

SOUTH CAROLINA  
RETIREMENT SYSTEMS



SC BUDGET AND CONTROL BOARD

# **South Carolina Retirement Systems**

**November 2011**

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# SC Budget and Control Board

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- The Division of Retirement is responsible for administering a comprehensive program of retirement benefits as legislated by the General Assembly and which are responsive to the needs of South Carolina's public workforce
- The division performs fiduciary duties as stewards of the contributions and disbursements of the pension trust funds and represents the "face" of the Retirement Systems to its members.

# Division of Retirement FY12 Budget

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- Total division budget for FY 2012 = \$20,122,467
- 184 filled Full Time Equivalent (FTE) employees

# Plans Administered

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- South Carolina Retirement System (SCRS)
- Police Officers Retirement System (PORS)
- General Assembly Retirement System (GARS)
- Judges and Solicitors Retirement System (JSRS)
- National Guard Retirement System (NGRS)
- State Optional Retirement Program (State ORP)
- The Retirement Division also administers the SC Deferred Compensation Program, a voluntary, supplemental retirement savings program.

# Membership

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	SCRS	PORS	GARS	JSRS	NGRS	Total
Annuitants	111,394	12,566	346	194	3,951	128,451
Inactive Members	156,871	11,899	36	4	2,683	171,493
Active Members	190,239	26,568	196	144	12,445	229,592
Total	458,504	51,033	578	342	19,079	529,536

Average Number of Contributing State ORP Participants – 19,681

Data as of July 1, 2011, actuarial valuation

# Division Structure

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- The Division of Retirement is divided into eight units which coordinate the state's retirement plans
- These units include:
  - Administration
  - Internal Audit
  - Legal
  - Customer Services
  - Financial Employer Services
  - Payroll, Financial, and Actuarial Reporting
  - Information Technology
  - Customer Claims

# Administration

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- Total Full Time Equivalent (FTE) employees - 13
- Responsibilities include:
  - Managerial, budgetary, and administrative oversight of all division operations
  - Physical plant issues, operations, and maintenance
  - Procurement
  - Human Resources
  - Communications
  - Research
  - Accounts Payable
  - Postal center operations
  - Courier services

# Internal Audit

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- Total Full Time Equivalent (FTE) employees - 3
- Provides an independent appraisal function to examine and evaluate processes and policies
- Provides assurance to management regarding the internal control structure of the division
- Reports directly to the Retirement Systems' Director who establishes with the lead internal auditor the areas of the systems to be reviewed



# Legal

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- Total Full Time Equivalent (FTE) employees - 5
- Represents the division in matters before circuit and appellate courts and administrative bodies
- Processes claims and appeals to the Director under the Claims Procedures Act
- Provides program support to the management of the division
- Drafts or reviews proposed legislation related to the retirement code

# Legal

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- Ensures continued compliance with Internal Revenue Service laws and regulations so that Systems can maintain their tax qualified status
- Reviews and Approves Qualified Domestic Relations Orders related to property divisions involving members of the Systems
- Responds to all subpoenas served on the Systems
- Manages the State of South Carolina's Section 218 Agreement with the Social Security Administration
- Administers the earnings limitation review project for all disability retirees

# Customer Services

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- Total Full Time Equivalent (FTE) employees - 36
- Provides member consultations in all phases of retirement operations
- Members may receive services by contacting our call center or visiting our office and meeting with our customer intake staff
- Consultations are conducted via in person meetings, by telephone, online via the Internet, or by videoconferencing
- In FY 2011 – the customer services staff answered 156,029 calls, held in-person consultations with 13,586 people and answered 10,644 questions via email

# Customer Services

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- Provides educational information to members and employers through:
  - Benefit overviews
  - Retirement education programs
  - Coordinating and conducting retirement seminars.
  - Offering employer training opportunities
  - In FY 2011, the field services representatives conducted 269 total training sessions which reached 12,602 people.

# Customer Services

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- Serves as a liaison for new governing bodies considering joining the retirement systems
  - Briefing prospective new employers on member benefits
  - Explaining liability and potential cost issues to new participating employers
  - Detailing reporting procedures to employers and the Internet based employer information system

# Financial Employer Services

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- Total Full Time Equivalent (FTE) employees - 39
- Determines the average final compensation (AFC) to be used in calculating a member's benefit at retirement. Completed 8,637 finalized AFC calculations in FY 2011
- Collects and allocates member and employer contributions
- Maintains membership enrollment and beneficiary information
- Maintains digital historical records of each member. In FY 2011, imaged 1,518,326 documents.
- Administers State Optional Retirement Program
- Oversees South Carolina Deferred Compensation Program

# Payroll, Financial, and Actuarial Reporting

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- Total Full Time Equivalent (FTE) employees - 27
- Maintains comprehensive financial accounting systems, including actuary, investments and disbursements of benefit payments
- Prepares the annual financial reports
- Maintains financial data and completes tax reporting
- Disburses monthly payments to annuitants, refunds to terminated members, and death benefit payments. In FY 2010, paid \$2 billion in annuities, \$89 million in refunds, \$22 million in death benefits and \$157 million in TERI deferrals.

# Information Technology

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- Total Full Time Equivalent (FTE) employees - 27
- Designs, implements and controls all of the automated applications within the division
- Develops custom in-house applications for operational requirements specific to the plans administered by the division
- Provides networking, security and imaging support to the division
- In FY 2011 - fielded 1,607 help desk calls
- Assists the Retirement System Investment Commission when needed



# Customer Claims

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- Total Full Time Equivalent (FTE) employees - 34
- Processes customer claims relating to annuities, refunds or death claims
- Computes the cost for purchases of prior service for all members of the plans administered by the division
- Audits the service credit for our membership
- In FY 2011 – customer claims processed 13,164 refund applications, 5,645 annuity applications and 6,898 death payments; calculated 6,166 service purchase transactions, received 1,367 initial disability reviews and processed 722 continuing disability reviews

# Disclaimer

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