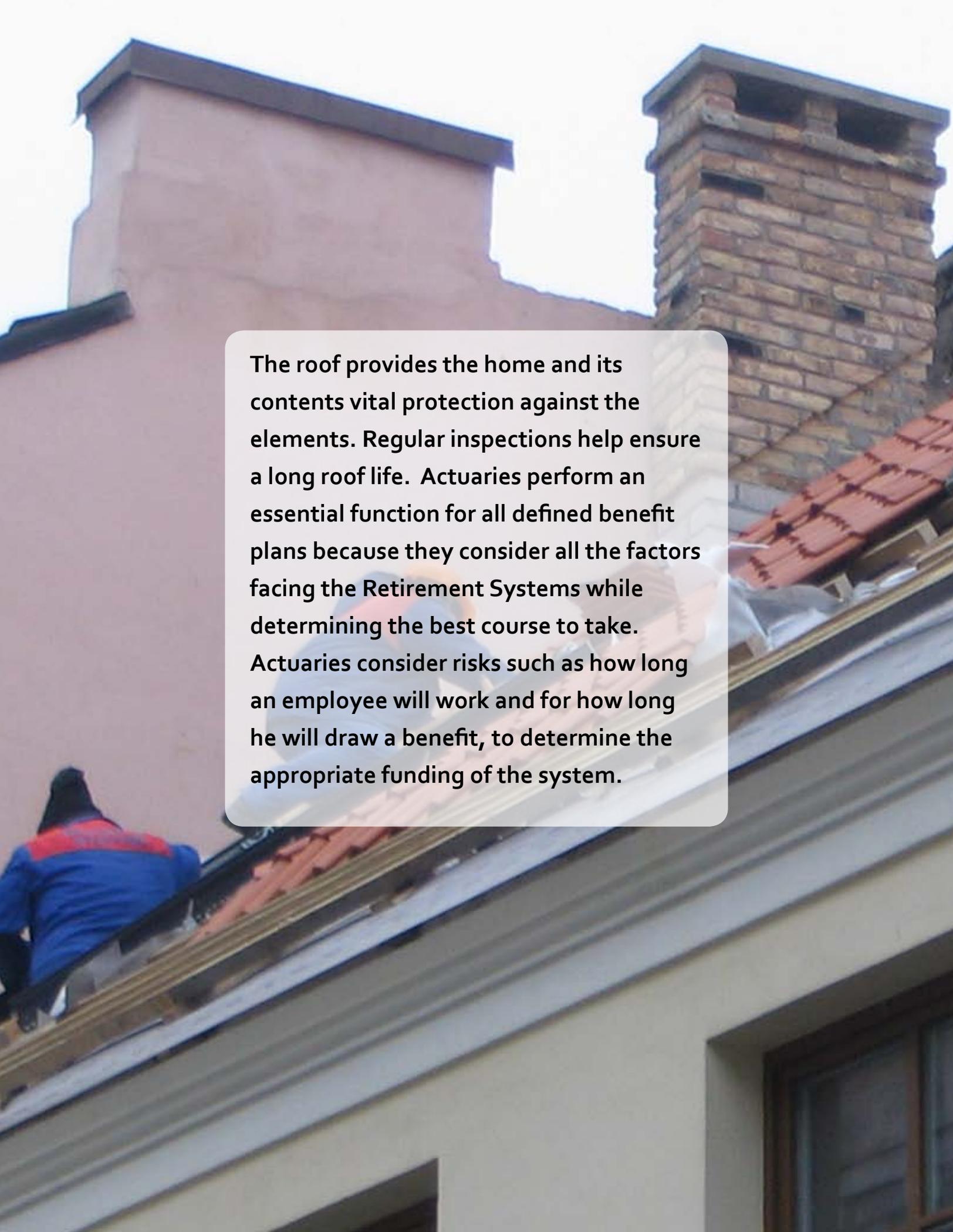
⁸Information provided in this schedule aggregates amounts for 18 various other managers with total fees less than \$550,000.

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Actuarial Section



Putting on the roof



The roof provides the home and its contents vital protection against the elements. Regular inspections help ensure a long roof life. Actuaries perform an essential function for all defined benefit plans because they consider all the factors facing the Retirement Systems while determining the best course to take. Actuaries consider risks such as how long an employee will work and for how long he will draw a benefit, to determine the appropriate funding of the system.



September 10, 2012

South Carolina Public Employee Benefit Authority
South Carolina Retirement System
P.O. Box 11960
Columbia, SC 29211-1960

Subject: Statement of Certification for the Actuarial Valuation as of July 1, 2011

Dear Members of the Board:

Actuarial valuations are prepared annually as of July 1, the first day of the plan year, for each of the five retirement systems (i.e. the South Carolina Retirement System, the Police Officers Retirement System, the Judges and Solicitors Retirement System, the General Assembly Retirement System, and the Nation Guard Retirement System). These reports describe the current actuarial condition of the South Carolina Retirement Systems, documents the calculated employer contribution rates, as well as the changes in these contribution rates.

The State enacted a pension reform bill, Act 278, in June 2012. The provisions in the bill precisely state how the employer and member contribution amounts are established for the South Carolina and Police Officers Retirement Systems. The legislation also includes several changes to the benefit provisions for current and future members of the retirement system. Since the pension reform bill was enacted prior to the end of the plan year and the contribution rates determined by the July 1, 2011 valuation will be applicable after the new plan provisions are in effect, it is appropriate to recognize these changes in this actuarial valuation.

FINANCING OBJECTIVES AND FUNDING POLICY

As a result of the enactment of Act 278, the employer and member contribution rates for the South Carolina Retirement System and the Police Officers Retirement System are determined in accordance with South Carolina Code. As specified by the Code, in the event the scheduled employer and member contribution rates are insufficient to maintain a thirty-year amortization period for financing the unfunded liability of the System, the South Carolina Public Employee Benefit Authority (the Board) shall increase the employer and member contribution rates in equal amounts as necessary to maintain a funding period that does not exceed thirty years.

The Board also certifies the employer contribution rates annually for the Judges and Solicitors Retirement System, the General Assembly Retirement System, and the Nation Guard Retirement System. The Board's principle objectives in the determining the appropriate funding requirements for these systems include:

- Establish a contribution rate that remains relatively level over time.

- To set rates so that the measures of the System's funding progress which include the unfunded actuarial accrued liability, funded ratio, and funding period will be maintained or improved.
- To set a contribution rate that will result in the unfunded actuarial accrued liability (UAAL) to be amortized over a period from the current valuation date that does not exceed 30 years.

To accomplish this, the employer contribution rate will be at least equal to the sum of the employer normal cost rate (which pays the current year's cost) and an amortization rate which results in the UAAL to be funded over a period that does not exceed 30 years in installments that increase at the assumed rate of growth in payroll for each System.

If new legislation is enacted between the valuation date and the date the contribution rate become effective, the Board may adjust the calculated rate before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

PROGRESS TOWARD REALIZATION OF FINANCING OBJECTIVES

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches at least 100%.

For all systems on a combined basis, the funded ratio increased from 66.5% in 2010 to 67.9% in 2011 (after reflection of Act 278). However, absent favorable experience, we expect the funded ratio will decrease for the next several years as outstanding deferred investment losses become fully recognized in the actuarial value of assets.

ASSUMPTIONS AND METHODS

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. South Carolina State Code requires the Board to have the actuary perform an experience study every five years. An experience analysis was carried out in calendar year 2011, and as a result, the Budget and Control Board adopted a number of changes in the actuarial assumptions in November 2011 to be used for calculating the actuarial valuation as of July 1, 2011.

It is our opinion that the actuarial assumptions used to perform this valuation are internally consistent and reasonably reflect the anticipated future experience of the System. The actuarial assumptions and methods used in this report comply with the parameters for disclosure that appear in GASB 25.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can, and almost certainly will, differ as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rate, and funding periods. The actuarial calculations are intended to provide information for rational decision making.

DATA

Member data for retired, active and inactive members was supplied as of July 1, 2011, by the staff of the Systems. The staff also supplied asset information as of July 1, 2011. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. GRS is not responsible for the accuracy or completeness of the information provided to us by the Systems.

CERTIFICATION

We certify that the information presented herein is accurate and fairly portrays the actuarial position of the Retirement Systems as of July 1, 2011. All of our work conforms with generally accepted actuarial principles and practices, and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of South Carolina Code of Laws and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board.

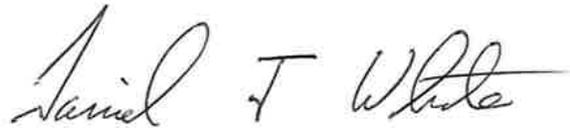
The undersigned are independent actuaries and consultants. Mr. Newton and Mr. White are Enrolled Actuaries and Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries. Both are experienced in performing valuations for large public retirement systems.

Sincerely,

Cedric Beaman Smith & Co.



Joseph P. Newton, FSA, MAAA, EA
Senior Consultant



Daniel J. White, FSA, MAAA, EA
Senior Consultant

South Carolina Retirement System
Actuarial Balance Sheet
(Dollar amounts expressed in thousands)

	Actuarial Valuation as of	
	<u>July 1, 2011¹</u>	<u>July 1, 2010</u>
1. Assets		
a. Current Assets (Actuarial Value)		
i) Employee Annuity Savings Fund	\$ 6,472,646	\$ 6,222,854
ii) Employer Annuity Accumulation Fund	<u>19,132,177</u>	<u>19,177,477</u>
iii) Total Current Assets	\$ 25,604,823	\$ 25,400,331
b. Present Value of Future Member Contributions	\$ 4,590,908	\$ 3,709,689
c. Present Value of Future Employer Contributions		
i) Normal Contributions	\$ 1,547,343	\$ 1,882,216
ii) Accrued Liability Contributions	<u>12,406,787</u>	<u>13,373,698</u>
iii) Total Future Employer Contributions	\$13,954,130	\$ 15,255,914
d. Total Assets	<u>\$ 44,149,861</u>	<u>\$ 44,365,934</u>
2. Liabilities		
a. Employee Annuity Savings Fund		
i) Past Member Contributions	\$ 6,472,646	\$ 6,222,854
ii) Present Value of Future Member Contributions	<u>4,590,908</u>	<u>3,709,689</u>
iii) Total Contributions to Employee Annuity Savings Fund	\$ 11,063,554	\$ 9,932,543
b. Employer Annuity Accumulation Fund		
i) Benefits Currently in Payment (including TERI)	\$ 23,160,658	\$ 22,475,868
ii) Benefits to be Provided to Other Members	<u>9,925,649</u>	<u>11,957,523</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	\$ 33,086,307	\$ 34,433,391
c. Total Liabilities	<u>\$ 44,149,861</u>	<u>\$ 44,365,934</u>

¹Actuarial Balance Sheet as of July 1, 2011, has been adjusted to reflect pension reform legislation in Act 278.

Police Officers Retirement System
Actuarial Balance Sheet
(Dollar amounts expressed in thousands)

	Actuarial Valuation as of	
	<u>July 1, 2011¹</u>	<u>July 1, 2010</u>
1. <u>Assets</u>		
a. Current Assets (Actuarial Value)		
i) Employee Annuity Savings Fund	\$ 786,724	\$ 758,695
ii) Employer Annuity Accumulation Fund	2,941,517	2,854,005
iii) Total Current Assets	<u>\$ 3,728,241</u>	<u>\$ 3,612,700</u>
b. Present Value of Future Member Contributions	\$ 655,613	\$ 529,752
c. Present Value of Future Employer Contributions		
i) Normal Contributions	\$ 499,824	\$ 564,927
ii) Accrued Liability Contributions	1,394,260	1,237,757
iii) Total Future Employer Contributions	<u>\$ 1,894,084</u>	<u>\$ 1,802,684</u>
d. Total Assets	<u><u>\$ 6,277,938</u></u>	<u><u>\$ 5,945,136</u></u>
2. <u>Liabilities</u>		
a. Employee Annuity Savings Fund		
i) Past Member Contributions	\$ 786,724	\$ 758,695
ii) Present Value of Future Member Contributions	655,613	529,752
iii) Total Contributions to Employee Annuity Savings Fund	<u>\$ 1,442,337</u>	<u>\$ 1,288,447</u>
b. Employer Annuity Accumulation Fund		
i) Benefits Currently in Payment	\$ 2,784,144	\$ 2,577,772
ii) Benefits to be Provided to other Members	2,051,457	2,078,917
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 4,835,601</u>	<u>\$ 4,656,689</u>
c. Total Liabilities	<u><u>\$ 6,277,938</u></u>	<u><u>\$ 5,945,136</u></u>

¹Actuarial Balance Sheet as of July 1, 2011, has been adjusted to reflect pension reform legislation in Act 278.

General Assembly Retirement System
Actuarial Balance Sheet
(Dollar amounts expressed in thousands)

	Actuarial Valuation as of	
	<u>July 1, 2011</u>	<u>July 1, 2010</u>
1. Assets		
a. Current Assets (Actuarial Value)		
i) Employee Annuity Savings Fund	\$ 7,100	\$ 7,265
ii) Employer Annuity Accumulation Fund	<u>34,384</u>	<u>36,447</u>
iii) Total Current Assets	41,484	\$ 43,712
b. Present Value of Future Member Contributions ¹	\$ 2,340	\$ 2,368
c. Present Value of Future Employer Contributions		
i) Normal Contributions	\$ 2,189	\$ 1,506
ii) Accrued Liability Contributions	<u>33,120</u>	<u>24,959</u>
iii) Total Future Employer Contributions	\$ 35,309	\$ 26,465
d. Total Assets	<u>\$ 79,133</u>	<u>\$ 72,545</u>
2. Liabilities		
a. Employee Annuity Savings Fund		
i) Past Member Contributions	\$ 7,100	\$ 7,265
ii) Present Value of Future Member Contributions ¹	<u>2,340</u>	<u>2,368</u>
iii) Total Contributions to Employee Annuity Savings Fund	\$ 9,440	\$ 9,633
b. Employer Annuity Accumulation Fund		
i) Benefits Currently in Payment	\$ 58,291	\$ 53,486
ii) Benefits to be Provided to other Members	<u>11,402</u>	<u>9,426</u>
iii) Total Benefits Payable from Employer Annuity Accumulation Fund	\$ 69,693	\$ 62,912
c. Total Liabilities	<u>\$ 79,133</u>	<u>\$ 72,545</u>

¹Includes future special contributors.

Judges and Solicitors Retirement System
Actuarial Balance Sheet
(Dollar amounts expressed in thousands)

		Actuarial Valuation as of	
		<u>July 1, 2011</u>	<u>July 1, 2010</u>
1.	<u>Assets</u>		
a.	Current Assets (Actuarial Value)		
i)	Employee Annuity Savings Fund	\$ 18,864	\$ 17,816
ii)	Employer Annuity Accumulation Fund	126,063	125,055
iii)	Total Current Assets	<u>\$ 144,927</u>	<u>\$ 142,871</u>
b.	Present Value of Future Member Contributions	\$ 14,186	\$ 13,313
c.	Present Value of Future Employer Contributions		
i)	Normal Contributions	\$ 23,882	\$ 16,091
ii)	Accrued Liability Contributions	98,587	72,952
iii)	Total Future Employer Contributions	<u>\$ 122,469</u>	<u>\$ 89,043</u>
d.	Total Assets	<u><u>\$ 281,582</u></u>	<u><u>\$ 245,227</u></u>
2.	<u>Liabilities</u>		
a.	Employee Annuity Savings Fund		
i)	Past Member Contributions	\$ 18,864	\$ 17,816
ii)	Present Value of Future Member Contributions	14,186	13,313
iii)	Total Contributions to Employee Annuity Savings Fund	<u>\$ 33,050</u>	<u>\$ 31,129</u>
b.	Employer Annuity Accumulation Fund		
i)	Benefits Currently in Payment	\$ 169,841	\$ 150,696
ii)	Benefits to be Provided to other Members	78,691	63,402
iii)	Total Benefits Payable from Employer Annuity Accumulation Fund	<u>\$ 248,532</u>	<u>\$ 214,098</u>
c.	Total Liabilities	<u><u>\$ 281,582</u></u>	<u><u>\$ 245,227</u></u>

National Guard Retirement System
Actuarial Balance Sheet
(Dollar amounts expressed in thousands)

	Actuarial Valuation as of	
	<u>July 1, 2011</u>	<u>July 1, 2010</u>
1. <u>Assets</u>		
a. Current Assets (Actuarial Value)	\$ 20,138	\$ 19,458
b. Present Value of Future Member Contributions	0	0
c. Present Value of Future Employer Contributions		
i) Normal Contributions	\$ 6,365	\$ 4,766
ii) Accrued Liability Contributions	40,250	34,695
iii) Total Future Employer Contributions	<u>\$ 46,615</u>	<u>\$ 39,461</u>
d. Total Assets	<u>\$ 66,753</u>	<u>\$ 58,919</u>
2. <u>Liabilities</u>		
a. Benefits to be Paid to Retired Members and Beneficiaries	\$ 32,038	\$ 28,492
b. Benefits to be Paid to Former Members Entitled to Deferred Pensions	\$ 12,452	\$ 12,411
c. Benefits to be Paid to Current Active Members	<u>\$ 22,263</u>	<u>\$ 18,016</u>
d. Total Liabilities	<u>\$ 66,753</u>	<u>\$ 58,919</u>

South Carolina Retirement System
Results of the Valuation as of July 1, 2011¹
(Dollar amounts expressed in thousands)

	July 1, 2011
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 23,160,658
b. Present Active and Inactive Members	20,989,203
c. Total Actuarial Present Value	\$ 44,149,861
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 4,590,908
b. Employer	1,547,343
c. Total Future Normal Contributions	\$ 6,138,251
3. <u>Actuarial Liability</u>	\$ 38,011,610
4. <u>Current Actuarial Value of Assets</u>	\$ 25,604,823
5. <u>Unfunded Actuarial Liability</u>	\$ 12,406,787
6. <u>UAAL Amortization Rates Based on a Total Employer Contribution Rate of 10.60%</u>	
a. Active Members	8.17%
b. TERI Members (including employee contributions)	18.10%
c. ORP Members	5.60%
d. Re-employed Members (including employee contributions)	18.10%
7. <u>Unfunded Actuarial Liability Liquidation Period</u>	25 years

¹Results of the valuation as of July 1, 2011, have been adjusted to reflect pension reform legislation in Act 278.

Police Officers Retirement System
Results of the Valuation as of July 1, 2011¹
(Dollar amounts expressed in thousands)

July 1, 2011

1. Actuarial Present Value of Future Benefits

a.	Present Retired Members and Beneficiaries	\$	2,784,144
b.	Present Active and Inactive Members		3,493,794
c.	Total Actuarial Present Value	\$	6,277,938

2. Present Value of Future Normal Contributions

a.	Employee	\$	655,613
b.	Employer		499,824
c.	Total Future Normal Contributions	\$	1,155,437

3. Actuarial Liability

\$ 5,122,501

4. Current Actuarial Value of Assets

\$ 3,728,241

5. Unfunded Actuarial Liability

\$ 1,394,260

6. Unfunded Actuarial Liability Rates

6.32%

7. Unfunded Actuarial Liability Liquidation Period

30 years

¹Results of the valuation as of July 1, 2011, have been adjusted to reflect pension reform legislation in Act 278.

General Assembly Retirement System
Results of the Valuation as of July 1, 2011
(Dollar amounts expressed in thousands)

	July 1, 2011
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 58,291
b. Present Active and Inactive Members	20,842
c. Total Actuarial Present Value	\$ 79,133
2. <u>Present Value of Future Normal Contributions</u>	
a. Employee (including special contributors)	\$ 2,340
b. Employer	2,189
c. Total Future Normal Contributions	\$ 4,529
3. <u>Actuarial Liability</u>	\$ 74,604
4. <u>Current Actuarial Value of Assets</u>	\$ 41,484
5. <u>Unfunded Actuarial Liability</u>	\$ 33,120
6. <u>Unfunded Actuarial Liability Liquidation Period from the Valuation Date</u>	16 years

Judges and Solicitors Retirement System
Results of the Valuation as of July 1, 2011
(Dollar amounts expressed in thousands)

	<u>July 1, 2011</u>
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 169,841
b. Present Active and Inactive Members	111,741
c. Total Actuarial Present Value	\$ 281,582
 2. <u>Present Value of Future Normal Contributions</u>	
a. Employee	\$ 14,186
b. Employer	23,882
c. Total Future Normal Contributions	\$ 38,068
 3. <u>Actuarial Liability</u>	 \$ 243,514
 4. <u>Current Actuarial Value of Assets</u>	 \$ 144,927
 5. <u>Unfunded Actuarial Liability</u>	 \$ 98,587
 6. <u>UAAL Amortization Rates Based on an Employer Contribution Rate of 47.33%</u>	
a. Active Members	29.43%
b. DROP and Retired-in-Place Members (including employee contributions)	57.33%
 7. <u>Unfunded Actuarial Liability Liquidation Period</u>	 30 years

National Guard Retirement System
Results of the Valuation as of July 1, 2011
(Dollar amounts expressed in thousands)

	<u>July 1, 2011</u>
1. <u>Actuarial Present Value of Future Benefits</u>	
a. Present Retired Members and Beneficiaries	\$ 32,038
b. Present Active and Inactive Members	34,715
c. Total Actuarial Present Value	\$ <u>66,753</u>
2. <u>Present Value of Future Normal Contributions</u>	
a. Employees	\$ 0
b. Employer	6,365
c. Total Future Normal Contributions	\$ <u>6,365</u>
3. <u>Actuarial Liability</u>	\$ 60,388
4. <u>Current Actuarial Value of Assets</u>	\$ 20,138
5. <u>Unfunded Actuarial Liability</u>	\$ 40,250
6. <u>Unfunded Actuarial Liability Liquidation Period (blended)</u>	21 years

South Carolina Retirement System Summary of Actuarial Assumptions and Methods

The following presents a summary of the actuarial assumptions and methods used in the valuation of the South Carolina Retirement System.

Investment Rate of Return

Assumed annual rate of 7.5 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment, and administration expenses.

Rates of Annual Salary Increase

Rates of annual salary increase are assumed to vary for the first 19 years of service due to expected merit and promotional increases which differs by employee group. Beginning with the 20th year of service, the assumed annual rate of increase is 3.5 percent for both groups and for all future years of service.

The 3.5 percent rate of the increase is composed of a 2.75 percent inflation component and a 0.75 percent real rate of wage increase (productivity) component.

Active Male and Female Salary Increase Rate				
Years of Service	General Employees		Teachers	
	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.50% Wage Inflation
0	2.50%	6.00%	4.00%	7.50%
1	2.50%	6.00%	9.00%	12.50%
2	2.00%	5.50%	3.00%	6.50%
3	1.50%	5.00%	2.75%	6.25%
4	1.25%	4.75%	2.50%	6.00%
5	1.00%	4.50%	2.25%	5.75%
6	0.75%	4.25%	2.00%	5.50%
7	0.50%	4.00%	1.75%	5.25%
8	0.50%	4.00%	1.75%	5.25%
9	0.25%	3.75%	1.50%	5.00%
10	0.25%	3.75%	1.50%	5.00%
11	0.25%	3.75%	1.50%	5.00%
12	0.25%	3.75%	1.25%	4.75%
13	0.25%	3.75%	1.00%	4.50%
14	0.25%	3.75%	1.00%	4.50%
15	0.00%	3.50%	1.00%	4.50%
16	0.00%	3.50%	0.75%	4.25%
17	0.00%	3.50%	0.50%	4.00%
18	0.00%	3.50%	0.25%	3.75%
19	0.00%	3.50%	0.25%	3.75%
20+	0.00%	3.50%	0.00%	3.50%

Active Member Decrement Rates

a. Assumed rate of Service Retirement or TERI entry are shown in the following tables. The first table is for members who attain age 65 before attaining 28 years of service. The second table is based on service and is for members who attain 28 years of service before age 65.

Annual Age Based Retirement Rates								
Age	General Employees				Teachers			
	Reduced		Normal		Reduced		Normal	
	Male	Female	Male	Female	Male	Female	Male	Female
55	10%	9%	0%	0%	10%	9%	0%	0%
56	9%	10%	0%	0%	11%	9%	0%	0%
57	9%	10%	0%	0%	11%	10%	0%	0%
58	9%	11%	0%	0%	11%	10%	0%	0%
59	9%	11%	0%	0%	11%	10%	0%	0%
60	9%	11%	0%	0%	11%	10%	0%	0%
61	9%	11%	0%	0%	11%	13%	0%	0%
62	22%	20%	0%	0%	22%	20%	0%	0%
63	16%	18%	0%	0%	22%	20%	0%	0%
64	16%	18%	0%	0%	22%	20%	0%	0%
65	0%	0%	30%	30%	0%	0%	25%	30%
66	0%	0%	25%	25%	0%	0%	25%	30%
67	0%	0%	20%	20%	0%	0%	25%	30%
68	0%	0%	20%	20%	0%	0%	25%	25%
69	0%	0%	20%	20%	0%	0%	25%	25%
70	0%	0%	20%	20%	0%	0%	25%	25%
71	0%	0%	20%	20%	0%	0%	25%	25%
72	0%	0%	20%	20%	0%	0%	25%	25%
73	0%	0%	20%	20%	0%	0%	25%	25%
74	0%	0%	20%	20%	0%	0%	25%	25%
75	0%	0%	100%	100%	0%	0%	100%	100%

Annual Service Based Retirement Rates				
Years of Service	General Employees		Teachers	
	Male	Female	Male	Female
28	45%	50%	50%	55%
29	30%	30%	30%	30%
30	20%	20%	30%	30%
31	18%	18%	30%	30%
32	18%	16%	30%	30%
33	18%	16%	30%	30%
34	18%	16%	30%	30%
35	18%	16%	30%	40%
36	20%	16%	30%	40%
37	20%	16%	30%	40%
38	20%	16%	30%	40%
39	20%	16%	30%	40%
40	100%	100%	100%	100%
41	100%	100%	100%	100%
42	100%	100%	100%	100%
43	100%	100%	100%	100%
44	100%	100%	100%	100%
45	100%	100%	100%	100%
46	100%	100%	100%	100%
47	100%	100%	100%	100%
48	100%	100%	100%	100%

b. Members are assumed to begin purchasing service and retire as they become within five years of a service related eligibility condition (23 years of service, age 55 with more than 20 years of service). Eighty percent of purchased service is expected to be at 16 percent of payroll and 20 percent at 35 percent of payroll. Members are assumed to purchase service and immediately based on the following probabilities:

Years of Service	Less than Age 55	Over Age 55, but less than Age 65	
	Assumed Probability of Purchasing Unreduced Eligibility Service	Assumed Probability of Purchasing Unreduced Eligibility Service	Assumed Probability of Purchasing Reduced Eligibility Service
20		0.50%	0.50%
21		0.75%	0.75%
22		1.00%	1.00%
23	1.00%	1.00%	2.50%
24	1.00%	1.00%	3.50%
25	2.00%	2.00%	
26	3.00%	3.00%	
27	7.00%	7.00%	

c. Assumed rates of disability are shown in the following table.

Disability Rates				
Age	General Employees		Teachers	
	Males	Females	Males	Females
25	0.0630%	0.0580%	0.0524%	0.0572%
30	0.1260%	0.0812%	0.0786%	0.0770%
35	0.1890%	0.1624%	0.1048%	0.0770%
40	0.3150%	0.2088%	0.1965%	0.1342%
45	0.4410%	0.3016%	0.3275%	0.2750%
50	0.6300%	0.5104%	0.5240%	0.4400%
55	1.0080%	0.8120%	0.8515%	0.7150%
60	1.2600%	1.2412%	1.3100%	1.1000%
64	1.5750%	1.7284%	1.6375%	1.3750%

d. Active Member Mortality

Rates of active member mortality are based upon a client specific table with applicable multipliers to match.

Active Mortality Rates (Multiplier Applied)				
Age	General Employees		Teachers	
	Males	Females	Males	Females
25	0.0414%	0.0166%	0.0432%	0.0145%
30	0.0488%	0.0211%	0.0511%	0.0185%
35	0.0850%	0.0380%	0.0889%	0.0333%
40	0.1187%	0.0565%	0.1241%	0.0494%
45	0.1659%	0.0899%	0.1734%	0.0787%
50	0.2352%	0.1341%	0.2459%	0.1173%
55	0.3332%	0.2021%	0.3483%	0.1768%
60	0.5366%	0.3145%	0.5610%	0.2752%
64	0.7731%	0.4343%	0.8082%	0.3800%
Multiplier	110%	80%	115%	70%

e. Rates of Withdrawal

Rate of withdrawal for active members prior to eligibility for retirement are for each employee group and differ by gender and service. Sample rates are shown in the following tables.

Withdrawal Rates - Male General Employees															
Age	Years of Service														
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
25	0.329	0.247	0.190	0.155	0.134	0.117	0.096	0.078	0.065	0.059	0.066	0.000	0.000	0.000	0.000
30	0.294	0.221	0.173	0.142	0.124	0.109	0.095	0.082	0.070	0.060	0.053	0.047	0.044	0.042	0.039
35	0.268	0.200	0.155	0.129	0.112	0.101	0.092	0.082	0.072	0.059	0.042	0.047	0.044	0.042	0.039
40	0.246	0.180	0.138	0.114	0.100	0.092	0.086	0.079	0.069	0.055	0.033	0.042	0.042	0.042	0.039
45	0.226	0.164	0.123	0.100	0.088	0.082	0.078	0.073	0.064	0.049	0.027	0.039	0.036	0.034	0.032
50	0.208	0.150	0.111	0.089	0.077	0.072	0.068	0.063	0.055	0.042	0.022	0.029	0.029	0.029	0.029
55	0.194	0.141	0.104	0.081	0.069	0.060	0.054	0.049	0.042	0.033	0.021	0.020	0.020	0.020	0.020
60	0.183	0.135	0.100	0.077	0.063	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Age	Years of Service (Continued)														
	15	16	17	18	19	20	21	22	23	24	25	26	27	28+	
25	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.036	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	0.036	0.034	0.032	0.029	0.027	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	0.036	0.034	0.032	0.029	0.027	0.025	0.023	0.022	0.020	0.018	0.017	0.000	0.000	0.000	0.000
45	0.029	0.029	0.029	0.029	0.027	0.025	0.023	0.022	0.020	0.018	0.017	0.016	0.014	0.000	0.000
50	0.029	0.027	0.025	0.023	0.022	0.020	0.020	0.020	0.020	0.018	0.017	0.016	0.014	0.000	0.000
55	0.020	0.020	0.020	0.020	0.020	0.020	0.018	0.017	0.016	0.014	0.000	0.000	0.000	0.000	0.000
60	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Withdrawal Rates - Female General Employees															
Age	Years of Service														
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
25	0.298	0.246	0.206	0.177	0.156	0.138	0.125	0.116	0.109	0.103	0.094	0.000	0.000	0.000	0.000
30	0.271	0.224	0.186	0.159	0.140	0.125	0.115	0.106	0.097	0.085	0.069	0.052	0.049	0.045	0.042
35	0.251	0.202	0.166	0.141	0.124	0.113	0.104	0.096	0.086	0.071	0.051	0.052	0.049	0.045	0.042
40	0.233	0.180	0.145	0.123	0.110	0.101	0.093	0.085	0.075	0.059	0.037	0.045	0.045	0.045	0.042
45	0.217	0.162	0.127	0.108	0.097	0.089	0.082	0.075	0.064	0.049	0.028	0.042	0.039	0.036	0.033
50	0.204	0.149	0.115	0.097	0.086	0.079	0.071	0.064	0.054	0.041	0.023	0.030	0.030	0.030	0.030
55	0.195	0.143	0.109	0.089	0.078	0.069	0.061	0.053	0.044	0.035	0.024	0.020	0.020	0.020	0.020
60	0.187	0.141	0.108	0.085	0.070	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Age	Years of Service (Continued)														
	15	16	17	18	19	20	21	22	23	24	25	26	27	28+	
25	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.039	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	0.039	0.036	0.033	0.030	0.028	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	0.039	0.036	0.033	0.030	0.028	0.025	0.023	0.022	0.020	0.018	0.017	0.000	0.000	0.000	0.000
45	0.030	0.030	0.030	0.030	0.028	0.025	0.023	0.022	0.020	0.018	0.017	0.016	0.015	0.000	0.000
50	0.030	0.028	0.025	0.023	0.022	0.020	0.020	0.020	0.020	0.018	0.017	0.016	0.015	0.000	0.000
55	0.020	0.020	0.020	0.020	0.020	0.020	0.018	0.017	0.016	0.015	0.000	0.000	0.000	0.000	0.000
60	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Withdrawal Rates - Male Teachers															
Age	Years of Service														
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
25	0.296	0.203	0.138	0.097	0.072	0.058	0.051	0.051	0.052	0.054	0.056	0.000	0.000	0.000	0.000
30	0.272	0.192	0.136	0.099	0.078	0.066	0.061	0.058	0.054	0.048	0.039	0.027	0.026	0.025	0.025
35	0.253	0.182	0.132	0.099	0.081	0.071	0.066	0.061	0.054	0.043	0.027	0.027	0.026	0.025	0.025
40	0.237	0.173	0.127	0.098	0.082	0.073	0.068	0.062	0.053	0.039	0.020	0.025	0.025	0.025	0.025
45	0.224	0.165	0.123	0.096	0.081	0.073	0.067	0.060	0.050	0.036	0.017	0.025	0.024	0.023	0.023
50	0.214	0.159	0.119	0.094	0.079	0.070	0.063	0.055	0.046	0.034	0.017	0.022	0.022	0.022	0.022
55	0.206	0.155	0.117	0.091	0.074	0.065	0.056	0.048	0.040	0.032	0.022	0.017	0.017	0.017	0.017
60	0.200	0.152	0.114	0.087	0.067	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Age	Years of Service (Continued)														
	15	16	17	18	19	20	21	22	23	24	25	26	27	28+	
25	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.024	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	0.024	0.023	0.023	0.022	0.021	0.020	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	0.024	0.023	0.023	0.022	0.021	0.020	0.019	0.018	0.017	0.015	0.014	0.000	0.000	0.000	0.000
45	0.022	0.022	0.022	0.022	0.021	0.020	0.019	0.018	0.017	0.015	0.014	0.012	0.009	0.000	0.000
50	0.022	0.021	0.020	0.019	0.018	0.017	0.017	0.017	0.017	0.015	0.014	0.012	0.009	0.000	0.000
55	0.017	0.017	0.017	0.017	0.017	0.017	0.015	0.014	0.012	0.009	0.000	0.000	0.000	0.000	0.000
60	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Withdrawal Rates - Female Teachers															
Age	Years of Service														
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
25	0.230	0.161	0.121	0.101	0.089	0.084	0.083	0.080	0.073	0.066	0.060	0.000	0.000	0.000	0.000
30	0.227	0.166	0.126	0.101	0.088	0.080	0.075	0.070	0.062	0.053	0.043	0.032	0.030	0.028	0.026
35	0.217	0.160	0.121	0.097	0.083	0.075	0.068	0.062	0.054	0.043	0.030	0.032	0.030	0.028	0.026
40	0.204	0.148	0.111	0.088	0.076	0.068	0.062	0.055	0.048	0.037	0.021	0.028	0.028	0.028	0.026
45	0.193	0.136	0.100	0.080	0.068	0.062	0.056	0.050	0.044	0.033	0.016	0.026	0.024	0.023	0.021
50	0.187	0.130	0.094	0.074	0.063	0.057	0.052	0.048	0.042	0.032	0.015	0.020	0.020	0.020	0.020
55	0.188	0.131	0.094	0.073	0.063	0.054	0.051	0.047	0.042	0.033	0.019	0.013	0.013	0.013	0.013
60	0.195	0.138	0.099	0.076	0.066	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Age	Years of Service (Continued)														
	15	16	17	18	19	20	21	22	23	24	25	26	27	28+	
25	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30	0.024	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35	0.024	0.023	0.021	0.020	0.018	0.017	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	0.024	0.023	0.021	0.020	0.018	0.017	0.015	0.014	0.013	0.011	0.010	0.000	0.000	0.000	0.000
45	0.020	0.020	0.020	0.020	0.018	0.017	0.015	0.014	0.013	0.011	0.010	0.009	0.008	0.000	0.000
50	0.020	0.018	0.017	0.015	0.014	0.013	0.013	0.013	0.013	0.011	0.010	0.009	0.008	0.000	0.000
55	0.013	0.013	0.013	0.013	0.013	0.013	0.011	0.010	0.009	0.008	0.000	0.000	0.000	0.000	0.000
60	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Post Retirement Mortality

a. Healthy retirees and beneficiaries – The RP-2000 Mortality Table (Public School District Employees utilize the White Collar adjustment) projected using the AA projection table with multipliers based on plan experience. The following are sample rates:

Nondisabled Annuitant Mortality Rates Before Projection (Multiplier Applied)				
Age	General Employees		Teachers	
	Males	Females	Males	Females
50	0.2138%	0.1508%	0.2176%	0.1510%
55	0.3624%	0.2445%	0.3632%	0.2457%
60	0.6747%	0.4550%	0.6141%	0.4443%
65	1.2737%	0.8735%	1.2167%	0.8218%
70	2.2206%	1.5068%	2.1203%	1.4426%
75	3.7834%	2.5295%	3.6997%	2.4431%
80	6.4368%	4.1291%	6.5353%	4.0926%
85	11.0757%	6.9701%	11.5132%	7.0483%
90	18.3408%	11.8514%	19.6100%	11.9843%
Multiplier	100%	90%	110%	95%

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years				
Employee Type	Year of Retirement			
	2015	2020	2025	2030
General Employee - Male	19.6	20.0	20.4	20.7
General Employee - Female	22.3	22.5	22.7	22.9
Teacher - Male	19.5	19.9	20.3	20.6
Teacher - Female	22.4	22.6	22.8	22.9

b. A separate table of mortality rates is used for disabled retirees based on the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Disabled Annuitant Mortality Rates (Multiplier Applied)				
Age	General Employees		Teachers	
	Males	Females	Males	Females
50	2.4629%	1.2689%	2.1731%	1.2689%
55	3.0126%	1.8198%	2.6581%	1.8198%
60	3.5736%	2.4023%	3.1531%	2.4023%
65	4.2648%	3.0829%	3.7631%	3.0829%
70	5.3196%	4.1398%	4.6937%	4.1398%
75	6.9757%	5.7453%	6.1550%	5.7453%
80	9.2966%	7.9543%	8.2029%	7.9543%
85	12.0363%	11.0223%	10.6202%	11.0223%
90	15.5897%	15.4054%	13.7556%	15.4054%
Multiplier	85%	110%	75%	110%

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the System's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level percent of payroll necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The amortization period of the System is the number of years required to fully amortize the unfunded accrued liability with the expected amount of employer contributions in excess of the employers' portion of the normal cost.

The calculation of the amortization period takes into account scheduled increases to contribution rates applicable to future years and payroll growth. Also, the calculation of the amortization period reflects additional contributions the System receives with respect to post July 1, 2005, TERI participants, State 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.

Unused Annual Leave

To account for the effect of unused annual leave on annual final compensation, liabilities for active members are increased 2.14 percent.

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.

Future Cost-of-living Increases

Benefits are assumed to increase 1 percent annually beginning on the July 1st following the receipt of 12 monthly benefit payments. It is assumed that the Board will not grant ad hoc increases in excess of the automatic adjustment based in the increase in CPI (subject to a maximum of 1 percent).

Payroll Growth Rate

The total annual payroll of active members (also applies to TERI, ORP and rehired retiree participants) is assumed to increase at an annual rate of 3.5 percent. This rate represents the underlying expected annual rate of wage inflation and does not anticipate increases in the number of members.

Other Assumptions

1. Valuation payroll (used for determining the amortization contribution rate): Prior fiscal year payroll projected forward one year using the overall payroll growth rate. This was determined separately for active employees, TERI, and return to work employees by dividing the actual member contributions received during the prior fiscal year by the member contribution rate of 6.5 percent, and then projecting forward at 3.5 percent.
2. Individual salaries used to project benefits: Actual salaries from the past fiscal year are used to determine the final average salary as of the valuation date. For future salaries, the salary from the last fiscal year is projected forward with one year's salary scale.
3. Pay increase timing: Beginning of (fiscal) year. This is equivalent to assuming that reported salaries represent amounts paid to members during the year ended on the valuation date.
4. Percent married: 100 percent of male and 100 percent of female employees are assumed to be married.
5. Age difference: Males are assumed to be three years older than their spouses.
6. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
7. Inactive Population: All non-vested members are assumed to take an immediate refund. Members with a vested benefit are assumed to elect a refund or a deferred benefit commencing at age 65, whichever is more valuable at the valuation date.
8. There will be no recoveries once disabled.
9. Decrement timing: Decrements of all types are assumed to occur mid-year.
10. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

11. Decrement relativity: Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
12. Incidence of Contributions: Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
13. Benefit Service: All members are assumed to accrue one year of eligibility service each year.
14. All calculations were performed without regard to the compensation limit in IRC Section 401(a) (17) and the benefit limit under IRC Section 415.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for active members included birth date, gender, service with the current city and total vesting service, salary, and employee contribution account balances. For retired members and beneficiaries the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Salary supplied for the current year was based on the annualized earnings for the year preceding the valuation date.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

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

	<u>July 1, 2011</u>
1. Actuarial Value of Assets at the Prior Valuation Date	\$ 25,400,331
2. Market Value of Assets at the Prior Valuation Date	\$ 19,681,137
3. Net External Cash Flow During the Year	
a. Contributions	\$ 1,371,345
b. Disbursements	(2,236,969)
c. Subtotal	\$ (865,642)
4. Expected Net Investment Income at 7.50% Earned On	
a. Actuarial Value of Assets at the Prior Valuation Date	\$ 1,905,025
b. Contributions	(51,425)
c. Disbursements	(83,886)
d. Subtotal	\$ 1,872,564
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$ 26,407,271
6. Market Value of Assets as of the Current Valuation Date	\$ 22,395,029
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$ (4,012,242)
8. Excess/(Shortfall) Recognized (20% of Item 7.)	\$ (802,448)
9. Actuarial Value of Plan Assets, End of Year (Item 5. + Item 8.)	\$ 25,604,823
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$ (802,448)
11. Asset Gain (Loss) as % of the Actuarial Value of Assets	(3.13%)
12. Ratio of AVA to MVA	114.3%

Police Officers Retirement System Summary of Actuarial Methods and Assumptions

The following presents a summary of the actuarial assumptions and methods used in the valuation of the South Carolina Police Officers Retirement System.

Investment Rate of Return

Assumed annual rate of 7.5 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment and administration expenses.

Rates of Annual Salary Increase

Rates of annual salary increase are assumed to vary for the first 11 years of service to include anticipated merit and promotional increases. The assumed annual rate of increase is 4 percent for all members with 12 or more years of service.

The 4 percent rate of increase is composed of a 2.75 percent inflation component and a 1.25 percent real rate of wage increase (productivity) component.

Active Male and Female Salary Increase Rate		
Years of Service	PORS	
	Annual Promotional/Longevity Rates of Increase	Total Annual Rate of Increase Including 3.5 Percent Wage Inflation
0	6.00%	10.00%
1	5.00%	9.00%
2	2.00%	6.00%
3	0.75%	5.00%
4	1.00%	4.75%
5	0.50%	4.50%
6	0.25%	4.25%
7	0.25%	4.25%
8	0.25%	4.25%
9	0.25%	4.25%
10	0.25%	4.25%
11	0.25%	4.25%
12	0.00%	4.00%
13	0.00%	4.00%
14	0.00%	4.00%
15	0.00%	4.00%
16	0.00%	4.00%
17	0.00%	4.00%
18	0.00%	4.00%
19	0.00%	4.00%
20	0.00%	4.00%

Active Member Decrement Rates

- a. Assumed rates of Service Retirement are shown in the following tables. The first table is for members who attain age 55 before attaining 25 years of service. The second table is based on service and is for members who attain 25 years of service before age 55.

Annual Age Based Retirement Rates			Annual Service Based Retirement Rates		
Age	PORS		Years of Service	PORS	
	Male	Female		Male	Female
55	20%	20%	25	35%	22%
56	14%	14%	26	22%	22%
57	12%	12%	27	22%	22%
58	12%	12%	28	22%	22%
59	12%	12%	29	22%	22%
60	12%	12%	30	35%	35%
61	12%	12%	31	35%	35%
62	35%	35%	32	35%	35%
63	25%	25%	33	35%	35%
64	25%	25%	34	35%	35%
65	30%	30%	35	100%	100%
66	30%	30%			
67	30%	30%			
68	30%	30%			
69	30%	30%			
70	100%	100%			
71	100%	100%			
72	100%	100%			
73	100%	100%			
74	100%	100%			
75	100%	100%			

- b. Members are assumed to purchase service and retire as they become within five years of the service related eligibility condition (20 years of service). Eighty percent of the purchased service is expected to be at 16 percent of payroll and 20 percent at 35 percent of payroll. Members are assumed to purchase service based on the following probabilities:

Years of Service	Assumed Probability of Purchasing Unreduced Eligibility Service
20	4.00%
21	2.00%
22	3.25%
23	4.50%
24	6.50%

- c. Assumed rates of disability are shown in the following table. Twenty-five percent of disabilities are assumed to be duty-related.

Disability Rates		
Age	PORS	
	Males	Females
25	0.1376%	0.1376%
30	0.1835%	0.1835%
35	0.3441%	0.3441%
40	0.4588%	0.4588%
45	0.6882%	0.6882%
50	0.8602%	0.8602%
55	0.0000%	0.0000%
60	0.0000%	0.0000%
64	0.0000%	0.0000%

- d. Active Member Mortality

Rates of active member mortality are based upon a client specific table with applicable multipliers to match the experience.

Active Mortality Rates (Multiplier Applied)		
Age	PORS	
	Males	Females
25	0.0338%	0.0186%
30	0.0653%	0.0264%
35	0.0978%	0.0467%
40	0.1234%	0.0790%
45	0.1614%	0.1248%
50	0.2171%	0.1767%
55	0.3776%	0.2516%
60	0.7443%	0.4454%
64	1.2430%	0.8222%
Multiplier	90%	90%

e. Rates of withdrawal for active members prior to eligibility for retirement are based upon actual experience from 2002 through 2010. Rates are developed for each employee group and differ by gender and service. Sample rates are shown in the tables below.

Annual Withdrawal Rate		
Years of Service	PORS	
	Male	Female
0	0.2500	0.2500
1	0.1800	0.1800
2	0.1400	0.1400
3	0.1200	0.1200
4	0.1070	0.1070
5	0.0954	0.0954
6	0.0850	0.0850
7	0.0758	0.0758
8	0.0675	0.0675
9	0.0602	0.0602
10	0.0537	0.0537
11	0.0478	0.0478
12	0.0426	0.0426
13	0.0380	0.0380
14	0.0339	0.0339
15	0.0302	0.0302
16	0.0269	0.0269
17	0.0240	0.0240
18	0.0214	0.0214
19	0.0191	0.0191
20	0.0170	0.0170
21	0.0151	0.0151
22	0.0135	0.0135
23	0.0120	0.0120

f. Post Retirement Mortality

Healthy retirees and beneficiaries-The RP-2000 Mortality Table with Blue Collar Adjustment projected using the AA projection table. The following are sample rates:

Nondisabled Annuitant Mortality Rates Before Projection (Multiplier Applied)		
Age	PORS	
	Males	Females
50	0.2774%	0.2257%
55	0.4825%	0.3214%
60	0.9511%	0.5691%
65	1.7870%	1.1958%
70	3.0772%	2.1429%
75	4.9601%	3.5521%
80	8.1129%	5.6296%
85	13.2339%	9.5565%
90	20.9021%	15.7189%
Multiplier	115%	115%

Life Expectancy for an Age 65 Retiree in Years				
Member	Year of Retirement			
	2015	2020	2025	2030
Male	17.8	18.2	18.6	19.0
Female	19.7	19.9	20.1	20.4

A separate table of mortality rates is used for disabled retirees based on the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Disabled Annuitant Mortality Rates (Multiplier Applied)		
Age	PORS	
	Males	Females
50	1.7385%	0.6921%
55	2.1265%	0.9926%
60	2.5225%	1.3103%
65	3.0104%	1.6816%
70	3.7550%	2.2581%
75	4.9240%	3.1338%
80	6.5623%	4.3387%
85	8.4962%	6.0122%
90	11.0045%	8.4029%
Multiplier	60%	60%

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the plan's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level percent of payroll necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The amortization period of the System is the number of years required to fully amortize the unfunded accrued liability with the expected amount of employer contributions in excess of the employers' portion of the normal cost.

The calculation of the amortization period takes into account scheduled increases to contribution rates applicable to future years and payroll growth. Also, the calculation of the amortization period reflects additional contributions the System receives with respect to return to work retirees. These contributions are assumed to grow at the same payroll growth rate as for active employees. It is assumed that amortization payments are made monthly at the end of the month.

Unused Annual Leave

To account for the effect of unused annual leave on annual final compensation, liabilities for active members are increased 3.75 percent.

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.

Future Cost-of-living Increases

It is assumed there will be no automatic or ad hoc benefit adjustments provided in all future years.

Payroll Growth Rate

The total annual payroll of active members (also applies to rehired retiree participants) is assumed to increase at an annual rate of 3.5 percent.

Other Assumptions

1. Valuation payroll (used for determining the amortization contribution rate): Prior fiscal year payroll projected forward one year using the overall payroll growth rate. This was determined separately for active employee and return to work employees by dividing the actual member contributions received during the prior fiscal year by the member contribution rate of 6.5 percent, and then projecting forward at 3.50 percent.
2. Individual salaries used to project benefits: Actual salaries from the past fiscal year are used to determine the final average salary as of the valuation date. For future salaries, the salary from the last fiscal year is projected forward with one year's salary scale.
3. Pay increase timing: Beginning of (fiscal) year. This is equivalent to assuming that reported salaries represent amounts paid to members during the year ended on the valuation date.
4. Percent married: 100 percent of male and 100 percent of female employees are assumed to be married.
5. Age difference: Males are assumed to be four years older than their spouses.
6. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
7. Inactive Population: All non-vested members are assumed to take an immediate refund. Vested members are assumed to take a deferred retirement benefit.
8. There will be no recoveries once disabled.
9. Decrement timing: Decrements of all types are assumed to occur mid-year.
10. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
11. Decrement relativity: Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
12. Incidence of Contributions: Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
13. Benefit Service: All members are assumed to accrue one year of eligibility service each year.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for active members included birth date, gender, service with the current city and total vesting service, salary, and employee contribution account balances. For retired members and beneficiaries, the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Salary supplied for the current year was based on the annualized earnings for the year preceding the valuation date.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

Changes from Prior Valuation

Changes in the assumptions were made based on the 2011 Experience Study.

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

July 1, 2011

1. Actuarial Value of Assets at the Prior Valuation Date	\$	3,612,700
2. Market Value of Assets at the Prior Valuation Date	\$	2,851,474
3. Net External Cash Flow During the Year		
a. Contributions	\$	208,685
b. Disbursements		(259,514)
c. Subtotal	\$	<u>(50,829)</u>
4. Expected Net Investment Income at 7.50% Earned on		
a. Actuarial Value of Assets at the Prior Valuation Date	\$	270,953
b. Contributions		7,826
c. Disbursements		(9,732)
d. Subtotal	\$	<u>269,047</u>
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$	3,830,918
6. Market Value of Assets as of the Current Valuation Date	\$	3,317,533
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$	(513,385)
8. Excess/(shortfall) recognized (20% of Item 7.)	\$	(102,677)
9. Actuarial Value of Plan Assets, End of Year (Item 5.+ Item 8.)	\$	3,728,241
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$	(102,677)
11. Asset Gain (Loss) as % of the Actuarial Value of Assets		(2.75%)
12. Ratio of AVA to MVA		112.4%

General Assembly Retirement System Summary of Actuarial Methods and Assumptions

The following presents a summary of the actuarial assumptions and methods used in the valuation of the Retirement System for Members of the General Assembly of South Carolina.

Investment Rate of Return

Assumed annual rate of 7.5 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment and administration expenses.

Rates of Annual Salary Increase

No increases in salary are assumed.

Active Member Decrement Rates

- a. Assumed rates of service retirement are shown in the following table. In addition to the rates in the table below, members with 30 years of service are assumed to immediately commence their retirement benefit. Special contributors are assumed to retire upon attaining age 60.

Age Based Retirement Rates	
Age	Assumed Rate
60 & Under	40.00%
61-64	7.00%
65-69	15.00%
70 & older	100.00%

- b. An abbreviated table with the assumed rates of disability and mortality while employed is shown below. There is no active employment withdrawal assumption.

Age	Disability Rates		Pre-Retirement Mortality	
	Males	Females	Males	Females
25	0.0575%	0.0525%	0.0414%	0.0166%
30	0.1150%	0.0735%	0.0488%	0.0211%
35	0.1725%	0.1470%	0.0850%	0.0380%
40	0.2875%	0.1890%	0.1187%	0.0565%
45	0.4025%	0.2730%	0.1659%	0.0899%
50	0.5750%	0.4620%	0.2352%	0.1341%
55	0.9200%	0.7350%	0.3332%	0.2021%
60	1.1500%	1.1235%	0.5366%	0.3145%
Multiplier			110%	80%

Note: The multiplier has been applied to the decrement in the illustrative table.

Post Retirement Mortality

a. Healthy retirees and beneficiaries-The RP-2000 Mortality Table projected using the AA projections table with mutipliers based on plan experience. The following are sample rates:

Healthy Annuitant Mortality Rates Before Projection		
Age	Males	Females
50	0.2138%	0.1508%
55	0.3624%	0.2445%
60	0.6747%	0.4550%
65	1.2737%	0.8735%
70	2.2206%	1.5068%
75	3.7834%	2.5295%
80	6.4368%	4.1291%
85	11.0757%	6.9701%
90	18.3408%	11.8514%
Multiplier	100%	90%

Note: The multiplier has been applied to the decrement in the illustrative table.

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years				
Gender	Year of Retirement			
	2015	2020	2025	2030
Male	19.6	20.0	20.4	20.7
Female	22.3	22.5	22.7	22.9

- b. A separate table of mortality rates is used for disabled retirees based on the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Disabled Annuitant Mortality Rates		
Age	Males	Females
50	2.4629%	1.2689%
55	3.0126%	1.8198%
60	3.5736%	2.4023%
65	4.2648%	3.0829%
70	5.3196%	4.1398%
75	6.9757%	5.7453%
80	9.2966%	7.9543%
85	12.0363%	11.0223%
90	15.5897%	15.4054%
Multiplier	85%	110%

Note: The multiplier has been applied to the decrement in the illustrative table.

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the System's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level dollar amount necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The amortization period of the System is the number of years required to fully amortize the unfunded accrued liability with the expected amount of employer contributions in excess of the employers' portion of the normal cost.

Future Cost-of-living Increases

No increases are assumed.

Payroll Growth Rate

None assumed.

Other Assumptions

1. Percent married: 100 percent of male and 100 percent of female employees are assumed to be married.
2. Age difference: Males are assumed to be four years older than their spouses.
3. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an immediate life annuity.
4. Inactive Population: All non-vested members are assumed to take an immediate refund. Members with a vested benefit are assumed to elect a refund or a deferred benefit commencing at age 60, whichever is more valuable at the valuation date.
5. There will be no recoveries once disabled.
6. Decrement timing: Decrements of all types are assumed to occur mid-year.
7. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
8. Benefit Service: All active and special contributing members are assumed to accrue one year of eligibility service each year.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for active members included birth date, gender, service with the current city and total vesting service, salary, and employee contribution account balances. For retired members and beneficiaries, the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Salary supplied for the current year was based on the annualized earnings for the year preceding the valuation date. Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

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

July 1, 2011

1. Actuarial Value of Assets at the Prior Valuation Date	\$ 43,712
2. Market Value of Assets at the Prior Valuation Date	\$ 32,770
3. Net External Cash Flow During the Year	
a. Contributions	\$ 3,038
b. Disbursements	(6,789)
c. Subtotal	<u>\$ (3,751)</u>
4. Expected Net Investment Income at 7.50% Earned on	
a. Actuarial Value of Assets at the Prior Valuation Date	\$ 3,278
b. Contributions	204
c. Disbursements	(255)
d. Subtotal	<u>\$ 3,227</u>
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$ 43,188
6. Market Value of Assets as of the Current Valuation Date	\$ 34,669
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$ (8,519)
8. Excess/(Shortfall) Recognized (20% of Item 7.)	\$ (1,704)
9. Actuarial Value of Plan Assets, End of Year (Item 5. + Item 8.)	\$ 41,484
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$ (1,704)
11. Asset Gain (Loss) as Percent of Actual Actuarial Assets	(4.1%)
12. Ratio of AVA to MVA	119.7%

Summary of Actuarial Methods and Assumptions Judges and Solicitors Retirement System

The following presents a summary of the actuarial assumptions and methods used in the valuation of the Retirement System for Judges and Solicitors of South Carolina.

Investment Rate of Return

Assumed annual rate of 7.5 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment and administration expenses.

Rates of Annual Salary Increase

Rates of salary are assumed to increase at an annual rate of 3 percent.

Active Member Decrement Rates

- a. Assumed rates of service retirement are shown in the following table. In addition to the rates in the table below, all participants are assumed to retire upon reaching the mandatory retirement age of 72.

Assumed Rates of Retirement							
<u>Solicitors and Public Defenders</u>				<u>Judges</u>			
Age	Service	RIP/Eligible	Not RIP Eligible	Age	Service	RIP Eligible	Not RIP Eligible
70 to 72	15 to 23	12%	12%	70 to 72	15 to 24	12%	12%
65 to 69	20 to 23	40%	40%	65 to 69	20 to 24	40%	40%
Any	24	20%	25%	Any	25	15%	25%
Any	25	15%	12%	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+	100%	N/A	Any	32+	100%	N/A

Actuarial Section

- b. An abbreviated table with the assumed rates of disability and mortality while employed is shown below. There is no active employment withdrawal assumption.

Age	Disability Rates		Pre-Retirement Mortality	
	Males	Females	Males	Females
25	0.04%	0.05%	0.0432%	0.0145%
30	0.06%	0.07%	0.0511%	0.0185%
35	0.08%	0.07%	0.0889%	0.0333%
40	0.15%	0.12%	0.1241%	0.0494%
45	0.25%	0.25%	0.1734%	0.0787%
50	0.40%	0.40%	0.2459%	0.1173%
55	0.65%	0.65%	0.3483%	0.1768%
60	1.00%	1.00%	0.5610%	0.2752%
65	1.25%	1.25%	0.8082%	0.3800%
Multiplier	N/A	N/A	115%	70%

Note: The multiplier has been applied to the decrement in the illustrative table.

Post Retirement Mortality

- a. Healthy retirees and beneficiaries – The RP-2000 Mortality Table with White Collar adjustment projected using the AA projection table with multipliers based on plan experience. The following are sample rates:

Healthy Annuitant Mortality Rates Before Projection		
Age	Males	Females
50	0.2176%	0.1510%
55	0.3632%	0.2457%
60	0.6141%	0.4443%
65	1.2167%	0.8218%
70	2.1203%	1.4426%
75	3.6997%	2.4431%
80	6.5353%	4.0926%
85	11.5132%	7.0483%
90	19.6100%	11.9843%
Multiplier	110%	95%

Note: The multiplier has been applied to the decrement in the illustrative table.

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years				
Gender	Year of Retirement			
	2015	2020	2025	2030
Male	19.5	19.9	20.3	20.6
Female	22.4	22.6	22.8	22.9

b. A separate table of mortality rates is used for disabled retirees based on the RP-2000 Disabled Retiree Mortality Table. The following are sample rates:

Disabled Annuitant Mortality Rates		
Age	Males	Females
50	2.173%	1.269%
55	2.658%	1.820%
60	3.153%	2.402%
65	3.763%	3.083%
70	4.694%	4.140%
75	6.155%	5.745%
80	8.203%	7.954%
85	10.620%	11.022%
90	13.756%	15.405%
Multiplier	75%	110%

Note: The multiplier has been applied to the decrement in the illustrative table.

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the System’s actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level percent of payroll necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The amortization period of the System is the number of years required to fully amortize the unfunded accrued liability with the expected amount of employer contributions in excess of the employers’ portion of the normal cost.

The calculation of the amortization period takes into account scheduled increases to contribution rates applicable to future years and payroll growth. Also, the calculation of the amortization period reflects additional contributions the System receives with respect to members in DROP and who are retired-in-place. These contributions are assumed to grow at the same payroll growth rate as for active employees. It is assumed that amortization payments are made monthly at the end of the month.

Future Cost-of-living Increases

Future benefits are assumed to increase at an annual rate of 3 percent.

Payroll Growth Rate

The total annual payroll of active members (including DROP and RIP participants) is assumed to increase at an annual rate of 3 percent. This rate represents the underlying expected annual rate of wage inflation and does not anticipate increases in the number of members.

Other Assumptions

1. Percent married: 95 percent of male and female employees are assumed to be married.
2. Age difference: Males are assumed to be four years older than their spouses.
3. Percent electing annuity on death (when eligible): All of the spouses of vested married participants are assumed to elect an immediate life annuity.
4. Inactive Population: All non-vested members are assumed to take an immediate refund. Members with a vested benefit are assumed to elect a deferred benefit commencing at their earliest commencement possible age.
5. There will be no recoveries once disabled.
6. Decrement timing: Decrements of all types are assumed to occur mid-year.
7. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
8. Benefit Service: All active and members are assumed to accrue one year of eligibility service each year.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active and inactive members, and (ii) members and beneficiaries receiving benefits.

The data for active members included birth date, gender, service with the current city and total vesting service, salary, and employee contribution account balances. For retired members and beneficiaries, the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Salary supplied for the current year was based on the annualized earnings for the year preceding the valuation date. Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

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

	July 1, 2011
1. Actuarial Value of Assets at the Prior Valuation Date	\$ 142,871
2. Market Value of Assets at the Prior Valuation Date	\$ 111,226
3. Net External Cash Flow During the Year	
a. Contributions	\$ 10,623
b. Disbursements	(14,685)
c. Subtotal	\$ (4,062)
4. Expected Net Investment Income at 7.50% Earned on	
a. Actuarial Value of Assets at the Prior Valuation Date	\$ 10,715
b. Contributions	398
c. Disbursements	(551)
d. Subtotal	\$ 10,562
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$ 149,371
6. Market Value of Assets as of the Current Valuation Date	\$ 127,152
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$ (22,219)
8. Excess/(Shortfall) Recognized (20% of Item 7.)	\$ (4,444)
9. Actuarial Value of Plan Assets, End of Year (Item 5. + Item 8.)	\$ 144,927
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$ (4,444)
11. Asset Gain (Loss) as % of the Actuarial Value of Assets	(3.07%)
12. Ratio of AVA to MVA	114.0%

South Carolina National Guard Retirement System Summary of Actuarial Methods and Assumptions

The following presents a summary of the actuarial assumptions and methods used in the valuation of the South Carolina National Guard Retirement System.

Investment Rate of Return

Assumed annual rate of 7.50 percent net of investment and administrative expenses composed of a 2.75 percent inflation component and a 4.75 percent real rate of return, net of investment and administration expenses.

Rates of Annual Salary Increase

No increases in salary are assumed. Benefit is not pay related.

Active Member Decrement Rates

- a. Assumed rates of service retirement are shown in the following table. Members who retire prior to age 60 are assumed to defer retirement benefits until age 60.

Age Based Retirement Rates		
Age	Rate with 20 or more years of service	Rate with 30 or more years of service
39 & Under	10.00%	100.00%
40-49	10.00%	100.00%
50-59	10.00%	100.00%
60 & older	100.00%	100.00%

- b. An abbreviated table with the assumed rates of disability and mortality while employed is shown below. There is no active employment withdrawal assumption.

Age	Disability Rates		Pre-Retirement Mortality	
	Males	Females	Males	Females
25	0.0854%	0.0854%	0.0338%	0.0186%
30	0.1100%	0.1100%	0.0653%	0.0264%
35	0.1474%	0.1474%	0.0978%	0.0467%
40	0.2201%	0.2201%	0.1234%	0.0790%
45	0.3595%	0.3595%	0.1614%	0.1248%
50	0.6059%	0.6059%	0.2171%	0.1767%
55	1.0089%	1.0089%	0.3776%	0.2516%
60	1.6269%	1.6269%	0.7443%	0.4454%
Multiplier			90.0%	90.0%

Note: The multiplier has been applied to the decrement in the illustrative table.

Post Retirement Mortality

Retirees and beneficiaries – The RP-2000 Mortality Table projected using the AA projection table with multiplier based on plan experience. The following are sample rates:

Annuitant Mortality Rates Before Projection		
Age	Males	Females
50	0.2774%	0.2257%
55	0.4825%	0.3214%
60	0.9511%	0.5691%
65	1.7870%	1.1958%
70	3.0772%	2.1429%
75	4.9601%	3.5521%
80	8.1129%	5.6296%
85	13.2339%	9.5565%
90	20.9021%	15.7189%
Multiplier	115%	115%

Note: The multiplier has been applied to the decrement in the illustrative table.

The following table provides the life expectancy for individuals retiring in future years based on the assumption with full generational projection:

Life Expectancy for an Age 65 Retiree in Years				
Gender	Year of Retirement			
	2015	2020	2025	2030
Male	17.8	17.8	17.8	17.8
Female	19.7	19.7	19.7	19.7

Asset Valuation Method

The actuarial value of assets is based on the market value of assets with five-year smoothing applied. This is accomplished by recognizing each year 20 percent of the difference between the market value of assets and the expected actuarial value of assets, based upon the assumed valuation rate of return.

Expected earnings are determined using the assumed investment rate of return and the beginning of year actuarial value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses.

Actuarial Cost Method

The Entry Age Normal actuarial cost method allocates the System's actuarial present value of future benefits to various periods based upon service. The portion of the present value of future benefits allocated to years of service prior to the valuation date is the actuarial accrued liability, and the portion allocated to years following the valuation date is the present value of future normal costs. The normal cost is determined for each active member as the level dollar amount necessary to fully fund the expected benefits to be earned over the career of each individual active member. The normal cost is partially funded with active member contributions with the remainder funded by employer contributions.

An unfunded accrued liability exists in the amount equal to the excess of accrued liability over valuation assets. The amortization period of the System is the number of years required to fully amortize the unfunded accrued liability with the expected amount of employer contributions in excess of the employers' portion of the normal cost.

Future Cost-of-Living Increases

No increases are assumed.

Payroll Growth Rate

None assumed.

Other Assumptions

1. There is not a marriage assumption.
2. Decrement timing: Decrements of all types are assumed to occur mid-year.
3. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Participant Data

Participant data was supplied in electronic text files. There were separate files for (i) active, and (ii) members and beneficiaries receiving benefits.

The data for active members included birth date, gender, total military service and total South Carolina National Guard service. For retired members and beneficiaries, the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and form of payment code.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

National Guard Retirement System
Development of Actuarial Value of Assets
(Dollar amounts expressed in thousands)

	<u>July 1, 2011</u>
1. Actuarial Value of Assets at the Prior Valuation Date	\$ 19,458
2. Market Value of Assets at the Prior Valuation Date	\$ 15,053
3. Net External Cash Flow During the Year	
a. Contributions	\$ 3,904
b. Disbursements	(4,011)
c. Subtotal	\$ (107)
4. Expected Net Investment Income at 7.50% Earned on	
a. Actuarial Value of Assets at the Prior Valuation Date	\$ 1,459
b. Contributions	146
c. Disbursements	(150)
d. Subtotal	\$ 1,455
5. Expected Actuarial Value of Assets, End of Year (Item 1. + Item 3.c. + Item 4.d.)	\$ 20,806
6. Market Value of Assets as of the Current Valuation Date	\$ 17,466
7. Difference Between Expected Actuarial Assets and Market Value of Assets (Item 6. - Item 5.)	\$ (3,340)
8. Excess/(Shortfall) Recognized (20% of Item 7.)	\$ (668)
9. Actuarial Value of Plan Assets, End of Year (Item 5. + Item 8.)	\$ 20,138
10. Asset Gain (Loss) for Year (Item 9. - Item 5.)	\$ (668)
11. Asset Gain (Loss) as % of Actual Actuarial Assets	(3.3%)
12. Ratio of AVA to MVA	115.3%

**South Carolina Retirement System
Summary of Historical Active Membership
As of July 1, 2011**

<u>July 1</u>	<u>Number of Employers</u>	<u>Active Members</u>		<u>Covered Payroll¹</u>		<u>Average Annual Pay</u>		<u>Average Age</u>	<u>Average Service</u>
		<u>Number</u>	<u>Percent Increase/ (Decrease)</u>	<u>Amount in Thousands</u>	<u>Percent Increase/ (Decrease)</u>	<u>Amount</u>	<u>Percent Increase/ (Decrease)</u>		
2011	803	187,611	(1.4%)	\$ 7,687,558	(1.1%)	\$ 40,976	0.33%	45	10.5
2010	800	190,239	(1.1%)	7,769,820	(4.7%)	40,842	1.20%	45	10.2
2009	781	192,319	(0.3%)	7,761,808	2.7%	40,359	2.95%	45	10.0
2008	776	192,820	2.6%	7,559,172	6.6%	39,203	3.89%	45	9.7
2007	777	187,968	2.0%	7,093,181	5.3%	37,736	3.28%	45	9.8
2006	763	184,282	1.8%	6,733,379	5.9%	36,538	4.06%	45	9.9
2005	768	181,022	(0.4%)	6,356,489	2.8%	35,114	3.30%	44	9.6
2004	763	181,827	(2.0%)	6,180,599	(1.0%)	33,992	1.06%	44	9.8
2003	763	185,538	(1.9%)	6,240,768	1.5%	33,636	3.50%	44	9.8
2002	746	189,166	(1.2%)	6,147,712	2.2%	32,499	3.42%	44	9.7

¹Covered payroll does not include payroll attributable to members in State ORP, TERI, or working retirees.

**Police Officers Retirement System
Summary of Historical Active Membership
As of July 1, 2011**

<u>July 1</u>	<u>Number of Employers</u>	<u>Active Members</u>		<u>Covered Payroll¹</u>		<u>Average Annual Pay</u>		<u>Average Age</u>	<u>Average Service</u>
		<u>Number</u>	<u>Percent Increase/ (Decrease)</u>	<u>Amount in Thousands</u>	<u>Percent Increase/ (Decrease)</u>	<u>Amount</u>	<u>Percent Increase/ (Decrease)</u>		
2011	356	26,650	0.3%	\$ 1,087,587	1.0%	\$ 40,810	0.72%	40	9.6
2010	322	26,568	(0.1%)	1,076,467	(0.7%)	40,517	(0.60%)	40	8.7
2009	318	26,598	0.6%	1,084,154	2.2%	40,761	1.55%	40	8.4
2008	313	26,427	3.0%	1,060,747	6.8%	40,139	3.68%	39	8.2
2007	313	25,645	3.4%	992,849	6.6%	38,715	3.09%	39	8.3
2006	314	24,813	4.3%	931,815	9.5%	37,554	5.05%	39	8.3
2005	314	23,795	0.3%	850,610	3.4%	35,747	3.16%	40	8.2
2004	314	23,734	(0.6%)	822,448	2.8%	34,653	3.35%	39	8.2
2003	314	23,871	(0.4%)	800,394	5.7%	33,530	6.08%	39	8.1
2002	302	23,963	(3.5%)	757,393	0.0%	31,607	3.59%	39	8.0

¹Covered payroll does not include payroll attributable to members in State ORP, TERI, or working retirees.

**General Assembly Retirement System
Summary of Historical Active Membership
As of July 1, 2011**

July 1	Number of Employers	Active Members		Covered Payroll		Average Annual Pay		Average Age	Average Service
		Number ¹	Percent Increase/ (Decrease)	Amount in Thousands ¹	Percent Increase/ (Decrease)	Amount	Percent Increase/ (Decrease)		
2011	2	170	0.0%	\$ 3,854	0.0%	\$ 22,671	0.00%	53	9.8
2010	2	170	0.0%	3,854	0.0%	22,671	0.00%	52	10.2
2009	2	170	0.0%	3,854	0.0%	22,671	0.00%	51	9.0
2008	2	170	0.0%	3,854	0.0%	22,671	0.00%	52	10.4
2007	2	170	0.0%	3,854	0.0%	22,671	0.00%	52	10.8
2006	2	170	0.0%	3,854	0.0%	22,671	0.00%	51	10.6
2005	2	170	0.0%	3,853	0.4%	22,668	0.38%	51	10.2
2004	2	170	0.0%	3,839	(0.1%)	22,582	(0.13%)	52	11.1
2003 ²	2	170	(15.0%)	3,844	(14.9%)	22,612	(0.17%)	52	10.3
2002	2	200	(4.3%)	4,515	(5.2%)	22,573	(0.91%)	52	13.4

**Judges and Solicitors Retirement System
Summary of Historical Active Membership
As of July 1, 2011**

July 1	Active Members		Covered Payroll		Average Annual Pay		Average Age	Average Service
	Number of Employers ¹	Number ¹	Amount in Thousands ¹	Amount	Percent Increase (Decrease)			
2011	3	144	\$ 18,661	\$ 129,590	0.00%	55	14.3	
2010	3	144	18,661	129,590	0.00%	55	15.0	
2009	3	144	18,661	129,590	0.00%	55	15.4	
2008	3	144	18,661	129,590	1.10%	55	15.7	
2007	2	128	16,407	128,176	3.00%	55	19.4	
2006	2	128	15,929	124,445	3.00%	55	20.1	
2005	2	128	15,465	120,820	4.00%	55	19.5	
2004	2	128	14,870	116,172	3.00%	54	17.9	
2003	2	128	14,437	112,789	1.59%	54	16.8	
2002	2	128	14,211	111,026	0.73%	53	16.5	

¹The number of active employees and the covered payroll shown on these tables reflect the number of positions.

²Beginning 2003 does not include special contributors.

National Guard Retirement System
Summary of Historical Active Membership
As of July 1, 2011

July 1	Number of Employers	Number of Members	Annual Payroll	Average Pay	Percentage Increase In Average Pay	Average Age	Average Service
2011	1	12,271	N/A	N/A	N/A	32	9.3
2010	1	12,445	N/A	N/A	N/A	32	9.0
2009	1	12,599	N/A	N/A	N/A	N/A	N/A
2008	1	12,559	N/A	N/A	N/A	N/A	N/A
2007	1	11,076	N/A	N/A	N/A	N/A	N/A
2006	1	2,502	N/A	N/A	N/A	N/A	N/A
2005	1	2,864	N/A	N/A	N/A	N/A	N/A
2004	1	3,425	N/A	N/A	N/A	N/A	N/A
2002	1	4,010	N/A	N/A	N/A	N/A	N/A
2000	1	5,289	N/A	N/A	N/A	N/A	N/A

South Carolina Retirement System
Summary of Active Membership Data
As of July 1, 2011
(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL COMPENSATION
State Employees	\$ 51,723	\$ 2,232,313
Public School Employees	83,075	3,153,646
Other Agency Employees	52,813	1,963,036
Total	\$ 187,611	\$ 7,348,995

Note: In addition, there are 158,086 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

Total compensation is the annualized pay for the prior year.

Police Officers Retirement System
Summary of Active Membership Data
As of July 1, 2011
(Dollar amounts expressed in thousands)

GROUP	NUMBER	ANNUAL COMPENSATION
State Employees	\$ 9,767	\$ 350,386
Public School Employees	5	313
Other Agency Employees	16,922	687,177
Total	\$ 26,694	\$ 1,037,876

Note: In addition, there are 11,980 inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

Total compensation is the annualized pay for the prior year.

General Assembly Retirement System
Summary of Active Membership Data
As of July 1, 2011
(Dollar amounts expressed in thousands)

NUMBER	ANNUAL COMPENSATION
170	\$ 3,854

Note: There are 40 inactive members with contributions still in the system, and there are 26 special contributors. The results of the valuation were adjusted to take these members into account. Numbers shown above reflect the number of seats and include members receiving retirement benefits while continuing in office.

Judges and Solicitors Retirement System
Summary of Active Membership Data
As of July 1, 2011

NUMBER	ANNUAL COMPENSATION
144	\$ 18,661

Note: The number of active members reflects the number of seats, including 14 participants who are either in the DROP or have retired in place. There are four inactive members with contributions still in the system. The results of the valuation were adjusted to take these members into account.

South Carolina Retirement System Summary of Membership Data

	<u>July 1, 2011</u>	<u>July 1, 2010</u>
Service retirees		
a. Number	94,838	91,743
b. Total annual benefits	\$ 1,936,478,546	\$1,842,703,158
c. Average annual benefit	\$ 20,419	\$ 20,085
d. Average age at the valuation date	68.9	68.7

Disabled retirees

a. Number	12,492	11,906
b. Total annual benefits	\$ 142,029,844	\$ 153,889,301
c. Average annual benefit	\$ 11,370	\$ 12,925
d. Average age at the valuation date	61.9	61.8

Beneficiaries

a. Number	8,042	7,745
b. Total annual benefits	\$ 89,867,788	\$ 84,783,174
c. Average annual benefit	\$ 11,175	\$ 10,947
d. Average age at the valuation date	67.3	67.5

Police Officers Retirement System Summary of Membership Data

	<u>July 1, 2011</u>	<u>July 1, 2010</u>
Service retirees		
a. Number	10,206	9,599
b. Total annual benefits	\$ 201,651,947	\$ 186,554,000
c. Average annual benefit	\$ 19,758	\$ 19,435
d. Average age at the valuation date	64.1	64.1

Disabled retirees

a. Number	2,006	1,862
b. Total annual benefits	\$ 38,839,921	\$ 35,124,000
c. Average annual benefit	\$ 19,362	\$ 18,864
d. Average age at the valuation date	53.4	53.2

Beneficiaries

a. Number	1,146	1,105
b. Total annual benefits	\$ 13,494,593	\$ 12,698,000
c. Average annual benefit	\$ 11,775	\$ 11,491
d. Average age at the valuation date	67.9	68.0

General Assembly Retirement System Summary of Membership Data

	<u>July 1, 2011</u>	<u>July 1, 2010</u>
Service retirees		
a. Number	275	271
b. Total annual benefits	\$ 5,388,001	\$ 5,257,753
c. Average annual benefit	\$ 19,593	\$ 19,401
d. Average age at the valuation date	72.0	71.8
Disabled retirees		
a. Number	1	1
b. Total annual benefits	\$ 15,432	\$ 15,432
c. Average annual benefit	\$ 15,432	\$ 15,432
d. Average age at the valuation date	74.1	73.1
Beneficiaries		
a. Number	77	74
b. Total annual benefits	\$ 1,138,899	\$ 1,139,207
c. Average annual benefit	\$ 14,791	\$ 15,395
d. Average age at the valuation date	76.0	76.2

Judges and Solicitors Retirement System Summary of Membership Data

	<u>July 1, 2011</u>	<u>July 1, 2010</u>
Service retirees		
a. Number ¹	140	134
b. Total annual benefits	\$ 13,289,551	\$ 12,592,283
c. Average annual benefit	\$ 94,925	\$ 93,972
d. Average age at the valuation date	69.5	69.2
Disabled retirees		
a. Number	1	1
b. Total annual benefits	\$ 92,914	\$ 92,914
c. Average annual benefit	\$ 92,914	\$ 92,914
d. Average age at the valuation date	76.7	75.7
Beneficiaries		
a. Number	57	59
b. Total annual benefits	\$ 1,609,516	\$ 1,675,710
c. Average annual benefit	\$ 28,237	\$ 28,402
d. Average age at the valuation date	70.4	70.4

¹Includes members in DROP and retired in place.

National Guard Retirement System Summary of Membership Data

	<u>July 1, 2011</u>	<u>July 1, 2010</u>
Active members		
a. Males	10,356	10,516
b. Females	1,915	1,929
c. Total members	<u>12,271</u>	<u>12,445</u>
d. Average age	32.0	31.9
e. Average service	9.3	9.0
 Vested inactive members		
a. Number	2,458	2,683
b. Total annual deferred benefits	\$ 1,910,760	\$ 2,086,260
c. Average annual deferred benefit	\$ 777	\$ 778
 Service Retirees		
a. Number	4,252	3,951
b. Total annual benefits	\$ 3,932,340	\$ 3,674,040
c. Average annual benefit	\$ 925	\$ 930
d. Average age	68.7	68.6

South Carolina Retirement System
Schedule of Retirants Added to and Removed from Rolls¹
(Dollar amounts except average allowance expressed in thousands)

July 1	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		
2011	6,336	\$ 141,242	2,358	\$ 31,382	115,372	\$ 2,191,236	5.3%	\$ 18,993
2010	6,596	151,348	3,216	44,049	111,394	2,081,376	5.4%	18,685
2009	6,190	101,813	2,698	36,834	108,014	1,974,077	3.4%	18,276
2008	6,021	132,856	2,396	30,178	104,522	1,909,098	5.7%	18,265
2007	5,944	130,286	2,252	28,455	100,897	1,806,420	6.0%	17,904
2006	4,621	118,271	2,083	24,099	97,205	1,704,589	5.8%	17,536
2005	7,203	167,748	2,143	23,537	94,667	1,610,417	9.8%	17,011
2004	7,319	151,477	2,132	22,656	89,607	1,466,206	9.6%	16,363
2003	7,866	163,867	2,510	27,662	84,420	1,337,385	11.3%	15,842
2002	7,344	140,077	2,334	24,531	79,064	1,201,180	10.6%	15,193

¹Includes Teacher and Employee Retention Incentive (TERI) program participants.

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

July 1	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		
2011	1,042	\$ 22,580	250	\$ 2,970	13,358	\$ 253,986	8.4%	\$ 19,014
2010	943	21,877	327	5,000	12,566	234,376	7.8%	18,652
2009	931	17,937	267	3,879	11,950	217,499	6.9%	18,201
2008	779	17,458	194	2,691	11,286	203,441	7.8%	18,026
2007	772	16,474	205	2,745	10,701	188,674	7.8%	17,631
2006	678	16,880	205	2,691	10,134	174,945	8.8%	17,263
2005	778	12,576	173	2,147	9,661	160,756	9.8%	16,640
2004	894	16,256	265	2,923	9,056	146,348	10.0%	16,114
2003	947	18,614	226	2,733	8,427	133,015	13.6%	15,784
2002	956	17,378	220	2,639	7,706	117,134	14.4%	15,200

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

<u>July 1</u>	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls End of the Year</u>		<u>% Increase in Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>		
2011	12	\$ 238	5	\$ 108	353	\$ 6,542	2.0%	\$ 18,534
2010	7	148	14	261	346	6,412	(1.7%)	18,532
2009	26	505	15	266	353	6,525	3.8%	18,484
2008	19	337	10	134	342	6,286	3.3%	18,380
2007	18	321	2	13	333	6,083	5.3%	18,267
2006	13	238	8	179	317	5,775	1.0%	18,218
2005	22	486	7	125	312	5,716	6.8%	18,321
2004	12	185	9	119	297	5,353	1.2%	18,023
2003	40	453	12	226	294	5,287	13.1%	17,983
2002	24		9	160	266	4,674	6.7%	17,571

Judges and Solicitors Retirement System
Schedule of Retirants Added to and Removed from Rolls¹
(Dollar amounts except average allowance expressed in thousands)

<u>July 1</u>	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls End of the Year</u>		<u>% Increase in Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>		
2011	9	\$ 827	5	\$ 196	198	\$ 14,992	4.4%	\$ 75,717
2010	18	1,210	8	593	194	14,361	4.5%	74,025
2009	10	903	4	259	184	13,744	4.9%	74,696
2008	6	545	3	156	178	13,100	3.1%	73,596
2007	32	2,690	1	30	175	12,711	26.5%	72,634
2006	4	464	1	28	144	10,051	4.5%	69,799
2005	3	581	1	27	141	9,615	6.1%	68,191
2004	11	925	2	139	139	9,061	9.5%	65,190
2003	11	716	7	493	130	8,275	2.8%	63,654
2002	13	706	5	248	126	8,052	6.0%	63,905

¹Beginning July 1, 2007, includes participants who have retired in place.

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

<u>July 1</u>	<u>Added to Rolls</u>		<u>Removed from Rolls¹</u>		<u>Rolls End of the Year</u>		<u>% Increase in Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>		
2011	399	\$ 351	98	\$ 93	4,252	\$ 3,932	7.0%	\$ 925
2010	267	237	101	99	3,951	3,674	3.9%	930
2009	378	335	85	83	3,785	3,536	7.7%	934
2008	364	331	76	75	3,492	3,284	8.5%	940
2007	362	329	61	58	3,204	3,028	9.8%	945
2006	303	276	90	91	2,903	2,757	7.2%	950
2005	244	214	89	81	2,690	2,572	5.5%	956
2004					2,535	2,439	12.9%	962
2002					2,213	2,160	10.9%	976
2000					1,962	1,947	7.7%	992

¹Sufficient data is not available to complete these columns for years ending before June 30, 2005.

Schedule of Funding Progress
(Dollar amounts expressed in thousands)¹

SCRS	Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability(AAL)	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Annual Covered Payroll ²	UAAL as % of Payroll
	2011	\$25,604,823	\$38,011,610	\$ 12,406,787	67.4%	\$ 7,687,558	161.4%
	2010	25,400,331	38,774,029	13,373,698	65.5%	7,769,820	172.1%
	2009	25,183,062	37,150,315	11,967,253	67.8%	7,761,808	154.2%
	2008	24,699,678	35,663,419	10,963,741	69.3%	7,559,172	145.0%
	2007	23,541,438	33,766,678	10,225,240	69.7%	7,093,181	144.2%
	2006	22,293,446	32,018,519	9,725,073	69.6%	6,733,379	144.4%
	2005	21,625,510	30,217,471	8,591,961	71.6%	6,356,489	135.2%
	2004	20,862,659	25,977,852	5,115,193	80.3%	6,180,599	82.8%
	2003	20,197,936	24,398,931	4,200,995	82.8%	6,240,768	67.3%
	2002	19,298,174	22,446,574	3,148,400	86.0%	6,147,712	51.2%

PORS	Valuation Date	Actuarial Value of Assets(AVA)	Actuarial Accrued Liability(AAL)	Unfunded Actuarial Accrued Liability(UAAL)	Funded Ratio	Annual Covered Payroll ²	UAAL as % of Payroll
	2011	\$ 3,728,241	\$ 5,122,501	\$ 1,394,260	72.8%	\$ 1,087,587	128.2%
	2010	3,612,700	4,850,457	1,237,757	74.5%	1,076,467	115.0%
	2009	3,482,220	4,564,111	1,081,891	76.3%	1,084,154	99.8%
	2008	3,363,136	4,318,955	955,819	77.9%	1,060,747	90.1%
	2007	3,160,240	3,730,544	570,304	84.7%	992,849	57.4%
	2006	2,935,841	3,466,281	530,440	84.7%	931,815	56.9%
	2005	2,774,606	3,173,930	399,324	87.4%	850,610	46.9%
	2004	2,616,835	2,984,584	367,749	87.7%	822,448	44.7%
	2003	2,511,369	2,744,849	233,480	91.5%	800,394	29.2%
	2002	2,351,100	2,527,876	176,776	93.0%	757,393	23.3%

¹ Funding progress for July 1, 2011, valuation has been adjusted to reflect pension reform legislation in Act 278.

² Covered payroll does not include payroll attributable to members in State ORP, TERI or working retirees.

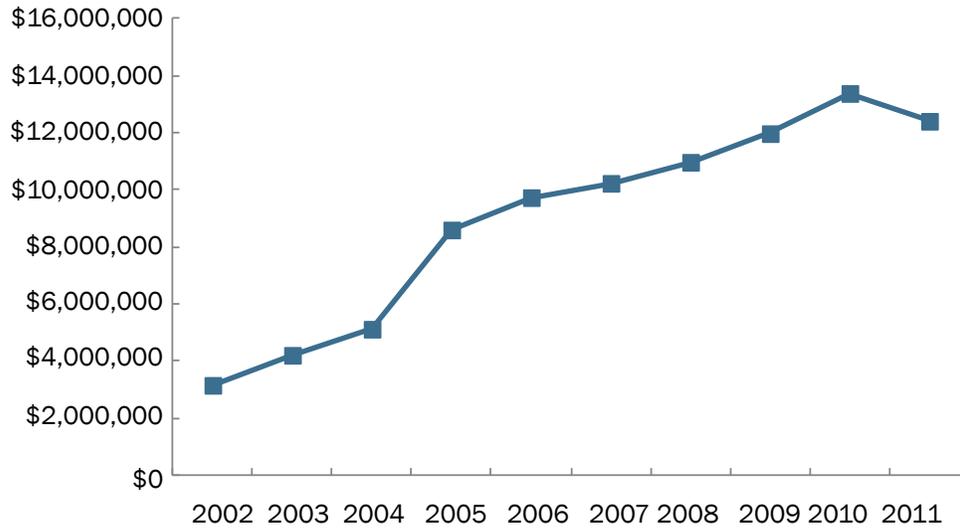
Note: Effective 7-1-2003, actuarial assumptions were changes as a result of a 5 year experience study. The rates of salary increase assumption, the assumed retirement rates, disability incidence assumptions and withdrawal rate assumptions were revised for both SCRS and PORS. In addition , the assumed 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.

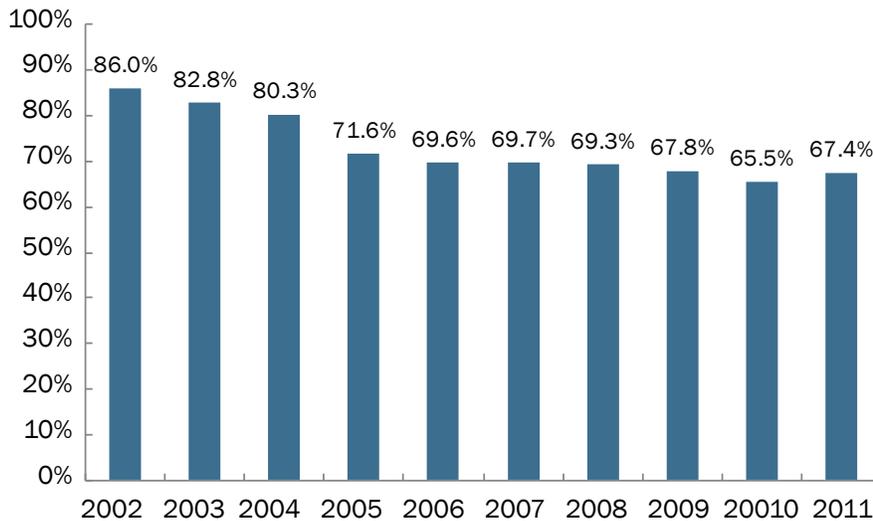
Effective 7-1-2008, actuarial assumptions for SCRS were changed as a result of a 5 year experience study. Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

South Carolina Retirement System Funding Progress with Funded Ratios¹

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



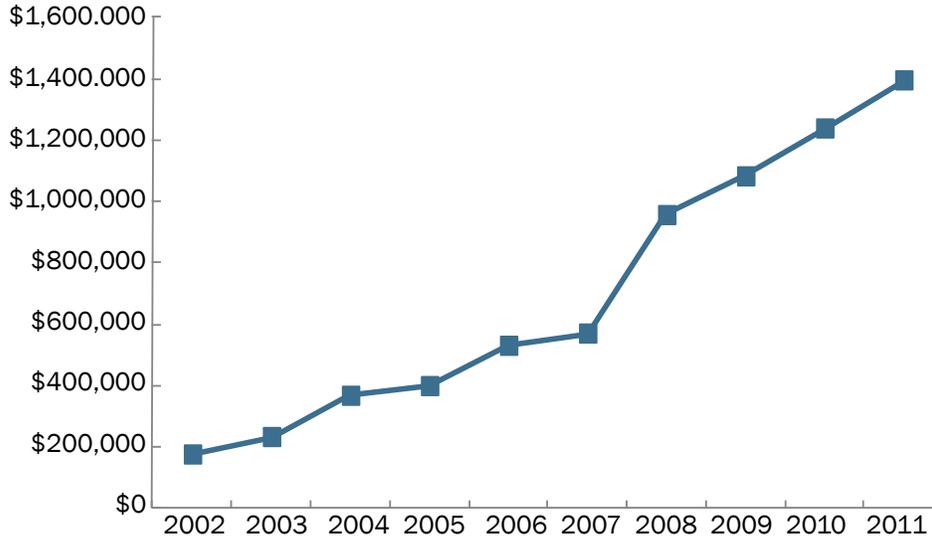
Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)



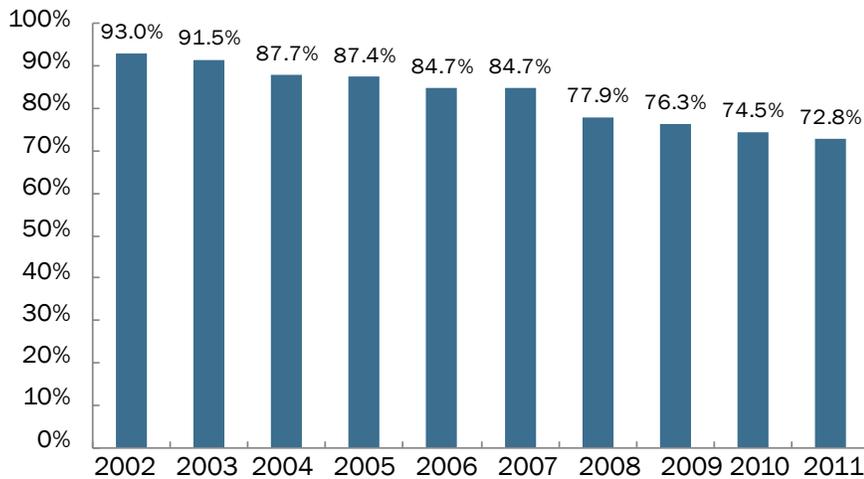
¹Funding progress and funded ratios for July 1, 2011, valuation have been adjusted to reflect pension reform legislation in Act 278.

Police Officers Retirement System Funding Progress with Funded Ratios ¹

Unfunded Accrued Liabilities
(Amounts expressed in thousands)



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



¹ Funding progress and funded ratios for July 1, 2011, valuation have been adjusted to reflect pension reform legislation in Act 278.

Schedule of Funding Progress
(Dollar amounts expressed in thousands)

GARS	Valuation Date	Actuarial Value of Assets(AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	2011	\$ 41,484	\$ 74,604	\$ 33,120	55.6%	\$ 3,854	859.4%
	2010	43,712	68,671	24,959	63.7%	3,854	647.6%
	2009	45,891	68,491	22,600	67.0%	3,854	586.4%
	2008	47,189	69,122	21,933	68.3%	3,854	569.1%
	2007	46,925	71,014	24,089	66.1%	3,854	625.0%
	2006	46,075	69,734	23,659	66.1%	3,854	613.9%
	2005	46,316	69,161	22,845	67.0%	3,853	592.9%
	2004	45,087	68,332	23,245	66.0%	3,839	605.5%
	2003	44,682	66,619	21,937	67.1%	3,844	570.8%
	2002	43,841	73,046	29,205	60.0%	4,515	646.9%

JSRS	Valuation Date	Actuarial Value of Assets(AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	2011	\$ 144,927	\$ 243,514	\$ 98,587	59.5%	\$ 18,661	528.3%
	2010	142,871	215,823	72,952	66.2%	18,661	390.9%
	2009	141,797	214,363	72,566	66.1%	18,661	388.9%
	2008	138,323	213,406	75,083	64.8%	18,661	402.4%
	2007	132,990	229,388	96,398	58.0%	16,407	587.5%
	2006	124,837	211,384	86,547	59.1%	15,929	543.3%
	2005	118,888	204,847	85,959	58.0%	15,465	555.8%
	2004	112,016	185,052	73,036	60.5%	14,870	491.2%
	2003	106,114	166,655	60,541	63.7%	14,437	419.3%
	2002	100,074	166,440	66,366	60.1%	14,211	467.0%

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.

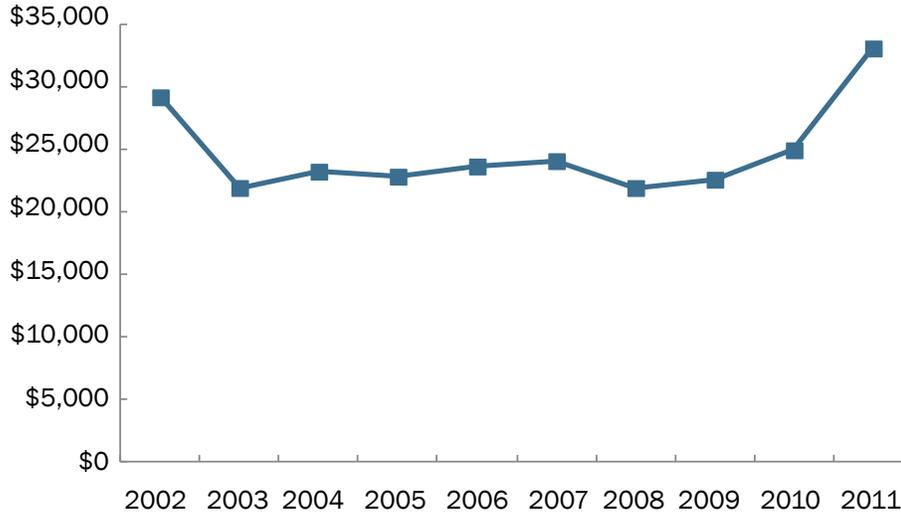
Effective 7-1-2003, actuarial assumptions for GARS and JSRS were changed as a result of a five year experience study. The rates of salary increase assumption, the assumed retirement rates, and disability incidence assumptions were revised.

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

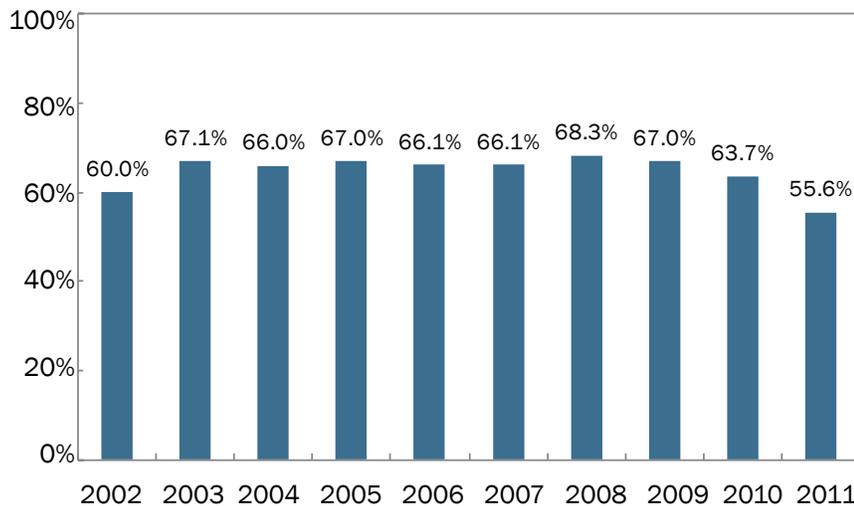
Changes in the investment return assumptions were adopted by the Board for the 7-01-2008 valuation for all plans.

General Assembly Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities
(Amounts expressed in thousands)

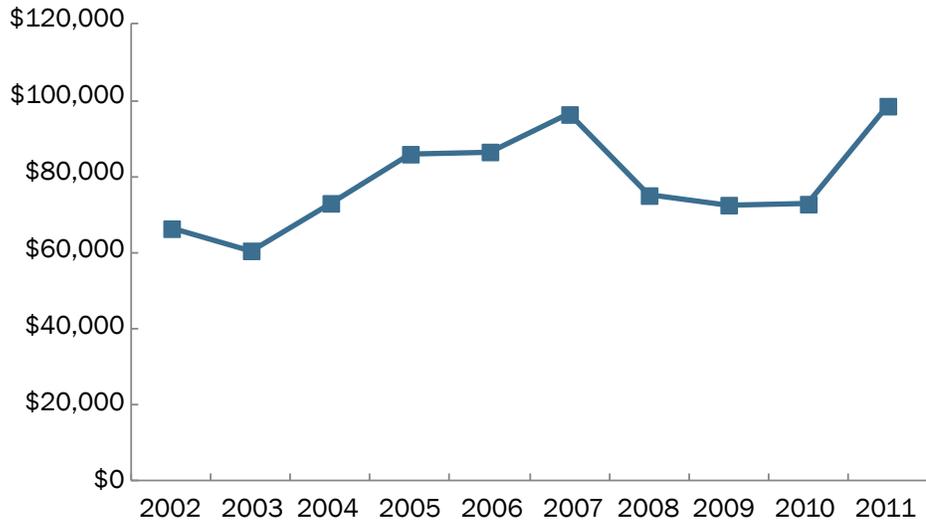


Funded Ratios
(Actuarial assets as a percentage of actuarial accrued liabilities)

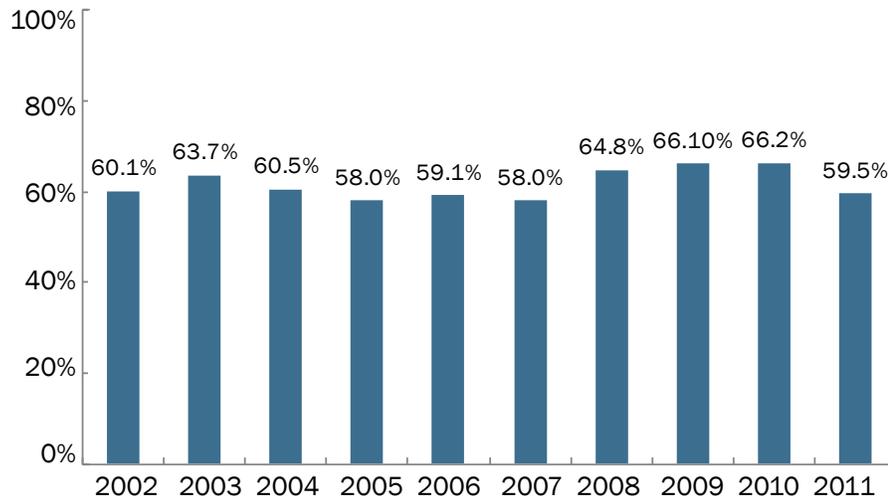


Judges and Solicitors Retirement System Funding Progress with Funded Ratios

Unfunded Accrued Liabilities (Amounts expressed in thousands)



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



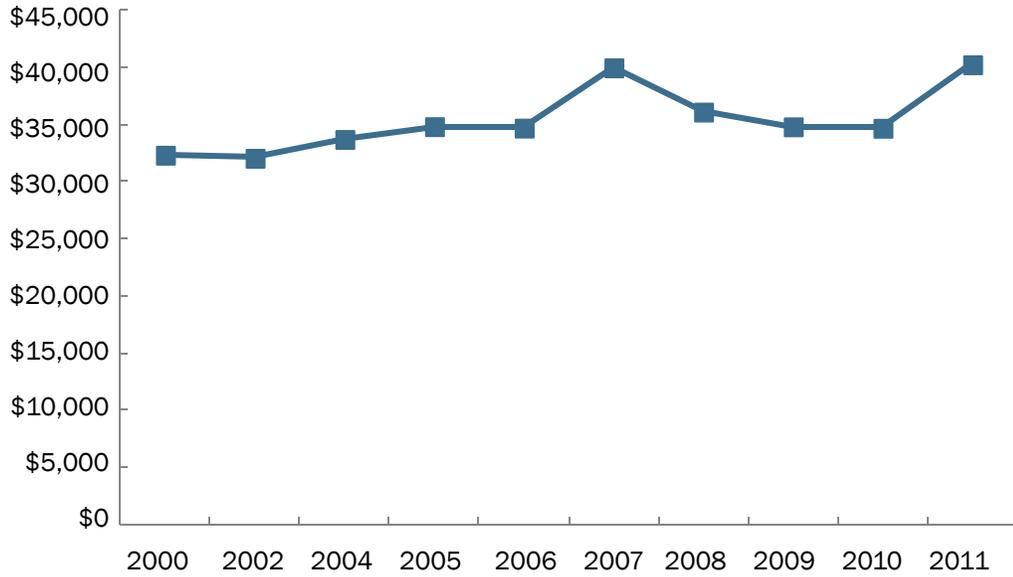
Schedule of Funding Progress
(Dollar amounts expressed in thousands)

NGRS	Valuation Date	Actuarial Value of Assets(AVA)	Actuarial Liability(AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	2011	\$ 20,138	\$ 60,388	\$ 40,250	33.3%	N/A	N/A
	2010	19,458	54,153	34,695	35.9%	N/A	N/A
	2009	18,600	53,421	34,821	34.8%	N/A	N/A
	2008	17,426	53,534	36,108	32.5%	N/A	N/A
	2007	15,937	55,917	39,980	28.5%	N/A	N/A
	2006	14,046	48,755	34,709	28.8%	N/A	N/A
	2005	12,151	46,985	34,835	25.8%	N/A	N/A
	2004	13,567	47,281	33,714	28.6%	N/A	N/A
	2002	12,608	44,678	32,069	28.2%	N/A	N/A
	2000 ¹	11,089	43,427	32,338	25.5%	N/A	N/A
	1998	8,640	41,478	32,839	20.8%	N/A	N/A

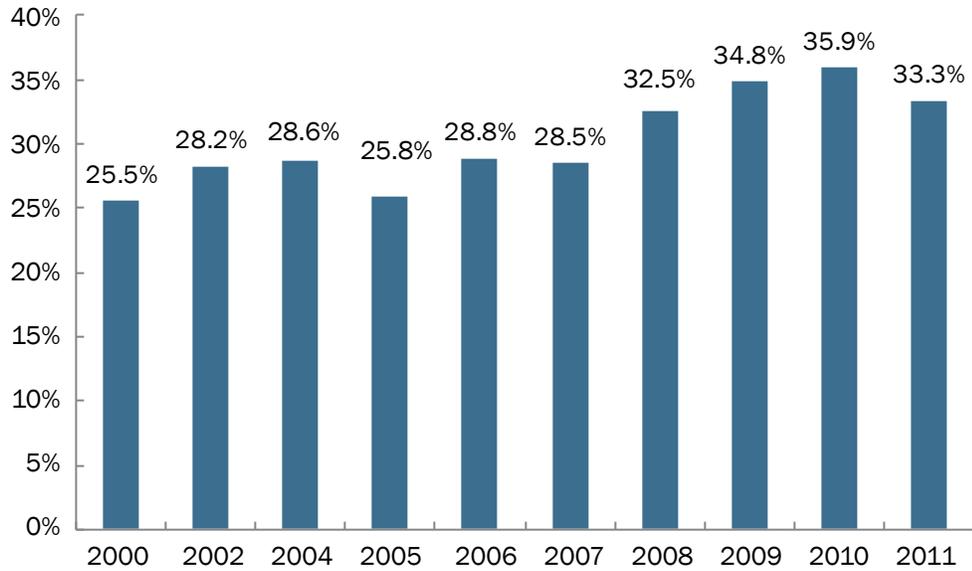
¹As of April 30, 2000.

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)



South Carolina Retirement System
Reconciliation of UAAL
As of July 1, 2011
(Amounts expressed in thousands)

Item:	Amount of Increase/Decrease
Beginning of Year UAAL	\$13,373,698
Interest on UAAL	999,625
Amortization payment with interest	(618,048)
Assumption/method changes ¹	(45,359)
Asset Experience	802,448
COLA	154,945
Salary Experience	(477,773)
Other Liability Experience	221,413
Legislative Changes ²	(2,221,100)
End of Year UAAL	<u><u> </u></u>

¹Includes the change in liability as a result of the change in automatic COLA provisions.

²Results of July 1, 2011, valuation have been adjusted to reflect pension reform legislation in Act 278.

Police Officers Retirement System
Reconciliation of UAAL
As of July 1, 2011
(Amounts expressed in thousands)

Item:	Amount of Increase/Decrease
Beginning of Year UAAL	\$1,237,757
Interest on UAAL	71,369
Amortization payment with interest	(64,459)
Assumption/method changes ¹	(286,171)
Asset Experience	102,677
COLA	40,124
Salary Experience	(41,879)
Other Liability Experience	37,282
Legislative Changes ²	<u>297,560</u>
End of Year UAAL	<u><u> </u></u>

¹Includes the change in liability as a result of the change in automatic COLA provisions.

²Results of July 1, 2011, valuation have been adjusted to reflect pension reform legislation in Act 278.

General Assembly Retirement System
Reconciliation of UAAL
As of July 1, 2011

(Amounts expressed in thousands)

Item:	<u>Amount of Increase/Decrease</u>
Beginning of Year UAAL	\$24,959
Interest on UAAL	2,296
Amortization payment with interest	(2,241)
Assumption change	5,715
Asset experience	1,704
Liability experience	687
Legislative changes	0
Total change	<hr/>
End of Year UAAL	<hr/>

Judges and Solicitors Retirement System
Reconciliation of UAAL
As of July 1, 2011

(Amounts expressed in thousands)

Item:	<u>Amount of Increase/Decrease</u>
Beginning of Year UAAL	\$72,952
Interest on UAAL	7,277
Amortization payment with interest	(5,271)
Assumption/method changes	24,079
Asset Experience	4,444
COLA	(5,121)
Salary Experience	(2,141)
Other Liability Experience	2,368
Legislative Changes	0
End of Year UAAL	<hr/> <hr/> <u>\$98,587</u>

National Guard Retirement System
Reconciliation of UAAL
As of July 1, 2011
(Amounts expressed in thousands)

Item:	<u>Amount of Increase/Decrease</u>
Beginning of Year UAAL	\$34,695
Interest on UAAL	3,010
Amortization payment with interest	(3,670)
Assumption change	5,441
Asset experience	668
Liability experience	106
Legislative changes	0
Total change	<u> </u>
End of Year UAAL	<u><u> </u></u>

Solvency Test

(Dollar amounts expressed in thousands)

	July 1	Actuarial Accrued Liability			Portion of Aggregate Accrued Liabilities Covered by Assets			
		Active Member Contributions	Retirants & Beneficiaries	Active & Inactive Members (Employer Financed)	Valuation Assets	Active	Retirants	ER Financed
SCRS	2011	\$ 6,472,646	\$ 23,160,658	\$ 8,378,306	\$ 25,604,823	100%	82.6%	0.0%
	2010	6,222,854	22,585,243	9,965,932	25,400,331	100%	84.9%	0.0%
	2009	5,980,022	21,381,561	9,788,732	25,183,062	100%	89.8%	0.0%
	2008	5,708,620	20,624,862	9,329,937	24,699,678	100%	92.1%	0.0%
	2007	5,464,756	19,084,672	9,217,250	23,541,438	100%	94.7%	0.0%
	2006	5,229,175	17,800,254	8,989,090	22,293,446	100%	95.9%	0.0%
	2005	4,915,423	16,891,954	8,410,094	21,625,510	100%	98.9%	0.0%
	2004	4,750,077	14,184,765	7,043,010	20,862,659	100%	100%	27.4%
	2003	4,627,360	13,240,368	6,531,203	20,197,936	100%	100%	35.7%
	2002	4,512,402	11,600,395	6,333,777	19,298,174	100%	100%	50.3%
PORS	2011	\$ 786,724	\$ 2,784,144	\$ 1,551,633	\$ 3,728,241	100%	100%	10.1%
	2010	758,695	2,577,772	1,513,990	3,612,700	100%	100%	18.2%
	2009	726,214	2,348,685	1,489,212	3,482,220	100%	100%	27.4%
	2008	697,423	2,183,645	1,437,887	3,363,136	100%	100%	33.5%
	2007	658,023	1,818,914	1,253,607	3,160,240	100%	100%	54.5%
	2006	622,008	1,668,449	1,175,824	2,935,841	100%	100%	54.9%
	2005	585,701	1,530,199	1,058,030	2,774,606	100%	100%	62.0%
	2004	548,699	1,415,627	1,020,258	2,616,835	100%	100%	64.0%
	2003	516,313	1,265,173	963,363	2,511,369	100%	100%	75.8%
	2002	492,178	1,136,998	898,700	2,351,100	100%	100%	80.3%

Note: Effective 7-1-2003, actuarial assumptions were changes 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.

July 1, 2011, valuation results have been adjusted to reflect pension reform legislation in Act 278.

Solvency Test
(Dollar amounts expressed in thousands)

	July 1	Actuarial Accrued Liability			Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
		Active Member Contributions	Retirants & Beneficiaries	Active and Inactive Members (Employer Financed)		Active	Retirants	ER Financed
GARS	2011	\$ 7,100	\$ 58,291	\$ 9,213	\$ 41,484	100%	59.0%	0.0%
	2010	7,265	53,486	7,920	43,712	100%	68.1%	0.0%
	2009	6,822	54,586	7,083	45,891	100%	71.6%	0.0%
	2008	7,265	53,240	8,617	47,189	100%	75.0%	0.0%
	2007	7,735	54,115	9,164	46,925	100%	72.4%	0.0%
	2006	8,094	51,870	9,770	46,075	100%	73.2%	0.0%
	2005	8,024	51,353	9,784	46,316	100%	74.6%	0.0%
	2004	8,485	48,126	11,721	45,087	100%	76.1%	0.0%
	2003	8,324	46,781	11,515	44,682	100%	77.7%	0.0%
	2002	9,470	47,485	16,091	43,841	100%	72.4%	0.0%
JSRS	2011	\$ 18,864	\$ 169,841	\$ 54,809	\$ 144,927	100%	74.2%	0.0%
	2010	17,816	150,696	47,311	142,871	100%	83.0%	0.0%
	2009	18,431	144,464	51,468	141,797	100%	85.4%	0.0%
	2008	17,367	141,510	54,529	138,323	100%	85.5%	0.0%
	2007	18,999	149,435	60,954	132,990	100%	76.3%	0.0%
	2006	21,857	112,823	76,704	124,837	100%	91.3%	0.0%
	2005	20,005	110,876	73,966	118,888	100%	89.2%	0.0%
	2004	17,640	106,159	61,253	112,016	100%	88.9%	0.0%
	2003	16,545	96,409	53,701	106,114	100%	92.9%	0.0%
	2002	16,162	101,716	48,562	100,074	100%	82.5%	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.

Solvency Test
(Dollar amounts expressed in thousands)

	<u>July 1</u>	<u>Actuarial Accrued Liability</u>			<u>Portion of Aggregate Accrued Liabilities Covered by Assets</u>			
		<u>Active Member Contributions</u>	<u>Retirants and Beneficiaries</u>	<u>Active & Inactive Members (Employer Financed)</u>	<u>Valuation Assets</u>	<u>Active</u>	<u>Retirants</u>	<u>ER Financed</u>
NGRS	2011	\$ 0	\$ 44,490	\$ 15,898	\$ 20,138	N/A	45.3%	0.0%
	2010		28,492	25,661	19,458	N/A	68.3%	0.0%
	2009		27,558	25,863	18,600	N/A	67.5%	0.0%
	2008		25,554	27,980	17,426	N/A	68.2%	0.0%
	2007		24,627	31,290	15,937	N/A	64.7%	0.0%
	2006		22,366	26,389	14,046	N/A	62.8%	0.0%
	2005		20,804	26,181	12,151	N/A	58.4%	0.0%
	2004		19,704	27,577	13,567	N/A	68.9%	0.0%
	2002		17,597	27,081	12,608	N/A	71.6%	0.0%
	2000		16,186	27,241	11,089	N/A	68.5%	0.0%

Summary of Basic Provisions As of June 30, 2012

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 SC Department of Corrections, the SC Department of Juvenile Justice, or the SC 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 II 6.5% of earnable compensation	Class I \$21 per month Class II 6.5% of earnable compensation	10% of earnable compensation	10% of earnable compensation	Not applicable as this is a non-contributory plan
3. Employer Contributions				
Class II 9.385% of earnable compensation	Class I 7.8% of earnable compensation Class II 11.363% of earnable compensation	Annual lump-sum appropriation	44.64% of earnable compensation	Annual lump-sum appropriation
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

SCRS

PORS

GARS

JSRS

NGRS

4. Requirements for Service Annuity

5 years earned service

The member is entitled to a deferred reduced annuity at age 60.

5 years earned service

The member is entitled to a deferred annuity at age 55.

8 years service

The member is entitled to a deferred annuity at age 60.

Members are vested in the system with 10 years earned service in position of judge; 8 years earned service in position of solicitor or circuit public defender.

For vested members who joined prior to 7/1/2004, member is eligible for a deferred annuity at age 55. For members who joined after 6/30/2004, member is eligible for a deferred annuity at age 65.

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.

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

The member must have a minimum of five years of earned service to qualify for retirement.

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

The member must have a minimum of five years of earned service to qualify for retirement.

Age 60 or 30 years of service

Age 70 or 30 years of service while continuing to serve in the General Assembly

Age 70 with 15 years of service

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.

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.

7. Early Retirement

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

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.

Age 55 with five years of service credit

The member must have a minimum of five years of earned service to qualify for early retirement.

Age 60 with 8 years of service credit

Members are vested in the system with 10 years earned service in position of judge; 8 years earned service in position of solicitor or circuit public defender.

For vested members who joined prior to 7/1/2004, member is eligible for a deferred annuity at age 55. For members who joined after 6/30/2004, member is eligible for a deferred annuity at age 65.

Not applicable

8. Formula for Normal Service Retirement

Class I

1.45% of Average Final Compensation times years of credited service

[Continued on Next Page](#)

Class I

\$10.97 per month for each year of service

[Continued on Next Page](#)

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. Benefit formula increases by

[Continued on Next Page](#)

For 20 years of service, retirees receive a \$50 monthly benefit. For each year of service beyond the 20 years,

[Continued on Next Page](#)

SCRS**PORS****GARS****JSRS****NGRS****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

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.

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.

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).

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.

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.

Option 2

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

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SCRS**PORS****GARS****JSRS****NGRS****Benefit Options (continued)**

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.

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.

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

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.

Not applicable

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.

Actuarial Section

SCRS

PORS

GARS

JSRS

NGRS

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 should 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 should equal the actual increase in the CPI. COLAs are earned only during periods of inflation.

Each July 1, eligible retired members should 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 should equal the actual increase in the CPI. COLAs are earned 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.

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. The annuity to surviving children ends upon each child's 18th birthday.

Not applicable

Not applicable

Not applicable

SCRS**PORS****GARS****JSRS****NGRS****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.

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

No service requirements for death resulting from an injury arising out of the actual performance of duties for an active member.

Lump-sum payment to retiree's beneficiary of up to \$6,000 based upon year of service at retirement. Retired contributing members are eligible for an increased death benefit payment equal to their annual salary in lieu of the standard retired member benefit.

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

No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.

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

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

No service requirement for death resulting from an injury arising out of the actual performance of duties for an active member.

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

Not applicable

17. Withdrawal of Employee Contributions

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

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

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

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

Not applicable as this is a non-contributory plan



Statistical Section

Completing construction

A photograph of a modern two-story house with a mix of stone and horizontal siding. The house features a large garage with a white door, a front porch with stone pillars, and a well-manicured lawn. The sky is clear and blue.

As construction nears completion, the owners begin to see that their planning and preparation was worth the effort. They can look forward to enjoying their new home for many years to come. The state of South Carolina seeks to provide reliable and safe retirement plans for members of the Retirement Systems by establishing a solid financial foundation.

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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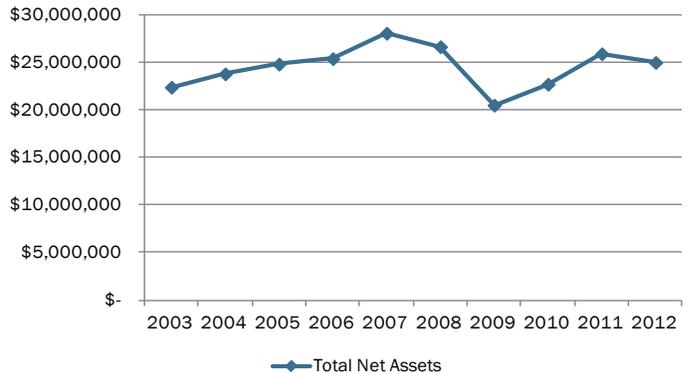
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Financial Trends Information

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.

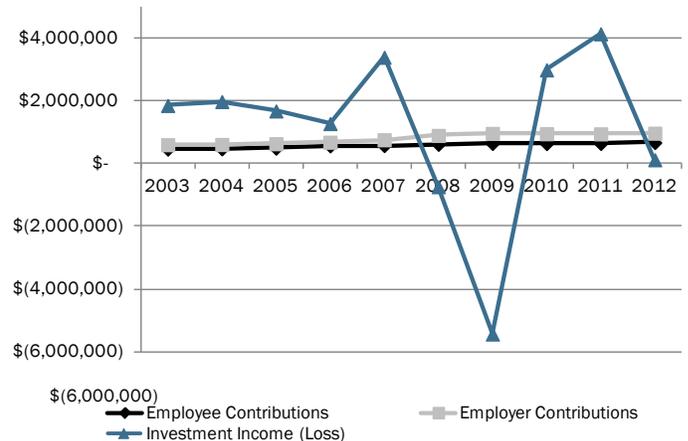
Trend of Total Net Assets Values

A trend of the total value of plan net assets over the past ten years reflects an overall increase; however, negative investment returns realized during fiscal year 2008 and 2009 caused a significant decline in asset values for the portfolio. The \$913 million decrease in the value of plan net assets during fiscal year 2012 resulted from negative cash flows in that while investment performance was relatively flat and contributions remained steady, the plan experienced an increase in benefit payments.



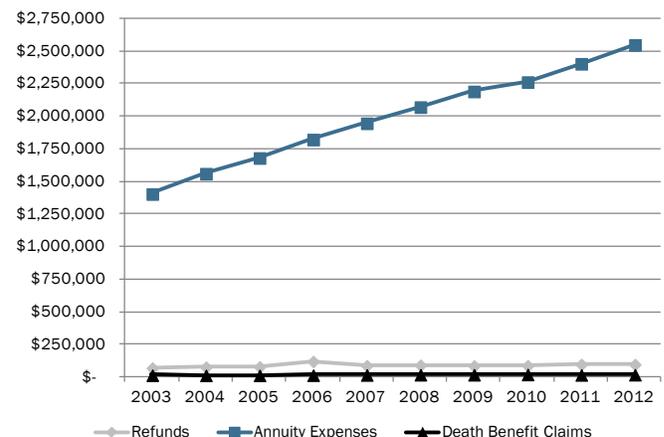
Trend of Total Pension Trust Funds Additions by Source

The overall trend in the dollar amount of employee and employer contributions has gradually increased primarily due to increases in contribution rates although changes in the amount of covered payroll have also had an impact. During fiscal year 2012, the amount of employee contributions increased as a result of retirement reform legislation. A significant number of members remitted contributions to purchase additional service credit to meet retirement eligibility before the effective date of certain legislative changes which included increases to the future cost of service purchase. Employer contributions also increased due to an employer contribution rate increase in fiscal year 2012. Investment income is much more volatile due to its dependence on the market.



Trend of Total Pension Trust Funds Deductions by Type

A rise in the number of annuitant payees and cost of living adjustments that were granted to retirees has 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 years because beneficiaries of working retirees are now eligible for an increased level of benefits.



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

	2012	2011	2010	2009	2008
Assets					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 3,087,132	\$ 3,977,880	\$ 5,298,443	\$ 3,403,752	\$ 2,835,196
Total investments, at fair value	23,486,984	23,870,891	18,829,568	17,915,982	24,697,700
Securities lending cash collateral invested	184,025	229,161	324,593	1,845,862	3,796,183
Property, net of accumulated depreciation	2,984	3,103	3,221	3,340	3,459
Total Assets	<u>26,761,125</u>	<u>28,081,035</u>	<u>24,455,825</u>	<u>23,168,936</u>	<u>31,332,538</u>
Liabilities					
Deferred retirement benefits	386,302	364,005	323,093	431,503	552,260
Obligations under securities lending	184,025	229,161	324,593	1,845,862	3,796,183
Other liabilities	1,211,693	1,596,020	1,116,479	399,193	351,050
Total Liabilities	<u>1,782,020</u>	<u>2,189,186</u>	<u>1,764,165</u>	<u>2,676,558</u>	<u>4,699,493</u>
Total Net Assets	<u>\$24,979,105</u>	<u>\$25,891,849</u>	<u>\$22,691,660</u>	<u>\$20,492,378</u>	<u>\$26,633,045</u>

	2007	2006	2005	2004	2003
Assets					
Cash and cash equivalents, receivables, and prepaid expenses	\$ 6,855,459	\$ 2,078,394	\$ 3,137,913	\$ 3,087,343	\$ 3,173,518
Total investments, at fair value	22,188,448	24,114,946	22,652,248	21,427,345	19,694,444
Securities lending cash collateral invested	5,085,506	4,372,175	4,110,377	3,698,749	3,912,893
Property, net of accumulated depreciation	3,577	3,696	3,814	3,933	4,052
Total Assets	<u>34,132,990</u>	<u>30,569,211</u>	<u>29,904,352</u>	<u>28,217,370</u>	<u>26,784,907</u>
Liabilities					
Deferred retirement benefits	641,750	670,527	884,776	649,385	424,906
Obligations under securities lending	5,085,506	4,372,175	4,110,377	3,698,749	3,912,893
Other liabilities	356,954	144,561	100,752	86,497	67,738
Total Liabilities	<u>6,084,210</u>	<u>5,187,263</u>	<u>5,095,905</u>	<u>4,434,631</u>	<u>4,405,537</u>
Total Net Assets	<u>\$28,048,780</u>	<u>\$25,381,948</u>	<u>\$24,808,447</u>	<u>\$23,782,739</u>	<u>\$22,379,370</u>

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

	2012	2011	2010	2009	2008
Additions					
Employee contributions	\$ 586,818	\$ 562,170	\$ 561,261	\$ 564,872	\$ 540,872
Employer contributions	824,652	808,343	818,523	827,502	774,269
Investment income (loss)	109,307	3,598,069	2,612,663	(4,754,668)	(641,196)
Other income	733	884	957	1,233	1,321
Total Additions	<u>1,521,510</u>	<u>4,969,466</u>	<u>3,993,404</u>	<u>(3,361,061)</u>	<u>675,266</u>
Deductions					
Annuities	2,256,519	2,134,031	2,014,418	1,956,446	1,853,892
Refunds	83,134	84,591	75,814	73,882	79,027
Death Benefit Claims	18,295	16,485	19,921	17,908	17,617
Administrative & other expenses	21,683	20,467	19,593	20,371	20,752
Total Deductions	<u>2,379,631</u>	<u>2,255,574</u>	<u>2,129,746</u>	<u>2,068,607</u>	<u>1,971,288</u>
Increase (Decrease) in Net Assets	<u>(858,121)</u>	<u>2,713,892</u>	<u>1,863,658</u>	<u>(5,429,668)</u>	<u>(1,296,022)</u>
Beginning Net Assets	22,395,029	19,681,137	17,817,479	23,247,147	24,543,169
Ending Net Assets	<u>\$21,536,908</u>	<u>\$22,395,029</u>	<u>\$19,681,137</u>	<u>\$17,817,479</u>	<u>\$23,247,147</u>
	2007	2006	2005	2004	2003
Additions					
Employee contributions	\$ 505,122	\$ 498,458	\$ 433,254	\$ 414,967	\$ 408,359
Employer contributions	644,350	577,468	538,809	515,996	512,345
Investment income (loss)	2,999,209	1,134,639	1,496,887	1,759,686	1,662,781
Other income	1,532	1,741	1,982	2,328	2,688
Total Additions	<u>4,150,213</u>	<u>2,212,306</u>	<u>2,470,932</u>	<u>2,692,977</u>	<u>2,586,173</u>
Deductions					
Annuities	1,747,192	1,639,238	1,514,219	1,405,958	1,266,348
Refunds	77,212	108,569	67,434	66,505	60,133
Death Benefit Claims	15,948	14,875	13,710	13,515	14,759
Administrative & other expenses	18,254	18,545	16,485	16,425	14,447
Total Deductions	<u>1,858,606</u>	<u>1,781,227</u>	<u>1,611,848</u>	<u>1,502,403</u>	<u>1,355,687</u>
Increase (Decrease) in Net Assets	<u>2,291,607</u>	<u>431,079</u>	<u>859,084</u>	<u>1,190,574</u>	<u>1,230,486</u>
Beginning Net Assets	22,251,562	21,820,483	20,961,399	19,770,825	18,540,339
Ending Net Assets	<u>\$24,543,169</u>	<u>\$22,251,562</u>	<u>\$21,820,483</u>	<u>\$20,961,399</u>	<u>\$19,770,825</u>

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

	2012	2011	2010	2009	2008
Additions					
Employee contributions	\$ 84,470	\$ 79,334	\$ 77,051	\$ 77,014	\$ 76,907
Employer contributions	134,299	129,314	123,163	124,148	114,862
Investment income (loss)	17,198	519,531	362,566	(638,389)	(85,415)
Other income	1,957	1,944	1,308	1,671	52
Total Additions	<u>237,924</u>	<u>730,123</u>	<u>564,088</u>	<u>(435,556)</u>	<u>106,406</u>
Deductions					
Annuities	265,582	244,443	224,977	211,873	195,989
Refunds	15,162	14,902	13,673	13,753	13,754
Death Benefit Claims	1,851	1,984	2,019	1,720	2,068
Administrative & other expenses	2,872	2,735	2,577	2,537	2,505
Total Deductions	<u>285,467</u>	<u>264,064</u>	<u>243,246</u>	<u>229,883</u>	<u>214,316</u>
Increase (Decrease) in Net Assets	<u>(47,543)</u>	<u>466,059</u>	<u>320,842</u>	<u>(665,439)</u>	<u>(107,910)</u>
Beginning Net Assets	3,317,533	2,851,474	2,530,632	3,196,071	3,303,981
Ending Net Assets	<u>\$ 3,269,990</u>	<u>\$ 3,317,533</u>	<u>\$ 2,851,474</u>	<u>\$ 2,530,632</u>	<u>\$ 3,196,071</u>
	2007	2006	2005	2004	2003
Additions					
Employee contributions	\$ 71,676	\$ 69,254	\$ 60,110	\$ 58,202	\$ 56,581
Employer contributions	107,332	101,447	91,291	88,867	87,084
Investment income (loss)	374,623	139,785	175,849	212,201	184,177
Other income	55	60	64	72	82
Total Additions	<u>553,686</u>	<u>310,546</u>	<u>327,314</u>	<u>359,342</u>	<u>327,924</u>
Deductions					
Annuities	181,388	167,077	152,588	141,461	125,671
Refunds	12,543	13,248	13,441	11,918	11,452
Death Benefit Claims	1,919	1,821	1,468	1,555	1,594
Administrative & other expenses	2,179	1,968	1,823	1,732	1,572
Total Deductions	<u>198,029</u>	<u>184,114</u>	<u>169,320</u>	<u>156,666</u>	<u>140,289</u>
Increase (Decrease) in Net Assets	<u>355,657</u>	<u>126,432</u>	<u>157,994</u>	<u>202,676</u>	<u>187,635</u>
Beginning Net Assets	2,948,324	2,821,892	2,663,898	2,461,222	2,273,587
Ending Net Assets	<u>\$ 3,303,981</u>	<u>\$ 2,948,324</u>	<u>\$ 2,821,892</u>	<u>\$ 2,663,898</u>	<u>\$ 2,461,222</u>

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

	2012	2011	2010	2009	2008
Additions					
Employee contributions	\$ 724	624	\$ 544	\$ 706	\$ 733
Employer contributions	2,532	2,414	2,598	2,495	2,440
Investment income (loss)	172	5,682	4,642	(9,409)	(1,136)
Other income		1	36	84	
Total Additions	<u>3,428</u>	<u>8,721</u>	<u>7,820</u>	<u>(6,124)</u>	<u>2,037</u>
Deductions					
Annuities	6,570	6,528	6,512	6,416	6,181
Refunds	31	57	4	33	102
Death Benefit Claims	35	58	6	14	28
Administrative & other expenses	30	179	33	116	64
Total Deductions	<u>6,666</u>	<u>6,822</u>	<u>6,555</u>	<u>6,579</u>	<u>6,375</u>
Increase (Decrease) in Net Assets	<u>(3,238)</u>	<u>1,899</u>	<u>1,265</u>	<u>(12,703)</u>	<u>(4,338)</u>
Beginning Net Assets	34,669	32,770	31,505	44,208	48,546
Ending Net Assets	<u>\$ 31,431</u>	<u>\$ 34,669</u>	<u>\$ 32,770</u>	<u>\$ 31,505</u>	<u>\$ 44,208</u>
	2007	2006	2005	2004	2003
Additions					
Employee contributions	\$ 603	\$ 584	\$ 935	\$ 513	\$ 619
Employer contributions	2,358	2,171	2,890	2,731	2,577
Investment income (loss)	5,950	2,086	3,238	4,031	4,005
Other income					
Total Additions	<u>8,911</u>	<u>4,841</u>	<u>7,063</u>	<u>7,275</u>	<u>7,201</u>
Deductions					
Annuities	5,935	5,726	5,560	5,347	5,073
Refunds	70		31		72
Death Benefit Claims	5	17	16	8	5
Administrative & other expenses	34	98	33	162	84
Total Deductions	<u>6,044</u>	<u>5,841</u>	<u>5,640</u>	<u>5,517</u>	<u>5,234</u>
Increase (Decrease) in Net Assets	<u>2,867</u>	<u>(1,000)</u>	<u>1,423</u>	<u>1,758</u>	<u>1,967</u>
Beginning Net Assets	45,679	46,679	45,256	43,498	41,531
Ending Net Assets	<u>\$ 48,546</u>	<u>\$ 45,679</u>	<u>\$ 46,679</u>	<u>\$ 45,256</u>	<u>\$ 43,498</u>

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

	2012	2011	2010	2009	2008
Additions					
Employee contributions	\$ 2,299	\$ 2,209	\$ 2,343	\$ 2,524	\$ 1,416
Employer contributions	8,414	8,414	8,414	8,414	7,613
Investment income (loss)	783	20,092	14,646	(26,741)	(3,371)
Other income	261	193	114	83	
Total Additions	<u>11,757</u>	<u>30,908</u>	<u>25,517</u>	<u>(15,720)</u>	<u>5,658</u>
Deductions					
Annuities	15,171	14,750	14,168	13,484	12,848
Refunds	134				211
Death Benefit Claims	134	128	11	134	256
Administrative & other expenses	111	104	101	104	103
Total Deductions	<u>15,550</u>	<u>14,982</u>	<u>14,280</u>	<u>13,722</u>	<u>13,418</u>
Increase (Decrease) in Net Assets	<u>(3,793)</u>	<u>15,926</u>	<u>11,237</u>	<u>(29,442)</u>	<u>(7,760)</u>
Beginning Net Assets	127,152	111,226	99,989	129,431	137,191
Ending Net Assets	<u>\$ 123,359</u>	<u>\$ 127,152</u>	<u>\$ 111,226</u>	<u>\$ 99,989</u>	<u>\$129,431</u>
	2007	2006	2005	2004	2003
Additions					
Employee contributions	\$ 1,784	\$ 1,744	\$ 2,092	\$ 1,893	\$ 1,209
Employer contributions	6,706	6,511	6,260	6,078	6,014
Investment income (loss)	16,017	5,761	8,148	9,191	8,795
Other income					
Total Additions	<u>24,507</u>	<u>14,016</u>	<u>16,500</u>	<u>17,162</u>	<u>16,018</u>
Deductions					
Annuities	10,348	9,677	9,215	8,605	8,217
Refunds		20			
Death Benefit Claims	381	124	1	124	8
Administrative & other expenses	92	83	77	72	67
Total Deductions	<u>10,821</u>	<u>9,904</u>	<u>9,293</u>	<u>8,801</u>	<u>8,292</u>
Increase (Decrease) in Net Assets	<u>13,686</u>	<u>4,112</u>	<u>7,207</u>	<u>8,361</u>	<u>7,726</u>
Beginning Net Assets	123,505	119,393	112,186	103,825	96,099
Ending Net Assets	<u>\$ 137,191</u>	<u>\$ 123,505</u>	<u>\$ 119,393</u>	<u>\$ 112,186</u>	<u>\$ 103,825</u>

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

	2012	2011	2010	2009	2008
Additions					
State-appropriated contributions	\$ 3,937	\$ 3,904	\$ 4,052	\$ 4,052	\$ 3,948
Investment income (loss)	94	2,533	1,865	(4,020)	(348)
Other income					50
Total Additions	<u>4,031</u>	<u>6,437</u>	<u>5,917</u>	<u>32</u>	<u>3,650</u>
Deductions					
Annuities	4,065	4,011	3,624	3,432	3,199
Administrative & other expenses	15	13	13	15	156
Total Deductions	<u>4,080</u>	<u>4,024</u>	<u>3,637</u>	<u>3,447</u>	<u>3,355</u>
Increase (Decrease) in Net Assets	<u>(49)</u>	<u>2,413</u>	<u>2,280</u>	<u>(3,415)</u>	<u>295</u>
Total Increase (Decrease) in Net Assets	(49)	2,413	2,280	(3,415)	295
Beginning Net Assets	17,466	15,053	12,773	16,188	15,893
Ending Net Assets	<u>\$ 17,417</u>	<u>\$ 17,466</u>	<u>\$ 15,053</u>	<u>\$ 12,773</u>	<u>\$ 16,188</u>
	2007	2006			
Additions					
State-appropriated contributions	\$ 3,948	\$ -			
Investment income (loss)	2,002	89			
Other income	50	300			
Total Additions	<u>6,000</u>	<u>389</u>			
Deductions					
Annuities	2,926	1,371			
Administrative & other expenses	59	204			
Total Deductions	<u>2,985</u>	<u>1,575</u>			
Increase (Decrease) in Net Assets	<u>3,015</u>	<u>(1,186)</u>			
Transfer from State Adjutant General's Office		14,064			
Total Increase (Decrease) in Net Assets	3,015	12,878			
Beginning Net Assets	12,878				
Ending Net Assets	<u>\$ 15,893</u>	<u>\$ 12,878</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.

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)					
2012	\$ 586,818	\$ 824,652	\$ 109,307	\$ 733	\$ 1,521,510
2011	562,222	808,343	3,598,069	832	4,969,466
2010	561,261	818,523	2,612,663	957	3,993,404
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
Police Officers Retirement System (PORS)					
2012	\$ 85,701	\$ 134,991	\$ 17,198	\$ 34	\$ 237,924
2011	80,582	129,973	519,531	37	730,123
2010	77,844	123,636	362,566	42	564,088
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
General Assembly Retirement System (GARS)					
2012	\$ 724	\$ 2,532	\$ 172	\$ -	\$ 3,428
2011	625	2,414	5,682		8,721
2010	580	2,598	4,642		7,820
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
Judges and Solicitors Retirement System (JSRS)					
2012	\$ 2,560	\$ 8,414	\$ 783	\$ -	\$ 11,757
2011	2,402	8,414	20,092		30,908
2010	2,457	8,414	14,646		25,517
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
National Guard Retirement System (NGRS)					
2012	\$ -	\$ 3,937	\$ 94	\$ -	\$ 4,031
2011		3,904	2,533		6,437
2010		4,052	1,865		5,917
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.

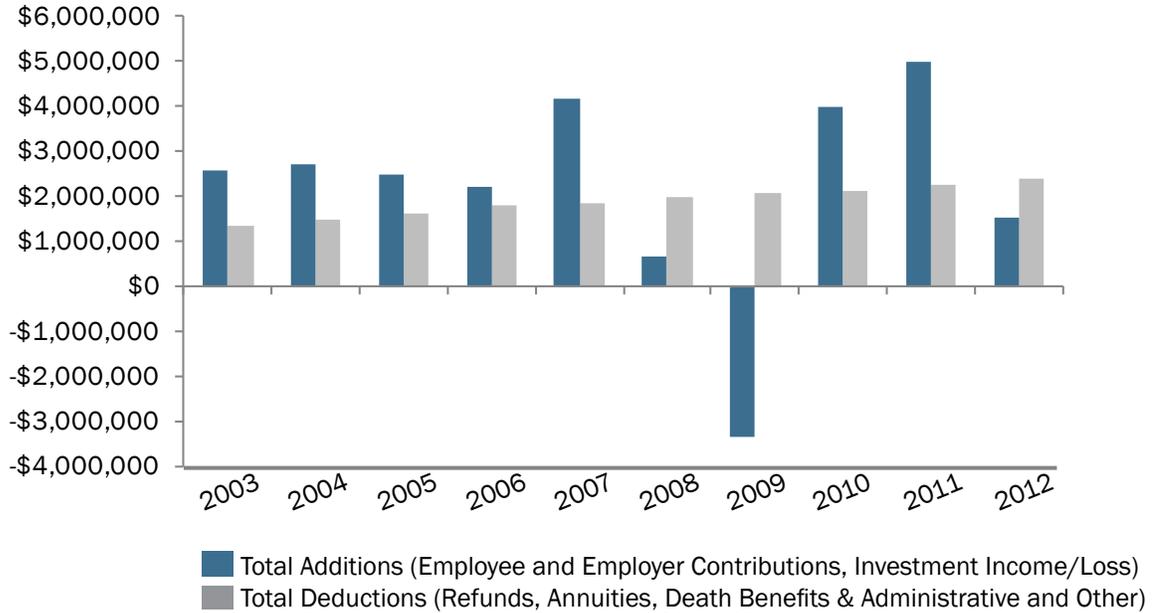
³The Systems administration of this plan began January 1, 2006. Contributions for the fiscal year were received by the previous administrator prior to this time.

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

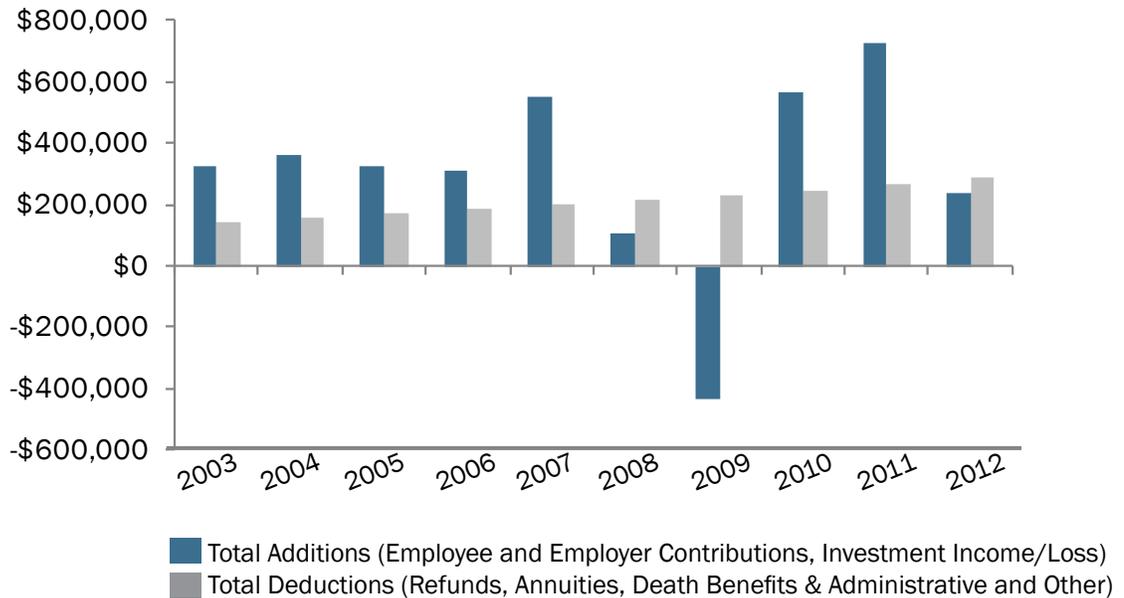
Year Ended June 30,	Refunds	Annuity Expenses	Death Benefit Claims	Administrative and Other Expenses	Total
South Carolina Retirement System (SCRS)					
2012	\$ 83,134	\$ 2,256,519	\$ 18,295	\$ 21,683	\$ 2,379,631
2011	84,591	2,134,031	16,485	20,467	2,255,574
2010	75,814	2,014,418	19,921	19,593	2,129,746
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
2012	\$ 15,162	\$ 265,582	\$ 1,851	\$ 2,872	\$ 285,467
2011	14,902	244,443	1,984	2,735	264,064
2010	13,673	224,977	2,019	2,577	243,246
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
2012	\$ 31	\$ 6,570	\$ 35	\$ 30	\$ 6,666
2011	57	6,528	58	179	6,822
2010	4	6,512	6	33	6,555
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	70	5,726	17	98	5,841
2005	31	5,560	16	33	5,640
2004	31	5,347	8	162	5,517
2003	72	5,073	5	84	5,234
2012	\$ 134	\$ 15,171	\$ 134	\$ 111	\$ 15,550
2011	134	14,750	128	104	14,982
2010	134	14,168	11	101	14,280
2009	134	13,484	134	104	13,722
2008	211	12,848	256	103	13,418
2007	211	10,348	381	92	10,821
2006	20	9,677	124	83	9,904
2005	20	9,215	1	77	9,293
2004	20	8,605	124	72	8,801
2003	20	8,217	8	67	8,292
2012	\$ -	\$ 4,065	\$ -	\$ 15	\$ 4,080
2011	-	4,011	-	13	4,024
2010	-	3,624	-	13	3,637
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 Systems administration of this plan began January 1, 2006. Deductions for the fiscal year were paid by the previous administrator prior to this time.

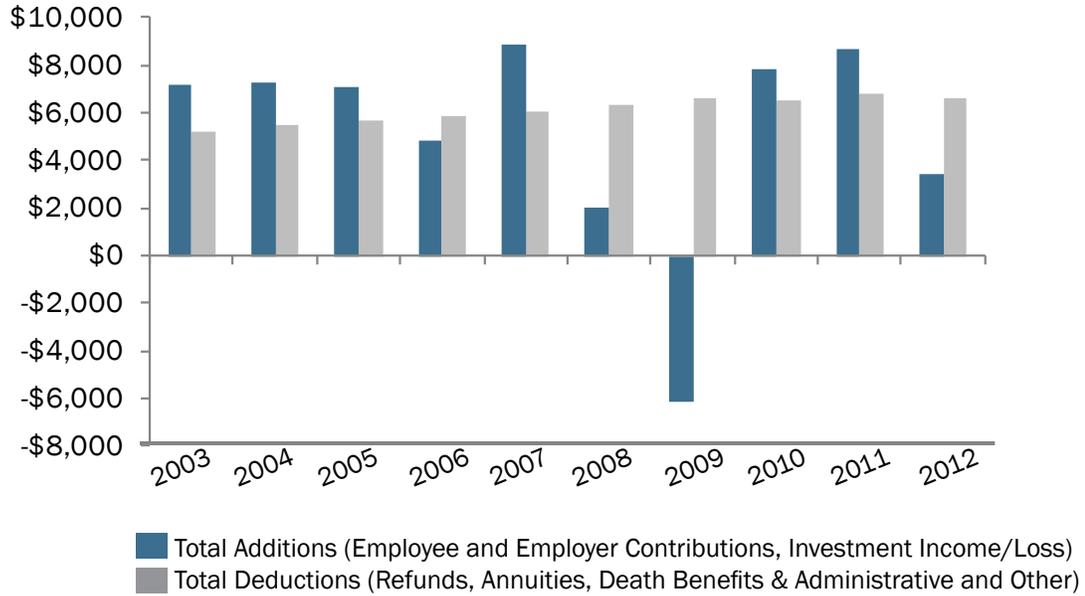
**South Carolina Retirement System
Pension Trust Funds Additions and Deductions
(Amounts expressed in thousands)**



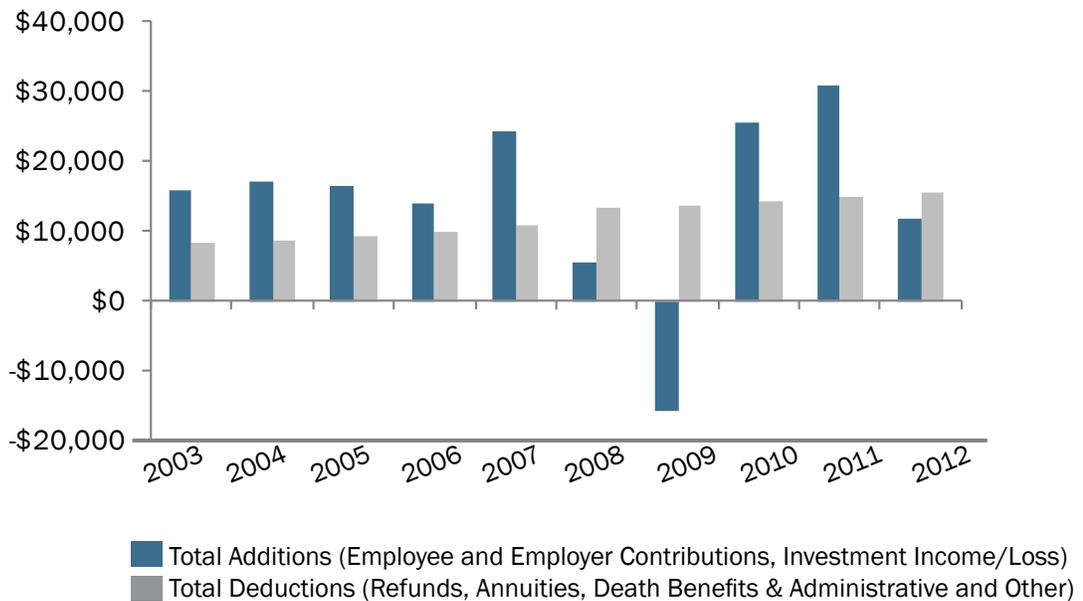
**Police Officers Retirement System
Pension Trust Funds Additions and Deductions
(Amounts expressed in thousands)**



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

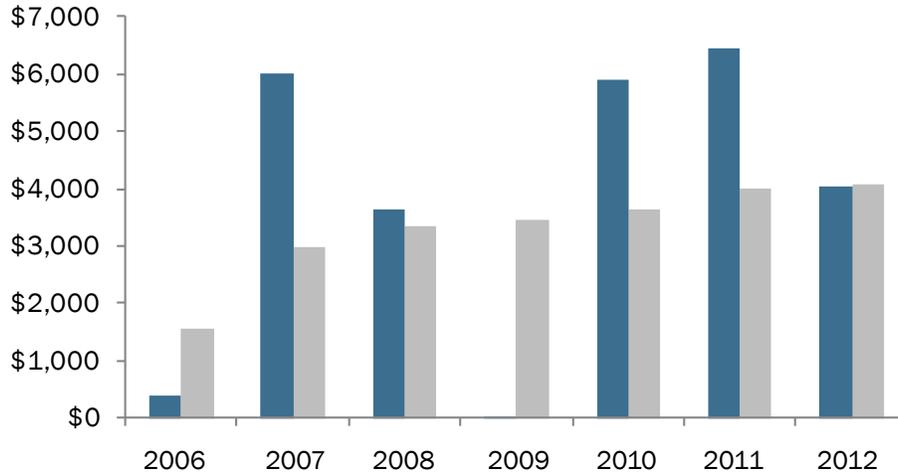


**Judges and Solicitors Retirement System
Pension Trust Funds Additions and Deductions
(Amounts expressed in thousands)**



Statistical Section

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



■ Total Additions (Employee and Employer Contributions, Investment Income/Loss)
■ Total Deductions (Refunds, Annuities, Death Benefits & Administrative and Other)

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	
2012	\$ 77,707	\$ 5,427	\$ 2,160,393	\$ 96,126	\$ 8,469	\$ 9,826	\$ 2,357,948
2011	79,238	5,353	2,043,662	90,369	7,815	8,670	2,235,107
2010	70,917	4,897	1,929,281	85,137	7,495	12,426	2,110,153
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
2012	\$ 14,618	\$ 544	\$ 249,123	\$ 16,459	\$ 872	\$ 979	\$ 282,595
2011	14,518	384	228,739	15,704	912	1,072	261,329
2010	13,300	373	210,242	14,735	1,086	933	240,669
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
2012	\$ 7	\$ 24	\$ 5,389	\$ 1,181	\$ 22	\$ 13	\$ 6,636
2011	45	12	5,359	1,169	45	13	6,643
2010		4	5,296	1,216		6	6,522
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
2012	\$ 83	\$ 51	\$ 13,322	\$ 1,849	\$ 130	\$ 4	\$ 15,439
2011			12,864	1,886	127	1	14,878
2010			12,213	1,955		11	14,179
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
2012	\$ -	\$ -	\$ 4,064	\$ 1	\$ -	\$ -	\$ 4,065
2011			4,010	1			4,011
2010			3,623	1			3,624
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 the systems' annuitant payees. Various payment options are available at retirement; however, the majority of members elect to receive benefits under the maximum benefit level.

The number of covered employees working for certain participating governmental entities declined due to a number of factors. Eligibility in the State ORP was broadened significantly on July 1, 2002, 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 an increase 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.

South Carolina Retirement System Retired Members by Type of Benefit As of June 30, 2012

Monthly Benefit ¹	Number of Annuitant Payees	Type of Benefit											
		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 - \$ 500	24,803	18,365	208	2,337	2,869	1,024	17,371	181	1,761	614	373	3,254	1,249
\$ 501 - \$ 1,000	22,791	15,290	701	1,699	4,440	661	15,818	164	1,216	444	686	2,850	1,613
\$ 1,001 - \$ 1,500	17,466	12,547	1,050	994	2,596	279	11,149	124	768	293	1,250	2,354	1,528
\$ 1,501 - \$ 2,000	15,308	12,140	994	608	1,436	130	8,633	101	475	231	1,991	2,264	1,613
\$ 2,001 - \$ 2,500	17,114	15,168	687	327	894	38	10,329	99	280	158	1,564	2,610	2,074
\$ 2,501 - \$ 3,000	11,978	11,055	251	192	456	24	8,218	48	224	114	613	1,476	1,285
\$ 3,001 - \$ 3,500	5,411	4,982	93	130	194	12	3,382	32	143	91	306	756	701
\$ 3,501 - \$ 4,000	3,112	2,919	47	65	79	2	1,898	16	107	59	165	423	444
\$ 4,001 - \$ 4,500	1,686	1,603	17	35	28	3	990	11	56	54	69	262	244
\$ 4,501 - \$ 5,000	946	895	16	19	14	2	500	9	40	31	22	162	182
Over \$5,000	1,711	1,636	14	43	18		786	13	89	84	24	346	369
Totals	122,326	96,600	4,078	6,449	13,024	2,175	79,074	798	5,159	2,173	7,063	16,757	11,302

Type 1: Normal Retirement for Age and Service
 Type 2: Early Retirement
 Type 3: Beneficiary Payment²
 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, 2012

Monthly Benefit ¹	Number of Annuitant Payees	Type of Benefit											
		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 - \$ 500	2,426	1,567	307	366	118	68	1,402	160	82	138		474	170
\$ 501 - \$ 1,000	2,841	1,778	194	340	425	104	1,686	196	70	173		466	250
\$ 1,001 - \$ 1,500	2,365	1,421	180	225	499	40	1,296	110	70	206		407	276
\$ 1,501 - \$ 2,000	2,394	1,604	165	120	482	23	1,360	66	38	239		387	304
\$ 2,001 - \$ 2,500	1,966	1,461	88	60	350	7	1,126	47	17	166		311	299
\$ 2,501 - \$ 3,000	1,319	1,089	34	28	165	3	805	24	23	105		193	169
\$ 3,001 - \$ 3,500	680	575	14	15	74	2	437	9	14	38		85	97
\$ 3,501 - \$ 4,000	377	330	5	7	35		255	7	6	12		38	59
\$ 4,001 - \$ 4,500	197	181		3	13		130	3	6	7		20	31
\$ 4,501 - \$ 5,000	96	91	1	1	3		57	1	5	5		4	24
Over \$5,000	150	145		4	1		102	5	5	3		8	27
Totals	14,811	10,242	988	1,169	2,165	247	8,656	628	336	1,092		2,393	1,706

Type 1: Normal Retirement for Age and Service
 Type 2: Early Retirement
 Type 3: Beneficiary Payment²
 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

¹Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

²Beneficiary payments include payments to alternate payees in accordance with Qualified Domestic Relations orders.

General Assembly Retirement System Retired Members by Type of Benefit As of June 30, 2012

Monthly Benefit ¹	Number of Annuitant Payees	Type of Benefit											
		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 - \$ 500	30	10	4	16			9	9	4			3	5
\$ 501 - \$ 1,000	75	44	6	25			29	20	6			13	7
\$ 1,001 - \$ 1,500	62	39	4	19			17	23	7			7	8
\$ 1,501 - \$ 2,000	102	72	20	10			41	28	12			15	6
\$ 2,001 - \$ 2,500	48	34	5	9			18	12	6			9	3
\$ 2,501 - \$ 3,000	23	22	1				10	4	2			6	1
\$ 3,001 - \$ 3,500	11	7	1	3			5	4	1			1	
\$ 3,501 - \$ 4,000	3	3						3					
\$ 4,001 - \$ 4,500	3	3					3						
\$ 4,501 - \$ 5,000													
Over \$5,000	1			1				1					
Totals	358	234	41	83			132	104	38			54	30

Type 1: Normal Retirement for Age and Service
Type 2: Early Retirement
Type 3: Beneficiary Payment²

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, 2012

Monthly Benefit ¹	Number of Annuitant Payees	Type of Benefit											
		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 - \$ 500	1	1					1						
\$ 501 - \$ 1,000	10			10				10					
\$ 1,001 - \$ 1,500													
\$ 1,501 - \$ 2,000	2			2			1	1					
\$ 2,001 - \$ 2,500	2			2			2						
\$ 2,501 - \$ 3,000	37	1		36			35	2					
\$ 3,001 - \$ 3,500	11			11			11						
\$ 3,501 - \$ 4,000	2	1		1			2						
\$ 4,001 - \$ 4,500	3	3					3						
\$ 4,501 - \$ 5,000	3	3					3						
Over \$5,000	131	129		1	1		126	5					
Totals	202	138		63	1		184	18					

Type 1: Normal Retirement for Age and Service
Type 3: Beneficiary Payment²
Type 4: Disability Payment

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

¹Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

²Beneficiary payments include payments to alternate payees in accordance with Qualified Domestic Relations orders.

**National Guard Retirement System
Retired Members by Type of Benefit
As of June 30, 2012**

Monthly Benefit ¹	Number of Annuitant Payees	Type of Benefit											
		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 - \$ 500	4,442	4,441		1			4,442						
\$ 501 - \$ 1,000													
\$ 1,001 - \$ 1,500													
\$ 1,501 - \$ 2,000													
\$ 2,001 - \$ 2,500													
\$ 2,501 - \$ 3,000													
\$ 3,001 - \$ 3,500													
\$ 3,501 - \$ 4,000													
\$ 4,001 - \$ 4,500													
\$ 4,501 - \$ 5,000													
Over \$5,000													
Totals	4,442	4,441		1			4,442						

Type 1: Normal Retirement for Age and Service Option 0: Maximum Benefit
 Type 3: Beneficiary Payment²

¹Monthly benefit amounts represent current payment levels for all annuitant payees receiving monthly benefits, including any applicable cost-of-living adjustments (COLAs).

²Beneficiary payments include payments to alternate payees in accordance with Qualified Domestic Relations orders.

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	Avs/Tot
Period 07/01/2002 to 06/30/2003								
Average Monthly benefit	\$ 161.31	\$ 330.18	\$ 565.83	\$ 847.43	\$ 1,130.47	\$ 1,930.80	\$ 2,508.54	\$ 1,545.87
Average AFC	\$ 26,136.52	\$ 25,667.61	\$ 29,336.74	\$ 34,468.34	\$ 36,283.34	\$ 46,881.25	\$ 54,344.49	\$ 42,041.88
Number of Retired members	168	598	719	648	539	3,790	916	7,378
Period 07/01/2003 to 06/30/2004								
Average Monthly benefit	\$ 151.91	\$ 314.60	\$ 569.41	\$ 844.60	\$ 1,126.64	\$ 1,970.76	\$ 2,617.60	\$ 1,515.79
Average AFC	\$ 22,206.24	\$ 25,081.48	\$ 30,568.69	\$ 34,402.35	\$ 35,998.79	\$ 48,026.14	\$ 56,694.11	\$ 42,078.41
Number of Retired members	148	641	799	734	502	3,770	636	7,230
Period 07/01/2004 to 06/30/2005								
Average Monthly benefit	\$ 185.12	\$ 333.83	\$ 564.58	\$ 866.96	\$ 1,182.22	\$ 1,952.82	\$ 2,571.18	\$ 1,453.79
Average AFC	\$ 26,347.95	\$ 27,044.07	\$ 30,589.83	\$ 35,324.62	\$ 37,517.69	\$ 47,441.94	\$ 54,788.37	\$ 41,368.37
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	\$ 201.12	\$ 340.24	\$ 554.41	\$ 868.29	\$ 1,223.25	\$ 1,856.45	\$ 2,249.85	\$ 1,195.07
Average AFC	\$ 27,567.45	\$ 26,822.05	\$ 29,713.99	\$ 34,233.90	\$ 38,519.83	\$ 45,527.24	\$ 48,203.82	\$ 37,566.19
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	\$ 337.74	\$ 613.27	\$ 888.35	\$ 1,179.79	\$ 1,980.91	\$ 2,512.52	\$ 1,331.16
Average AFC	\$ 27,519.51	\$ 28,298.57	\$ 34,062.55	\$ 36,554.81	\$ 38,276.60	\$ 48,963.05	\$ 54,061.35	\$ 41,166.27
Number of Retired members	108	841	847	702	554	2,483	294	5,829
Period 07/01/2007 to 06/30/2008								
Average Monthly benefit	\$ 176.70	\$ 363.46	\$ 595.69	\$ 909.19	\$ 1,245.00	\$ 2,043.10	\$ 2,678.64	\$ 1,402.51
Average AFC	\$ 31,761.84	\$ 30,200.00	\$ 33,006.23	\$ 36,696.01	\$ 40,159.60	\$ 50,240.94	\$ 58,212.25	\$ 42,650.83
Number of Retired members	120	794	878	675	568	2,478	404	5,917
Period 07/01/2008 to 06/30/2009								
Average Monthly benefit	\$ 184.93	\$ 367.37	\$ 618.08	\$ 945.25	\$ 1,301.33	\$ 2,163.96	\$ 2,970.71	\$ 1,461.40
Average AFC	\$ 28,733.35	\$ 30,142.13	\$ 34,603.07	\$ 38,160.91	\$ 41,973.09	\$ 53,209.59	\$ 64,243.25	\$ 44,506.29
Number of Retired members	120	786	892	689	645	2,197	451	5,780
Period 07/01/2009 to 06/30/2010								
Average Monthly benefit	\$ 208.16	\$ 382.98	\$ 644.63	\$ 979.30	\$ 1,343.64	\$ 2,220.14	\$ 2,907.66	\$ 1,485.11
Average AFC	\$ 31,836.52	\$ 30,549.42	\$ 35,683.83	\$ 40,046.43	\$ 43,137.66	\$ 54,670.37	\$ 62,040.92	\$ 45,412.43
Number of Retired members	123	826	1,023	750	729	2,123	597	6,171
Period 07/01/2010 to 06/30/2011								
Average Monthly benefit	\$ 193.16	\$ 377.16	\$ 656.93	\$ 1,008.99	\$ 1,367.51	\$ 2,282.23	\$ 2,880.73	\$ 1,443.27
Average AFC	\$ 30,666.17	\$ 31,037.28	\$ 35,753.42	\$ 40,246.10	\$ 43,888.13	\$ 56,381.46	\$ 61,979.67	\$ 45,291.64
Number of Retired members	146	905	1,102	846	757	1,901	587	6,244
Period 07/01/2011 to 06/30/2012								
Average Monthly benefit	\$ 155.46	\$ 383.13	\$ 672.56	\$ 1,054.48	\$ 1,359.63	\$ 2,311.25	\$ 2,869.76	\$ 1,626.18
Average AFC	\$ 32,498.58	\$ 32,988.88	\$ 37,383.59	\$ 43,062.83	\$ 4,051.53	\$ 57,107.81	\$ 60,879.67	\$ 48,350.17
Number of Retired members	173	1,022	1,371	1,016	1,051	3,318	1,142	9,093
Ten Year Averages								
Average Monthly benefit	\$ 178.77	\$ 355.87	\$ 613.28	\$ 929.00	\$ 1,263.10	\$ 2,061.12	\$ 2,717.37	\$ 1,464.41
Average AFC	\$ 28,539.05	\$ 29,121.72	\$ 33,577.18	\$ 37,647.81	\$ 40,578.03	\$ 50,537.34	\$ 58,353.51	\$ 43,368.98
Number of Retired members	1,318	7,868	9,151	7,482	6,406	27,346	5,733	65,304

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLA's). Although a member's retirement eligibility and AFC may include service from other correlated Systems, the Years of Credited Service in this schedule represents only service credit used for calculating the monthly benefit under this respective System.

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	Avs/Tot
Period 07/01/2002 to 06/30/2003								
Average Monthly benefit	\$ 277.51	\$ 584.83	\$ 906.04	\$ 1,308.93	\$ 1,570.74	\$ 2,219.40	\$ 3,218.15	\$ 1,518.34
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 07/01/2004 to 06/30/2005								
Average Monthly benefit	\$ 371.48	\$ 665.34	\$ 921.31	\$ 1,222.65	\$ 1,734.37	\$ 2,079.81	\$ 3,202.40	\$ 1,374.94
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 07/01/2006 to 06/30/2007								
Average Monthly benefit	\$ 314.01	\$ 583.70	\$ 921.84	\$ 1,313.97	\$ 1,834.59	\$ 2,371.87	\$ 3,793.93	\$ 1,464.19
Average AFC	\$ 33,829.80	\$ 35,862.01	\$ 38,076.76	\$ 41,289.79	\$ 45,193.83	\$ 53,041.40	\$ 69,279.13	\$ 43,720.80
Number of Retired members	70	131	119	112	98	191	29	750

Period 07/01/2008 to 06/30/2009								
Average Monthly benefit	\$ 359.15	\$ 664.98	\$ 1,060.74	\$ 1,454.53	\$ 1,943.01	\$ 2,547.04	\$ 3,777.66	\$ 1,758.97
Average AFC	\$ 41,321.53	\$ 40,388.45	\$ 41,602.78	\$ 43,217.29	\$ 49,476.87	\$ 56,368.19	\$ 67,110.63	\$ 49,024.25
Number of Retired members	67	133	136	88	106	272	63	865

Period 07/01/2010 to 06/30/2011								
Average Monthly benefit	\$ 246.91	\$ 708.00	\$ 1,019.88	\$ 1,474.24	\$ 1,929.16	\$ 2,482.99	\$ 3,539.90	\$ 1,583.12
Average AFC	\$ 37,600.27	\$ 39,952.37	\$ 40,400.70	\$ 44,624.97	\$ 47,089.42	\$ 55,621.72	\$ 65,086.45	\$ 46,657.23
Number of Retired members	92	157	181	117	145	274	40	1,006

Ten Year Averages								
Average Monthly benefit	\$ 324.86	\$ 646.78	\$ 981.54	\$ 1,338.15	\$ 1,904.00	\$ 2,368.91	\$ 3,474.16	\$ 1,579.25
Average AFC	\$ 38,824.18	\$ 37,275.69	\$ 38,906.03	\$ 41,150.53	\$ 47,274.63	\$ 52,877.37	\$ 63,046.77	\$ 45,403.09
Number of Retired members	758	1,378	1,341	1,179	1,150	2,548	494	8,848

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLA's). Although a member's retirement eligibility and AFC may include service from other correlated Systems, the Years of Credited Service in this schedule represents only service credit used for calculating the monthly benefit under this respective System.

General Assembly Retirement System Retired Members by Years of Service

	Years of Credited Service							Avs/Tot
	0 to 5	5+ to 10	10+ to 15	15+ to 20	20+ to 25	25+ to 30	30 Plus	
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	\$ 22,400.00	\$ 23,727.27	\$ 22,856.25
Number of Retired members	5	4	5	5	2	11	32	
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	\$ 22,400.00
Number of Retired members	1	3	5	6	5	3	23	
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 07/01/2008 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	\$ 22,400.00
Number of Retired members	2	3	4	7	2	2	20	
Period 07/01/2010 to 06/30/2011								
Average Monthly benefit	\$ 132.70	\$ 1,068.00	\$ 1,142.12	\$ 1,901.69	\$ 2,838.65	\$ 3,207.33	\$ 1,852.00	
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 24,200.00	\$ 27,900.00	\$ 23,727.27	
Number of Retired members	1	3	1	2	2	2	11	
Ten Year Averages								
Average Monthly benefit	\$ 226.19	\$ 765.06	\$ 1,041.24	\$ 1,441.57	\$ 1,856.11	\$ 2,361.55	\$ 2,691.45	\$ 1,738.45
Average AFC	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,400.00	\$ 22,617.39	\$ 22,640.00	\$ 23,348.14	\$ 2,649.68
Number of Retired members	2	10	27	30	46	15	27	157

Note: Benefit amounts represent original monthly benefit at retirement for all retirees and, for comparison purposes, do not include cost-of-living adjustments (COLA's). Although a member's retirement eligibility and AFC may include service from other correlated Systems, the Years of Credited Service in this schedule represents only service credit used for calculating the monthly benefit under this respective System.

Judges and Solicitors 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 07/01/2002 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 07/01/2004 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 07/01/2006 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 07/01/2008 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	
Period 07/01/2010 to 06/30/2011								
Average Monthly benefit				\$ \$7,730.82	\$ 8,138.15	\$ 9,378.37	\$ 8,508.22	
Average AFC				\$129,454.75	\$130,312.00	\$127,740.25	\$128,788.00	
Number of Retired members				4	1	4	9	
Ten Year Averages								
Average Monthly benefit	\$ 5,083.12	\$ 5,658.14	\$ 7,135.65	\$ 7,838.06	\$ 9,288.74	\$ 8,122.02		
Average AFC	\$ 127,477.00	\$ 118,919.11	\$123,249.66	\$122,705.93	\$126,179.50	\$124,405.30		
Number of Retired members	4	9	15	16	46	90		

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

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	
Period 07/01/2002 to 06/30/2003							
Average Monthly benefit			\$ 50.34	\$ 62.86	\$ 88.48	\$ 100.00	\$ 74.59
Average AFC			\$	\$	\$	\$	\$
Number of Retired members			29	96	33	54	212
Period 07/01/2004 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 07/01/2006 to 06/30/2007							
Average Monthly benefit			\$ 50.00	\$ 61.91	\$ 89.47	\$ 100.00	\$ 74.70
Average AFC			\$	\$	\$	\$	\$
Number of Retired members			64	172	95	94	425
Period 07/01/2008 to 06/30/2009							
Average Monthly benefit			\$ 50.00	\$ 60.95	\$ 90.77	\$ 100.00	\$ 73.40
Average AFC			\$	\$	\$	\$	\$
Number of Retired members			59	142	71	72	344
Period 07/01/2010 to 06/30/2011							
Average Monthly benefit			\$ 50.00	\$ 61.37	\$ 88.15	\$ 100.00	\$ 76.30
Average AFC			\$	\$	\$	\$	\$
Number of Retired members			39	113	65	82	299
Ten Year Averages							
Average Monthly benefit			\$ 50.04	\$ 62.01	\$ 89.95	\$ 100.00	\$ 74.45
Average AFC			\$	\$	\$	\$	\$
Number of Retired members			464	1,260	578	706	3,008

Note: Benefit amounts represent original monthly benefit at retirement for all retirees.

South Carolina Retirement System Principal Participating Employers in Fiscal Year 2012 and Ten Years Prior Fiscal Year 2003

Participating Government	Fiscal Year 2012					Fiscal Year 2003				
	Covered Employees ¹	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees ¹	Rank	Percentage of Total System	Total Active	Total Retired
State Agency ²	31,061	1	14.33%	27,726	3,335	38,915	1	18.44%	34,697	4,218
School District of Greenville County	8,781	2	4.05%	7,729	1,052	7,905	2	3.74%	7,210	695
Charleston County School District	5,509	3	2.54%	4,980	529	5,777	3	2.73%	5,304	473
Spartanburg Regional Medical Center	5,307	4	2.44%	5,053	254	4,055	6	1.92%	3,962	93
University of South Carolina	5,201	5	2.40%	4,297	904	5,100	4	2.41%	4,455	645
MUSC Hospital	5,128	6	2.36%	4,944	184	3,950	8	1.87%	3,912	38
Horry County School District	5,091	7	2.34%	4,562	529	3,956	7	1.87%	3,674	282
Lexington Medical Center	4,854	8	2.24%	4,695	159					
Richland County School District 1	4,041	9	1.86%	3,414	627	4,336	5	2.05%	3,906	430
Berkeley Co Department of Education	3,654	10	1.68%	3,281	373	3,461	10	1.64%	3,220	241
Clemson University						3,521	9	1.66%	3,018	503
All Other	138,042		63.76%	123,554	14,488	130,017		61.67%	121,474	8,543
Total ³	216,669		100.00%	194,235	22,434	210,993		100.00%	194,832	16,161

In FY 2012, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	31	17,985
City/County	577	50,275
Public Schools	109	69,782
Total	717	138,042

In FY 2003, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	30	14,043
City/County	544	48,178
Public Schools	95	67,796
Total	669	130,017

¹The number of covered employees represents the total number of employees reported by the employer throughout the fiscal year which includes working retirees.

²FY 2012 State Agency includes 80 state agencies

³FY 2012 Total reflects 727 governmental entities and FY 2003 total reflects 679 governmental entities.

Police Officers Retirement System Principal Participating Employers in Fiscal Year 2012 and Ten Years Prior Fiscal Year 2003

Participating Government	Fiscal Year 2012					Fiscal Year 2003				
	Covered Employees ¹	Rank	Percentage of Total System	Total Active	Total Retired	Covered Employees ¹	Rank	Percentage of Total System	Total Active	Total Retired
State Agency ²	10,196	1	4.70%	9,546	650	10,418	1	39.95%	10,059	359
County Council of Richland County	978	2	0.45%	832	146	839	2	3.21%	803	36
Horry County Council	883	3	0.40%	845	38	627	6	2.40%	622	5
City of Columbia	865	4	0.39%	824	41	687	4	2.63%	677	10
Greenville County Council	805	5	0.37%	682	123	695	3	2.66%	656	39
County of Charleston	788	6	0.36%	674	114	630	5	2.41%	594	36
City of Charleston	766	7	0.35%	725	41	363	10	1.39%	333	30
County Council of Lexington	593	8	0.27%	520	73	459	9	1.76%	439	20
City of North Charleston	562	9	0.25%	544	18	475	7	1.82%	469	6
Spartanburg County Council	545	10	0.25%	450	95	474	8	1.81%	440	34
All Other	13,261		92.21%		1,512	10,409		39.96%	10,035	374
Total ³	30,242		100.00%	15,642	2,851	26,076		100.00%	25,127	949

In FY 2012, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	27	594
City/County	318	12,544
Public Schools	50	123
Total	395	13,261

In FY 2003, "All Other" consisted of:

Type	Number	Employees
Quasi-State/Higher Ed	18	463
City/County	251	9,942
Public Schools	3	4
Total	272	10,409

¹The number of covered employees represents the total number of employees reported by the employer throughout the fiscal year which includes working retirees.

²FY 2012 state agency includes 35 state agencies.

³FY 2012 total reflects 405 governmental entities and 2003 total reflects 282 governmental entities.

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.

Over the past several years, the South Carolina General Assembly took several actions that resulted in the funding of not only a 1 percent automatic annual COLA for SCRS retirees effective July 1, 2005, and an additional 1 percent automatic annual COLA for SCRS retirees and a 2 percent automatic annual COLA for PORS retirees effective July 1, 2008. The 2 percent automatic annual COLAs in both SCRS and PORS are limited to the annual increase in Consumer Price Index for Wage Earners and Clerical Workers (CPI-W) and were funded using increased employee and employer contributions as well as extensive diversification of the trust fund's investment portfolio, which was intended to achieve superior investment returns (at an assumed 8 percent rate of return). The PORS automatic COLA was additionally funded through increasing the unfunded liability amortization period to 29.9 years from 16.3 years.

Employee Contribution Rates¹ Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS	PORS	GARS	JSRS
2012	6.50%	6.50%	10.00%	10.00%
2011	6.50%	6.50%	10.00%	10.00%
2010	6.50%	6.50%	10.00%	10.00%
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%

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

Employer Contribution Rates¹ Most Recent 10 Fiscal Years

Fiscal Year Ended June 30,	SCRS Class II ²			PORS Class II ²			JSRS	
	State Dept & Public Schools	Local Government	Death Benefit	All Employers	Death Benefit	Accidental Death	All Employers	Death Benefit
2012	9.385%	9.385%	0.15%	11.363%	0.20%	0.20%	44.64%	0.45%
2011	9.240%	9.240%	0.15%	11.130%	0.20%	0.20%	44.64%	0.45%
2010	9.240%	9.240%	0.15%	10.650%	0.20%	0.20%	44.64%	0.45%
2009	9.240%	9.240%	0.15%	10.650%	0.20%	0.20%	44.64%	0.45%
2008	9.060%	9.060%	0.15%	10.300%	0.20%	0.20%	44.64%	0.45%
2007	8.050%	8.050%	0.15%	10.300%	0.20%	0.20%	41.65%	0.45%
2006	7.550%	7.550%	0.15%	10.300%	0.20%	0.20%	41.65%	0.45%
2005	7.550%	6.700%	0.15%	10.300%	0.20%	0.20%	41.65%	0.45%
2004	7.550%	6.700%	0.15%	10.300%	0.20%	0.20%	41.35%	0.75%
2003	7.550%	6.700%	0.15%	10.300%	0.20%	0.20%	40.91%	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 by the Retirement Systems and remitted to the Employee Insurance Program; however, these rates are not considered employer retirement contributions and therefore are not included in this schedule.

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 138-140 and 146-148.

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.

Participating Employers

Participating Employers Covered by Statute	<u>SCRS</u>	<u>PORS</u>
State Agencies & Institutions of Higher Education	113	62
Public School Districts	114	50
<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
Participating Employers Covered by Separate Agreement	579	327
ABBEVILLE COUNTY COUNCIL	Y	Y
ABBEVILLE GREENWOOD REGIONAL LIBRARY BD	Y	
AIKEN BAMBERG BRNWELL EDGEFLD REG LIB BD	Y	
AIKEN COUNTY COMM ON ALCOHOL&DRUG ABUSE	Y	Y
ALLENDALE COUNTY COUNCIL	Y	Y
ALLENDALE COUNTY OFFICE ON AGING	Y	
ALLENDALE HAMPTON JASPER REG LIBRARY	Y	
ALLENDALE-BARNWELL DIS & SPEC NEEDS BD	Y	
ALLIGATOR RURAL WATER & SEWER CO	Y	
ANDERSON CO COMM ON ALCOHOL & DRUG ABUSE	Y	
ANDERSON CO COUNCIL-FINANCE OFFICE	Y	Y
ANDERSON CO DISABILITIES & SPEC NEEDS BD	Y	
ANDERSON CO FIRE PROTECTION COMMISSION	Y	Y
ANDERSON COUNTY LIBRARY BOARD	Y	
ANDERSON REGIONAL JOINT WATER SYSTEM	Y	
ASHLEY RIVER FIRE DISTRICT	Y	Y
AXIS I CENTER OF BARNWELL	Y	
BAMBERG BOARD OF PUBLIC WORKS	Y	
BAMBERG CO DISBILITIES & SPEC NEEDS BD	Y	
BAMBERG COUNTY COUNCIL	Y	Y
BAMBERG COUNTY OFFICE ON AGING	Y	
BARNWELL COUNTY COUNCIL	Y	Y
BDST SERVICES, INC.	Y	
BEAUFORT MEMORIAL HOSPITAL	Y	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	
BERKELEY COUNTY GOVERNMENT	Y	Y
BERKELEY COUNTY WATER & SANITATION	Y	
BERKELEY SOIL & WATER CONSERVATION DIST	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	Y
BROADWAY WATER AND SEWER DISTRICT	Y	
BUCKSPORT WATER SYSTEM,INC.	Y	

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
BURTON CNTR FOR DIS & SPC ND	Y	Y
BURTON FIRE DISTRICT	Y	Y
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 AUTHOR	Y	
CHARLESTON AREA TRANSPORTATION AUTHORITY	Y	
CHARLESTON CO HOUSING & REDEV AUTHORITY	Y	
CHARLESTON CO PARK AND RECREATION COMM	Y	
CHARLESTON COMMISSIONERS OF PUBLIC WORKS	Y	
CHARLESTON COUNTY AIRPORT DISTRICT	Y	Y
CHARLESTON COUNTY HUMAN SERVICES COMM	Y	
CHARLESTON COUNTY LIBRARY	Y	
CHARLESTON NAVAL COMPLEX REDEVELOPMENT	Y	
CHEROKEE CO COMM ON ALCOHOL & DRUG ABUSE	Y	
CHEROKEE CO DISABILITIES & SPEC NEEDS BD	Y	
CHEROKEE COUNTY COUNCIL	Y	Y
CHEROKEE COUNTY DEVELOPMENT BOARD	Y	
CHEROKEE COUNTY PUBLIC LIBRARY	Y	
CHEROKEE COUNTY RECREATION DIST	Y	
CHEROKEE SPRINGS FIRE DISTRICT	Y	Y
CHESCO SERVICES	Y	Y
CHESTER CO BD OF DIRECTORS	Y	Y
CHESTER CO HOSPITAL & NURSING CTR., INC.	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
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

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
CITY OF FLORENCE	Y	Y
CITY OF FOLLY BEACH	Y	Y
CITY OF FOREST ACRES	Y	Y
CITY OF FOUNTAIN INN	Y	Y
CITY OF GAFFNEY	Y	Y
CITY OF GEORGETOWN	Y	Y
CITY OF GOOSE CREEK	Y	Y
CITY OF GREENVILLE	Y	Y
CITY OF GREENWOOD	Y	Y
CITY OF GREER	Y	Y
CITY OF HANAHAN	Y	Y
CITY OF HARDEEVILLE	Y	Y
CITY OF HARTSVILLE	Y	Y
CITY OF INMAN	Y	Y
CITY OF ISLE OF PALMS	Y	Y
CITY OF JOHNSONVILLE	Y	Y
CITY OF LAKE CITY	Y	Y
CITY OF LANCASTER	Y	Y
CITY OF LAURENS	Y	Y
CITY OF LIBERTY	Y	Y
CITY OF LORIS	Y	Y
CITY OF MANNING	Y	Y
CITY OF MARION	Y	Y
CITY OF MAULDIN	Y	Y
CITY OF MULLINS	Y	Y
CITY OF MYRTLE BEACH	Y	Y
CITY OF NEW ELLENTON	Y	Y
CITY OF NEWBERRY	Y	Y
CITY OF NORTH AUGUSTA	Y	Y
CITY OF NORTH CHARLESTON	Y	Y
CITY OF NORTH MYRTLE BEACH		Y
CITY OF ORANGEBURG	Y	Y
CITY OF PICKENS	Y	Y
CITY OF ROCK HILL	Y	Y
CITY OF SENECA	Y	Y
CITY OF SIMPSONVILLE	Y	Y
CITY OF SPARTANBURG	Y	Y
CITY OF SUMTER	Y	Y
CITY OF TEGA CAY	Y	Y
CITY OF TRAVELERS REST	Y	Y
CITY OF UNION	Y	Y
CITY OF WALHALLA	Y	Y
CITY OF WALTERBORO	Y	Y
CITY OF WEST COLUMBIA	Y	Y
CITY OF WOODRUFF	Y	Y
CITY OF YORK	Y	Y
CLARENDON CO COMM ON ALCOHOL & DRUG ABUS	Y	
CLARENDON CO DISB & SPECIAL NEEDS BOARD	Y	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	Y
COLUMBIA HOUSING AUTHORITY	Y	

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
COLUMBIA MUSEUM OF ART	Y	
COMBINED UTILITY SYSTEM	Y	
COMM OF PUBLIC WORKS MUNICIPAL UTILITIES	Y	
COMMISSION OF PUBLIC WORKS	Y	
COMMISSION OF PUBLIC WORKS	Y	
COMMISSION ON PUBLIC WORKS	Y	
CONVERSE FIRE DISTRICT		Y
COUNTY COUNCIL FOR DORCHESTER COUNTY	Y	Y
COUNTY COUNCIL OF BEAUFORT COUNTY	Y	Y
COUNTY COUNCIL OF NEWBERRY COUNTY	Y	Y
COUNTY COUNCIL OF PICKENS COUNTY	Y	Y
COUNTY COUNCIL OF RICHLAND COUNTY	Y	Y
COUNTY OF AIKEN	Y	Y
COUNTY OF CHARLESTON	Y	Y
COUNTY OF COLLETON	Y	Y
COUNTY OF HAMPTON	Y	Y
COUNTY OF LAURENS	Y	Y
COUNTY OF MARLBORO	Y	Y
COUNTY OF MCCORMICK	Y	Y
CROFT FIRE DISTRICT		Y
CULTURAL & HERITAGE COMM OF YORK COUNTY	Y	
DARLINGTON CO COMMUNITY ACTION AGENCY	Y	
DARLINGTON CO DISAB & SPECIAL NEEDS BD	Y	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
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	
EDGEFIELD COUNTY COUNCIL	Y	Y
EDGEFIELD COUNTY WATER & SEWER AUTHORITY	Y	
ELLOREE COMMISSION OF PUBLIC WORKS	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	
FLINT HILL FIRE DISTRICT		Y
FLORENCE CO COMM ON ALCOHOL & DRUG ABUSE	Y	
FLORENCE CO DISABILITIES & SPEC NEEDS BD	Y	Y
FLORENCE COUNTY COUNCIL	Y	Y
FLORENCE REGIONAL AIRPORT	Y	Y

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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	Y
GREENVILLE CO MUSEUM COMMISSION	Y	
GREENVILLE CO RECREATION DISTRICT	Y	
GREENVILLE COMM OF PUBLIC WORKS	Y	
GREENVILLE COUNTY COUNCIL	Y	Y
GREENVILLE COUNTY LIBRARY	Y	Y
GREENVILLE REDEVELOPMENT AUTHORITY	Y	
GREENVILLE-SPARTANBURG AIRPORT DISTRICT	Y	Y
GREENWOOD CO COUNCIL-ADM & FIN OFFICE	Y	Y
GREENWOOD COMM OF PUBLIC WORKS	Y	
GREENWOOD METROPOLITAN DISTRICT COMM	Y	
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	
HIGH HILLS RURAL WATER CO., INC.	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	
HOUSING AUTH OF THE CITY OF MYRTLE BEACH	Y	

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
HOUSING AUTH OF THE CITY OF NO CHAS	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 AUTY 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 DOF 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	
LANCASTER COUNTY LIBRARY	Y	
LANCASTER COUNTY NATURAL GAS AUTHORITY	Y	
LANCASTER SOIL & WATER CONSERVATION DIST	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 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	
LUGOFF FIRE DISTRICT		Y

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
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 COUNCIL ON AGING	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 RURAL FIRE DEPT		Y
MONCKS CORNER WATER WORKS COMMISSION	Y	
MT PLEASANT WATER & SEWER COMM	Y	
MUNICIPAL ASSOCIATION OF SOUTH CAROLINA	Y	
MURRELLS INLET-GARDEN CITY FIRE DIST	Y	Y
N SPARTANBURG AREA FIRE & RESCUE DIST	Y	Y
NEW LIFE CENTER	Y	
NEWBERRY CO DISABILITIES & SP ND BD	Y	Y
NEWBERRY CO WATER AND SEWER AUTHORITY	Y	
NEWBERRY COUNTY LIBRARY	Y	
NORTH CHARLESTON SEWER DISTRICT	Y	Y
NORTH GREENVILLE FIRE DISTRICT	Y	
OCONEE COUNTY	Y	Y
OCONEE DISABILITIES & SPEC NEEDS BD	Y	
OCONEE JOINT REGIONAL SEWER AUTHORITY	Y	
OLANTA RURAL FIRE DEPARTMENT		Y
OLD FORT FIRE DISTRICT	Y	Y
OLD NINETY SIX TOURISM COMMISSION	Y	
OLDE ENGLISH DISTRICT TOURISM COMMISSION	Y	
ORANGEBURG CO DISAB & SPECIAL NEEDS BD	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	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	Y

NAME	SCRS	PORS
REIDVILLE FIRE DISTRICT		Y
RENEWABLE WATER RESOURCES(RE-WA)	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	Y
SC MIDLANDS EMER MED SER MGM ASSOC	Y	
SC STATE CREDIT UNION	Y	
SC STATE FIREMENS ASSOCIATION	Y	
SENIOR SERVICES INC OF CHESTER COUNTY	Y	
SHELDON FIRE DISTRICT	Y	Y
SHORELINE BEHAVIORAL HEALTH SERVICES	Y	
SIX MILE RURAL WATER DISTRICT	Y	
SLATER-MARIETTA FIRE DEPT		Y
SOUTH CAROLINA SHERIFFS' ASSOCIATION	Y	Y
SOUTH 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 COMRS OF PUBLIC WORK	Y	
SPARTANBURG COUNTY COUNCIL	Y	Y
SPARTANBURG PUBLIC LIBRARY	Y	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	

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
SUMTER CO COM ON ALCOHOL & DRUG ABUSE	Y	
SUMTER CO DISABILITIES & SPEC NEEDS BD	Y	Y
SUMTER CONSERVATION DISTRICT	Y	
SUMTER COUNTY COUNCIL	Y	Y
SUMTER COUNTY LIBRARY	Y	
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
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	Y

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TOWN OF FAIRFAX	Y	Y
TOWN OF FORT LAWN	Y	Y
TOWN OF FORT MILL	Y	Y
TOWN OF GASTON	Y	Y
TOWN OF GILBERT	Y	
TOWN OF GRAY COURT	Y	
TOWN OF GREAT FALLS	Y	Y
TOWN OF GREELEYVILLE		Y
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 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

<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 REEVESVILLE	Y	
TOWN OF RIDGE SPRING	Y	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	
TOWN OF SIX MILE	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 SUMMERSVILLE	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	Y
TOWN OF WAGENER	Y	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

<u>NAME</u>	<u>SCRS</u>	<u>PORS</u>
TOWN OF WINNSBORO	Y	Y
TOWN OF YEMASSEE	Y	Y
TRI-COUNTY COMM ON ALCOHOL & DRUG ABUSE	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 OF 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	
WACCAMAW REGIONAL TRANSPORTATION AUTH	Y	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 VOL FIRE DEPT		Y
WHITNEY AREA FIRE DEPT		Y
WILLIAMSBURG CO DISAB & SPECIAL NEEDS BD	Y	
WILLIAMSBURG COUNTY COUNCIL	Y	Y
WILLIAMSBURG COUNTY LIBRARY	Y	
WINDY HILL VOLUNTEER FIRE COMPANY		Y
WOODRUFF ROEBUCK WATER DISTRICT	Y	
YORK CO COVENTION & VISITORS BUREAU	Y	
YORK CO DISABILITIES & SPECIAL NEEDS BD	Y	
YORK COUNTY	Y	Y
YORK COUNTY COUNCIL ON AGING	Y	
YORK COUNTY LIBRARY	Y	
YORK SOIL & WATER CONSERVATION DIST	Y	

Participating employers include employers who report contributions for working retirees. These contributions must be reported for the system from which the member retired.

South Carolina Retirement Systems
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800-868-9002 (within S.C. only)
www.retirement.sc.gov