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SOUTH CAROLINA RETIREMENT SYSTEMS
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DIRECTOR

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CHAIRMAN, HOUSE WAYS AND
MEANS COMMITTEE
MARCIA S. ADAMS
EXECUTIVE DIRECTOR

February 27, 2012

The Honorable Hugh K. Leatherman, Sr., Chairman
Senate Finance Committee
P.O. Box 142
Columbia, SC 29202

Dear Chairman Leatherman:

In accordance with Section 9-10-60 of the South Carolina Code of Laws, contributions to the National Guard Retirement System are determined by the South Carolina Budget and Control Board each year on the basis of the annual actuarial valuation. Our consulting actuary, Gabriel Roeder Smith & Company, has completed the valuation for the year ended June 30, 2011 and has determined that employer contributions in the amount of \$4,539,066 will be required to support the benefits of the System for the fiscal year ended June 30, 2013. This amount represents an increase of \$486,929 over the prior fiscal year. A copy of the letter from our actuary is enclosed for your review.

This information is being provided at this time for the purpose of inclusion in the fiscal year 2012-2013 budget. If you have any questions or need additional information, please feel free to call me at (803) 737-6906.

Sincerely,

William M. Blume Jr., CPA
Director
SC Retirement Systems

Enclosure



Gabriel Roeder Smith & Company
Consultants & Actuaries

5605 N. MacArthur Blvd.
Suite 870
Irving, TX 75038-2631

469.524.0000 phone
469.524.0003 fax
www.gabrielroeder.com

February 23, 2012

William M. Blume Jr., CPA
Director
South Carolina Retirement Systems
PO Box 11960
Columbia, SC 29211-1960

**Re: South Carolina National Guard Pension Fund Contribution
for Fiscal Year 2013**

Dear Bill:

We have completed the preliminary valuation results as of July 1, 2011 for the South Carolina National Guard Pension Fund. The results of the valuation show that the State contribution requirement for the fiscal year ending June 30, 2013 is \$4,539,066.

The increase in the contribution requirement from the previous year is primarily due to the change in actuarial assumptions for performing the 2011 actuarial valuation (i.e. a 7.50% valuation interest rate and an updated mortality assumption). The valuation report, which will be provided at a later date, will provide detail regarding the calculations, as well as a reconciliation of the change in the contribution.

In the meantime, please do not hesitate to contact Joe Newton or me if you have any questions.

Sincerely,

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