Letter of Comment No. 6 File Reference: 34-E-PLS Date Received: 10/12/11

Clarendon County Finance

Courthouse – 3 West Keitt Street Post Office Box 486 Manning, South Carolina 29102 (803) 435-8424 – Fax (803) 435-8258

September 22, 2011

Dir. Of Research and Technical Activities Project No. E-34 Governmental Accounting Standards Board 401 Merritt 7, P.O. Box 5166 Norwalk, CT 06856-5116

Re.: Pension Accounting and Financial Reporting

To Whom It Concerns:

Having read the Exposure Draft Supplement dated June 27 of this year, I have some concerns that I would like to address; specifically, as they related to the *Cost-sharing Multiple-employer Pension Plan* reporting of the net liability of the pension fund. As a political sub-division of the State of South Carolina, we belong to the SC Retirement System and the SC Police Officers Retirement System. Pursuant to state law, the contracts between the State Retirement System and employees are solely obligations of the Retirement System and the full faith and credit of the State of South Carolina. Political sub-divisions such as ours are only liable for the employer contribution as determined by the Retirement System. It would be inappropriate and misleading to any reader if we were required to reflect a liability on our financial statements were none exists by law.

Under the current practice, there is no line item entry for pension liability in our financial statements. We expense our employer contributions as determined by the Retirement System (the extent of our liability). However, we do provide supplemental disclosures related to the Retirement System and our participation in it.

Lastly, as a political sub-division, we have no authority or ability to modify any of the factors that impact the obligations of the Retirement System. That is to say, we cannot modify plan design, benefits or investment options for plan assets. These are functions of the state government. Citizens given the additional information required by the exposure drafts will naturally assume that the liability needs to be addressed by the County (employer), regardless of our ability to do so.

Thank you for the opportunity to comment.

Lynden D. Anthony, Controller

Clarendon County, SC