

**School Employees Retirement System of Ohio  
 GASB 75 Disclosure Information  
 June 30, 2019**

	<b>Source Document</b>
<p><b>OPEB Plan Description (paragraph 91)</b></p> <ul style="list-style-type: none"> <li>• The name of the OPEB plan</li> <li>• A brief description of the benefit terms</li> <li>• A brief description of the contribution requirements</li> <li>• Access to the OPEB Plan's stand-alone financial report</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">School Employees Retirement System of Ohio Comprehensive Annual Financial Report</a>            For the Year Ended June 30, 2019            Financial Section, Pages 22-23 and Footnote 15, Page 41</li> </ul>
<p><b>Actuarial Assumptions (paragraphs 92 &amp; 93)</b></p> <ul style="list-style-type: none"> <li>• Valuation Date : June 30, 2019</li> <li>• Wage Inflation: 3.00%</li> <li>• Projected Salary Increases: 3.50% to 18.20%, including inflation</li> <li>• Investment Rate of Return: 7.50%</li> <li>• Municipal Bond Index Rate            Prior Measurement Date: 3.62%            Measurement Date: 3.13%</li> <li>• Single Equivalent Interest Rate, net of plan investment expense, including price inflation            Prior Measurement Date: 3.70%            Measurement Date: 3.22%</li> <li>• Medical trend assumption            Pre-Medicare: 7.00%-4.75%            Medicare: 5.25%-4.75%</li> <li>• Year FNP is projected to be depleted: 2029</li> <li>• Mortality Tables: RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.</li> <li>• Date of Most Recent Experience Study: 6/30/2015</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">School Employees Retirement System of Ohio Comprehensive Annual Financial Report</a>            For the Year Ended June 30, 2019            Financial Section, Footnote 15, Page 42</li> <li>• <a href="#">GASB Statement No. 75 Report for the Retiree Health Care Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2019</a>            Prepared by Cavanaugh Macdonald Consulting, LLC            Pages 4-5</li> </ul>

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**Discount Rate, Projected Cash Flows, Long-term Rate of Return, Municipal Bond Rate and Periods of Projected Benefit Payments (paragraph 94a – 94e)**

- Discount rate at measurement date: 3.22%
- Discount rate at prior measurement date: 3.70%
- Cash flows as set in state statute:
  - a. Contribution rate: 2.00% of covered payroll; included 1.50% payroll surcharge with no additional contribution from basic benefits plan.
  - b. Administrative expenses in the prior year were projected forward with price inflation as an estimate for administrative expenses in current and future years. The portion of expenses in future years allocated to the current members was based on the proportionate share of covered payroll in each year for the remainder of the existing members to the total covered payroll for all members.
  - c. Both pension and OPEB benefits are paid by the trust as a whole.
- Long-term rate of return: 7.50%
- Municipal bond rate: 3.13%
- Periods of projected benefits are until benefit payments ran out

- [School Employees Retirement System of Ohio Comprehensive Annual Financial Report](#)  
For the Year Ended June 30, 2019  
Financial Section, Footnote 15, Pages 41-42
- [GASB Statement No. 75 Report for the Retiree Health Care Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2019](#)  
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<b>Assumed Asset Allocation (paragraph 94f)</b>			<b>Real Rate of Return</b>
<b>Asset Class</b>	<b>Allocation</b>		
Cash	1.00%	0.50%	<ul style="list-style-type: none"> <li>• <a href="#">School Employees Retirement System of Ohio Comprehensive Annual Financial Report For the Year Ended June 30, 2019</a> Financial Section, Footnote 15, Page 42</li> <li>• <a href="#">GASB Statement No. 75 Report for the Retiree Health Care Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2019</a> Prepared by Cavanaugh Macdonald Consulting, LLC Page 7</li> </ul>
US Equity	22.50%	4.75%	
International Equity	22.50%	7.00%	
Fixed Income	19.00%	1.50%	
Private Equity	10.00%	8.00%	
Real Assets	15.00%	5.00%	
Multi-Asset Strategies	10.00%	3.00%	

  

<b>Sensitivity of Employer's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Trend Rate (paragraph 94g &amp; 93e)</b>		
Employer's Net OPEB Liability		
1% Decrease	Current Health Care Trend Rate	1% Increase
6.00% decreasing to 3.75%	7.00% decreasing to 4.75%	8.00% decreasing to 5.75%
\$2,014,855,953	\$2,514,789,694	\$3,178,080,686

  

<ul style="list-style-type: none"> <li>• <a href="#">School Employees Retirement System of Ohio Comprehensive Annual Financial Report For the Year Ended June 30, 2019</a> Financial Section, Footnote 15, Page 42</li> <li>• <a href="#">GASB Statement No. 75 Report for the Retiree Health Care Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2019</a> Prepared by Cavanaugh Macdonald Consulting, LLC Page 7</li> </ul>
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**Sensitivity of Employer’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate (paragraph 94g & 93e)**

Employer’s Net OPEB Liability		
1% Decrease	Current Discount Rate	1% Increase
2.22%	3.22%	4.22%
\$3,052,477,754	\$2,514,789,694	\$2,087,264,735

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**Net OPEB Liability (NOL) as of June 30, 2018, for June 30, 2019 reporting**

- Individual employers can apply their proportionate share percentage as identified in the Schedule of Employer Allocations As of and For the Year Ended June 30, 2019 to determine its proportionate share of the June 30, 2018 net OPEB liability of \$2,774,270,132.

- OPEB liability and Plan net position figures may be found in:
- [GASB Statement No. 75 Report for the Retiree Health Care Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2019](#)  
 Prepared by Cavanaugh Macdonald Consulting, LLC  
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- Proportionate share calculation may be found in:  
 School Employees Retirement System of Ohio [GASB 75 Allocation Report](#)  
 Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer  
 As of and For the Year Ended June 30, 2019 Audited by RSM US, LLP