South Carolina Retirement Systems

November 2011

SC Budget and Control Board
South Carolina Retirement Systems
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

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

- 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

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

Average Number of Contributing State ORP Participants – 19,681

Data as of July 1, 2011, actuarial valuation
Division Structure

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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
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