

The Pension Crisis For Beginners



Five Important Facts

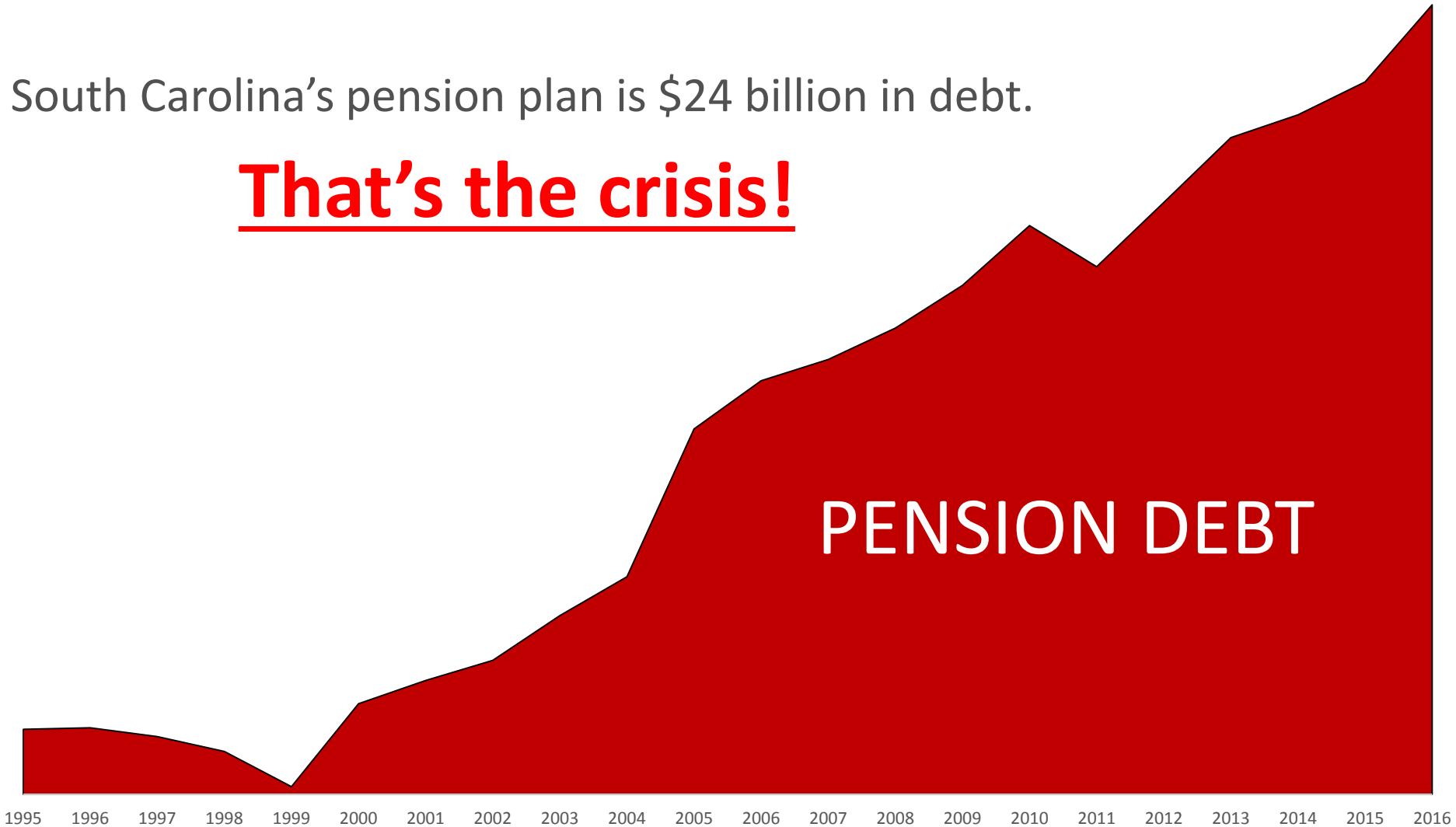
January 19th, 2017



WHAT IS THE PENSION CRISIS?

South Carolina's pension plan is \$24 billion in debt.

That's the crisis!





WHY DOES SC HAVE A \$24 BILLION DEBT?

What lead South Carolina into such a staggering and colossal pension debt?



Bad Investments

- SC Pension investments have underperformed the assumed rate of return by over \$10 billion while paying over \$3 billion in fees to Wall Street money managers



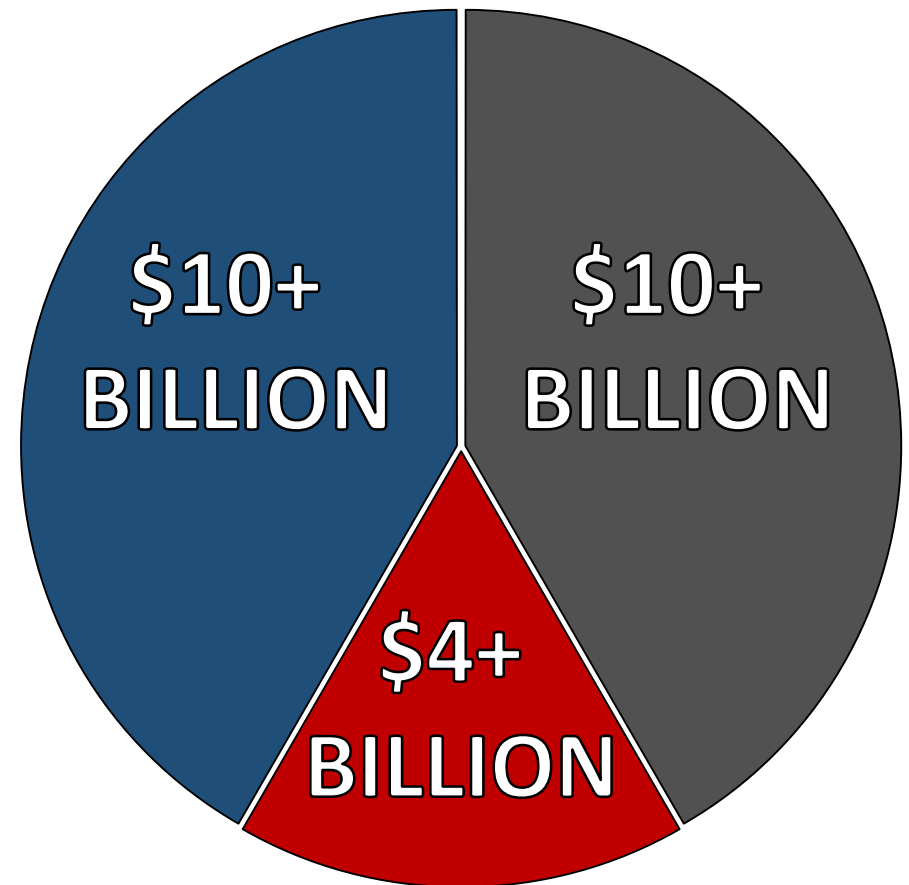
Poor Plan Structure

- Early Retirements, 28yr retirements, Cost of Living Adjustments & liberal actuarial assumptions have significantly contributed to the NPL



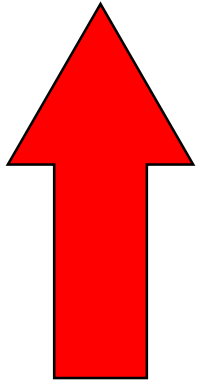
Intentional Underfunding

- For over 15 years, the plan has failed to meet the full interest payment. This has added over \$4 billion in interest and interest-on-interest



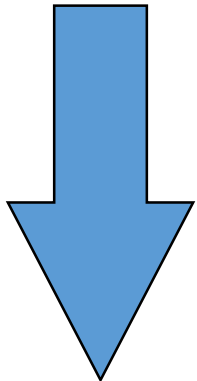


WHAT IS THE RESULT OF THE PENSION DEBT?



Increase in taxes and contributions

The "Pension Mismanagement Tax"



Decrease in government services

Fewer teachers, firefighters, police, etc.



WHO PAYS FOR THE PENSION DEBT?

YOU,



THE TAXPAYER\$

Increasing taxes and fees while decreasing services is a Pension Mismanagement Tax!



WHAT CAN WE DO?



Request that the General Assembly
make fixing The Pension Crisis their
NUMBER ONE PRIORITY!