



**SERS Retirement Board Agenda
March 20, 2025
8:30am**

Click the Zoom Link to Join the Meeting:

<https://ohsers.zoom.us/j/98904222133?pwd=GfJfjYw5GrADm8TA8HkFI2hMAabUmB.1>

Meeting ID: 989 0422 2133 **Password:** 12345

To join by phone, dial: (312) 626-6799 **Meeting ID:** 989 0422 2133 **Password:** 12345

PLEDGE OF ALLEGIANCE

1. Roll Call

CONSENT AGENDA

2. Minutes of the:
 - **February 19, 2025 Annual Board Workshop (Formerly Board Retreat)**
 - **February 20, 2025 Retirement Board Meeting**
3. Summary of Investment Transactions – **January 1, 2025, to January 31, 2025**
4. Retirement Report
 - Superannuation, Survivor Benefits, & Transfers
 - Special Cases
5. Disability Report
 - Approval of Disability Benefits
 - Termination of Disability Benefits
 - Termination Of Disability Benefits – Any Occupation

INVESTMENT REPORT

6. Annual Portfolio Review – Private Credit
7. Quarterly Risk Report- December 31, 2024
8. Monthly Investment Report

EXECUTIVE DIRECTOR'S REPORT

9. Executive Director's Update
10. Review of Administrative Expenses
11. Discussion of Salary Growth Information for Preliminary FY2026 Budget
12. Age Reduction Factor Table Discussion (R)
13. Filing of Proposed Amended Administrative Rule (R)
14. Final Filing of Proposed New and Amended Administrative Rules (R)
15. Remote Board Meeting Attendance Policy (R)

RETIREMENT REPORT

16. Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits (R) *if needed*

AUDIT REPORT

17. Audit Committee Update
18. SERS Audit Committee Charter Amendments (R)

COMPENSATION REPORT

19. Compensation Committee Update

BOARD COMMUNICATION AND POLICY ISSUES

20. Calendar Dates for Future Board Meetings
21. Continued or New Business - Board Information Requests and Follow-up Items

ADJOURNMENT (R)

FY2025 SERS Board Roll Call

Matthew King	<hr/>
Catherine Moss	<hr/>
Jeanine Alexander	<hr/>
Jeffrey DeLeone	<hr/>
James Haller	<hr/>
James Rossler	<hr/>
Aimee Russell	<hr/>
Frank Weglarz	<hr/>
Daniel Wilson	<hr/>

MARCH 2025 CONSENT AGENDA

- 1. Minutes of the:**
 - a. February 19, 2024, Annual Board Workshop and the
 - b. February 20, 2025, Retirement Board meeting
- 2. Summary of Investment Transactions:**
 - a. January 1, 2025, to January 31, 2025
- 3. Retirement Report:**
 - a. Superannuations and Survivor Benefits and Transfers
 - b. Special Cases
- 4. Disability Report:**
 - a. Approval of Disability Benefits
 - b. Termination of Disability Benefits
 - c. Termination of Disability Benefits – Any Occupation
 - d. Approval of Appeal of Termination – Any Occupation

APPROVAL OF MARCH 2025 CONSENT AGENDA

_____ moved and _____ seconded the motion to approve the Consent Agenda for **March 20, 2025**, which includes the following items:

1. **Minutes of the:**
 - a. February 19, 2024, Annual Board Workshop and the
 - b. February 20, 2025, Retirement Board meeting
2. **Summary of Investment Transactions:**
 - a. January 1, 2025, to January 31, 2025
3. **Retirement Report:**
 - a. Superannuations and Survivor Benefits and Transfers
 - b. Special Cases
4. **Disability Report:**
 - a. Approval of Disability Benefits
 - b. Termination of Disability Benefits
 - c. Termination of Disability Benefits – Any Occupation
 - d. Approval of Appeal of Termination – Any Occupation

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Catherine Moss	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
James Haller	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Matthew King	_____	_____	_____

SERS Retirement Board Annual Workshop Meeting Minutes February 19, 2025

The nine hundredth and seventy-fifth meeting of the Retirement Board of the School Employees Retirement System was held in the O’Keefe Conference Center at 300 E. Broad Street, Columbus, Ohio, and streamed via Zoom videoconferencing on Wednesday, February 19, 2025. The purpose of this special meeting is to provide a continuing education program under R.C. 171.60 and 3309.051.

Roll Call

The Annual Board Workshop, formerly known as the Annual Board Retreat, convened at 8:30 a.m. with the roll call. Present: Matthew King, Jeanine Alexander, James Haller, James Rossler, Aimee Russell, Frank Weglarz, and Daniel Wilson. Absent (excused): Catherine Moss and Jeffrey DeLeone.

Introduction

SERS Executive Director, Richard Stensrud, noted that the first workshop presenter would be Dr. Anirban Basu who would present on current U. S. economic conditions. Dr. Basu has presented to SERS in the past and is Chairman & CEO of Sage Policy Group, Inc., an economic and policy consulting firm headquartered in Baltimore, Maryland.

Mr. Stensrud noted that the second presenter would be Elizabeth Burton from Goldman Sachs. Ms. Burton would provide a presentation on global growth and economic trends.

Mr. Stensrud stated that the third presenter would be CavMac, SERS’ actuaries. Todd Green of CavMac would provide an update on the sustainability of SERS’ pension fund.

Mr. Stensrud stated that following lunch, SERS Chief Investment Officer Farouki Majeed would be joined by Wilshire Associates, SERS Investment Consultant, to provide a presentation on the performance and value of SERS diversified investment portfolio as compared to a ‘60/40’ investment portfolio model.

Mr. Stensrud reported that the educational sessions would wrap up with presentation by Fred Dombo and Chris Carney from Nossaman, LLP regarding likely health care regulation at the federal level.

Monetary Masala: Educational Session on Current U.S. Economic Conditions – Dr. Basu, Sage Policy Group, Inc.

Dr. Anirban Basu, Chairman and CEO of Sage Policy Group, Inc., provided a presentation titled “Monetary Masala” that focused on the current economic conditions in Ohio, the region, and the United States.

Highlights of Dr. Basu’s presentation include:

- Inflation remains the primary economic topic of interest. While the Consumer Price Index (CPI) has declined to 3.3% from 9.1% in June of 2022, inflation remains “sticky” which means it isn’t moving closer to the Federal Reserve’s target of 2%. Since May of 2020, CPI has increased the cost of goods nearly 25%. One of the repercussions of high inflation is the increase in the Federal Funds Rate, which currently sits at 4.50%.

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- Looking forward, there are some economic policy proposals from the current administration that could increase inflation:
 - Extending the 2017 Tax Cuts and Jobs Act
 - Reducing the corporate tax rate to 15%
 - Eliminating taxes on Social Security benefits •
 - Implementing tariffs
 - Mass deportation of all undocumented immigrants
- Despite the higher inflation environment, the U.S. consumer has kept the economy healthy. Retail sales have continued to climb, and the gross domestic product has remained positive since the second quarter of 2022. While job openings are down from highs registered in 2021-2022, there are still more openings than there are unemployed workers. Businesses are still challenged to find qualified workers.
- Some other warning signs for the economy include:
 - The personal savings rate for Americans is declining and credit card debt is rising
 - Auto loan delinquencies are rising
 - Rent payment delinquencies are rising
 - Commercial real estate vacancy is high and banks may be getting close to foreclosing on properties to get the debt off their books
 - Mortgage applications are down
 - Home sale prices are 35% higher than they were in 2012
 - Building permits for multi-family structures are down
- Some good signs for the economy include:
 - Building permits for single-family homes are up
 - Small business optimism about the economy is higher, which could lead to more hiring
 - Economic indicators do not forecast a recession in the next 12-18 months
 - Forecasts predict that the U.S. economy will grow between 2.3% and 2.7% in 2025
- Since February of 2020, Ohio's, non-farm employment growth lagged behind the 4.4% U.S. average by 2.9%. Private education and health care services; construction, trade, transportation, and utilities; professional services; and financial activities all registered job gains in Ohio. Mining and logging, government, information, leisure and hospitality, and manufacturing all registered job losses. Regionally, Cincinnati, Columbus, and Cleveland registered the most job gains. No Ohio cities ranked in the top 25 largest metropolitan areas in the categories of employment growth or unemployment rates

Following a robust discussion, the Board thanked Dr. Basu for his entertaining and informative report.

The Board took a break at 9:38 a.m.

The Board reconvened at 10:00 a.m.

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Market Snapshot: Tales, Tells, and Tails: Educational Session on Current U.S. Economic Conditions – Elizabeth Burton, Goldman Sachs

Elizabeth Burton, Managing Director, Goldman Sachs Asset Management provided the Board with a presentation on the US market and provided an economic overview from the perspective of an asset manager.

Goldman believes that economic data continues to be solid without any system financial imbalances. The final stretch of inflation reduction is progressing slowly and might be delayed by uncertainty over tariffs. The labor market is tightening, more from a reduction in job openings rather than layoffs. They also expect the Federal Reserve to reduce the lending rate to 3.50-3.75% by June of 2026, but the decline could be delayed by tariff implementation.

Burton said that Goldman expects the U.S., China, and emerging markets to lead the world in GDP growth in the next 1-2 years.

Next, Burton discussed Goldman's forecast for asset class returns over the next year.

- For U.S. equity, return expectations are somewhat muted by the fact that current valuations of U.S. assets are high. When equity assets are high, returns are generally lower. They believe that the Magnificent 7, the seven top stocks in the S&P 500, still have the potential to outperform the rest of the market. However, over the 10-year period, they predict U.S. equity returns could trail bond returns and only average a 3% return.
- In developed markets, international equity may offer attractive opportunities especially since valuations are lower than those in the U.S. Emerging market equities that are shielded from U.S. tariffs may also offer opportunities for outperformance.
- Even though private equity returns have declined recently, Goldman projects that a more normalized dealmaking environment will return this year leading to better returns.
- In fixed income, attractive current yields and decelerating inflation could produce good investment opportunities, especially in core bonds.
- Burton also said that private credit continues to be a good space to be invested. The biggest opportunity seems to be in hybrid capital, flexible financing solutions that can serve a range of situations, including real asset credit, directly-originated investment-grade credit, and asset finance.
- In real estate, Goldman predicts that a rebound in the market will take place if interest rates moderate. Lower rates would stimulate transaction activity, especially in core and core plus assets. US multifamily and industrial markets may see a better supply/demand balance due to a decrease in new construction projects

After a robust discussion, the Board thanked Ms. Burton for her presentation.

The Board took a break at 10:45 a.m.

The Board reconvened at 10:55 a.m.

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Secure Your Finance Future: Educational Session on Pension Sustainability – Risk Analysis Report, Todd Green - CavMac

Todd Green, president and consulting actuary with CavMac Consulting, provided a risk analysis of SERS' defined benefit plan. This session was scheduled as part of the Board's ongoing commitment to review the System's sustainability metrics at least once per year.

As SERS' actuary, one of CavMac's roles is to identify risks that could impact the System's future financial condition. The primary types of risk that could affect funding are:

- Investment risk: Investment return is different than expected
- Longevity risk: Mortality experience is different than expected
- Covered payroll risk: Covered payroll will not increase as assumed
- Active population risk: Number of active members decline
- Contribution rate risk: Contribution rates are too high for the employer to pay

Actuaries assess these risks through a series of plan maturity measurements, such as comparing the number of actives to retirees; retired liability to total liability; net cash flow to market value of assets; and market value of assets to payroll.

CavMac performed its quantitative and qualitative risk assessment by examining SERS' funding and amortization policies; the size of active membership compared to growth in total covered payroll; the effect of annual cost-of-living adjustments (COLAs); and variable possible levels of investment returns.

Currently, employers and members are required to pay a contribution rate of 14% and 10%, respectfully. Employer contributions exceeding those required to pay basic benefits may be allocated the Health Care Fund. However, in keeping with SERS' objective of maintaining a closed amortization period for the Pension Fund, the Board approved a change to the System's funding policy in 2015 which limits whether any portion of the employer pension contribution can be allocated to the Health Care Fund. Green noted that SERS' funding policy is a positive factor as it has accelerated the funding of the pension plan.

The System's amortization policy is that SERS' unfunded actuarial accrued pension liability must be amortized, or paid off, within 30 years. SERS' amortization period currently stands at 20 years. Green explained that some other pension systems are using a layered amortization policy, where, with each additional actuarial valuation, the incremental change in the unfunded actuarial accrued liability is amortized over a new closed period. This results in a series of "layered" amortization bases. The total amortization payment is equal to the sum of the amortization payments for each of the "layered" amortization bases. Green commented that while this design offers some benefits, such as reducing volatility in required amortization payments and easier tracking of funding progress, it is not suitable for SERS at this time. CavMac believes the current amortization policy provides the necessary flexibility to calculate stable actuarial determined contributions and meets the requirements established by the Ohio Retirement Study Council.

Green noted that SERS has steadily improved its funding ratio since the Great Recession. Currently, the System is 78.99% funded with a 20-year amortization period to reach full funding.

When evaluating the size of SERS' active membership to the total covered payroll, and the impact on cash flow, the assessment found that this factor presents a limited risk. Currently, there are approximately two active members contributing to SERS for every retiree. While this is an

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adequate ratio to be able to fund basic benefits and active membership has actually increased since last fiscal year, it was noted that covered payroll may not increase as assumed if active membership decreases or salary increases are less than expected and this could impact cash flow.

In 2018, SERS obtained authority granting the SERS Board discretion in determining the COLA. Green indicated this authority is considered a positive factor as it allowed SERS to act proactively to manage liabilities rather than pursuing legislation each time it was necessary to address an issue and mitigate a portion of the risk.

With respect to mortality risk, Green noted that small, continuous improvements in mortality are anticipated. This presents a slight risk as retirees will be receiving a benefit for longer periods of time and there is the possibility of a sudden shift in life expectancy due to major medical advancements.

Green also discussed CavMac's modeling results regarding the impact on the funded ratio of various possible investment return scenarios, including differences in the order in which investment returns are experienced, low investment returns for a sustained period, and a large, single year investment collapse. The modeling showed that SERS would remain resilient across the various scenarios, including the large scale investment downturn.

Overall, Green reported that the sustainability of SERS' Pension Fund remains solid and continues to strengthen.

Following several questions, the Board thanked Mr. Green for his presentation.

The Board took a lunch break at 11:58 a.m.

The Board reconvened at 12:46 p.m.

SERS Asset Allocation Update: Educational Session on Asset Allocation, Farouki Majeed, SERS and Wilshire Associates

Farouki Majeed, SERS' Chief Investment Officer, and Joanna Bewick and Chris Tessman, both of Wilshire Associates, provided an update on SERS' asset allocation changes and a comparison of SERS' Total Fund portfolio to a 60/40 equity and bond index portfolio.

Since 2010, SERS has made several asset allocation changes that have added value to the portfolio. These changes included:

- Hedge Funds reduced from 15% in 2012 to 0% in 2020
- Real Assets increased from 10% in 2012 to 20% in 2023
- Infrastructure included within Real Assets in 2024 has a target of 7%
- Private Credit increased from 0% to 5% in 2020
- Global Equities changed from 50/50 US/Non-US to Global (ACWI) benchmark

Mr. Majeed reported that making these changes created added value to the SERS retirement fund. Mr. Majeed estimated that SERS' total fund balance was \$500 million higher as a result of the asset allocation changes.

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Majeed and Bewick noted that SERS' diversified portfolio has several advantages over a 60% stocks/40% bonds index portfolio:

- SERS has lower risk and higher returns over a 10-year period
- SERS' portfolio has a much smaller drawdown during economic downturns
- SERS' portfolio has better diversification across inflation, interest rates, and growth factors

Ms. Bewick noted that outperformance by the diversified portfolio ranges from 100-300 bps except for the 1-year period ended December 31, 2024. Ms. Bewick stated that as equity markets continue to lead asset class performance, it is no surprise that portfolios with higher equity exposure (like a 60/40 portfolio) perform better in recent periods. Ms. Bewick further noted, however, that the best performing asset classes tend to rotate over time.

Ms. Bewick noted that long-term returns favor the diversified portfolio adopted by SERS over the 60/40 portfolio. While U.S equities and bonds are negatively correlated to inflation, meaning that as inflation increases, the returns of the 60/40 portfolio decrease, a diversified portfolio such as SERS' can blunt the harmful effect of inflation shocks.

Ms. Bewick noted that regardless of inflation level, the risk is ever present. Inflation erodes the purchasing power of a currency unit, as well as future cash flows of capital assets. Inflation catalysts are many and often in conflict. Investors should be prepared for unexpected inflation with an allocation to inflation sensitive assets, especially if they have inflation sensitive future liabilities. Real assets play a strategic role within institutional portfolios.

Ms. Bewick and Mr. Tessman stated that looking forward, the diversified portfolio increases the expected return by 87 bp. Bewick and Tessman reported that based on Wilshire's 10-year capital market assumptions, a diversified portfolio is expected to offer higher returns at every risk level versus the 60/40 portfolio.

After several questions, the Board thanked Wilshire Associates for their presentation.

Healthcare Legislation Discussion: Educational Session, Fred Dombo and Hon. Chris Carney, Nossaman, LLP

Fred Dombo and Chris Carney of Nossaman, LLP provided an update on federal legislation that could affect the healthcare industry.

They noted that because it is early in the new Congressional term, it's difficult to predict what health care changes might be in the works. They believe, however, that in the search for savings currently being pursued throughout the government structure, changes to Medicaid are possible. They also suggested that changes to pharmacy benefit manager (PBM) operations could also be made.

Following several questions, the Board thanked Mr. Dombo and Mr. Carney for their presentation.

Mr. Stensrud thanked everyone who attended the SERS Annual Board Workshop.

The meeting adjourned at 2:08 p.m.

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The nine hundredth and seventy-sixth meeting of the Retirement Board of the School Employees Retirement System was held in the boardroom at 300 E. Broad Street, Columbus, Ohio, and streamed via Zoom videoconferencing on Thursday, February 20, 2025.

Pledge of Allegiance

The SERS Retirement Board meeting convened at 8:30 a.m. with the Pledge of Allegiance.

Roll Call

The roll call was as follows: Matthew King, Jeanine Alexander, James Haller, James Rossler, Aimee Russell, Frank Weglarz, and Daniel Wilson. Absent (and excused): Jeffrey DeLeone, Catherine Moss. Also attending was Lisa Reid, representative of the Ohio Attorney General's Office. Various members of the SERS staff attended in person while other SERS staff members and members of the public attended virtually.

Consent Agenda

The consent agenda for **February 20, 2025**, included:

- Minutes of the **December 19, 2024**, Retirement Board meetings.
- Summary of Investment Transactions for the period of **November 1, 2024**, to **November 30, 2024** and **December 1, 2024** to **December 31, 2024**.
- Retirement Report – Superannuations, Survivor Benefits, and Transfers.
- Disability Report – Approval of Disability Benefits, Disapproval of Disability Benefits, Approval of Appeal on Personal Appearance, Termination of Disability Benefits – Any Occupation, Approval of Appeal of Termination – Any Occupation, Disapproval of Appeal of Termination – Any Occupation

James Haller moved and James Rossler seconded the motion to approve the Consent Agenda of the Retirement Board meeting held on Thursday, February 20, 2025. Upon roll call, the vote was as follows: Yea: Jeanine Alexander, James Haller, James Rossler, Aimee Russell, Frank Weglarz, Daniel Wilson, and Matthew King. The motion carried.

Investment Report

Annual Portfolio Review – Global Equities

SERS Investment staff Judi Masri and Hai Yen Le provided an update on the Global Equities portfolio. Ms. Masri reported that the portfolio has a \$8.3B market value. The target allocation is 40% while the actual allocation is 42.9%. For the one year, SERS' U.S. equity portfolio posted a return of 23.17%, which was below the benchmark of 23.81%. The portfolio underperformed due to its overweight small capitalization, which generated less return than large capitalization stock. Ms. Masri continued, stating that the U.S. equity portfolio had a market value of \$4.3 billion, with 75% of the portfolio passively invested in large cap stocks. Ms. Masri also stated that the investment staff initiated a number of changes to restructure the portfolio, such as reducing the small cap overweight and beta managers. In addition, the portfolio's management philosophy has changed from hiring small boutique firms to hiring large, institutional firms with benchmark aware strategies.

Ms. Le reported that unlike U.S. equity markets, non-U.S. markets are less efficient which means there is more opportunity to outperform benchmarks using active management. Therefore, SERS has constructed the \$1.2 billion non-U.S. developed market equity portfolio with 83% active managers to increase returns. The 17% passive management in large cap helps to reduce the portfolio's overall fees. Ms. Le continued, stating that emerging markets finished strong at 10.47%, exceeding the benchmark by 2.97%, while developed markets underperformed the benchmark by 0.53% with a return of 4.16%. Ms. Le closed her report stating that the underperformance of developed markets was due in large part to being overweight in small cap and the underperformance of one large cap manager. The outperformance of emerging markets was due to the strong performance of newly hired managers. Following a brief discussion, the board thanked Ms. Masri & Ms. Le for their report.

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Quarterly Performance Report – As of December 31, 2024

Joanna Bewick and Chris Tessman of Wilshire Associates provided the Board with an update of current U.S. economic conditions, and a review of SERS' October-December 2024 quarterly results. Ms. Bewick reported that during the fourth quarter, the stock market was up 2.6% with the best-performing sectors being consumer discretionary, financials, and technology. Ms. Bewick continued, reporting that the Federal Reserve began raising rates in early 2022 in response to inflation. While it is too early to measure if the Fed achieved a "soft landing," early data is positive. Ms. Bewick's current expectations for rate cuts in 2025 are modest.

Mr. Tessman reported that SERS' calendar year gross return of 10.33% ranked in the 50th percentile when compared to Wilshire's universe of pension systems, SERS continues to compare favorably with other U.S. pension plans in terms of gross returns over the 3-year (5th), 5-year (4th), and 10-year (2nd) periods and doing so with less risk. After several questions, the board thanked Ms. Bewick and Mr. Tessman for their report.

Quarterly Investment Report – As of December 31, 2024

Chief Investment Officer, Farouki Majeed, provided a brief update on the investment fund status for the quarter ending December 31, 2024. Mr. Majeed reported that the US economy growth was 2.3% in Q4, decelerating from 3.1% in Q3. Mr. Majeed continued, stating that the US labor market remains solid while inflation continued to tick up to 2.9% in December, 0.1% higher than in November. Mr. Majeed closed his presentation stating most of the information had already been reviewed at the annual board workshop and by Wilshire. After several questions, the board thanked Mr. Majeed for his report.

Executive Director's Report

ORSC Update

SERS Executive Director Richard Stensrud reported that there were no ORSC meetings in January or February. Mr. Stensrud noted that appointments to the ORSC had not been completed but there will likely be changes to the composition of the ORSC.

Advocacy Partners Roundtable

Mr. Stensrud reported that SERS held its annual Advocacy Partners Roundtable discussion on Friday, January 17, 2024. Stakeholders were provided with a report on the state of SERS pension fund and healthcare program and fund, and a preview of likely issues and initiatives in 2025. In addition to the stakeholders, several Board Members attended and reported that the information was well-received by the stakeholders.

Mr. Stensrud emphasized the importance of engagement with stakeholders and noted that SERS plans to hold further stakeholder meetings in the next few months with OASBO and SERO. Details will be provided as they are made available.

Ohio General Assembly

Mr. Stensrud reported that the state legislature will be focusing on the annual operating budget in the new legislative session. Mr. Stensrud noted that changes to the committee structure and committee membership had been made with the House Pensions Committee being disbanded and the assignment of pension matters to a new House Public Insurance and Pensions Committee.

Mr. Stensrud reported that meetings were being scheduled with members of the new committee and new members of the ORSC. Mr. Stensrud also reported that he recently met with ORSC member Senator Romanchuk to discuss possible pension-related legislation in the new legislative session. The Board will be kept informed of any developments.

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HB257 – Authorization for Certain Public Bodies to Meet Virtually

Mr. Stensrud reported that HB257, which authorizes members of the governing boards of certain public bodies to participate in meetings virtually, will go into effect in April 2025. He noted that in order for SERS Board Members to participate virtually, SERS will need to adopt a Board policy that adheres to the requirements stated in the bill. Mr. Stensrud reported that a proposed policy that conforms to the law will be presented for the Board's consideration at the March Board Meeting. If the policy is approved in March, Board Members will be able to participate in Board Meetings virtually beginning in April.

Federal Legislative Activity - WEP/GPO Repeal

Mr. Stensrud reported that while the WEP/GPO has been repealed, the Social Security Administration is saying that it may take several months to make the changes effective. SERS staff will continue to monitor this situation and will keep the Board and SERS members informed of any developments.

SERS Board Election – Active Employee Seats

Mr. Stensrud reported that an election is underway for two open employee seats on the SERS Board. The ballots will be accepted up until March 3 at 4:30 p.m. On March 4 the ballots will be counted and the results will be certified by the Ohio Attorney General's Office. Candidates will have the right to challenge the results in writing and the winners will be certified at the April Board Meeting. Mr. Stensrud noted there are three people running for two open seats including incumbent Board Members James Haller and Jeanine Alexander.

Member and Employer Engagement

Mr. Stensrud reported on various programs through which SERS was engaging with SERS members and employers. Mr. Stensrud noted that there have been several webinars focused on preparing members for retirement and educational programs for employers.

CBIZ Compensation Presentation

Joe Rice, Director at CBIZ, a compensation consulting firm, provided an annual update to the Board on current labor market salary data that directly affects the salary ranges and salary levels for SERS staff. Reviewing and adjusting the salary ranges and overall salary growth on an annual basis is considered a best practice as it helps assure that SERS' compensation levels remain aligned with the compensation for comparable positions, and in so doing, helps assure that the compensation enables SERS to attract and retain the quality of employees that will allow SERS to continue to be successful at its mission.

Based on the labor market data, Mr. Rice suggested a 3.1% increase to current salary ranges with an increase in the total salary budget of 4.5%.

Mr. Stensrud noted that adjusting the salary ranges does not mean that salaries will increase by that amount. The primary source of salary growth at SERS is through the annual merit adjustment. SERS' employees do not receive step increases or cost-of-living adjustments. Total salary budget growth includes annual merit increases, promotions, and salary adjustments.

Mr. Stensrud noted that no action was required from the Board at this time. He noted that at the March Board Meeting the Board will be provided with information regarding the fiscal impact of various combinations of salary structure, salary budget growth and merit levels. At that time the Board will be asked to approve a specific salary structure and salary budget adjustment, and merit level, so that this information can be built into the budget for FY 2025-2026.

Following several questions, the Board thanked Mr. Rice for his presentation.

The Board took a break at 10:17 a.m.

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The Board reconvened at 10:30 a.m.

Executive Session

James Haller moved and Aimee Russell seconded the motion that the Retirement Board convene in Executive Session pursuant to R.C. 121.22 (G)(5) to discuss a matter required to be kept confidential by law. Upon roll call, the vote was as follows: Yea: Jeanine Alexander, James Haller, James Rossler, Aimee Russell, Frank Weglarz, Daniel Wilson, and Matthew King. Absent: Catherine Moss, Jeffrey DeLeone. The motion carried. The board convened in executive session at 10:31 a.m.

The Board went into executive session at 10:31 a.m.

The Board reconvened in open session at 10:48 a.m.

Review of Administrative Expenses

Chief Financial Officer, Marni Hall, provided a brief update on SERS administrative expenses, including budgeted to actual. Ms. Hall noted that operating expenses will vary based on the timing of invoicing and billing. Ms. Hall noted that benefits and computer support services continue to be the biggest line items. Ms. Hall answered several questions, and the Board thanked her for her report.

Healthcare Pre-Planning for CY2026

SERS Director of Health Care Services, Michael Steiner, PhD, provided an update on the Health Care Fund and presented information regarding possible adjustments to the Medicare Plan Premium Surcharge.

Dr. Steiner explained that in 2009, SERS' actuary projected that the Health Care Fund would be exhausted by 2014. At that time, the Board assembled a Health Care Preservation Task Force to find ways to strengthen the Fund and make it sustainable over a 20-year period.

One of the Task Force recommendations adopted by the Board was the addition of a \$35 premium surcharge beginning in 2011. In addition, since then the Board had taken further actions to increase the sustainability of the Health Care Fund. These actions, along with good investment returns and increased federal subsidies, have helped the Health Care Fund attain its highest balance and an estimated 45-year solvency period as of June 30, 2024.

As this is more than double the solvency target established by the Board, Dr. Steiner provided the Board with information on the possible scaling back or elimination of the premium surcharge in order to improve the value of the Medicare Advantage plan for enrollees and potentially increase participation in the plan. Dr. Steiner noted that although the plan benefits have improved over recent years, participation in SERS' Medicare plan has declined about 1.5% annually. He also reported that the results of a 2024 member survey suggest that members prefer premium reductions compared to future benefits enhancements. Dr. Steiner presented information showing that the potential premium surcharge reduction scenarios would result in a modest decrease in the solvency period ranging from one to five years.

After several questions and a robust discussion, the Board expressed interest in having Dr. Steiner return at an upcoming meeting to provide more detailed information on a possible reduction in the Premium Surcharge. The Board thanked Dr. Steiner for his presentation.

Risk Management Update

SERS Chief Risk Officer, Colette Barricks, and Phil Grim, SERS Assistant Director of Information Security, provided an overview of SERS' Risk Management Program.

Ms. Barricks stated that SERS' Risk Management Program ensures risk considerations are included in decision-making, aligns risk exposure with risk management, conducts rigorous risk assessments, and assures that risk

SERS Retirement Board Meeting Minutes February 20, 2025

assessment and mitigation aligns with strategic planning. Ms. Barricks discussed how the program has made steady progress reducing and managing key risks while creating a firm foundation for risk awareness, monitoring, and reporting. She also discussed the process, decision making and governance structure that has been established for assessing Artificial Intelligence opportunities and tools.

Ms. Barricks and Mr. Grim provided the Board with information regarding several key risk management projects for FY2025. Those projects include:

- External member and employer identity fraud assessment to validate existing controls, processes and documentation
- Evaluation of Co-Pilot (AI tool) as means to increase productivity (oversight provided by the AI Oversight Committee)
- Refund Reimagination Project to improve member security and streamline the refund process to enhance member experience
- External verification of 'source code escrow' and 'break glass' scenarios to protect our investment in SMART
- Micro-segmentation to prevent lateral movement and spread
- HIPAA Assessment to ensure compliance
- Disaster Recovery Live Test to validate SERs can recover systems quickly
- Cyber Incident Tabletop to test our Incident Management plan, processes, and procedures

Discussion followed and the Board thanked Ms. Barricks and Mr. Grim for their presentation.

Benefit Payment Options

Mr. Stensrud noted that at the December Board Meeting there was a request to update the Board on the benefit payment options available to SERS members upon retirement. To that end, John Grumney, SERS Director of Member Services, presented an overview of the seven retirement plan payment options, noting how the different options impact the monthly pension amount.

Mr. Grumney noted that SERS' counselors and retirement publications provide guidance to help members select the best option. Mr. Grumney reported that in 2024 over sixty percent of SERS' retirees chose the single life allowance with no beneficiary, the option that provides the largest benefit to the retiree.

Discussion followed and the Board requested information illustrating the steps a person would take to retire with a SERS pension. Mr. Stensrud noted that the Board will be provided with the information at an upcoming meeting.

The Board thanked Mr. Grumney for his presentation.

Executive Session

James Haller moved and Frank Weglarz seconded the motion that the Board convene in Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment of a public employee. Upon roll call, the vote was as follows: Yea: Jeanine Alexander, James Haller, James Rossler, Aimee Russell, Frank Weglarz, Daniel Wilson, and Matthew King. Absent: Catherine Moss, Jeffrey DeLeone. The motion carried.

The board went into executive session at 12:37 p.m.

The board reconvened in open session at 12:54 p.m.

It was moved by Frank Weglarz and seconded by James Rossler to contract with Hudepohl & Associates to assist SERS in the search for a new Chief Audit Officer. Upon roll call, the vote was as follows: Yea: Jeanine Alexander, James Haller, James Rossler, Aimee Russell, Frank Weglarz, Daniel Wilson, and Matthew King. Absent: Catherine Moss, Jeffrey DeLeone. The motion carried.

SERS Retirement Board Meeting Minutes

February 20, 2025

Retirement Report

There was no executive session for the retirement report.

Board Communication and Policy Issues

Board Information Request & Follow Up Items

The Board requested that SERS staff provide information to show the steps in the retirement process and information regarding a possible reduction in the health care Premium Surcharge.

Calendar Dates for Future Board Meetings

The Board members reviewed the 2025 meeting calendar with no further comment.

CALENDAR DATES FOR SERS BOARD AND COMMITTEE MEETINGS FOR 2025 **

AUDIT COMMITTEE MEETINGS

June 17, 2025 – 2:30 p.m. (Tues.) **** Moved due to Juneteenth Holiday ****
September 17, 2025 - 2:30 p.m. (Weds.)
December 17, 2025 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

June 18, 2025 – 7:30 a.m. (Weds.) **** Moved due to Juneteenth Holiday ****
July 17, 2025 – 7:30 a.m. (Thurs.) **** Special Meeting ****
September 18, 2025 – 7:30 a.m. (Thurs.)
December 18, 2025 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

June 18, 2025 – 12:30 p.m. (Weds.) **** Moved due to Juneteenth Holiday ****
September 19, 2025 – 12:30 p.m. (Thurs.)
December 19, 2025 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

April 17 – 18, 2025 - 8:30 a.m. (Thurs. and Fri.)
May 15 – 16, 2025 – 8:30 a.m. (Thurs. and Fri.)
June 18, 2025 – 8:30 a.m. (Weds.) **** Moved due to Juneteenth Holiday ****
July 17 – 19, 2025 – 8:30 a.m. (Thurs. and Fri.)
September 18 – 19, 2025 – 8:30 a.m. (Thurs. and Fri.) **** Board Picture Day ****
October 16 – 17, 2025 – 8:30 a.m. (Thurs. and Fri.)
November 20 – 21, 2025 – 8:30 a.m. (Thurs. and Fri.)
December 18 – 19, 2025 – 8:30 a.m. (Thurs. and Fri.)

*** Please note that these dates and times are tentative.**

Adjournment

Board Chair, Matthew King, moved to adjourn to meet on Thursday, March 20, 2025, at 8:30 a.m. for the next SERS regularly scheduled Retirement Board meeting.

The SERS board meeting adjourned at 12:55 p.m.

Matthew King, Board Chair

Richard Stensrud, Secretary

SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

Summary of Investment Transactions to be
Reported to the Retirement Board for
Ratification in March

The following is a summary of the investment transactions made during the period of January 1, 2025, through January 31, 2025. A detailed list of these transactions can be found in the Board Agenda mailed prior to the Retirement Board Meeting.

A. PURCHASES

Asset Class	Approximate Cost (in millions)
Global Equities	\$159.3
Fixed Income	246.9
Private Equity Capital Calls	52.0
Real Estate Capital Calls	0.5
Infrastructure Capital Calls	2.4
Opportunistic & Tactical	8.1
Global Private Credit	8.8
Cash Equivalents	302.6

B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	\$218.3	37.0
Fixed Income	233.8	(2.3)
Private Equity Distributions	41.6	n/a
Real Estate Distributions	19.1	n/a
Infrastructure Distributions	1.4	n/a
Opportunistic & Tactical	n/a	n/a
Global Private Credit	5.7	0.8
Cash Equivalents	180.4	n/a



Global Private Credit Portfolio Review

January 31, 2025

Presented by Investment Staff

Meeting Date: March 2025

Adam Messerschmitt & Brad Carr



\$1.2 Billion Market Value

- 12 Managers, 24 Funds, and 1 Co-investment
- Manager Rankings:
 - 9 Ranked as A
 - 3 Ranked as B
- Total Capital Commitments: \$2.1 billion
 - Unfunded Commitments: \$867 million
- Global Private Credit Allocation: 6.1% of Total Fund

Performance

- 11.3% net return for the one-year period, which outperformed the policy benchmark by 1.2%
- 9.1% net return for the three-year period, which outperformed the policy benchmark by 0.3%
- 11.4% portfolio income yield with 7.0% distributed in cash

Role

- SERS invests in private credit to provide risk adjusted returns in excess of those provided by publicly traded fixed income securities and to generate a consistent cash yield.

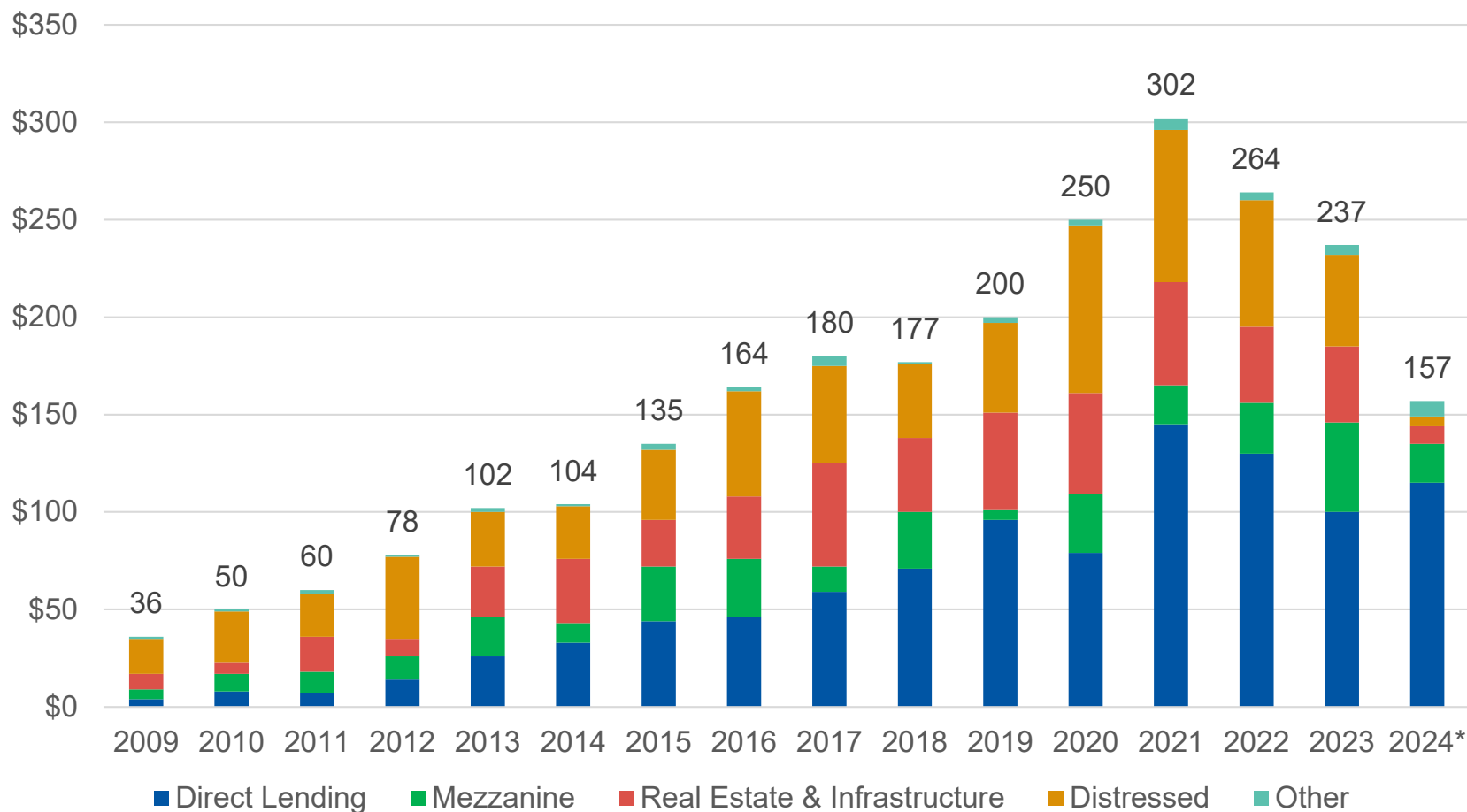
Objective

- The performance objective is to provide net of fee returns of 100 basis points above the 90-day Treasury bill rate + 4.5%.

Allocation

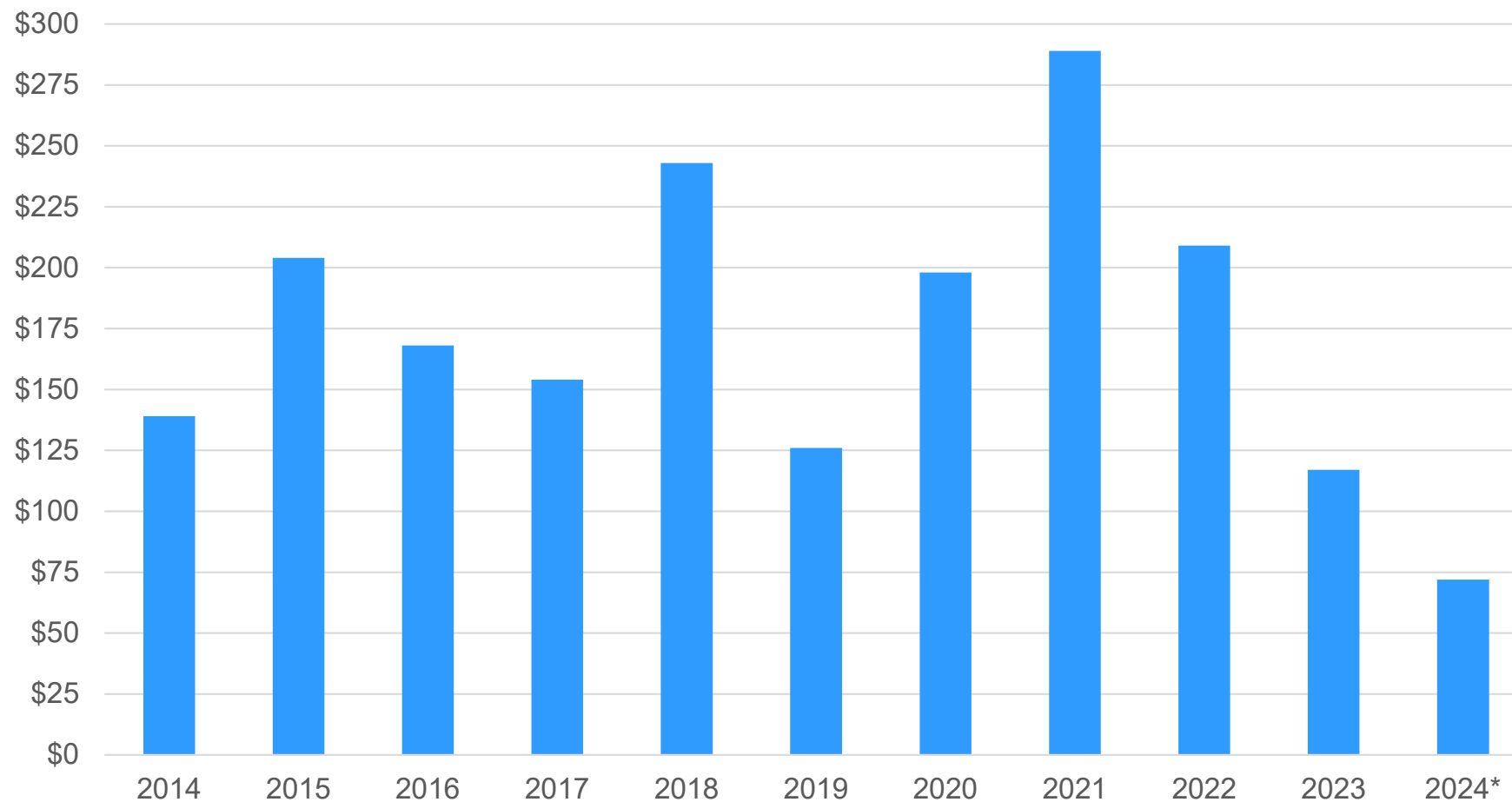
- The Global Private Credit allocation is set at 5% with a permissible range of 3% to 7%.

Private Credit Fundraising In Billions (USD)



*2024 reflects the year-to-date fundraising activity as of September 30, 2024
Source: J.P. Morgan Asset Management, Preqin.

Private Credit Deal Activity In Billions (USD)



*2024 reflects the year-to-date deal activity as of September 30, 2024

Source: J.P. Morgan Asset Management, Preqin.



Portfolio Activity During the Last 12 Months

- New Capital Commitments: \$150 million
- Two New Funds with Existing Managers
- Portfolio Market Value Increased from \$1.1 Billion to \$1.2 Billion
- Portfolio Allocation at 6.1% of Total Fund

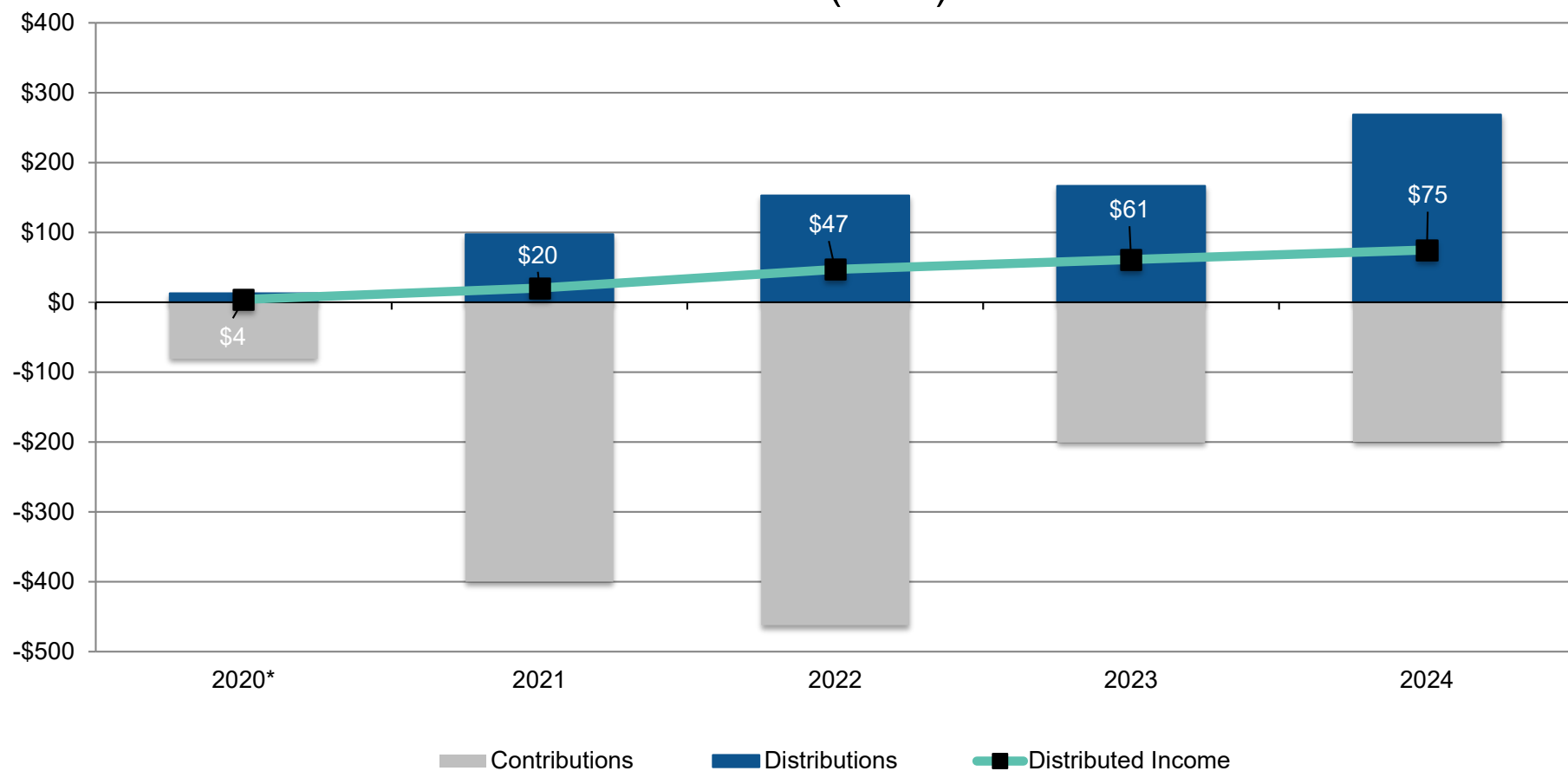
Direct Lending Commitments

- Francisco Credit Partners Fund III - \$100 million

Asset Based Lending/Other Commitments

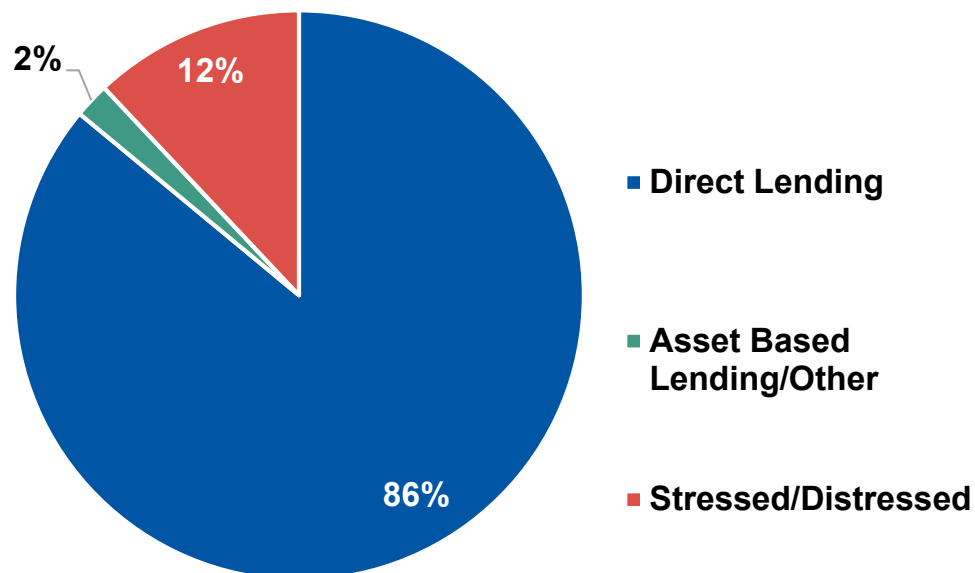
- KKR Asset Based Finance Fund II - \$50 million

Annual Cash Flows In Millions (USD)

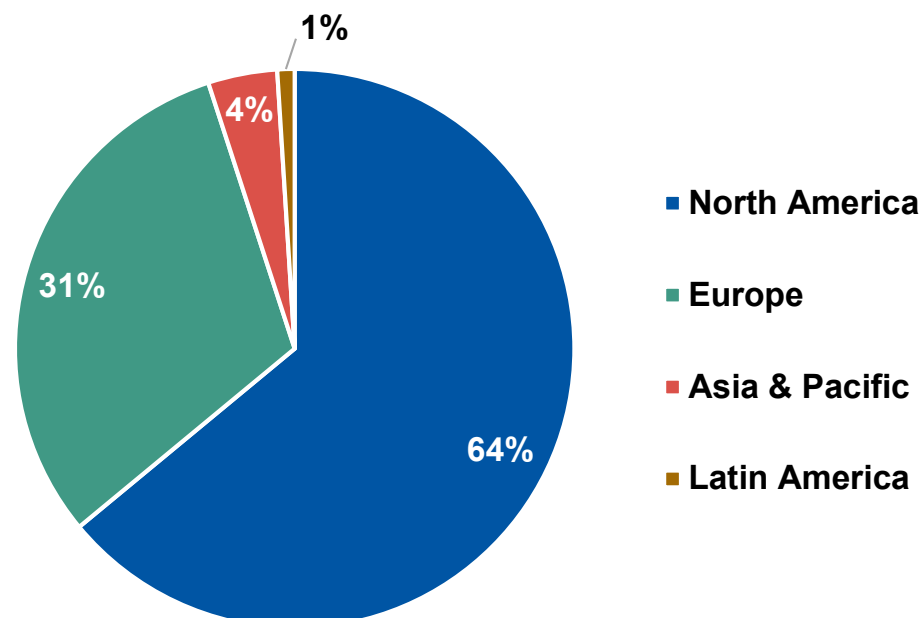


*As of the Global Private Credit portfolio inception date of 7/1/2020.

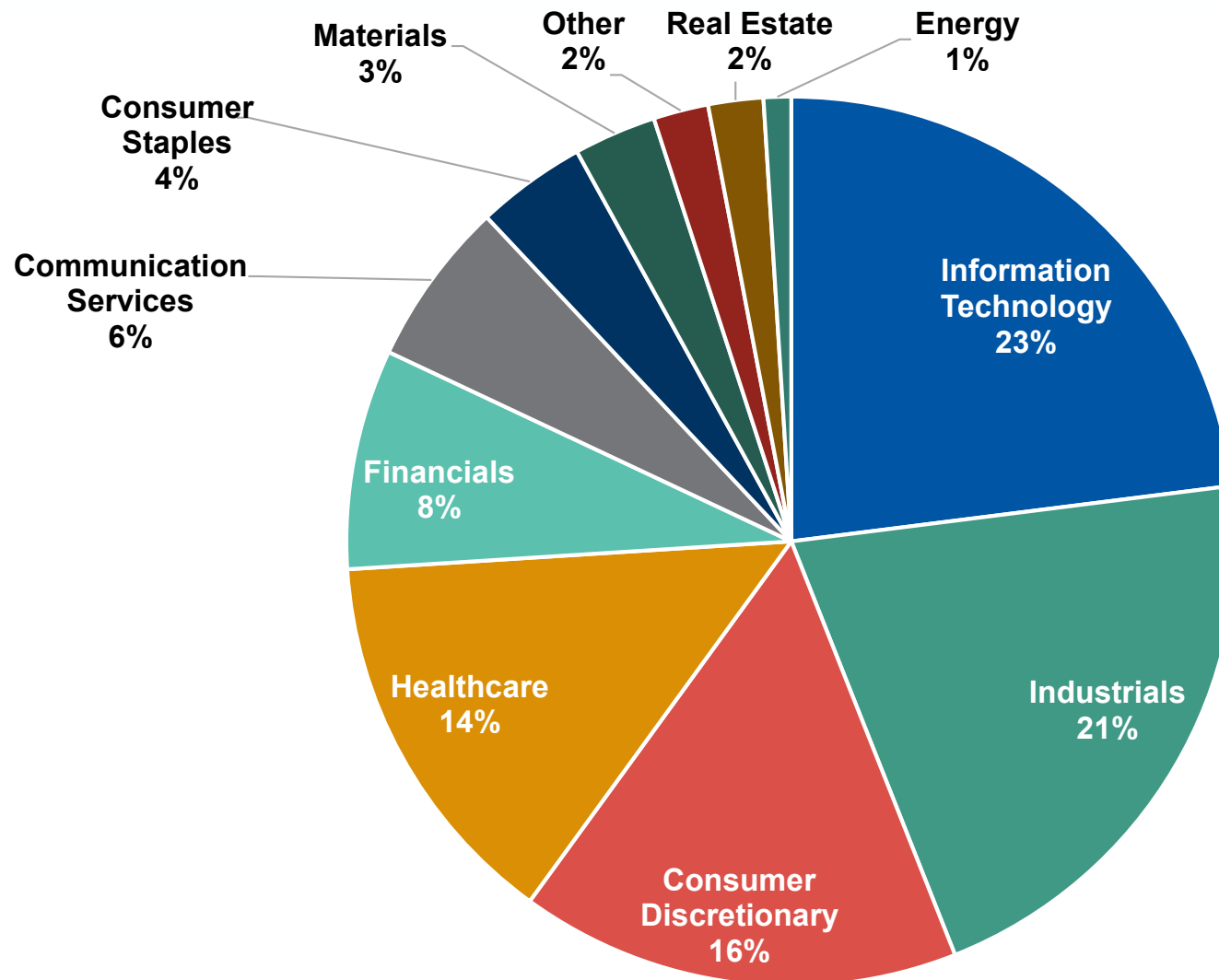
Strategy Allocations



Geography Allocations



Industry Allocations



**PRIVATE CREDIT**

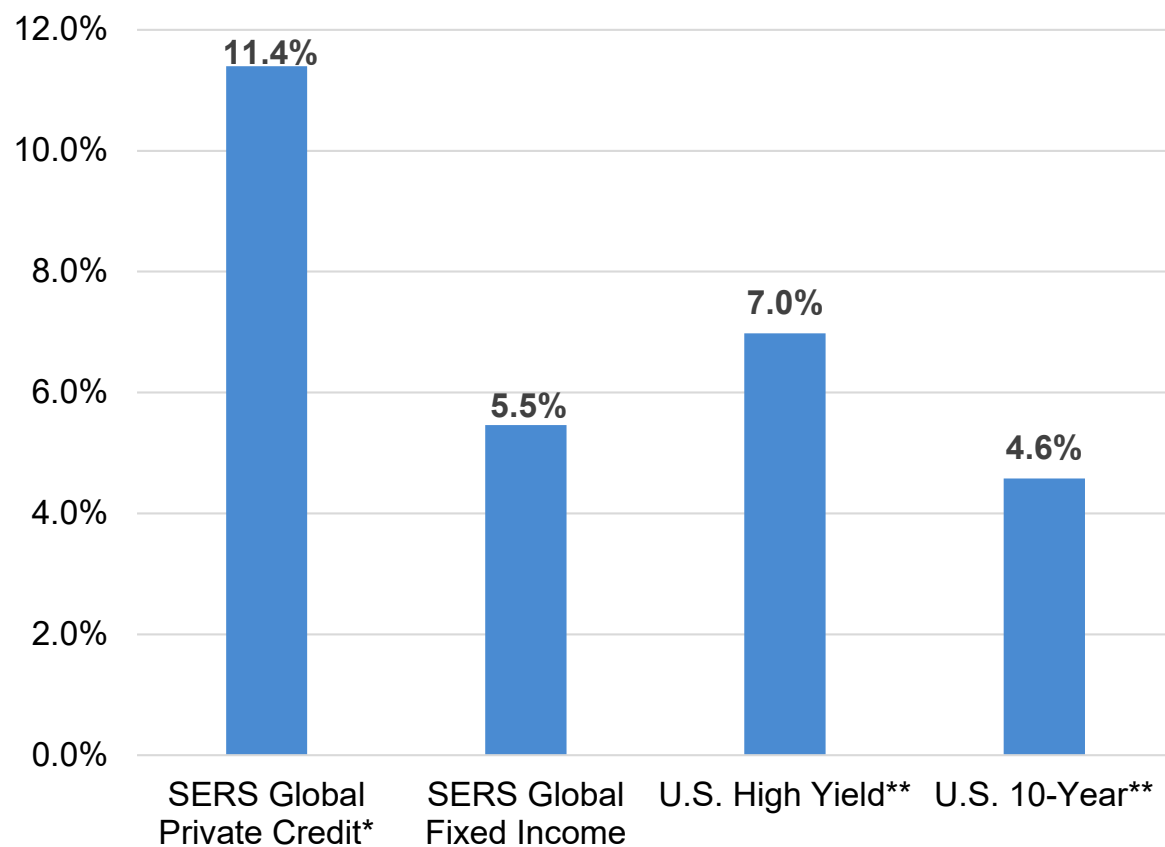
Performance Results

Net of Fees (as of 1/31/2025)	% of Portfolio	Expected Return Range	1-Year Return	3-Year Return	Inception to Date*
Private Credit Composite (\$1,205,981,825)			11.3%	9.1%	10.8%
Direct Lending (\$1,031,152,642)	86.0%	8% – 12%	11.8%	9.2%	10.5%
Stressed/Distressed (\$146,509,150)	12.0%	12% – 25%	8.7%	10.2%	14.0%
Asset Based Lending/Other (\$28,320,033)	2.0%	10% – 15%	8.2%	7.4%	10.5%
Private Credit Benchmark			10.1%	8.7%	7.3%
SERS Global Fixed Income			3.6%	-0.4%	

*Inception date is 7/1/2020



Portfolio Income Yield



*As of December 31, 2024

**Source: BAML, Federal Reserve

Fiscal Year 2025 Objectives

- Manage the Private Credit allocation within the target allocation range while considering the pace of drawdowns for new investments and re-evaluate existing manager performance as new capital is raised.
- Build the Private Credit allocation in line with the implementation guidelines and ensure appropriate risk and return characteristics are present within the target allocation.
- Evaluate new investments with a cautious approach given the economic outlook and higher interest rate environment, while focusing on increasing the cash yield of the portfolio and income distribution to the Total Fund.
- Evaluate new investment ideas within Asset Based Lending/Other to build the sub-asset class towards the target allocation.
- Review the appropriateness of the benchmark and recommend changes if necessary.



- Direct Lending: loans made directly to small to medium size companies that are secured by cash flows, depending on the type of loan.
- Mezzanine: subordinated debt to senior loans that is typically structured as an unsecured fixed or floating rate loan with an equity component.
- Stressed/Distressed: loans made to companies that are financially stressed and/or are likely to go through restructuring/bankruptcy. These investments typically have longer holding periods where the lender sometimes is seeking to take control of the company.
- Asset Based Lending/Other: Asset Based Lending/Other includes investments collateralized by financial and hard assets, as well as cash flows generated from differentiated sources other than traditional corporate lending backed by cash flows. These types of investments are typically shorter in duration and may include auto loans, real estate loans, consumer loans, litigation finance, leasing, royalties, portfolio finance, and various other types.

Memo

To: Retirement Board
From: Christopher Hyland
cc: Richard Stensrud, Karen Roggenkamp, Farouki Majeed
Date: March 5, 2025
Re: Risk Report for the quarter ending December 31, 2024

This memo summarizes the risk of SERS' Total Fund ("the Fund") based on holdings as of December 31, 2024, and the current market environment. The accompanying risk report is attached for reference.

The Fund's forecast risk was 10.09% as of December 31, down slightly from 10.27% on September 30 and 11.27% in December 2023. However, the VIX Index, which is an S&P 500 options-based measure of expected equity market volatility, has increased from 17.35 on December 31 to 22.78 as of March 5 due to heightened policy and economic uncertainty. Staff expect that the Fund's forecast risk has increased since year-end.

The composition of the Fund's forecast risk by asset class (Slide 2) changed slightly over the quarter. Global Equities' contribution to the Fund's forecast risk declined from 58.6% to 57.1%, mostly due to a 0.9% reduction in Global Equities' allocation from 43.7% to 42.8%. Global Equities and Private Equity together contributed 77.6% of the Fund's forecast risk as of December 31. Fixed Income contributed 2.7% of the Fund's forecast risk, despite making up 13.0% of Fund assets, demonstrating its risk-diversifying effect. The Overlay program reduced the Fund's risk by 4.3% due to its negative correlation with the rest of the Fund.

The composition of the Fund's forecast risk by factor (Slide 3) changed slightly over the quarter. Equity factors, arising principally in the Global Equities and Private Equity portfolios, contributed 73.3% of the Fund's forecast risk, down from 74.1% on September 30 and up from 72.5% in December 2023. Equity factors remain the largest source of the Fund's total risk.

The Fund's active risk (Slide 4) was 1.36% as of December 31, well below the policy limit of 3%, up slightly from 1.35% on September 30 and down from 1.47% in December 2023. Active allocation decisions contributed only 3 basis points. Selection effects, which reflect the extent to which each asset class portfolio differs from its own benchmark due to a combination of manager selection and allocation within asset class portfolios as well as security selection by managers, contributed 133 basis points. Selection contributions from Private Credit and Infrastructure are substantial as these portfolios are more volatile than the respective benchmarks, which are based on short-term interest rates and inflation, respectively. The decline in active risk since December 2023 was partly due to the separation of Infrastructure from Real Assets on 1/1/2024 and the assignment of a more suitable Infrastructure benchmark.

Forecast correlations (Slide 5) show the expected co-movement of asset market values in the same (positive) or opposite (negative) direction. The correlation between Fixed Income and Global Equities was 0.27 as of December 31, unchanged from September 30 and down from 0.35 in December 2023. The decline in forecast correlation between these portfolios since last year has improved Fixed Income's risk-diversifying potential.

Please let us know if you have any questions. Thank you.

BARRAONE – RISK MANAGEMENT SYSTEM SERS RISK REPORT

**For the period ending
December 31, 2024**



Meeting Date: March 2025

Prepared by:
Christopher Hyland
Associate Investment Officer

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SERS Total Fund - Risk by Asset Class

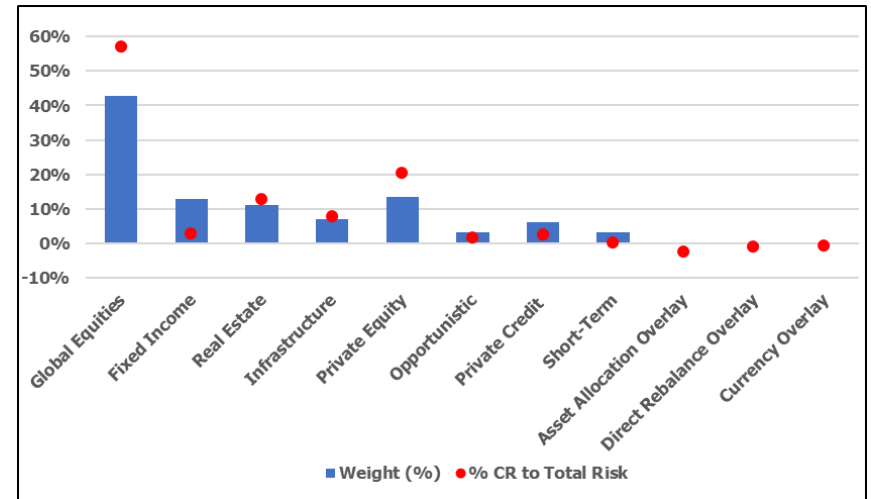
Risk Summary

Statistic	Value
Total Risk	10.09
Benchmark Risk	9.70
Active Risk	1.36
Portfolio Beta	1.03
Effective Duration	0.84

Asset Class Contribution to Risk

Asset Class	Weight (%)	Total Risk	% CR to Total Risk
Total	100.0	10.09	100.0
Global Equities	42.8	14.2	57.1
Fixed Income	13.0	5.8	2.7
Real Estate	11.2	17.4	12.7
Infrastructure	6.9	13.6	7.5
Private Equity	13.3	17.7	20.5
Opportunistic	3.1	6.1	1.5
Private Credit	6.2	6.1	2.4
Short-Term	3.2	0.0	0.0
Asset Allocation Overlay	0.1	8.5	-2.6
Direct Rebalance Overlay	0.0	8.3	-1.1
Currency Overlay	0.2	4.4	-0.6

Asset Class Allocation





SERS Total Fund - Risk by Factor

Asset Class	Commodity Factors	Currency Factors	Fixed Income Factors	Equity Factors	Private Equity Factors	Private Credit Factors	Private Infrastructure Factors	Private Real Estate Factors	Asset Specific Contribution	Portfolio Risk Contribution
Asset Allocation Overlay	0.00	0.00	0.02	-0.27	0.00	0.00	0.00	0.00	0.00	-0.26
Currency Overlay	0.00	-0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.06
Direct Rebalance Overlay	0.00	0.00	0.00	-0.11	0.00	0.00	0.00	0.00	0.00	-0.11
Fixed Income	0.00	0.02	0.24	0.01	0.00	0.00	0.00	0.00	0.00	0.27
Global Equities	0.00	0.36	0.00	5.34	0.00	0.00	0.00	0.00	0.06	5.76
Global Infrastructure	0.00	0.04	0.00	0.58	0.00	0.00	0.12	0.00	0.01	0.76
Opportunistic	0.01	0.03	0.03	0.07	0.01	0.00	0.00	0.00	0.00	0.16
Private Credit	0.00	0.02	0.11	0.06	0.00	0.04	0.00	0.00	0.00	0.24
Private Equity	0.00	0.07	0.01	1.67	0.31	0.00	0.00	0.00	0.00	2.06
Real Estate	0.00	0.00	0.02	0.05	0.01	0.00	0.00	1.19	0.00	1.28
Short-Term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fund	0.01	0.49	0.44	7.40	0.32	0.04	0.12	1.19	0.07	10.09
Total Fund - 3 Month Change	0.00	0.01	-0.03	-0.21	0.01	-0.02	0.00	-0.03	0.02	-0.18
Total Fund - 12 Month Change	0.00	-0.04	-0.12	-0.77	0.04	-0.02	-0.01	-0.29	0.04	-1.18

Source: MSCI BarraOne – December 2024 data



SERS Total Fund - Active Risk Attribution

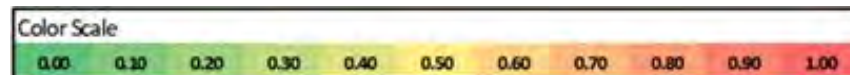
Asset Class	Active Weight	Allocation Risk Contribution	Selection Risk Contribution	Active Risk Contribution
Asset Allocation Overlay	0.1	(0.06)	0.00	(0.06)
Currency Overlay	0.2	(0.02)	0.00	(0.02)
Direct Rebalance Overlay	0.0	(0.02)	0.00	(0.02)
Fixed Income	(5.0)	0.14	0.02	0.16
Global Equity	1.8	0.01	0.15	0.16
Global Infrastructure	(0.1)	0.00	0.74	0.74
Opportunistic	3.1	(0.07)	0.10	0.03
Private Credit	1.2	(0.03)	0.23	0.20
Private Equity	0.3	0.02	0.03	0.06
Real Estate	(1.8)	0.05	0.06	0.11
Short-Term	0.2	0.00	0.00	0.00
Total Fund		0.03	1.33	1.36
Total Fund - 3 Month Change		-0.04	0.05	0.01
Total Fund - 12 Month Change		-0.02	-0.09	-0.11

Source: MSCI BarraOne – December 2024 data



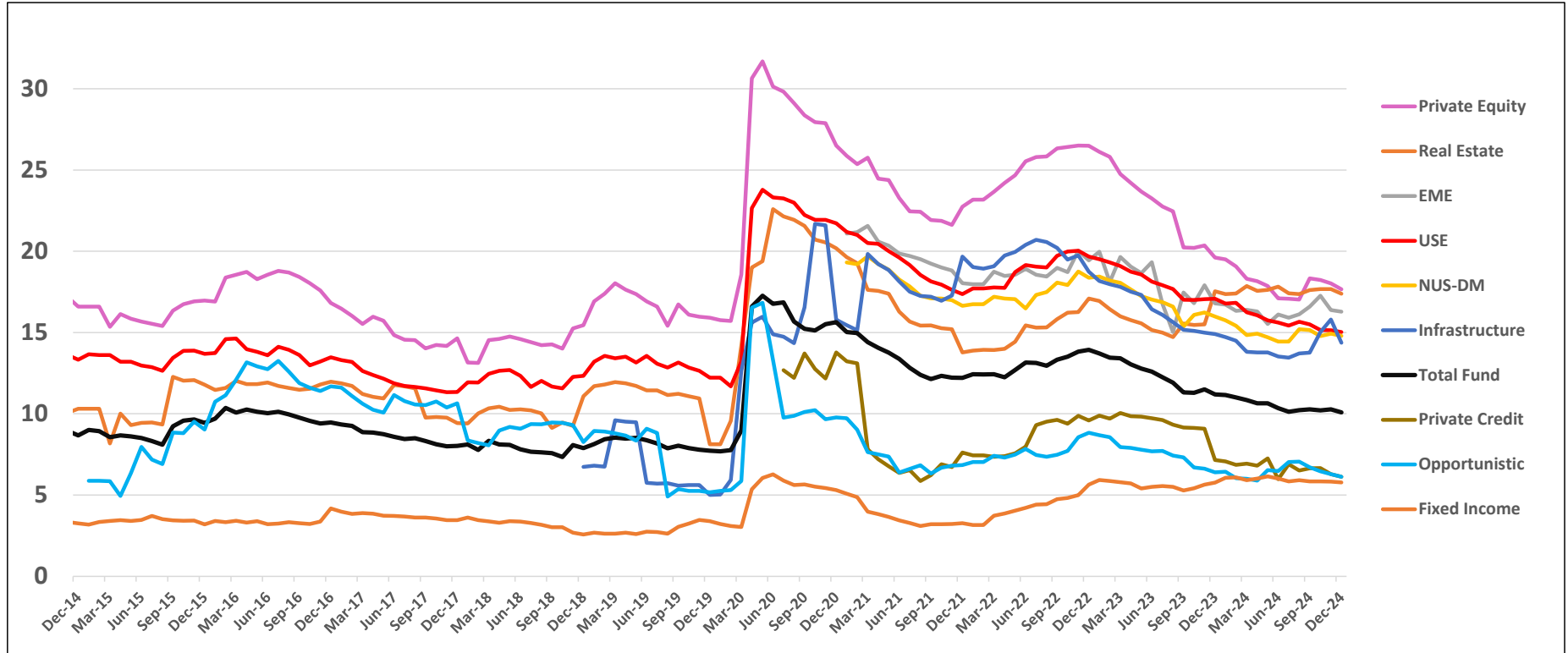
Asset Class Correlations

Portfolio	Global Equities	Fixed Income	Private Credit	Private Equity	Real Estate	Infrastructure	Opportunistic	Short-Term
Global Equities	1.00							
Fixed Income	0.27	1.00						
Private Credit	0.50	0.36	1.00					
Private Equity	0.77	0.20	0.65	1.00				
Real Estate	0.51	0.24	0.31	0.43	1.00			
Infrastructure	0.67	0.19	0.59	0.91	0.39	1.00		
Opportunistic	0.74	0.39	0.74	0.73	0.43	0.70	1.00	
Short-Term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00





Forecast Total Risk

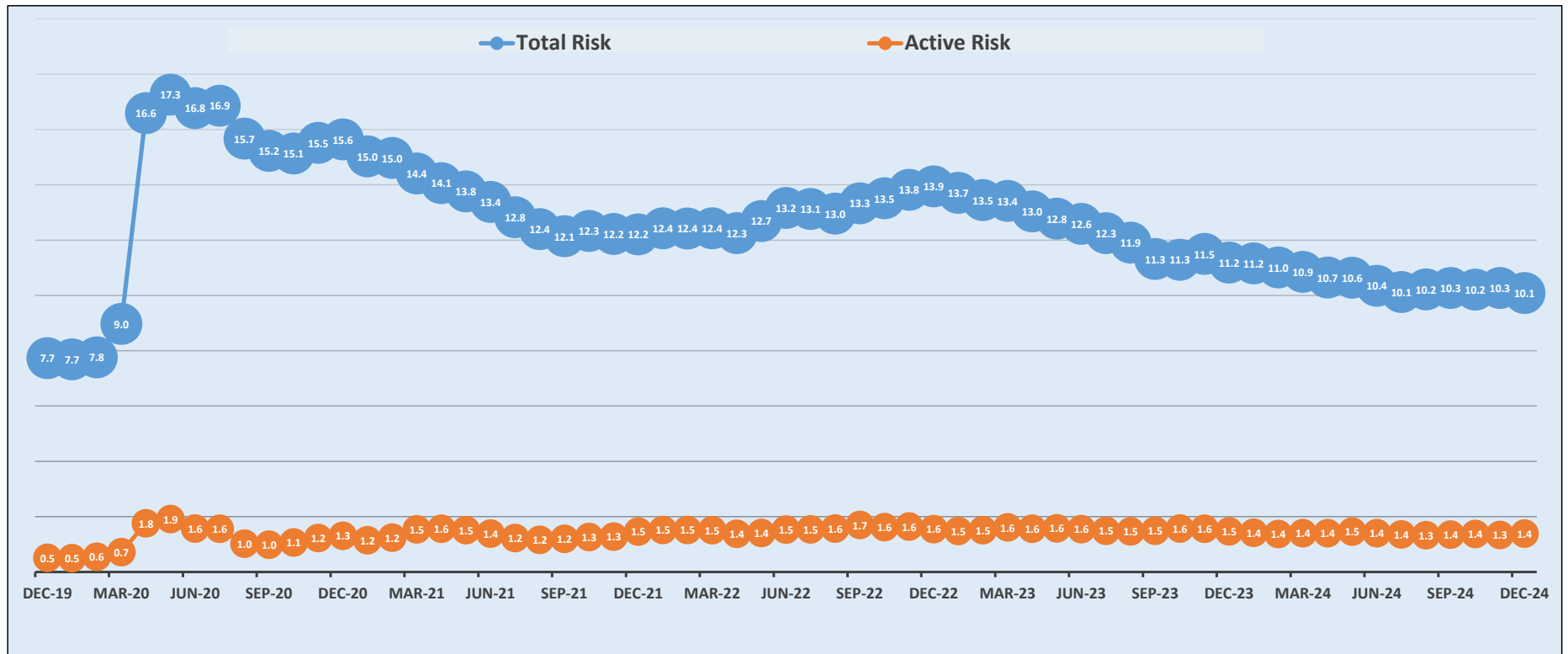


Source: MSCI BarraOne – December 2024 data

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Total Fund Forecast Risk

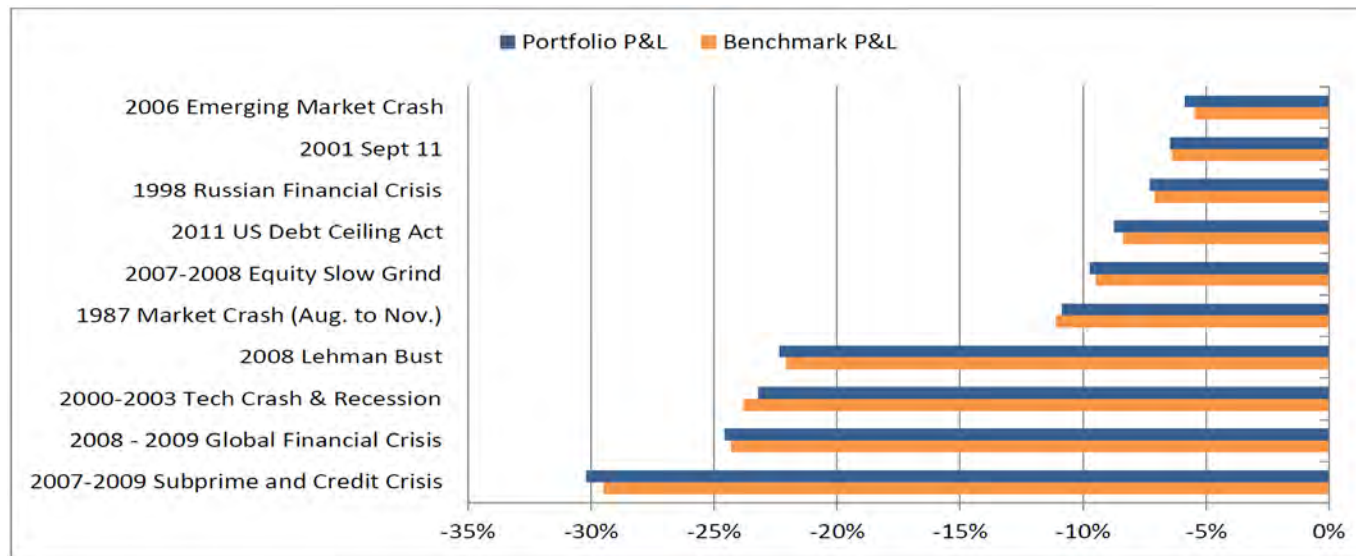


Source: MSCI BarraOne – December 2024 data



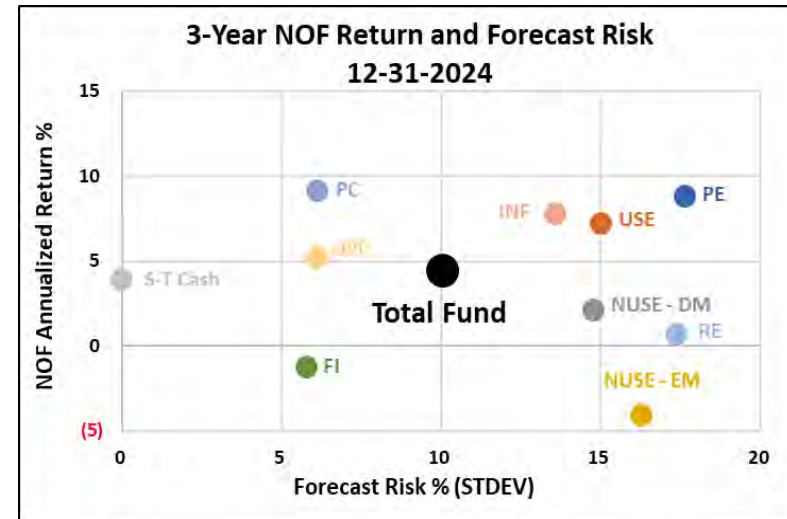
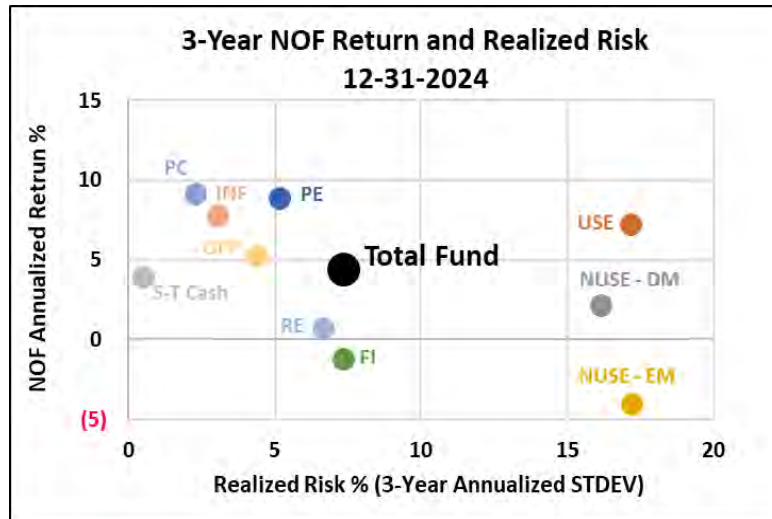
Ten Worst Scenarios

Scenario	Portfolio P&L	Benchmark P&L	Market Change(\$)
2007-2009 Subprime and Credit Crisis	-30.19%	-29.49%	(5,855,571,670)
2008 - 2009 Global Financial Crisis	-24.57%	-24.31%	(4,764,803,937)
2000-2003 Tech Crash & Recession	-23.21%	-23.80%	(4,502,244,121)
2008 Lehman Bust	-22.34%	-22.06%	(4,333,189,580)
1987 Market Crash (Aug. to Nov.)	-10.86%	-11.10%	(2,106,641,160)
2007-2008 Equity Slow Grind	-9.74%	-9.47%	(1,888,501,636)
2011 US Debt Ceiling Act	-8.74%	-8.36%	(1,694,652,126)
1998 Russian Financial Crisis	-7.28%	-7.09%	(1,412,936,408)
2001 Sept 11	-6.47%	-6.39%	(1,255,892,319)
2006 Emerging Market Crash	-5.86%	-5.45%	(1,136,968,647)





Realized Risk vs. Forecast Risk



	<u>3-Year NOF Return</u>	<u>Realized STDEV</u>	<u>Forecast STDEV</u>
Total Fund	4.36	7.41	10.09
Regional US Equity	7.19	17.18	15.03
Non-US Equity Developed Market	2.13	16.16	14.79
Non-US Equity Emerging Market	(4.05)	17.22	16.29
Global Private Equity	8.82	5.16	17.66
Global Fixed Income	(1.23)	7.35	5.78
Global Real Estate	0.70	6.66	17.39
Global Infrastructure	7.75	3.06	13.60
Global Private Credit	9.14	2.30	6.13
Short-Term Cash	3.89	0.53	0.00
Opportunistic & Tactical	5.22	4.40	6.12



Ohio SERS Investment Report

Monthly Report to the Board

For the period ending: January 31, 2025

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

Meeting Date: March 2025



Investment Agenda

- Annual Portfolio Review – Private Credit
- Quarterly Risk Report (December 31, 2024)
- Monthly Investment Report (January 31, 2025)



Economic and Financial Market Outlook

- The US annualized GDP grew 2.3% in Q4, decelerating from 3.1% in Q3. Personal consumption expenditures and government spending, which increased 4.2% and 2.9%, respectively were the main contributors. The BCEL's January 2025 consensus projected a slight deceleration in 2025 GDP growth to 2.2% growth amid tariff and sticky inflation concerns. (Source: Bureau of Economic Analysis and Blue Chip Economic Indicators (BCEI)).
- The US labor market weakened, adding 143,000 jobs in January, significantly lower than the revised number of 307,000 in December 2024. In January, employment in the health care, retail, and government sectors increased while the employment in mining, oil and gas declined. The unemployment rate was 4.0%, 0.1% lower than December. The labor force participation was 62.6%, almost unchanged from 62.5% the previous month. (Sources: Bureau of Labor Statistics and Department of Labor).
- US headline inflation continued to tick up to 3.0% in January, 0.1% higher than in December. Both food and energy indices increased in January by 2.5% and 1.0%, respectively, in the last 12 months. Core inflation increased by 0.1% to 3.3%; and has stayed in a tight range of 3.2-3.3% over the previous eight months. Transportation services and rent inflation remained elevated at 8.0% and 4.4%, respectively, for the last 12 months. (Source: Bureau of Labor Statistics).
- The 10-year Treasury nominal yield decreased by 34 bps to 4.24% as of February end. The January current 10-year real yield, estimated by the gap between the 10-year Treasury nominal yield and current headline inflation, was 1.58%, lower than the historical average by 0.21%. The Fed maintained interest rates in the range of 4.25-4.50%.
- The housing market (S&P Case-Shiller 20-City home price index) declined 0.13% for the month but gained 4.48% for the last 12 months as of December 2024.
- The Consumer Sentiment Index released by Thomson Reuters and the University of Michigan was 64.7 in February, materially down from the previous month and a year ago by 9.8% and 15.9%, respectively. The US Economic Surprise index dipped to a negative 16.5 after a positive month in January, while the Global reading improved to a positive 6.5. The January Leading Economic Index (LEI) issued by the Conference Board was 101.5, down 0.3% for the month and down 0.9% for the 6-month period as manufacturing activities stabilized but service activities deteriorated.
- In January, US Manufacturing and Service PMI readings stayed in expansion (above 50) but weakened to 50.3 and 52.8, respectively. Global Manufacturing PMI increased to 50.6 from 50.1 in the previous month, indicating modest improvement. (Source: Institute for Supply Management and S&P Global).
- Equity markets were mixed in February. The US market (Russell 3000) was down 1.92% while Non-US Developed markets (MSCI World ex-USA) and Emerging markets (MSCI EM) were up 1.76% and 0.48%, respectively.
- The US fixed income market, Bloomberg US Universal Bond Index, was up 2.07% in February.

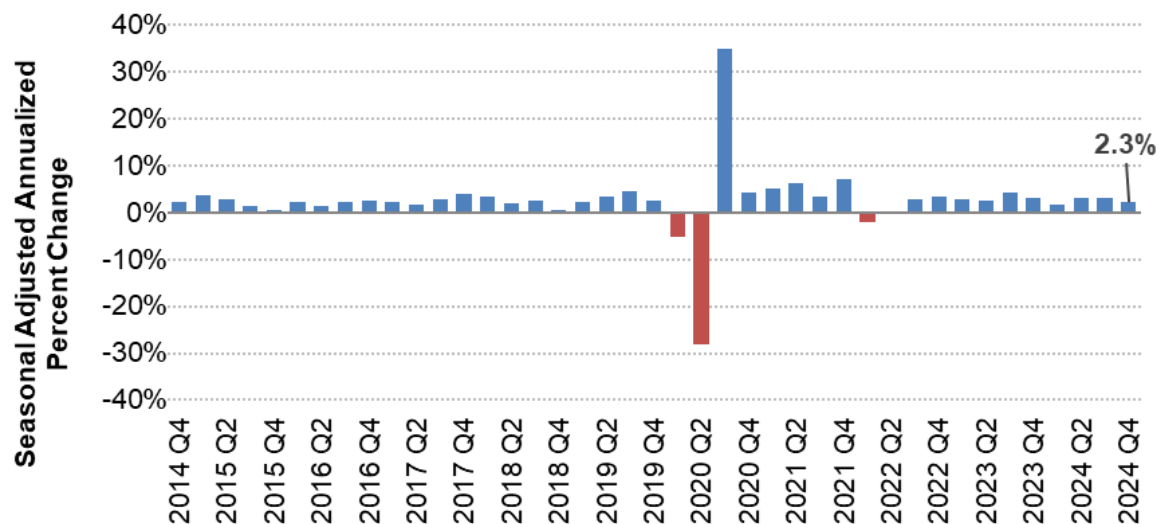
Notes: Acronym – PMI – Purchasing-Managers' Index



ECONOMY

US Real Gross Domestic Product

US Real GDP Growth



Source: U.S. Bureau of Economic Analysis

US Real GDP Value

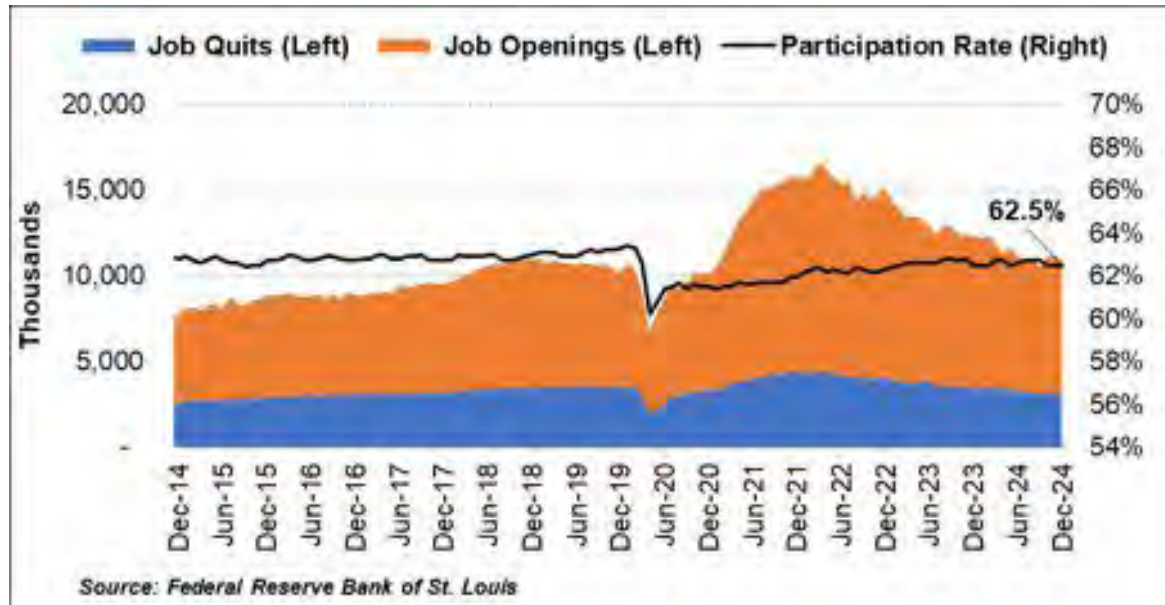
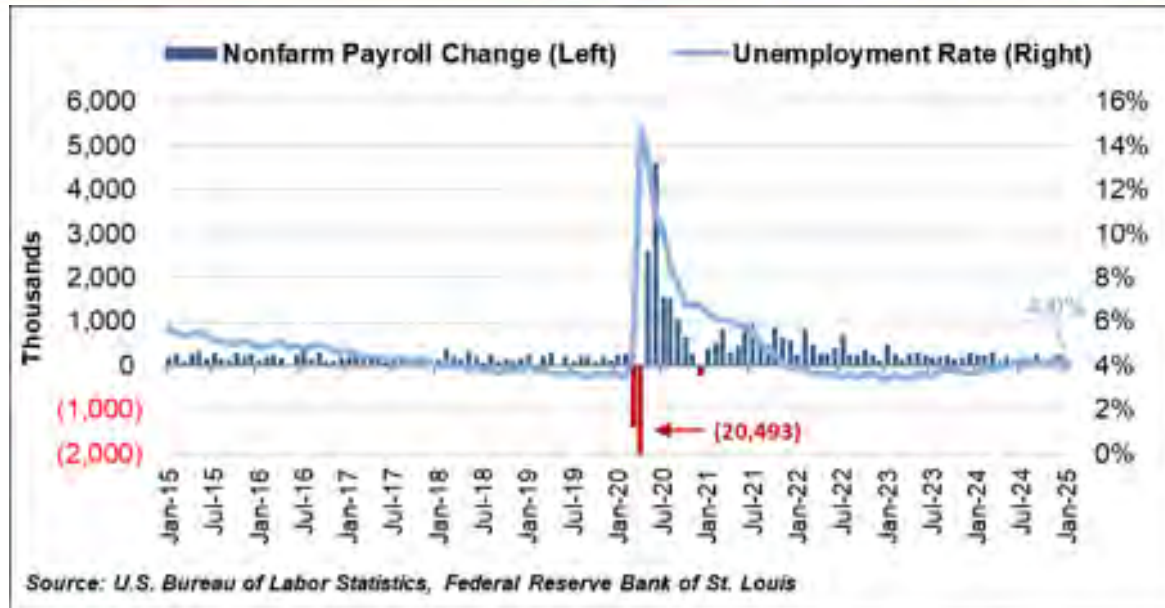


Source: U.S. Bureau of Economic Analysis



ECONOMY

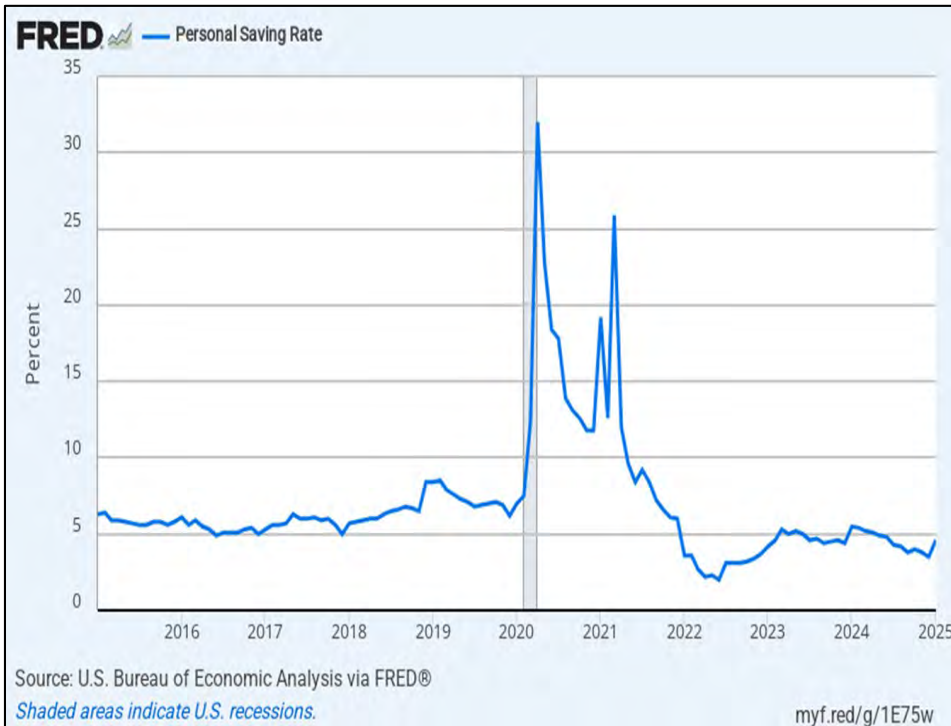
US Labor Market



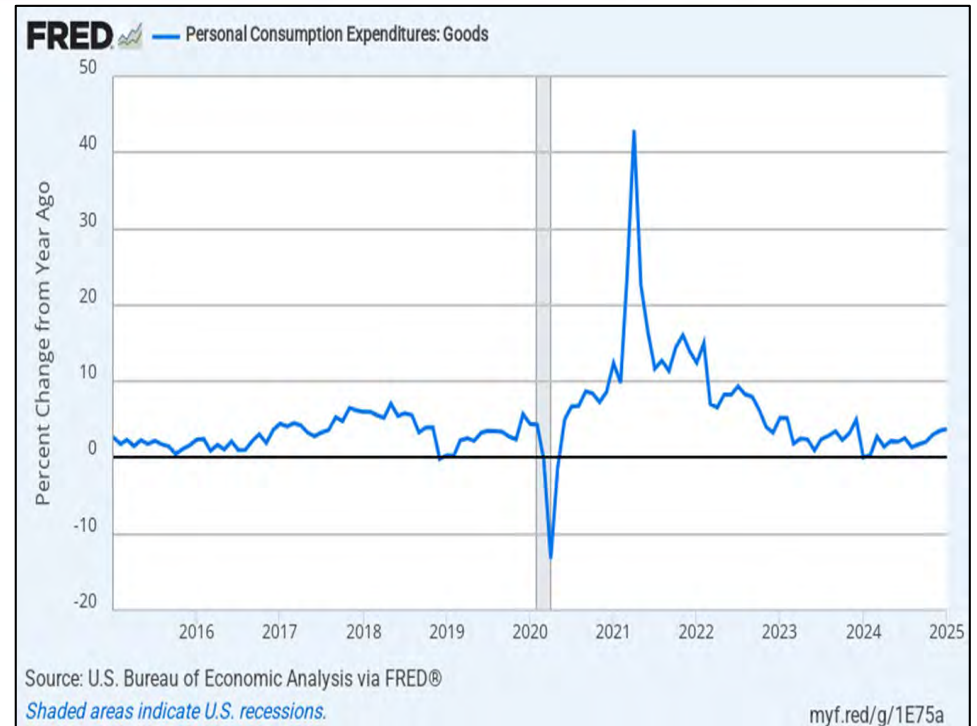


ECONOMY

Personal Savings Rate & Personal Expenditures: Goods



Date	Annual Personal Savings Rate
Jun-21	8.4%
Jun-22	2.0%
Jun-23	5.0%
Jun-24	4.8%
Jan-25	4.6%

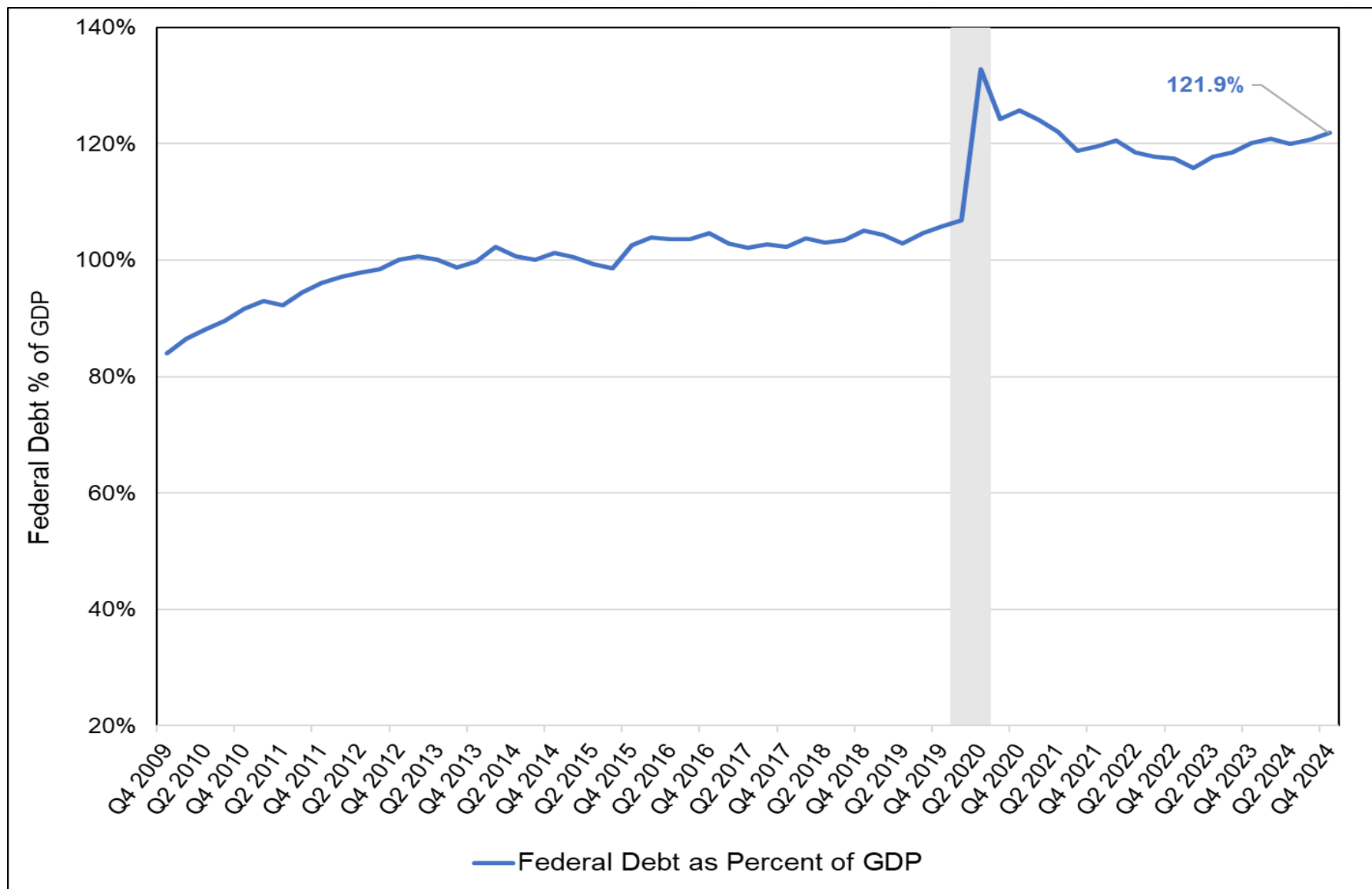


Date	Personal Consumption Expenditures: Goods Change from Prior Year
Jun-21	16.5%
Jun-22	8.3%
Jun-23	1.0%
Jun-24	2.1%
Jan-25	3.7%



ECONOMY

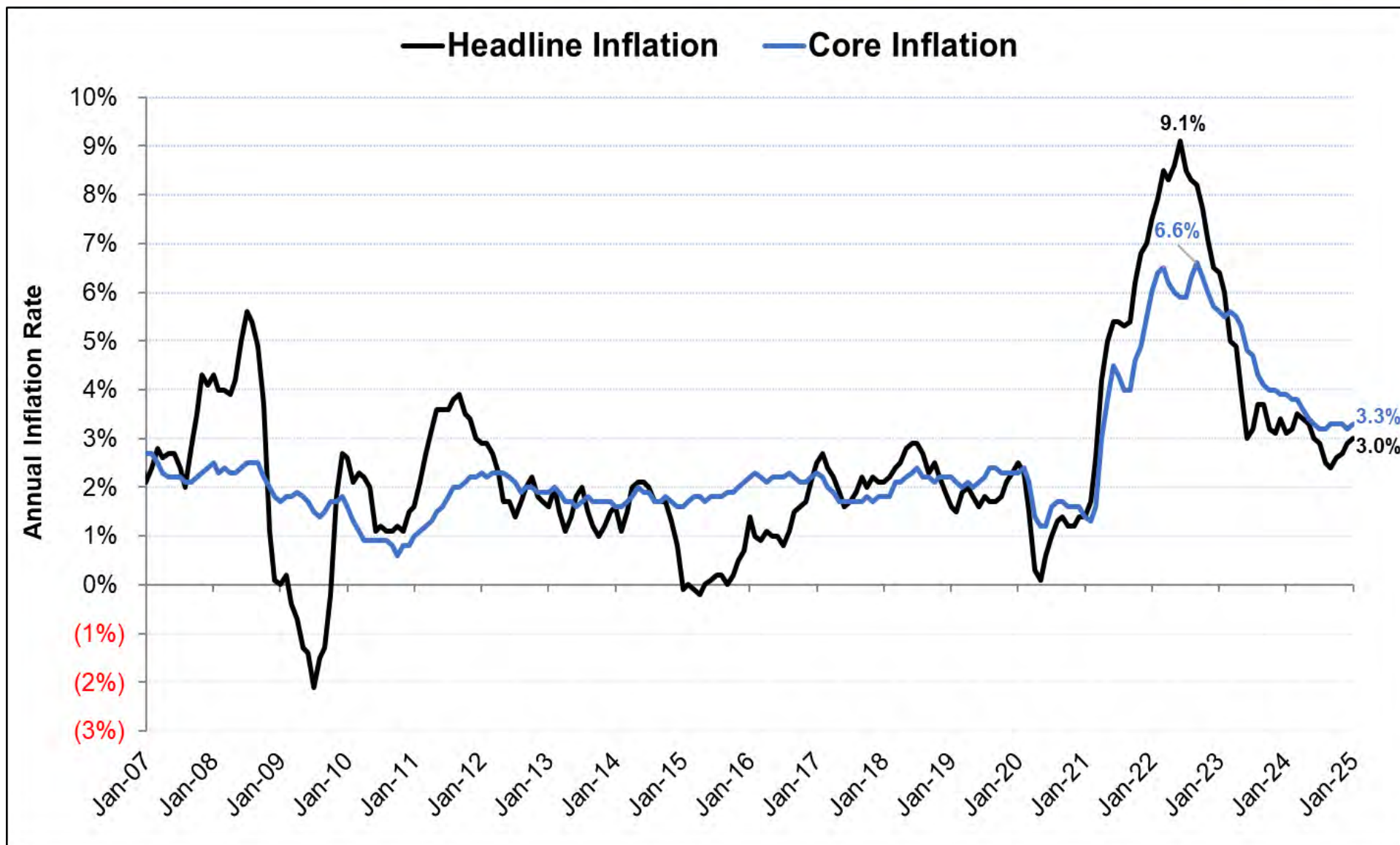
Federal Debt as Percent of GDP





ECONOMY

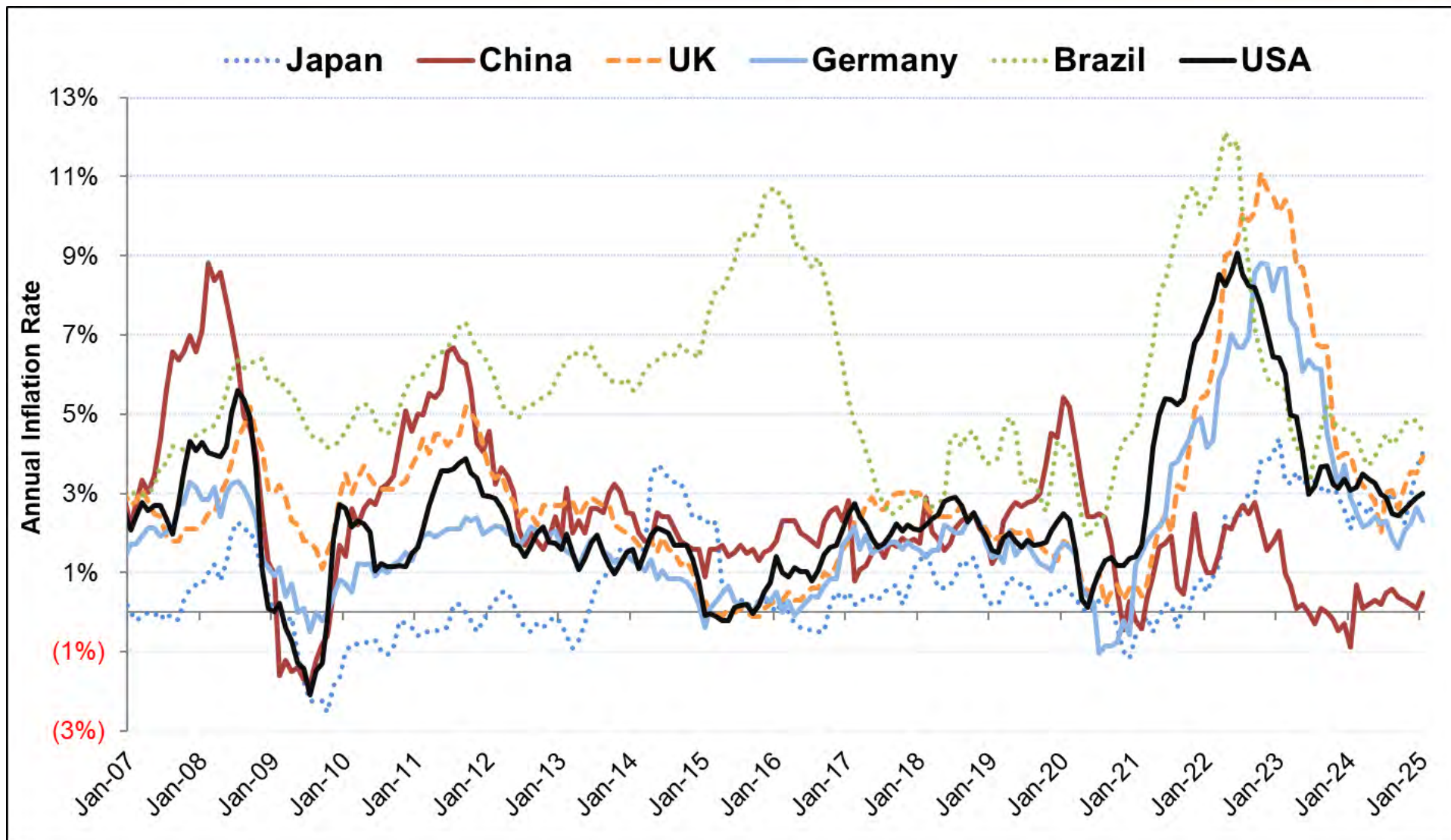
US Inflation





ECONOMY

Global Headline Inflation

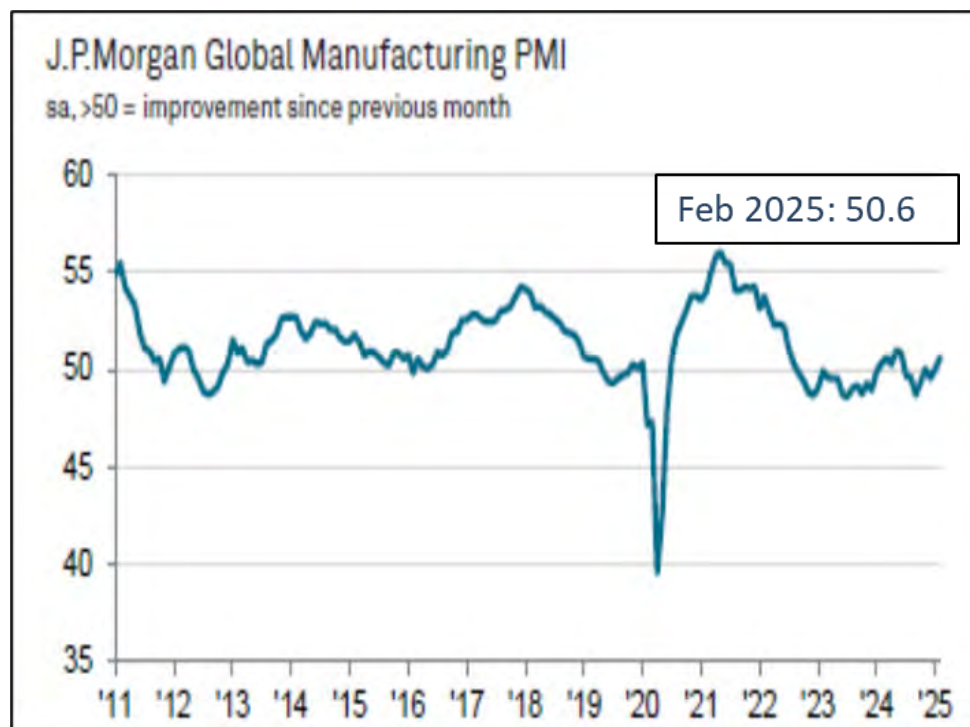
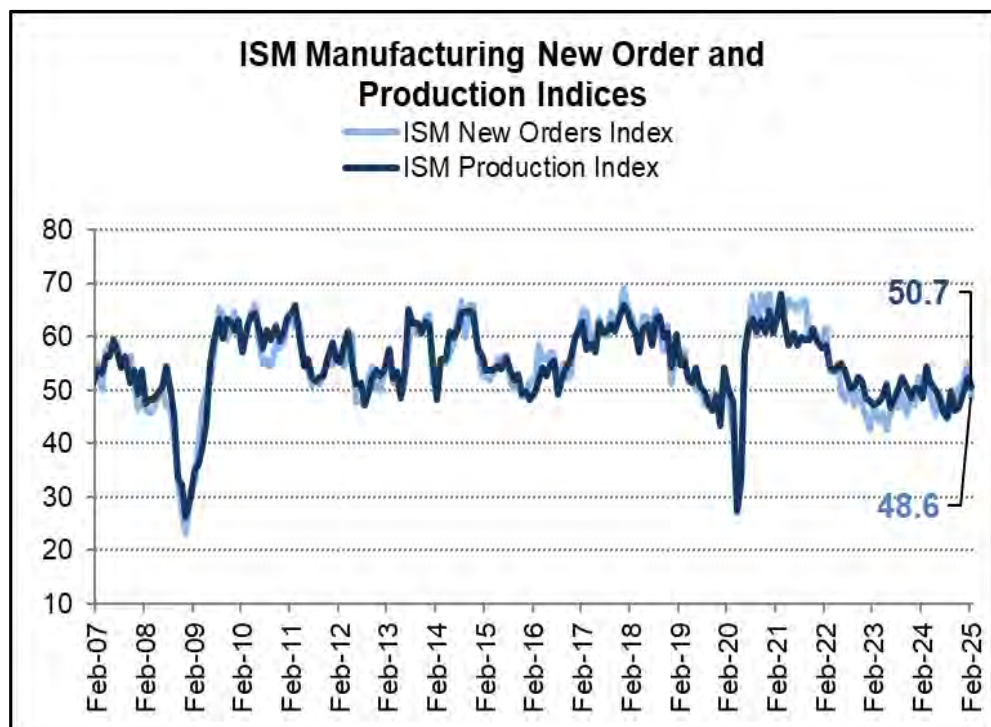


	Japan	China	UK	Germany	Brazil	USA
Jan-25	4.0	0.5	3.9	2.3	4.6	3.0



ECONOMY

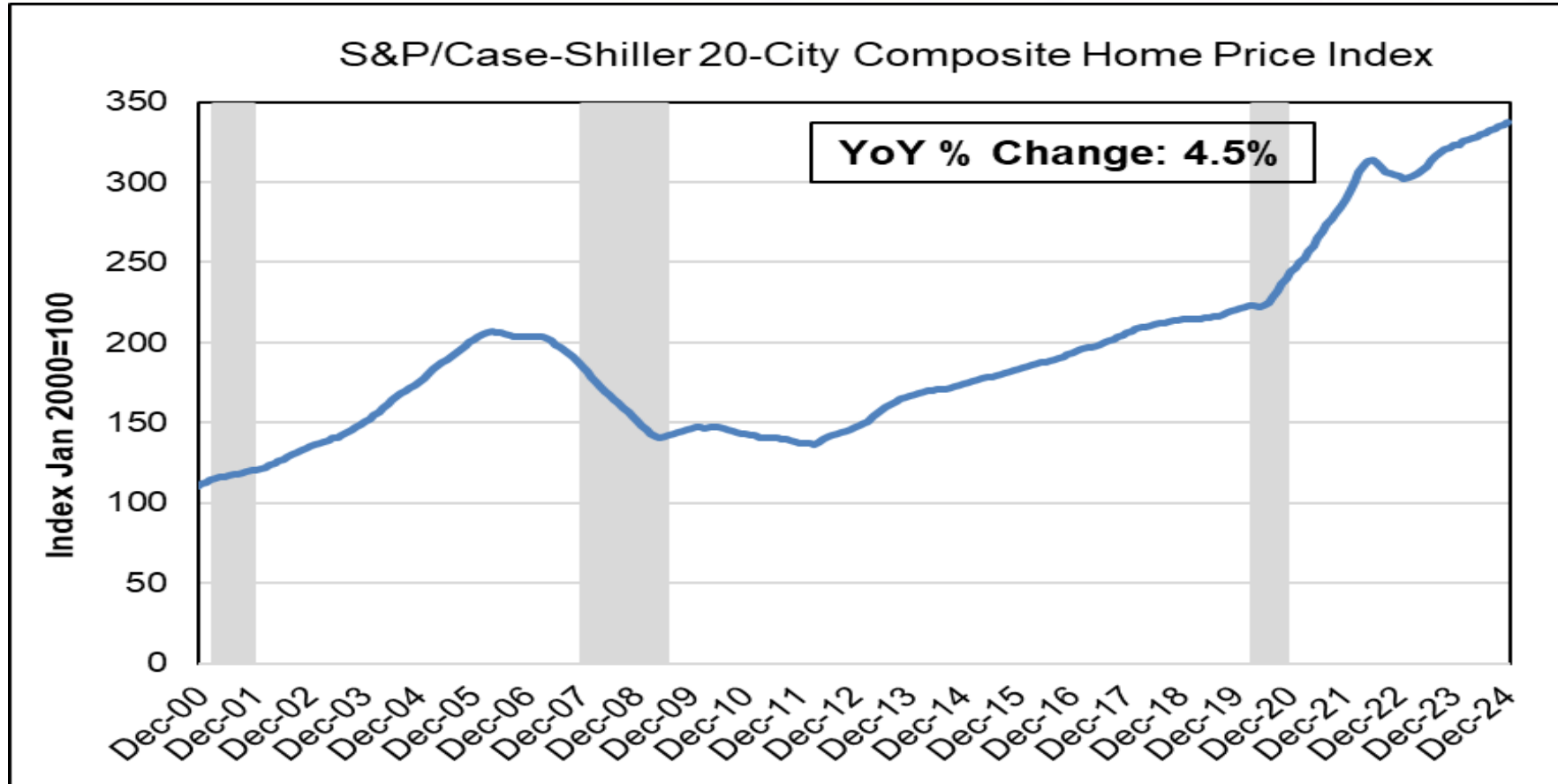
US & Global Manufacturing Activities





ECONOMY

US Housing Market

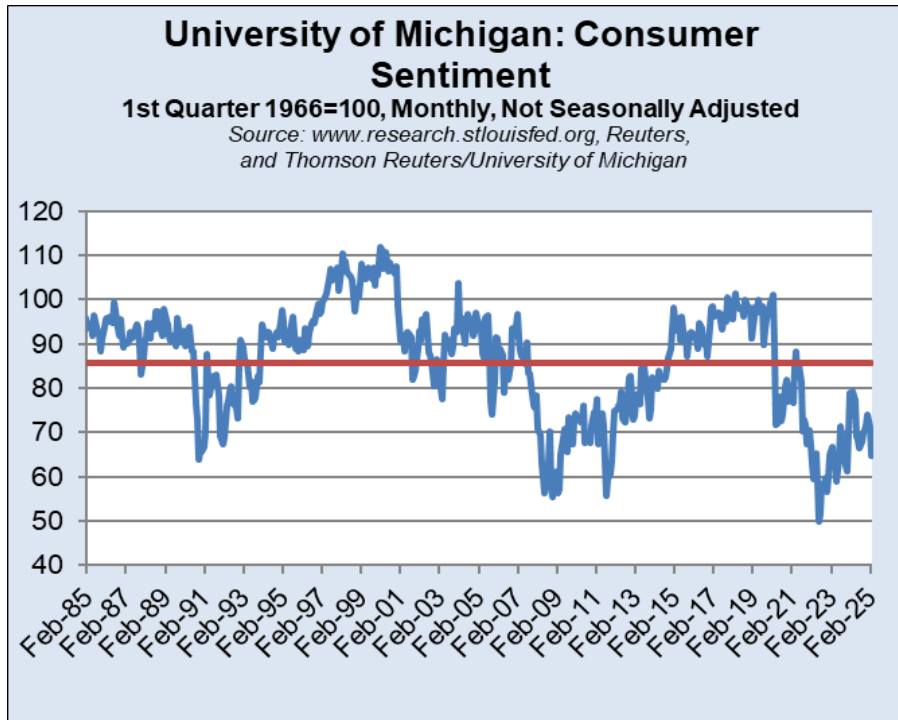


Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-21	269.39
Jul-22	312.25
Jul-23	312.64
Jul-24	331.07
Dec-24	337.75



ECONOMY

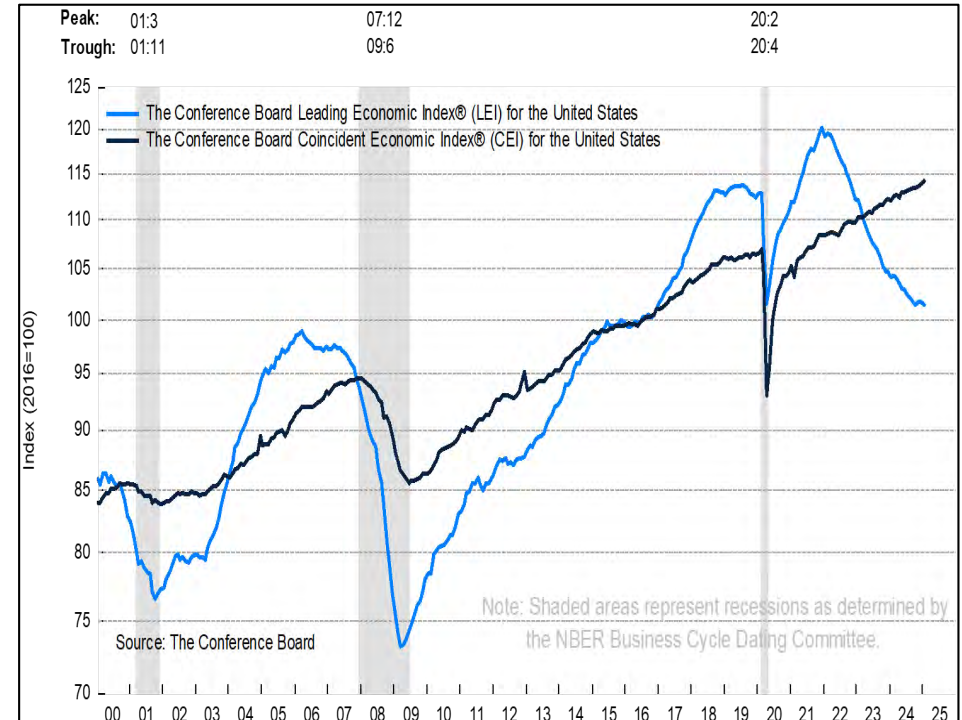
Consumer Sentiment



Index of Consumer Sentiment				
Jan-25	Feb-25	Feb-24	M-M Change	Y-Y Change
71.7	64.7	76.9	-9.8%	-15.9%

Sources: Thomson Reuters / University of Michigan

The Leading Economic Index (LEI)



Shaded areas represent US recessions

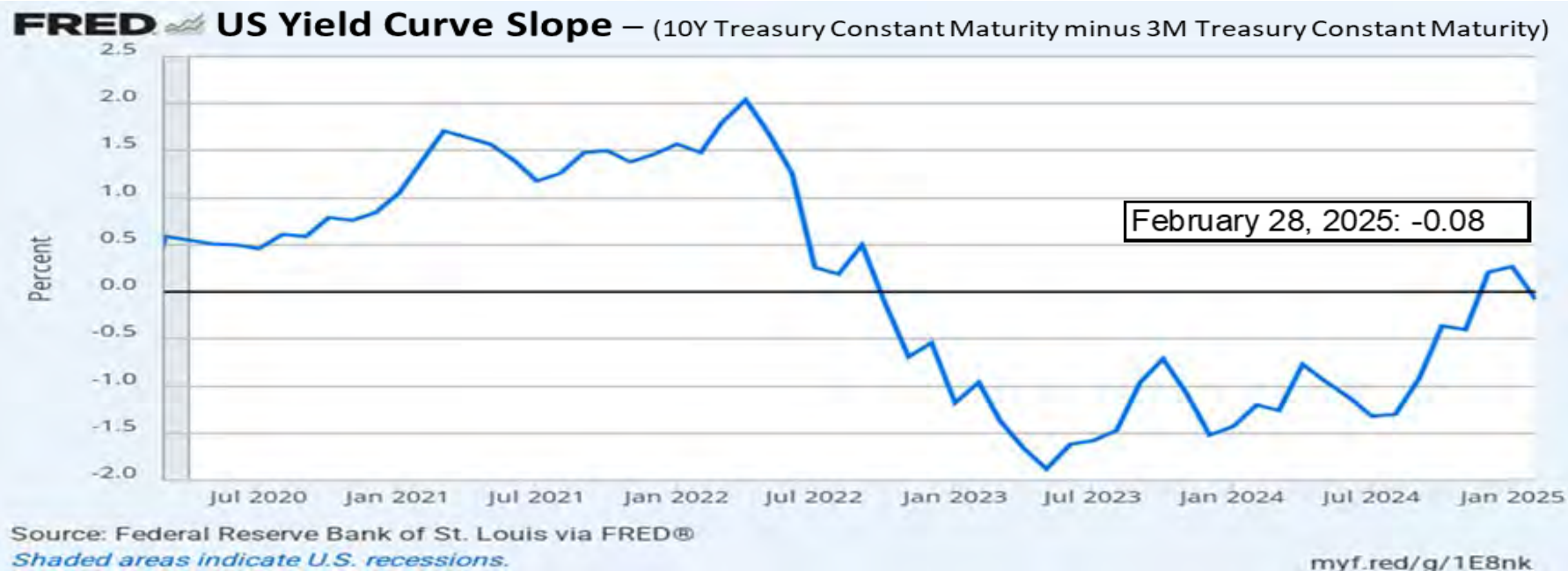
Index	Dec-24	Jan-25	Month -Month Percent Change	6-Month Percent Change (Aug-Jan)
LEI	101.8 r	101.5 p	-0.3	-0.9

p Preliminary; r Revised; Indexes equal 100 in 2016

Sources: The Conference Board and advisorperspectives.com



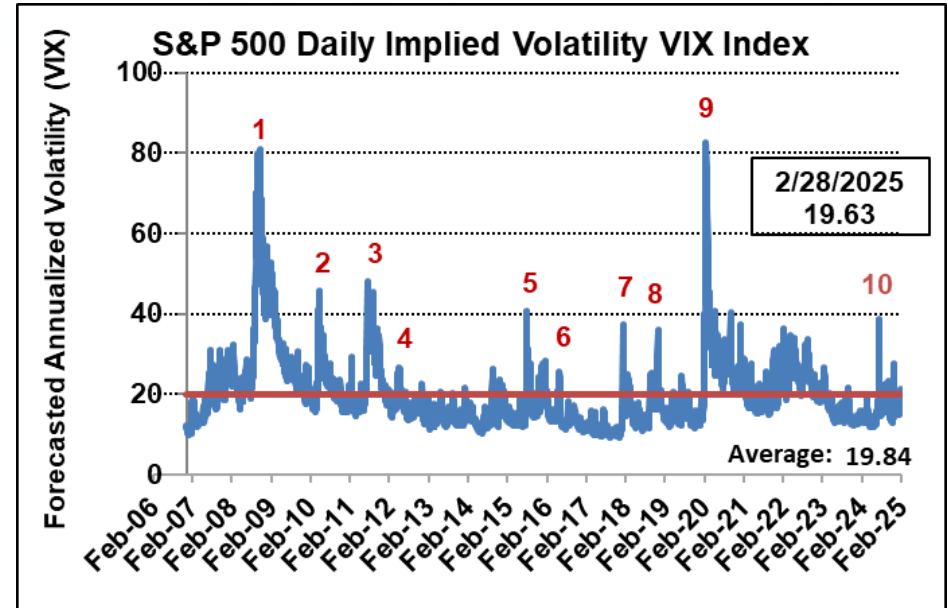
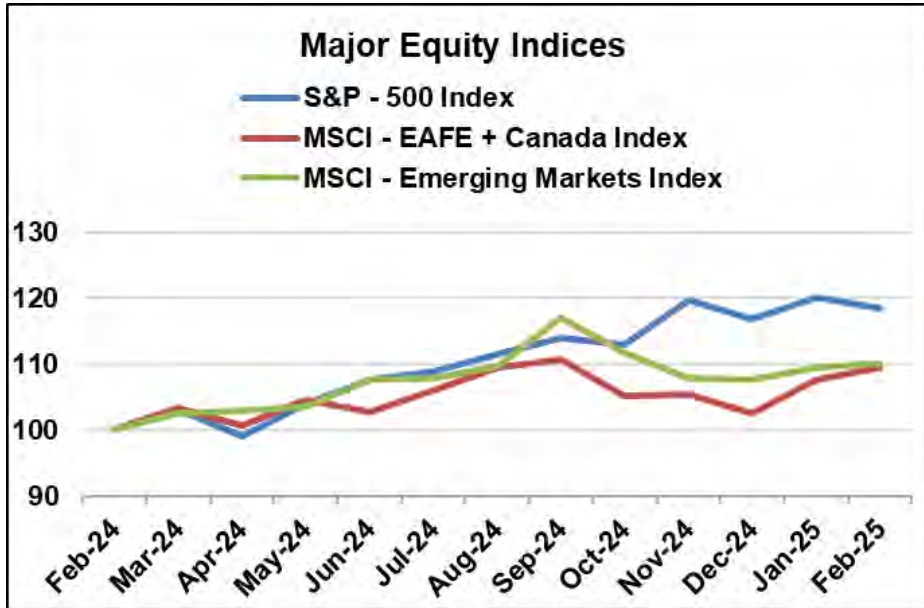
ECONOMY





MARKETS

Equity



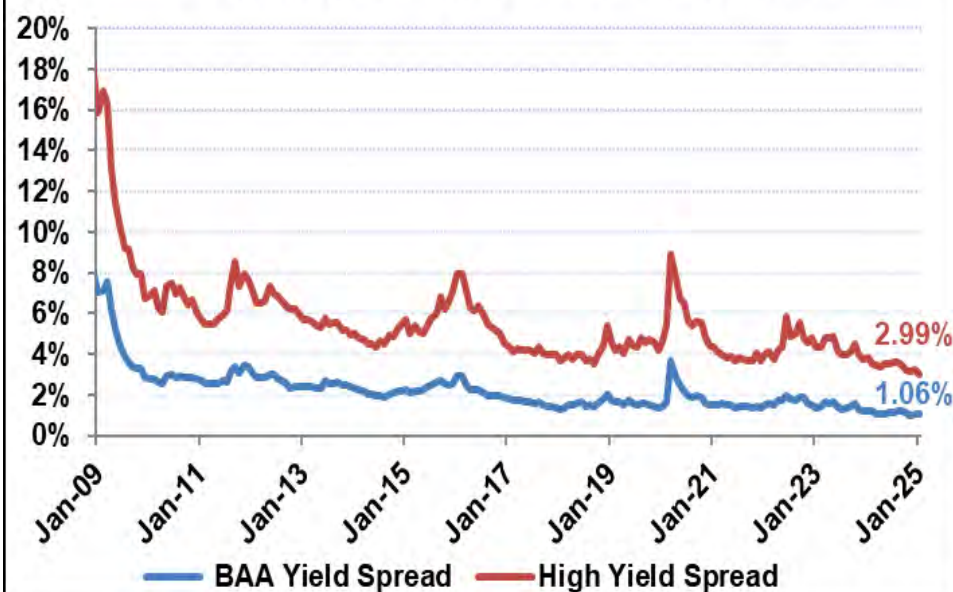
	Return as of 2/28/2025	
	1 Year	FYTD
S&P 500 Index	18.41	10.00
MSCI - EAFE + Canada Index	9.49	6.55
MSCI - Emerging Markets Index	10.07	2.30

- 1 2008 (Nov.) Financial Crisis S&P 500: - 48.8%
- 2 2010 (May) Flash crash; Europe/ Greece debt S&P 500: -16%
- 3 2011 (Aug.) US downgrade, Europe periphery S&P 500: -19.4%
- 4 2012 (June) Eurozone double dip S&P 500: -9.9%
- 5 2015 (Aug.) Global slowdown, China, Fed S&P 500: -12.4%
- 6 2016 (Feb.) Oil crash, US recession fear, China S&P 500: -10.5%
- 7 2018 (Feb.) Inflation, trade, tech S&P 500 : -10.2%
- 8 2018 (Dec.) Interest rate hike, trade tension, global slowdown S&P 500: -10.5%
- 9 2020 (Mar.) Coronavirus, S&P 500 : -23.7%
- 10 2024 (Aug.) Crowded FX (Japanese Yen) trade, recession fear S&P 500: -6.0%

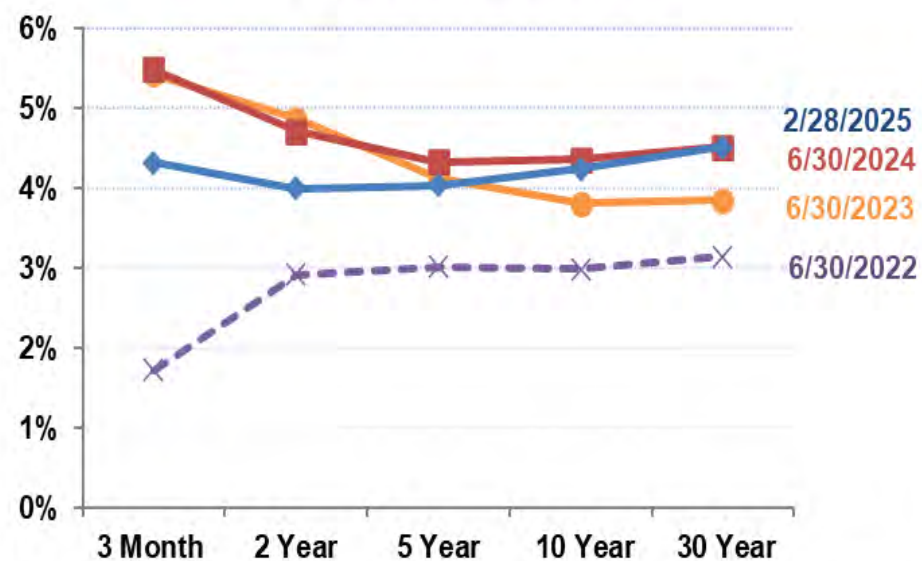


MARKETS Fixed Income

U.S. Corp. BAA and High Yield Spreads

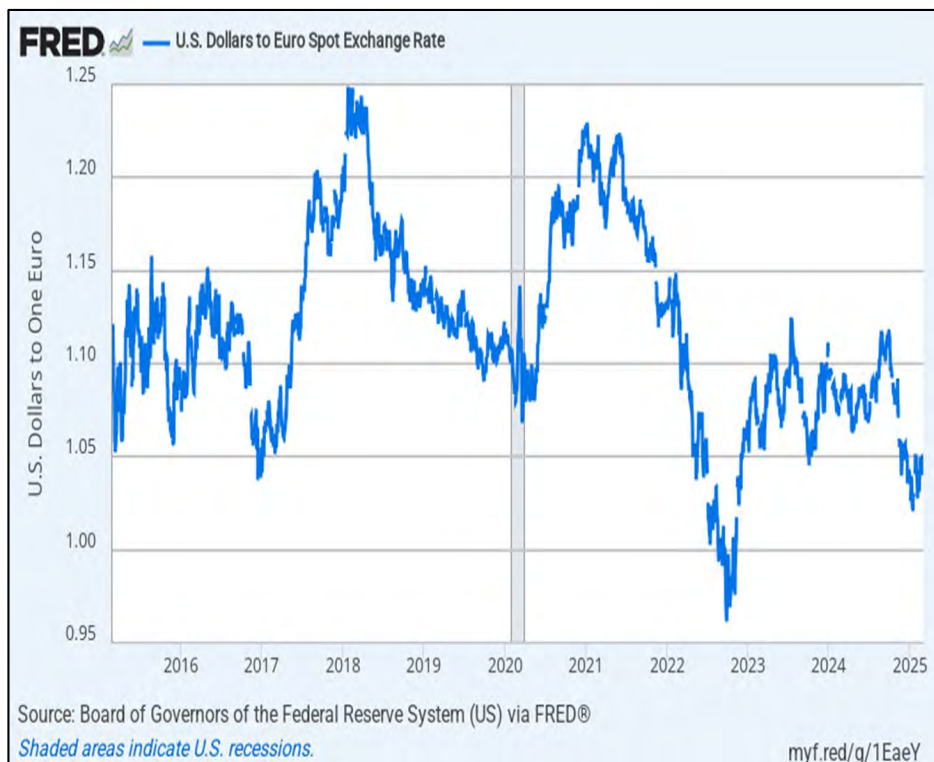


U.S. Treasury Yield Curve





MARKETS Foreign Exchange



Date	U.S. / Euro Foreign Exchange Rate U.S. Dollars to One Euro
June-21	1.18
June-22	1.05
June-23	1.09
June-24	1.07
February 28, 2025	1.04

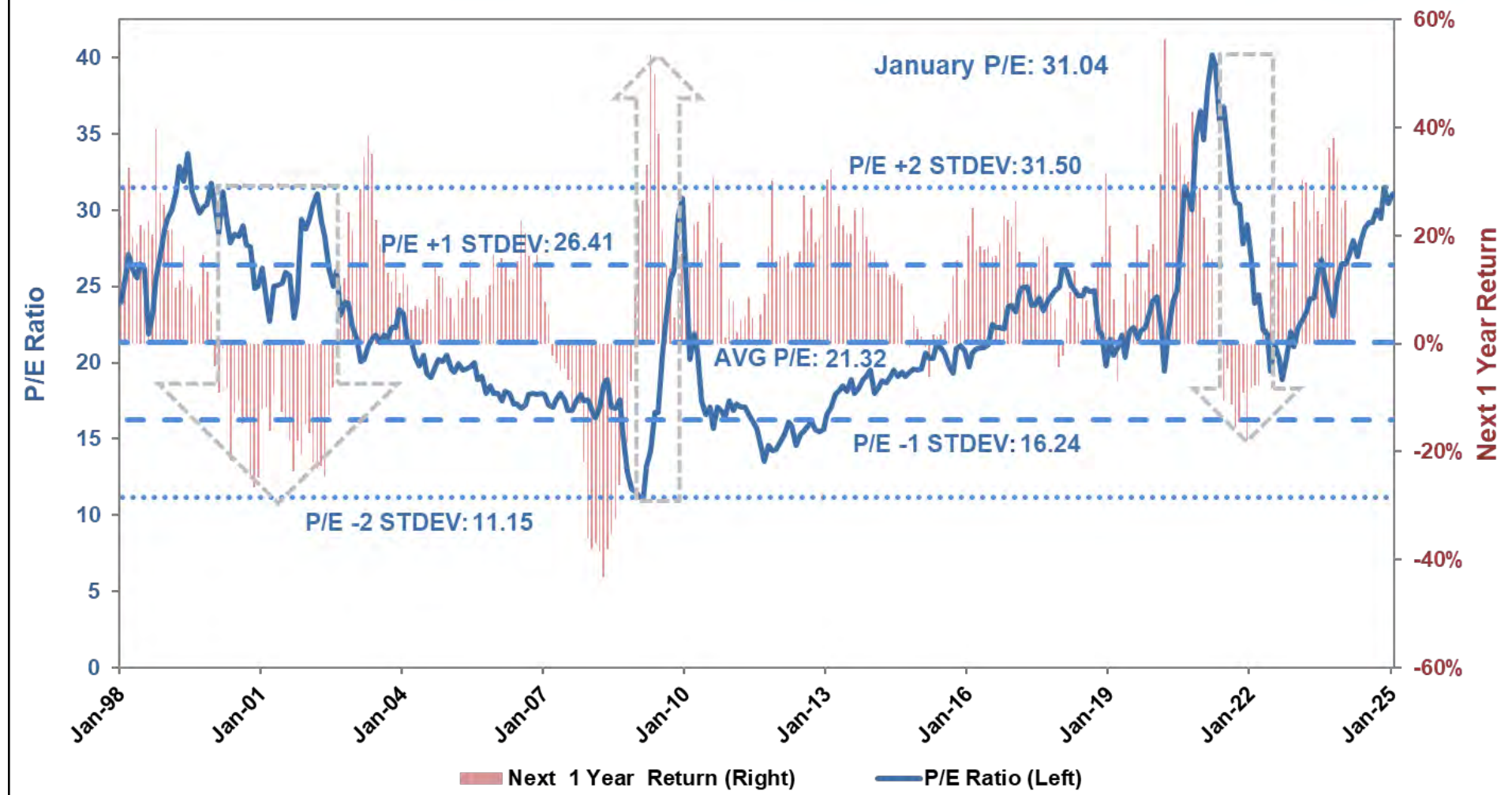


Date	Nominal Broad U.S. Dollar Index January 2006=100
June-21	112.85
June-22	121.05
June-23	119.89
June-24	124.52
February 28, 2025	128.46



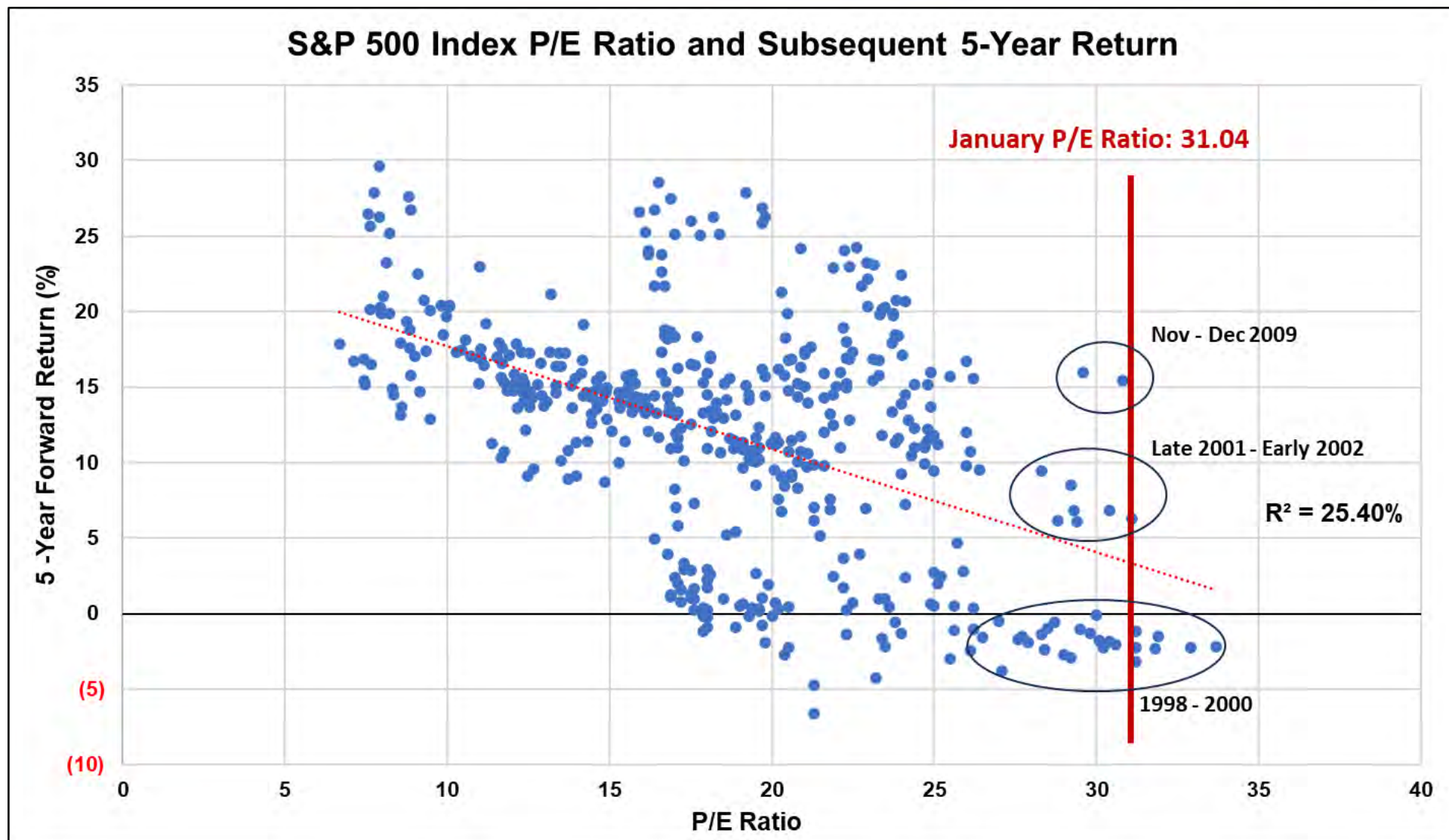
VALUATION US Equity

S&P 500 Index P/E Ratio and Next 1 Year Returns



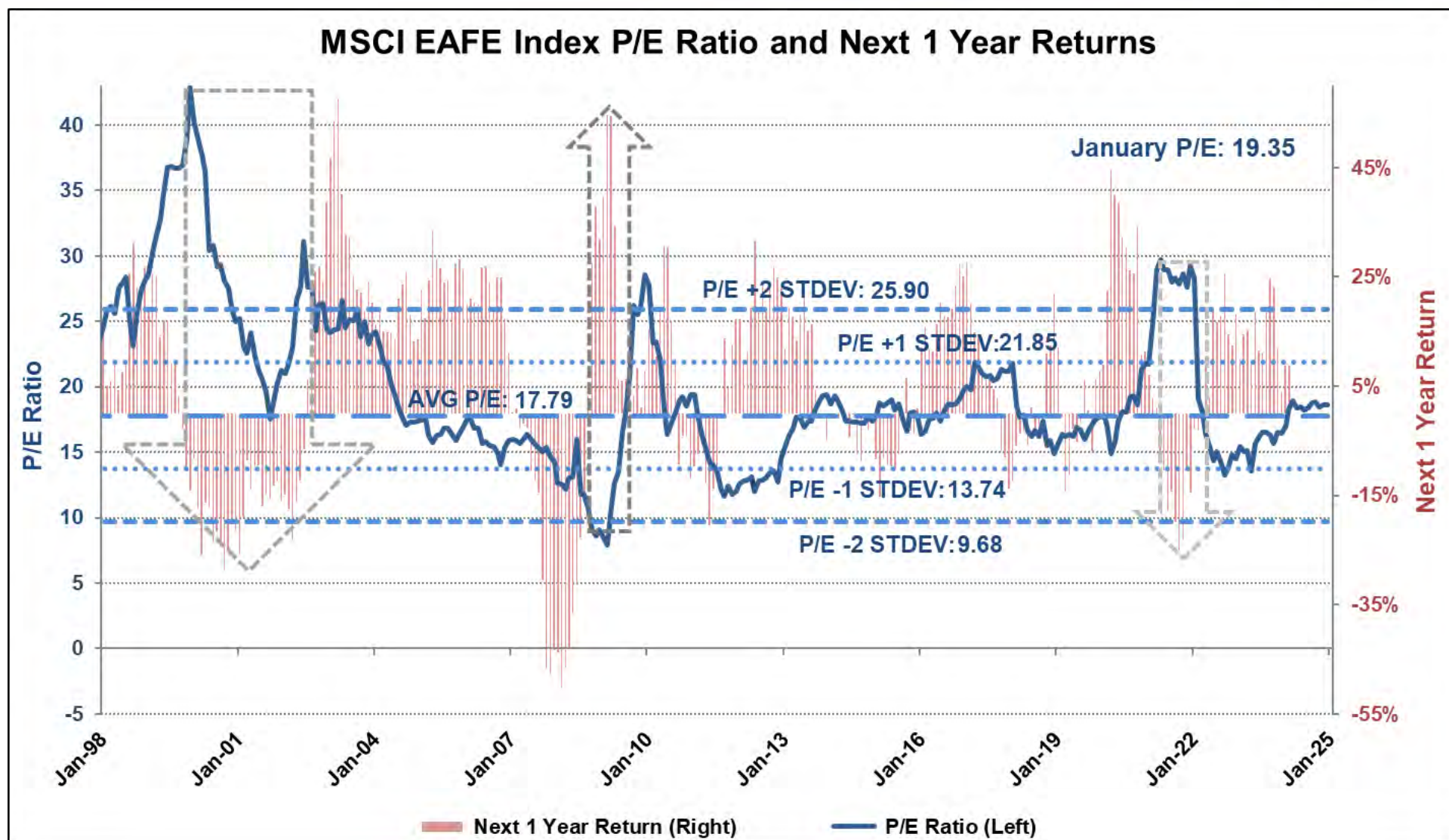


VALUATION US Equity





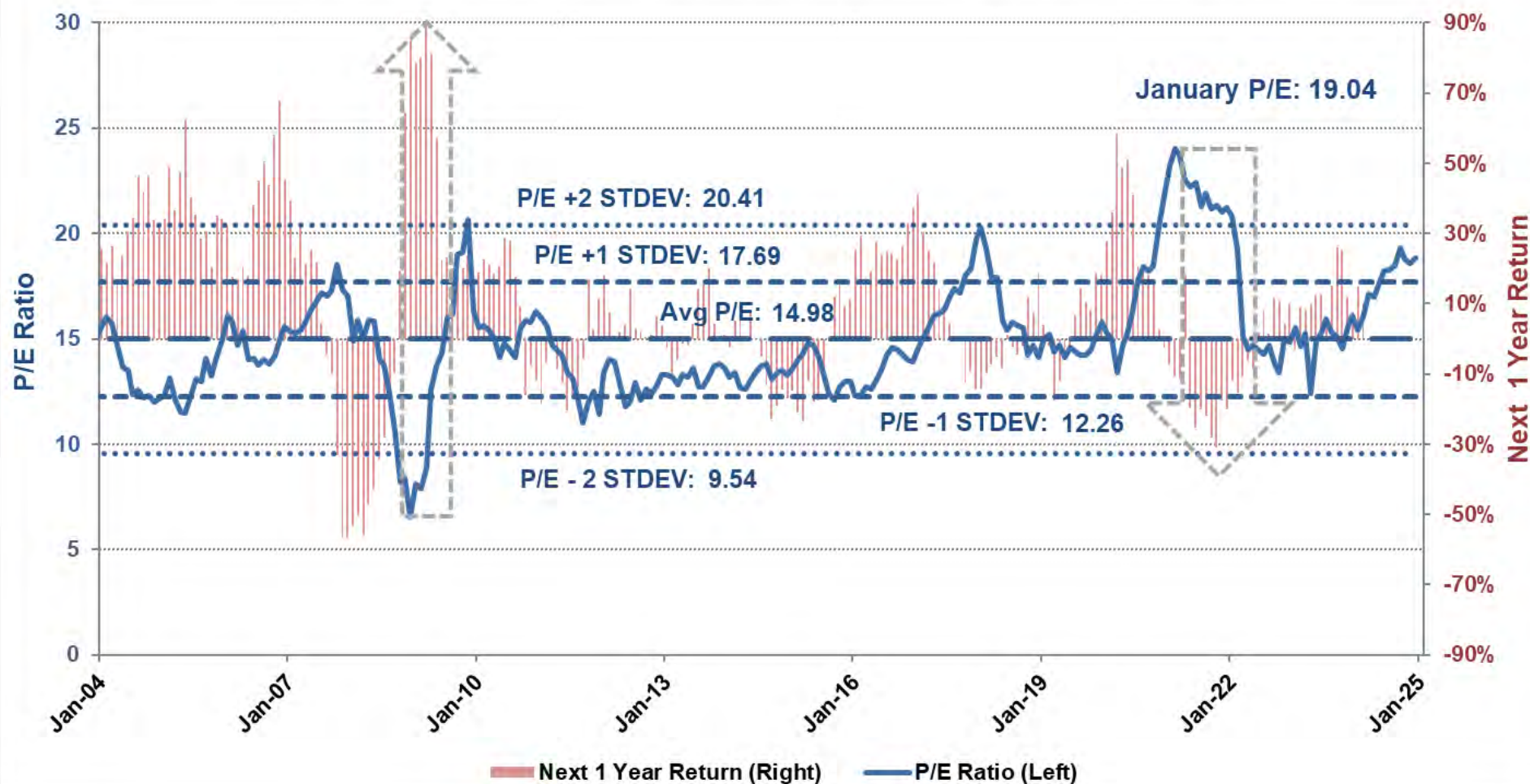
VALUATION Non US Developed Market Equity





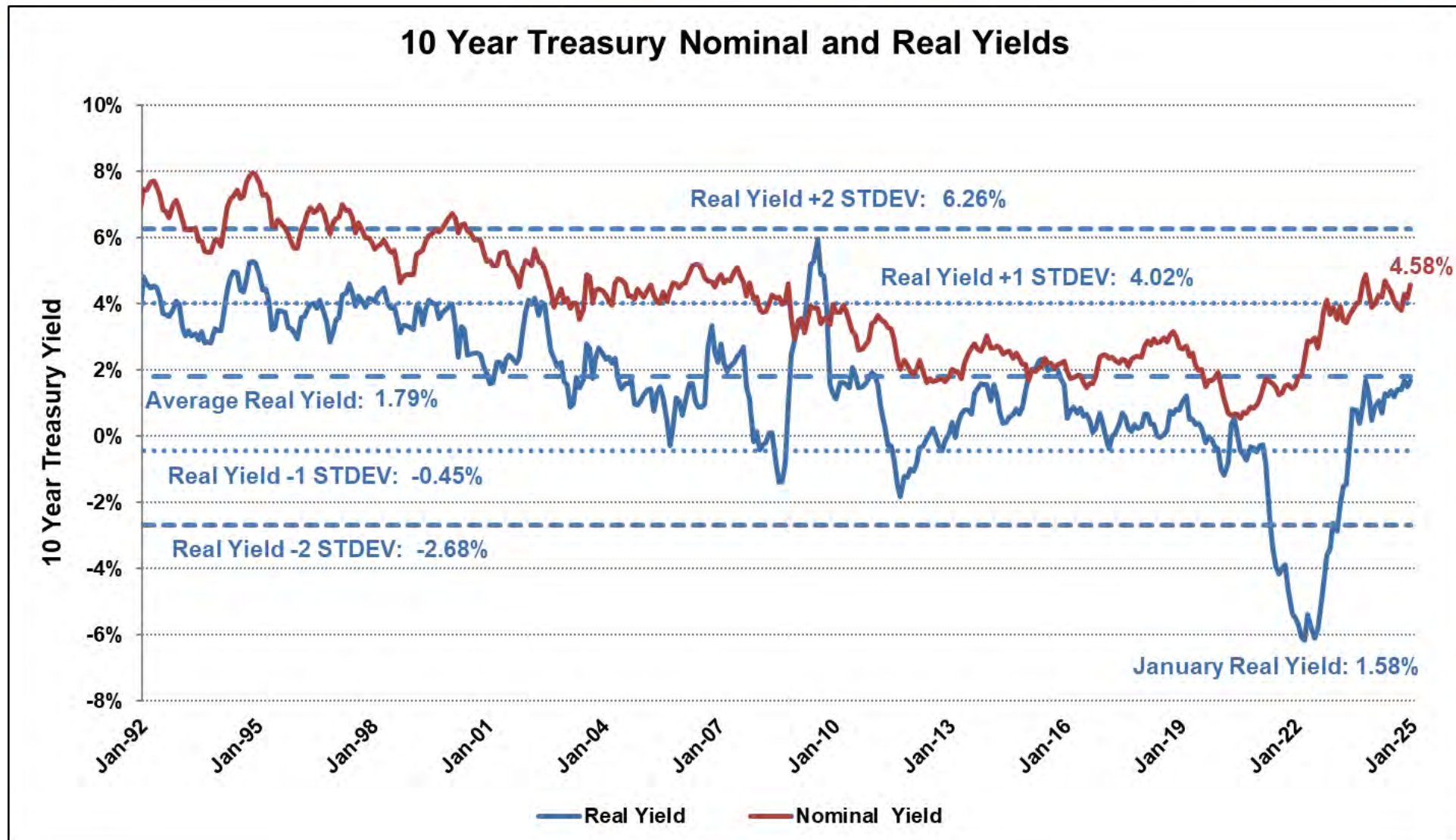
VALUATION Emerging Market Equity

MSCI Emerging Markets Index P/E Ratio and Next 1 Year Returns





VALUATION US Treasury Bonds





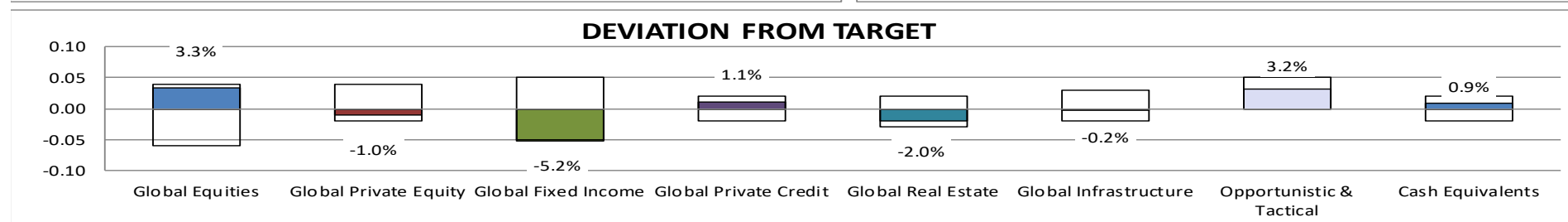
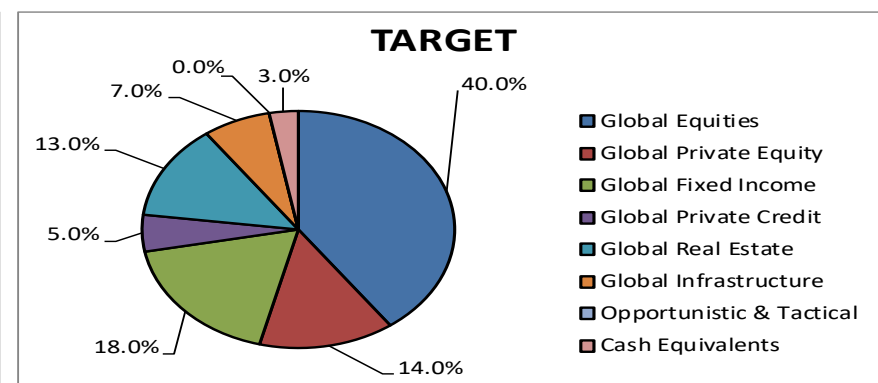
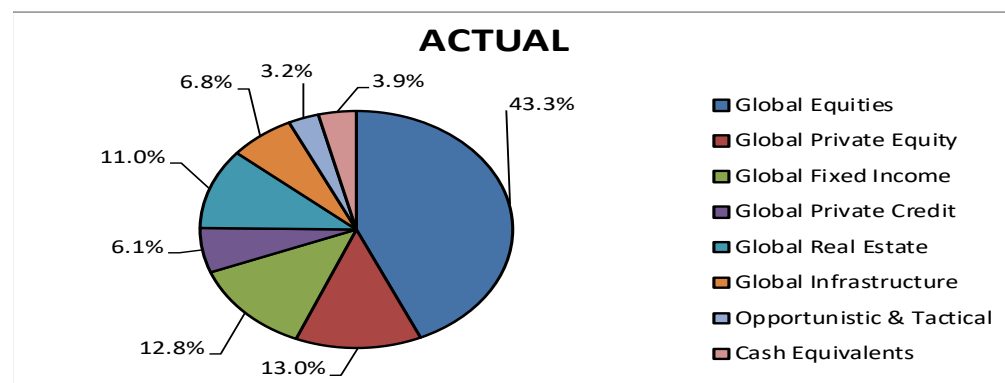
SERS' Investment Portfolios Review



Total Fund Asset Allocation

Asset Class	Market Value \$	Actual	Target	Range
Global Equities	8,561,468,967	43.3%	40.0%	35% - 45%
Global Private Equity	2,578,677,755	13.0%	14.0%	11% - 17%
Global Fixed Income	2,534,353,400	12.8%	18.0%	13% - 23%
Global Private Credit	1,205,981,825	6.1%	5.0%	3% - 7%
Global Real Estate	2,167,821,518	11.0%	13.0%	10% - 15%
Global Infrastructure	1,337,117,858	6.8%	7.0%	5% - 10%
Opportunistic & Tactical	625,888,933	3.2%	0.0%	0% - 5%
Cash Equivalents	774,426,952	3.9%	3.0%	1% - 5%
Short-Term	27,450,055	0.1%	2.0%	
Russell EA Overlay	26,024,107	0.1%	0.0%	
Direct Rebalance Overlay	9,334,743	0.0%	0.0%	
Transition / Operational Account	1,065,799	0.0%	0.0%	
Currency Overlay	34,328,578	0.2%	0.0%	
SERS Cash	676,223,670	3.4%	0.0%	
Total Fund	19,785,737,207	100.0%	100.0%	

Source: BNY Mellon GRS

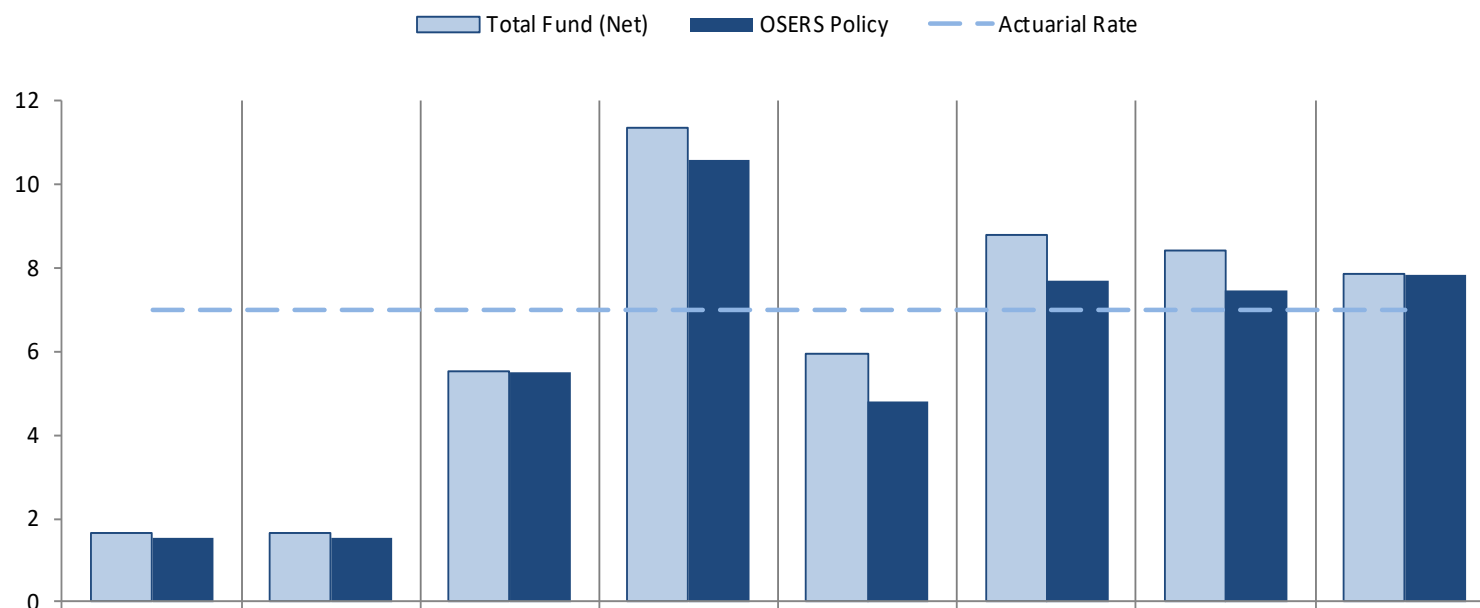




Total Fund Performance

Current Benchmark:

40% MSCI ACWI (Net Dividends)
 14.00% Burgiss All Private Equity
 benchmark (1q lag) (BAPE)
 18.00% Bloomberg US Universal Bond
 13.00% NCREIF Property
 (1Qtr in Arrears Monthized)
 7.00% Quarterly (4 qtrs.) smoothed CPI
 +1.20% per quarter
 5.00% 90 Day T-Bill (1q lag) + 4.5%
 3.00% FTSE 30 Day T-Bill



Actuarial Rate

(7.0% effective 07/01/2021, adopted 04/15/2021)

	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	1.67	1.67	5.95	12.11	6.68	9.50	9.12	8.46
Total Fund (Net)	1.66	1.66	5.53	11.33	5.92	8.79	8.42	7.91
OSERS Policy	1.54	1.54	5.50	10.57	4.81	7.69	7.46	7.84
Value Added (Net of Fee)	0.12	0.12	0.03	0.77	1.12	1.11	0.96	0.07

Estimated Cumulative Net Value Added (\$MM)**	\$23.4	\$23.4	\$5.2	\$139.3	\$656.0	\$1,065.8	\$1,975.5
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Source: BNY Mellon GRS

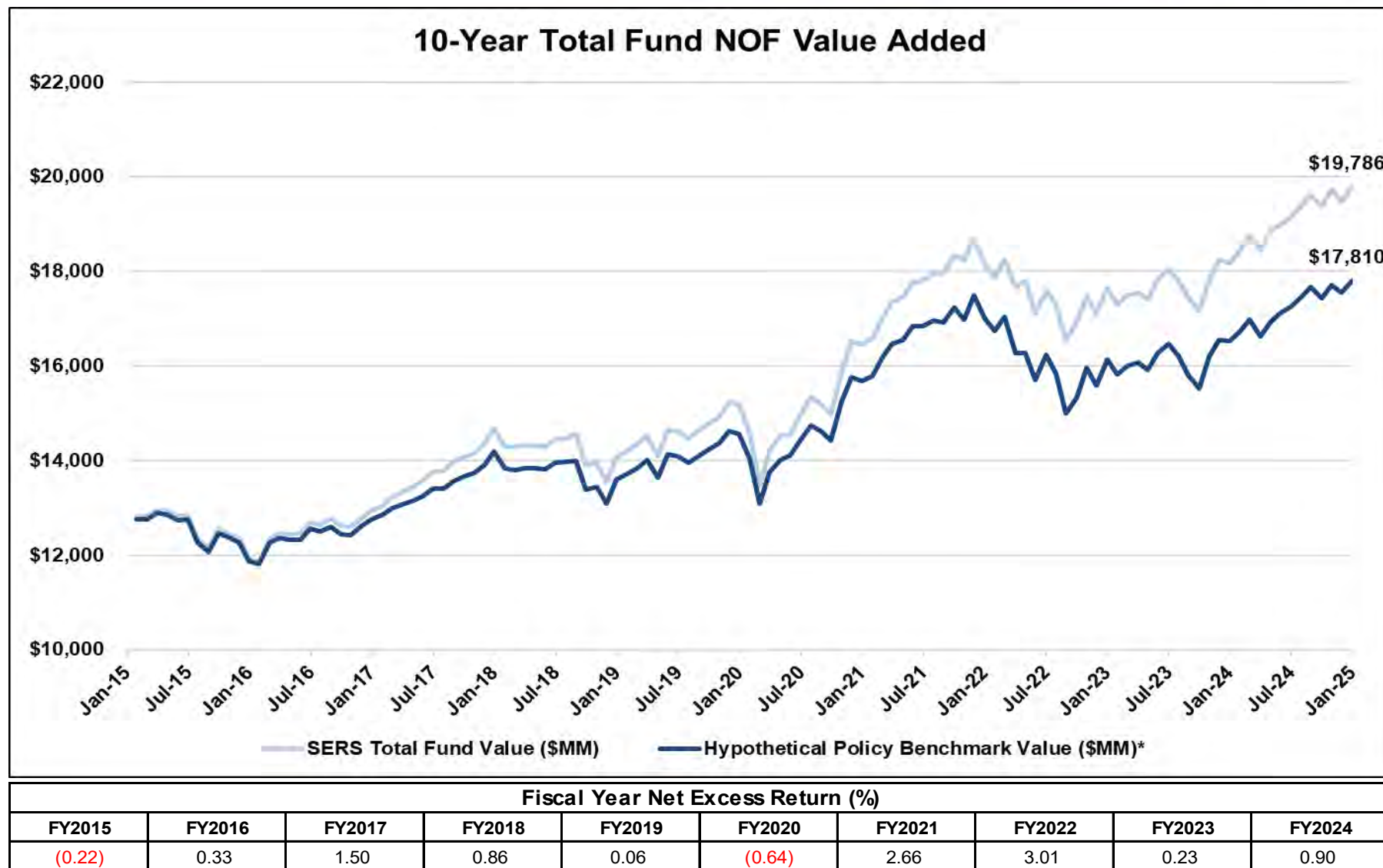
*ITD is Inception date 10/1/1994 (30 years and 4 months)

**For each period, calculated as the difference between the actual change in fund assets and the hypothetical change in fund assets under a benchmark-returns scenario.

**Assumes portfolio in benchmark-returns scenario is rebalanced monthly to target weights after deducting calculated net cash flow, with no allowance for fees.



Total Fund Performance



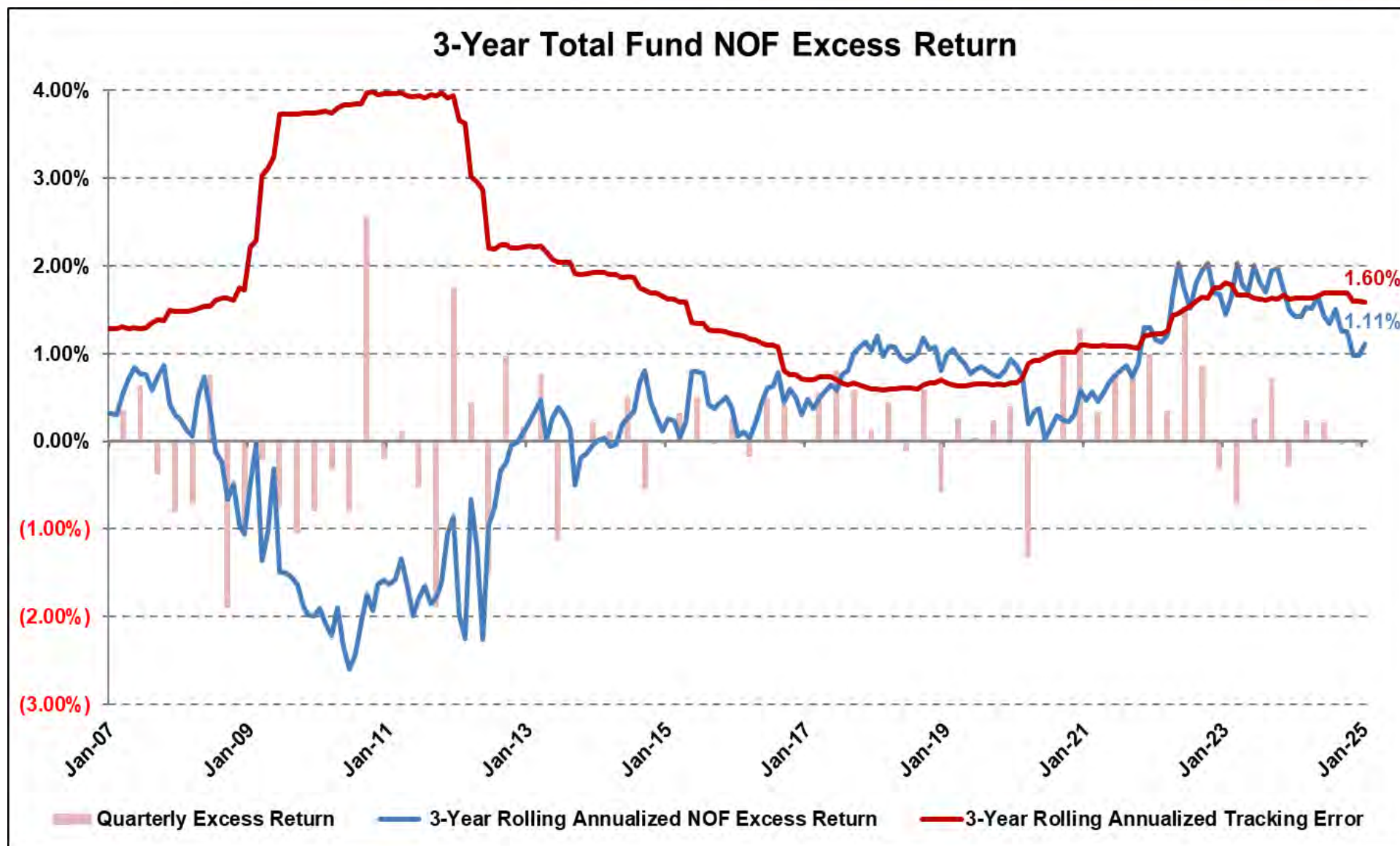
Source: BNY Mellon GRS

*Calculated as the hypothetical change in fund assets under a policy benchmark-returns scenario.

*Assumes portfolio in benchmark-returns scenario is rebalanced monthly to target weights after deducting calculated net cash flow, with no allowance for fees.

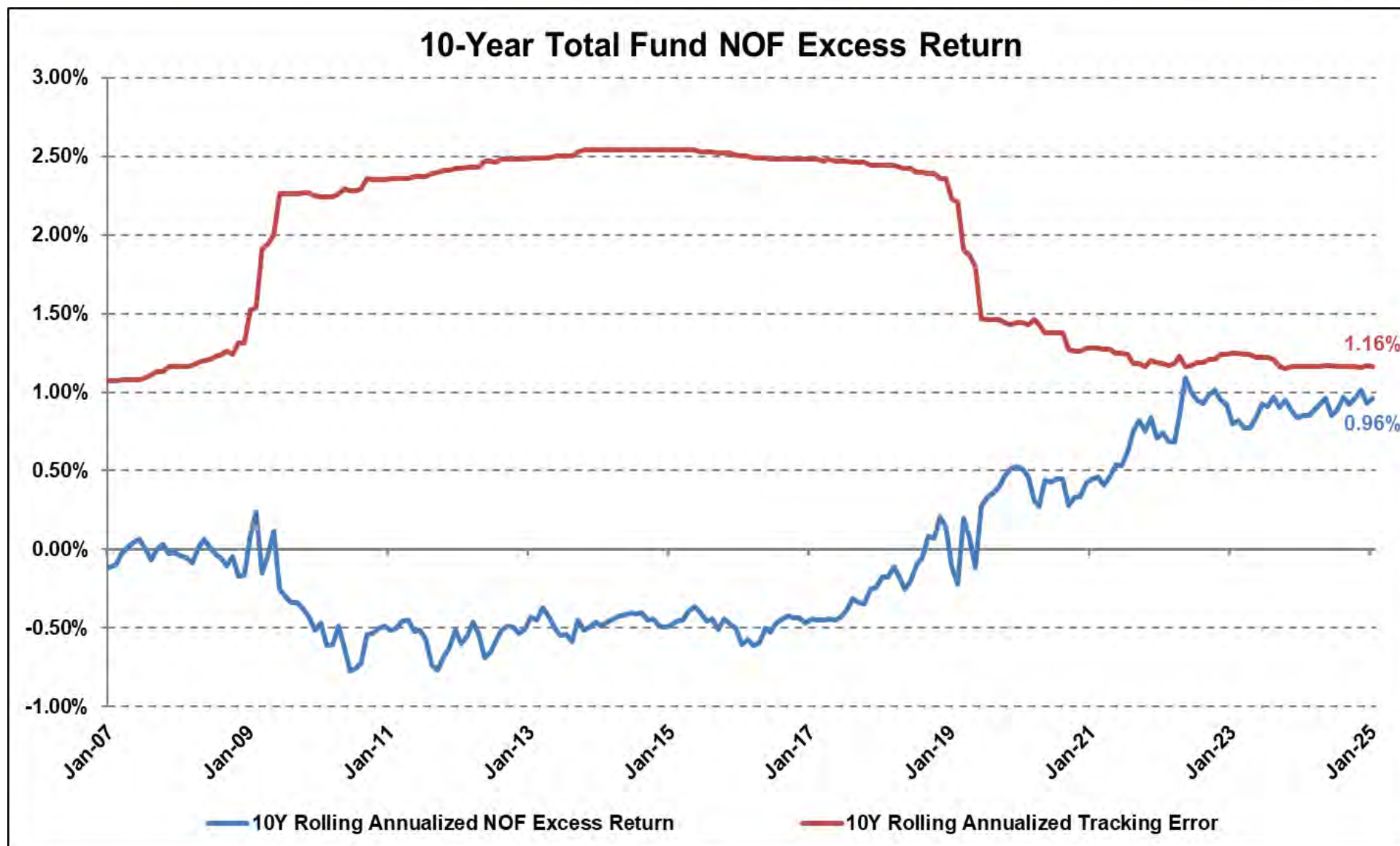


Total Fund Performance





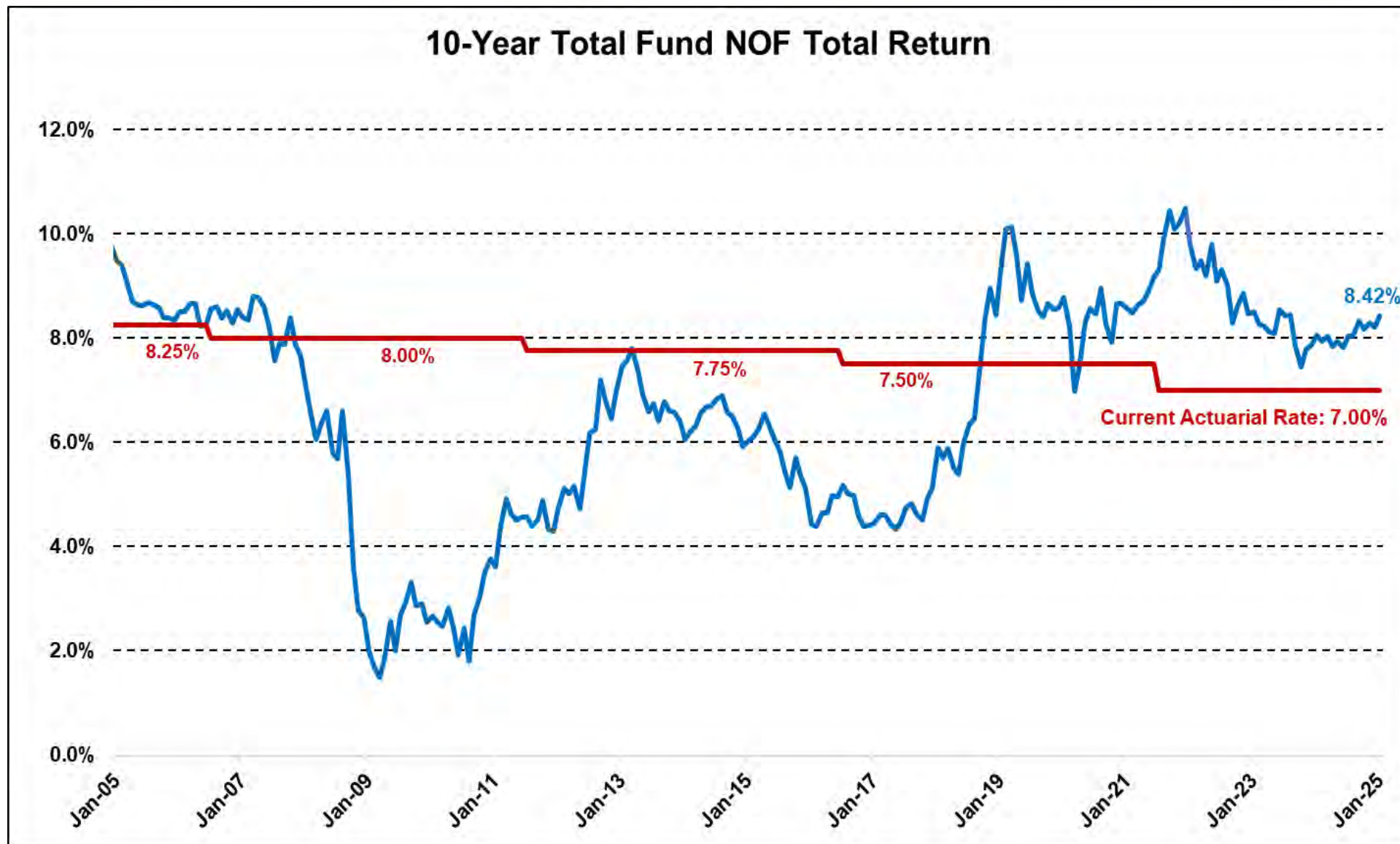
Total Fund Performance





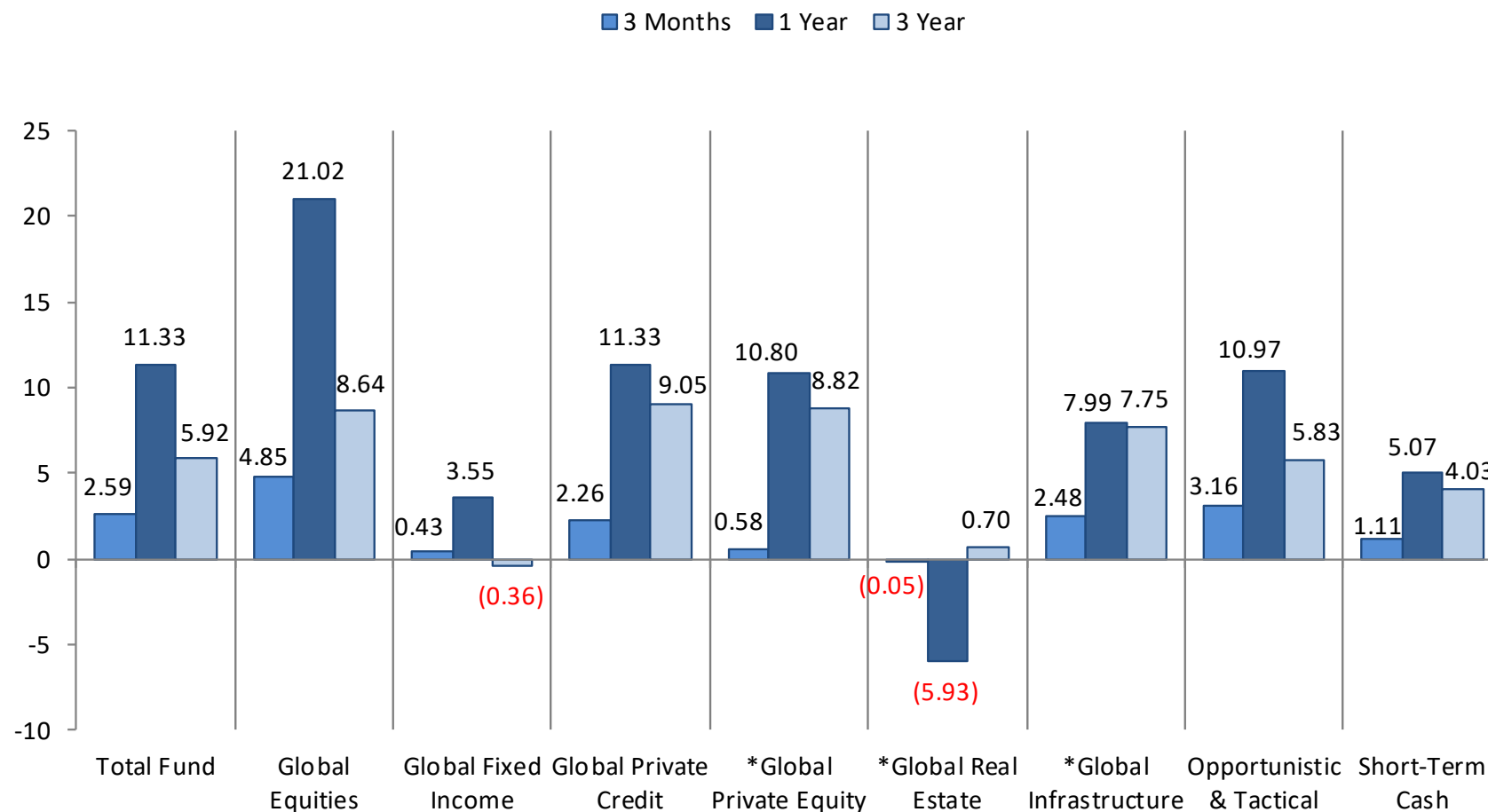
Total Fund Performance

10-Year Total Fund NOF Total Return





Total Fund and Asset Class Performance (Net)



* Global Private Equity, Global Real Estate, and Global Infrastructure results are as of 12/31/2024

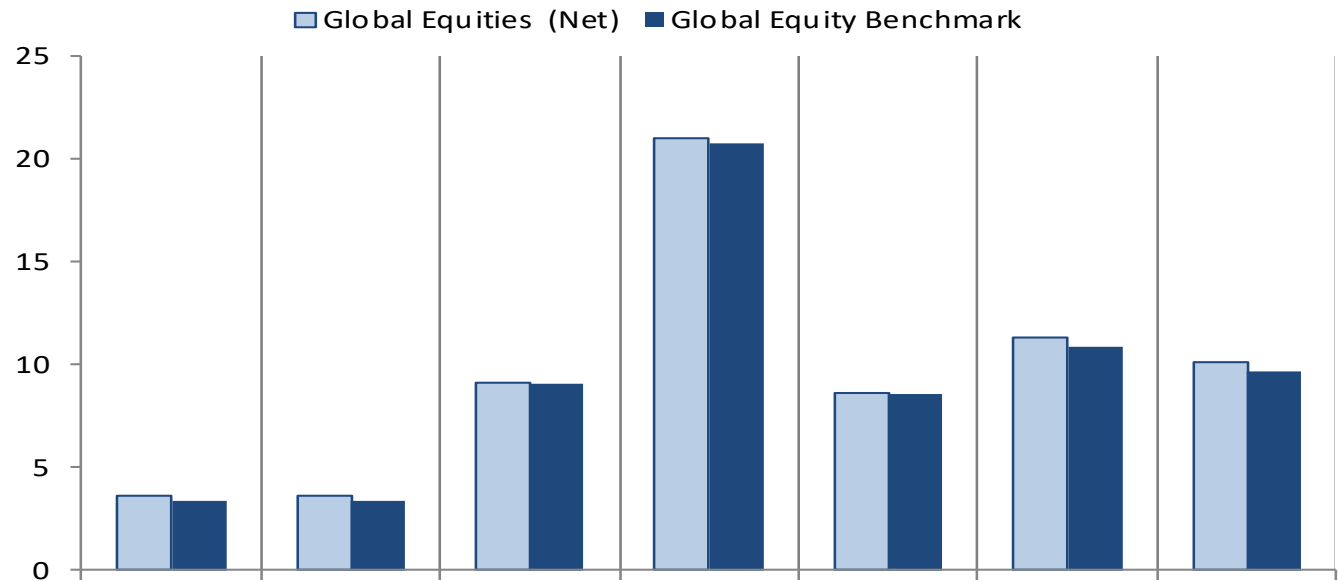
Source: BNY Mellon GRS



Global Equities Performance

Current Benchmark:

MSCI ACWI (Net Dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities (Gross)	3.60	3.60	9.22	21.31	8.96	11.66	10.46
Global Equities (Net)	3.62	3.62	9.10	21.02	8.64	11.34	10.13
Global Equity Benchmark	3.36	3.36	9.10	20.72	8.53	10.85	9.63
Value Added (Net of Fee)	0.26	0.26	(0.00)	0.30	0.10	0.49	0.50
Regional US Equity	3.19	3.19	12.06	25.53	10.67	13.94	12.75
Russell 3000 Index	3.16	3.16	12.47	26.32	11.36	14.60	13.21
Value Added (Net of Fee)	0.04	0.04	(0.41)	(0.79)	(0.69)	(0.66)	(0.46)
Regional Non-US Equity	4.30	4.30	3.88	11.21	3.55	6.68	6.48
Custom Non-US Equity BM	4.03	4.03	3.88	10.89	3.43	5.45	5.21
Value Added (Net of Fee)	0.27	0.27	(0.00)	0.32	0.11	1.23	1.28

Source: BNY Mellon GRS

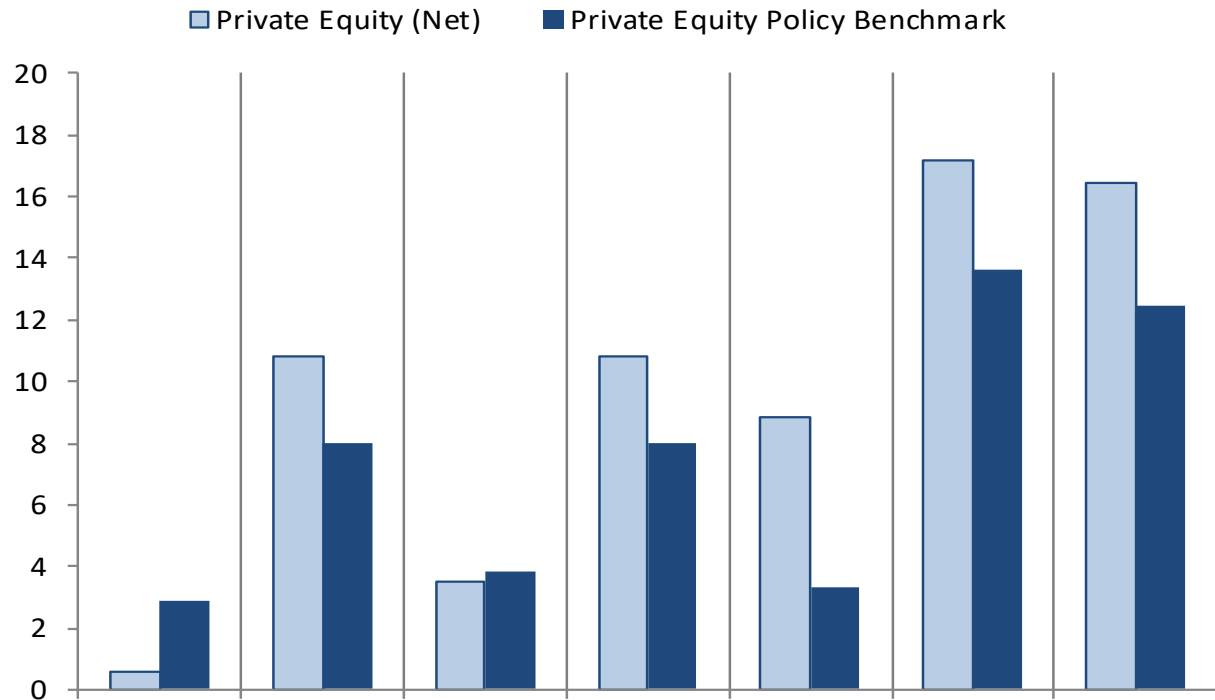


Global Private Equity Performance

Results as of: 12/31/2024

Current Benchmark:

Burgiss All Private Equity Index



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	1.32	12.79	4.72	12.79	10.73	19.10	18.17
Private Equity (Net)	0.58	10.80	3.48	10.80	8.82	17.18	16.44
Private Equity Policy Benchmark	2.90	8.01	3.81	8.01	3.35	13.60	12.47
Value Added (Net of Fee)	(2.32)	2.79	(0.32)	2.79	5.48	3.58	3.97

Source: BNY Mellon GRS

The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

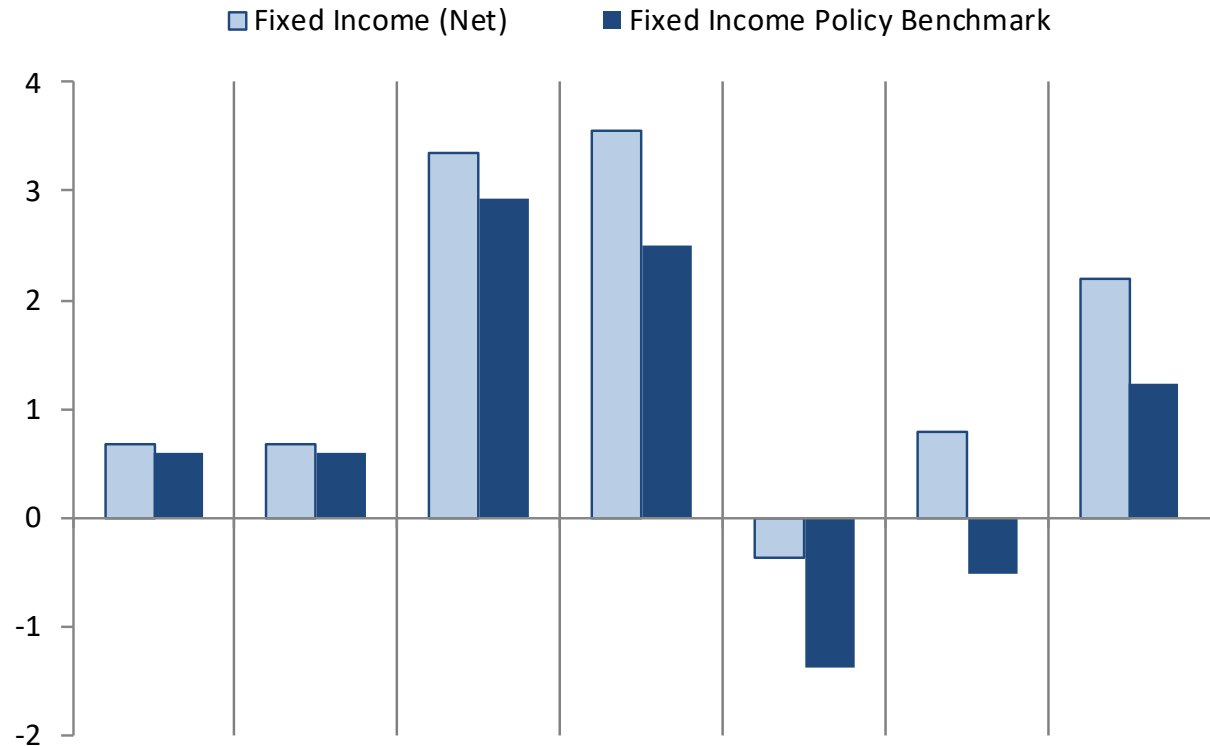
Global Private Equity performance is reported one quarter in arrears.



Global Fixed Income Performance

Current Benchmark:

Bloomberg US Universal Bond Index



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	0.68	0.68	3.50	3.81	(0.10)	1.06	2.43
Fixed Income (Net)	0.66	0.66	3.35	3.55	(0.36)	0.80	2.19
Fixed Income Policy Benchmark	0.60	0.60	2.94	2.49	(1.39)	(0.52)	1.23
Value Added (Net of Fee)	0.06	0.06	0.41	1.06	1.02	1.31	0.96

Source: BNY Mellon GRS

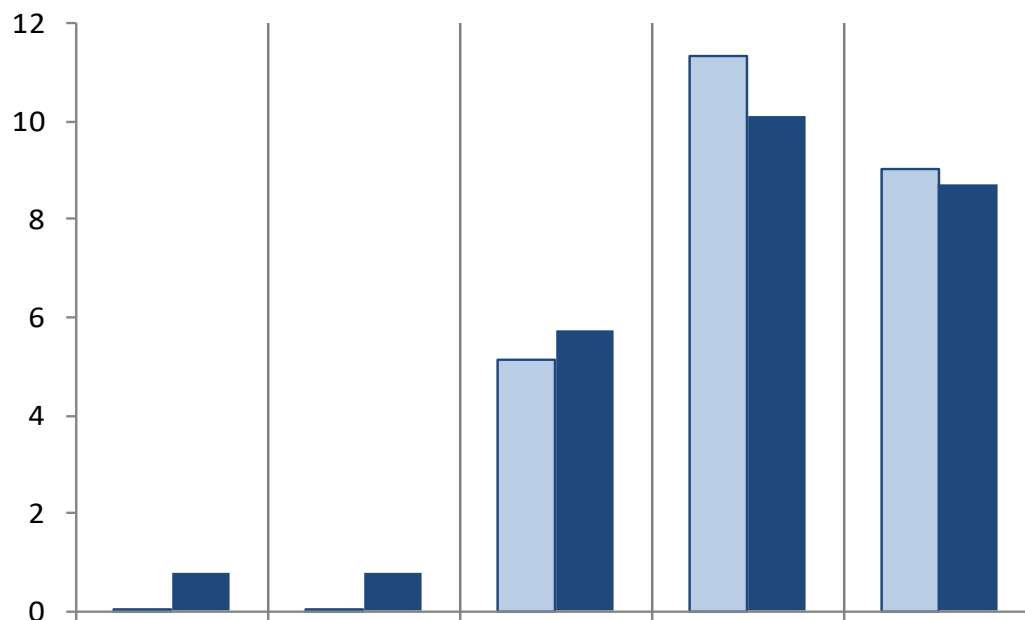


Global Private Credit Performance

Global Private Credit (Net) Global Private Credit Policy Benchmark

Current Benchmark:

90 Day T-Bill (1q lag) + 4.5%



	1 Month	CYTD	FYTD	1 Year	3 Year
Global Private Credit (Gross)	0.05	0.05	5.87	12.91	10.56
Global Private Credit (Net)	0.05	0.05	5.16	11.33	9.05
Global Private Credit Policy Benchmark	0.78	0.78	5.74	10.09	8.71
Value Added (Net of Fee)	(0.73)	(0.73)	(0.58)	1.24	0.34

Source: BNY Mellon GRS

The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.



Global Real Estate Performance

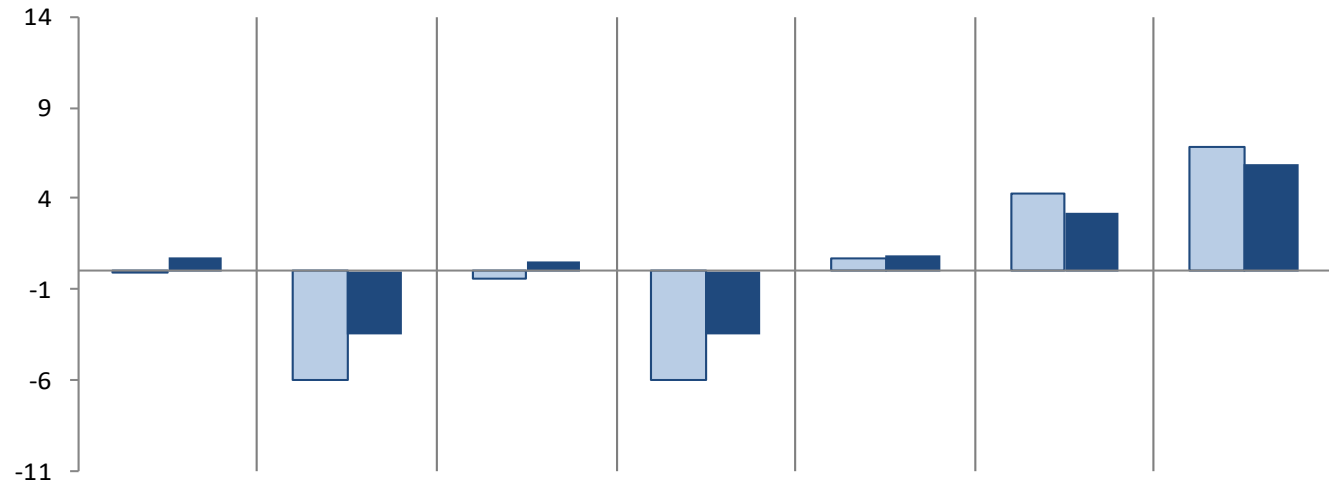
Results as of: 12/31/2024

Real Estate Portfolio (Net)

Real Estate Policy Benchmark

Current Benchmark:

NCREIF Property Index (1q lag)



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Real Estate Portfolio (Gross)	0.14	(5.15)	0.02	(5.15)	1.53	5.15	7.87
Real Estate Portfolio (Net)	(0.05)	(5.93)	(0.40)	(5.93)	0.70	4.26	6.87
Real Estate Policy Benchmark	0.78	(3.47)	0.52	(3.47)	0.87	3.26	5.88
Real Estate Value Added (NOF)	(0.83)	(2.46)	(0.93)	(2.46)	(0.18)	1.00	0.99
Real Estate Core (Net)	0.34	(5.92)	(0.24)	(5.92)	1.64	4.99	7.14
Real Estate Policy Benchmark	0.78	(3.47)	0.52	(3.47)	0.87	3.26	5.88
Real Estate Core Value Added (NOF)	(0.44)	(2.45)	(0.77)	(2.45)	0.77	1.73	1.26
Real Estate Non-Core (Net)	(1.50)	(7.34)	(2.20)	(7.34)	(2.52)	0.93	5.89
Real Estate Policy Benchmark	0.78	(3.47)	0.52	(3.47)	0.87	3.26	5.88
Real Estate Non-Core Value Added (NOF)	(2.29)	(3.87)	(2.73)	(3.87)	(3.40)	(2.33)	0.01

Source: BNY Mellon GRS

The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Real Estate performance is reported one quarter in arrears.



Global Infrastructure Performance

Results as of: 12/31/2024

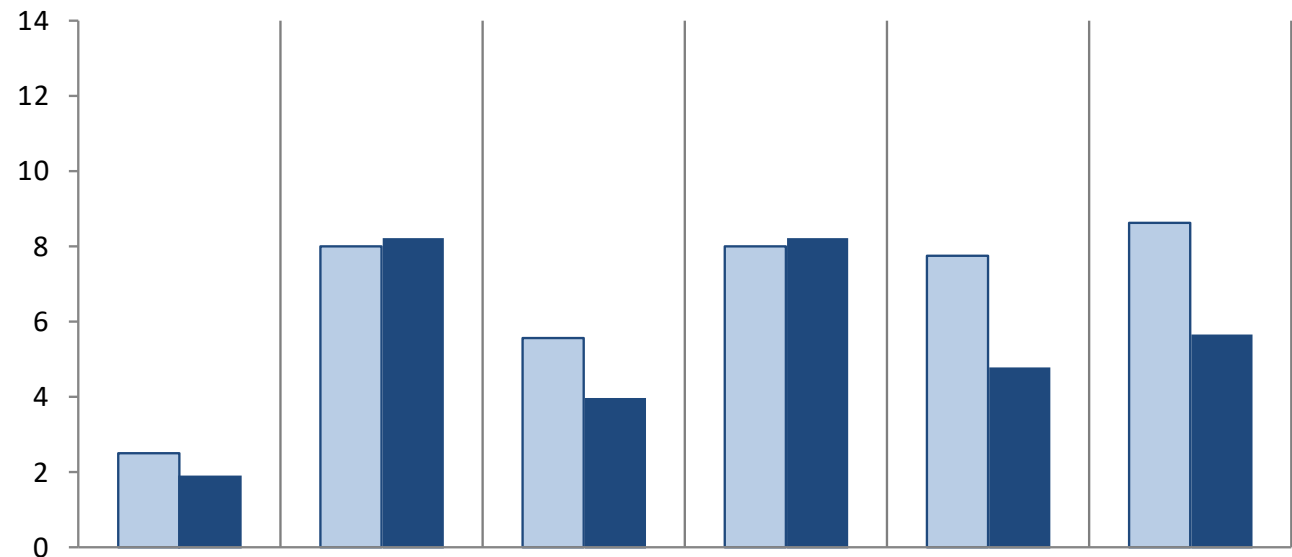
Global Infrastructure (Net)

Global Infrastructure Policy Benchmark

Current Benchmark:

Quarterly (4 qtrs.) smoothed CPI

+1.20% per quarter



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year
Global Infrastructure (Gross)	2.76	9.19	6.25	9.19	8.79	9.43
Global Infrastructure (Net)	2.48	7.99	5.59	7.99	7.75	8.60
Global Infrastructure Policy Benchmark	1.94	8.23	3.94	8.23	4.79	5.65
Global Infrastructure Value Added (NOF)	0.54	(0.25)	1.65	(0.25)	2.96	2.94

Source: BNY Mellon GRS

The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Infrastructure performance is reported one quarter in arrears.

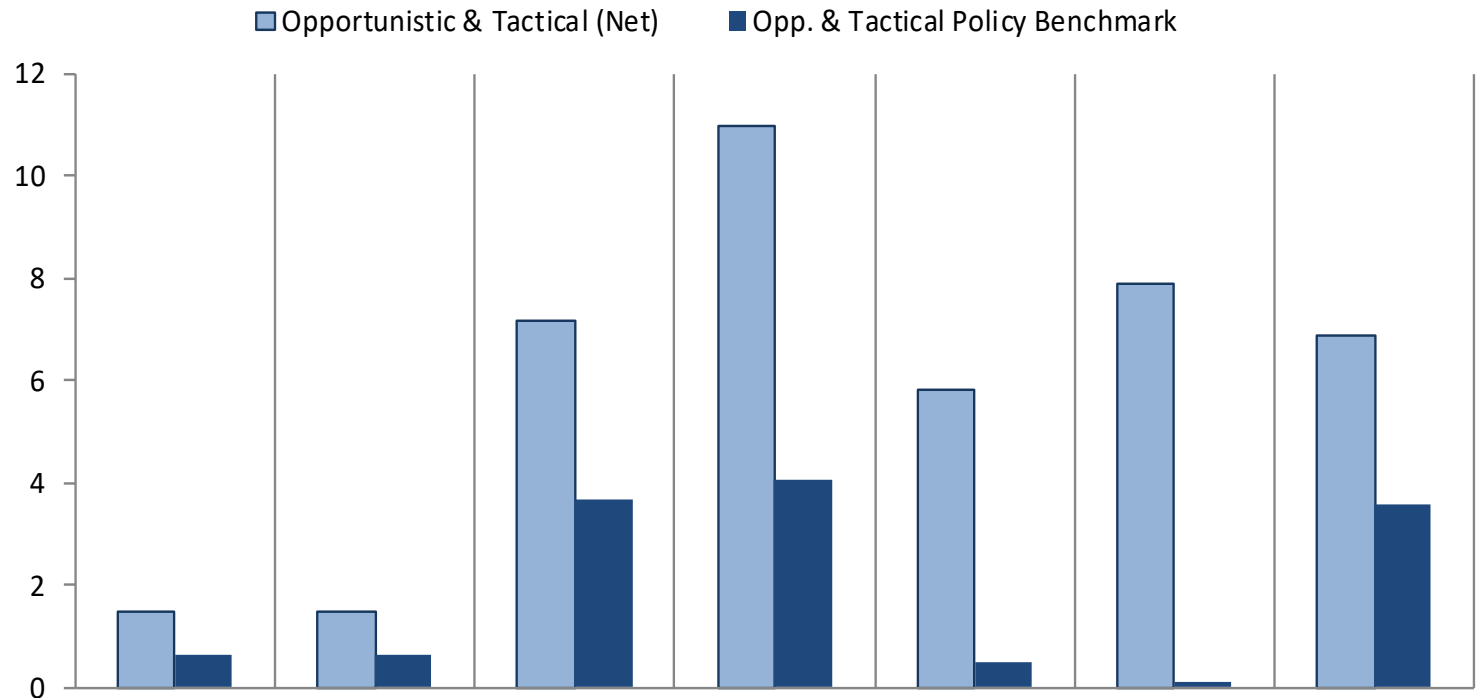


Opportunistic & Tactical Performance

Current Benchmark:

Bloomberg Aggregate

Bond Index + 2%



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Opportunistic & Tactical (Gross)	1.50	1.50	7.68	12.13	6.94	9.11	8.25
Opportunistic & Tactical (Net)	1.49	1.49	7.15	10.97	5.83	7.87	6.88
Opp. & Tactical Policy Benchmark	0.66	0.66	3.66	4.07	0.48	0.10	3.60
	0.83	0.83	3.49	6.91	5.35	7.77	3.27

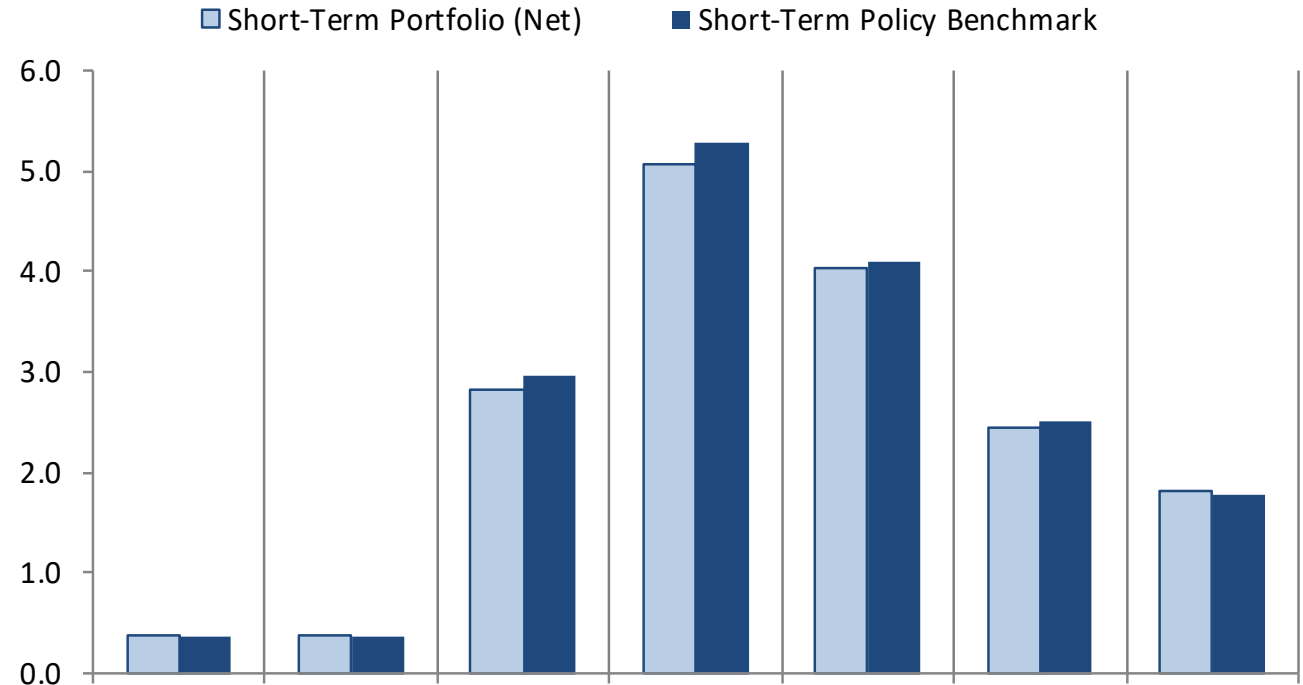
Source: BNY Mellon GRS



Short-Term Performance

Current Benchmark:

FTSE 30 Day Treasury Bill Index



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Short-Term Portfolio (Gross)	0.37	0.37	2.83	5.07	4.03	2.45	1.82
Short-Term Portfolio (Net)	0.37	0.37	2.83	5.07	4.03	2.45	1.82
Short-Term Policy Benchmark	0.37	0.37	2.95	5.28	4.11	2.52	1.77
Value Added (Net of Fee)	0.00	0.00	(0.12)	(0.21)	(0.08)	(0.06)	0.05

Source: BNY Mellon GRS



Overlay Performance

	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Overlay Cumulative Net Value Added (\$MM)	(\$12.6)	(\$12.6)	(\$44.1)	(\$86.4)	(\$92.2)	(\$62.3)	(\$27.3)
Overlay Cumulative Net Value Added (%)	(0.07)	(0.07)	(0.26)	(0.71)	(0.18)	(0.08)	(0.03)

Source: BNY Mellon GRS



Proposed Investment Agenda – Next Meeting

- Annual Portfolio Review – Real Assets
- Monthly Investment Report (February 28, 2025)

Memo

To: Retirement Board
From: Chris Collins
cc: Richard Stensrud, Karen Roggenkamp
Date: March 7, 2025
Re: Federal Legislative Report

WINDFALL ELIMINATION PROVISION (WEP) AND GOVERNMENT PENSION OFFSET (GPO) UPDATE

Starting February 25th the Social Security Administration (SSA) began to pay retroactive benefits and will increase monthly benefit payments to people whose benefits have been affected by the WEP and GPO as a result of the passage of H.R. 82, the Social Security Fairness Act, which repealed those two laws.

If a beneficiary is due retroactive benefits, they will receive a one-time retroactive payment, deposited into the bank account SSA has on file, by the end of March. This retroactive payment will cover the increase in their benefit amount back to January 2024, the month when WEP and GPO no longer apply.

As a reminder, Social Security benefits are paid one month behind so most affected beneficiaries will begin receiving their new monthly benefit amount in April 2025 (for their March 2025 benefit).

Anyone whose monthly benefit is adjusted, or who will get a retroactive payment, will receive a mailed notice from Social Security explaining the benefit change or retroactive payment.

It is possible a beneficiary may receive two mailed notices, the first when WEP or GPO is removed from their record, and a second when their monthly benefit amount is adjusted for their new monthly payment amount. They may also receive the retroactive payment before receiving the mailed notice.

SSA warns that for the many complex cases that cannot be processed automatically, additional time will be required to manually update the records and pay both retroactive benefits and the new benefits amount.

SSA is urging beneficiaries to wait until April to inquire about the status of their retroactive payment, since these payments will process incrementally throughout March.

TRUMP ADMINISTRATION

President Trump delivered the first congressional address of his second term on March 4th.

It was a chance for the president to underscore the sweeping changes he has made in the six weeks since he returned to the White House and to defend those moves from his many critics.

The days preceding the address were dominated by two issues: Ukraine and the economy.

The first topic is in a state of flux amid reverberations from the prior week's fractious meeting between Trump, Vice President Vance and Ukrainian President Volodymyr Zelensky.

On the economy, stock markets fell amid concerns about Trump's newest tariffs, aimed at Mexico, Canada and China.

Trump set out his case from the speech's opening moments, characterizing his first weeks back in office as being marked by "swift and unrelenting action." In the roughly 100 minutes that followed, he expounded on that argument, referencing his restrictions on illegal immigration, his executive orders assailing "wokeness," the work of billionaire ally Elon Musk and Trump's own assault on what he calls Washington's bureaucratic "swamp."

Trump took a less hostile tone toward Zelensky than he has during the previous week. But it remains unclear exactly how the president sees the path forward. Trump's pause of military aid to Ukraine, which has caused tremors across Europe, remains in place.

Illegal immigration was a major focus of the speech. One of his loudest applause lines came when he mocked those who had suggested that significant reductions in unauthorized migration could only come through the passage of major legislation.

"It turned out all we really needed was a new president," he said, sparking a roar of approval from Republicans in the chamber.

One of the most telling passages in the address came with Trump's defense of his tariffs, and the notably tepid response it received even from Republicans. He contended they were necessary to stop the United States being taken advantage of by other nations, would help American farmers stave off foreign competition, and would boost the nation's finances.

But the fact that his speech took place on a second day of steep stock market falls, and amid consternation from some conservatives, took the luster off those arguments.

Democrats also expressed displeasure with the President and his message throughout the speech, ranging from disruptions by Rep. Al Green (D-TX), waving signs, wearing pink, or walking out before the President concluded his remarks.

Overall the president and his team continue to shake up the status quo of Washington, DC while leaving both congressional allies and opponents uncertain about what comes next.

The strategy of "flooding the zone" with Executive Orders and the "move fast and break things" mentality of Elon Musk and DOGE has left many institutionalists very unsettled about how government will function going forward.

Tariffs instituted then reversed

After months of threats, Trump's 25 percent tariffs went into effect at the start of March against America's neighbors, Canada and Mexico, marking a turning point in the relationship between the U.S. and two of its top trading partners.

But days later, Trump signed off on tariff exemptions for most imports from the two countries, delaying their implementation until April 2nd, at which point the president says he plans to impose reciprocal tariffs on foreign nations that have duties on U.S. imports.

Despite the extension, the tariff threats are having economic impacts in the U.S. and elsewhere, and they've been met with strong pushback.

GOVERNMENT SHUTDOWN UPDATE

House Republican leaders have been preparing a clean Continuing Resolution (CR) to fund the federal government until the end of the fiscal year on September 30th to avert a shutdown beyond the current March 14th funding deadline. President Trump has backed the plan.

But Democrats have expressed opposition to a clean CR that lasts the entirety of the fiscal year, complicating the path in the Senate, where Democratic support is needed to meet the 60-vote threshold to advance the legislation.

If Democrats do not support the bill in the House, it will need near-unanimous support from Republicans to pass in the razor-thin GOP majority, a goal that could be tough, given historical opposition to stopgaps from hard-line conservatives.

Some hard-liners, particularly in the House Freedom Caucus, have shifted to signal openness to a clean CR, arguing that keeping the government open will allow the administration's Department of Government Efficiency to continue its work cutting the federal bureaucracy.

A group of conservatives met with Trump at the White House on Wednesday, though not all of them have said they will support the measure, saying they need to see the final details.

FEDERAL BUDGET

House Passes FY 25 Budget Resolution, Making Way for TCJA Tax Cuts Through Reconciliation

On February 25th, the House voted 217-215 (with all but 1 Republican in support, and 1 Democrat not voting) to adopt the FY 2025 Budget Resolution (H. Con Res. 14). The resolution includes reconciliation instructions that would potentially allow for the extension of Tax Cuts and Jobs Act (TCJA) (P.L. 115-97) provisions up to a total cost of \$4.5 trillion while instructing multiple committees to cut funding by \$1.5 trillion. Critically, the resolution was amended so that the full \$4.5 trillion in tax cuts would only be available if total spending cuts are \$2 trillion, meaning instructed committees would be tasked to find an additional \$500 billion in cuts. Notably, spending cuts below \$2 trillion would see a dollar-for-dollar reduction in the funds available for tax cuts. In addition, the allowance given to tax cuts could exceed \$4.5 trillion if more than \$2 trillion in other spending cuts are implemented.

Although the resolution is a step towards implementing tax cuts, reconciliation cannot be unlocked until both chambers pass a joint resolution along the same lines. The Senate voted the week prior to adopt its FY25 budget resolution (S.Con.Res.7) that would reduce the deficit by a net \$1 billion and would not include major changes to the tax code. Senate leadership has previously supported passing two reconciliation packages with the latter focusing on tax reform. President Trump and House leadership, in contrast, have maintained support for a singular reconciliation package to address the President's topline legislative priorities. Multiple Senate Republicans have publicly stressed the importance of permanently enacting expiring TCJA provisions and expressed aversion to some of the significant potential spending cuts outlined in the House version. As such, it may be that a budget resolution from the Senate that includes taxes would allow more room for tax cuts,

and perhaps less spending cuts that could be politically difficult. However, the House's passage of its resolution, which was expected to face difficulties given the chamber's narrow margins, indicates that a singular reconciliation package could be both possible and indeed may even be probable.

If there is a joint budget resolution allowing for tax measures extending or making permanent the TCJA, action could come quickly. The House Republican leadership had previously set out a schedule that called for House action in late March and early April, Senate action in April and Congress finishing the bill in May.

SERS FEDERAL ADVOCACY

SERS staff visited Washington, D.C. at the start of March for the NASRA/NIRS joint conference. In addition to the panels and presentations SERS took the opportunity make several visits to Ohio congressional offices, arranged by our federal liaison Nossaman, while in town.

SERS provided updated information to congressional staff about SERS member and retiree numbers in each congressional district as well as the economic impact we have through our annual pension payments and health care coverage support.

We thanked members for their support of the WEP/GPO repeal legislation last year. But we also took the opportunity to warn them about potential increase in interest in considering mandatory coverage of public employees in non-contributing states (like Ohio) as a solution to Social Security's problems.

We discussed the SERS Wraparound HRA and urged them to consider extending the enhanced tax subsidies for the ACA exchange before they expire at the end of 2025.

We also shared the ways SERS health care program uses PBM's like Express Scripts to save SERS' retirees money and urged them not to do harm to our program in their effort to reform PBM practices.

We had a chance to speak directly to Ohio congressional members Rep. Mike Carey (R-OH15), Rep. Marcy Kaptur (D-OH9), and Rep. David Taylor (R-OH2) to share the stories of our members and ask them for support on our issues.

HEALTH CARE

House Energy and Commerce Health Subcommittee Holds Hearing on PBM Reform

On February 26th, the House Energy and Commerce Subcommittee on Health held a hearing entitled, "An Examination of How Reining in PBMs Will Drive Competition and Lower Costs for Patients." Witnesses for the hearing included Hugh Chancy, an independent pharmacist, Shawn Gremminger, the President and CEO of the National Alliance of Healthcare Purchaser Coalitions, Anthony Wright, Executive Director for Families USA, and Dr. Matthew Fiedler, Senior Fellow at the Center on Health Policy at the Brookings Institution.

All Committee members highlighted the importance of pharmacy benefit managers (PBMs) reform. Many members highlighted provisions from the health package from the 118th Congress's continuing resolution, which would increase transparency for PBMs, address spread pricing and the rebate model and delink PBM compensation from list price.

Additionally, members emphasized the importance of competition in the market and explained how independent pharmacies often benefit their communities and prevent pharmacy deserts.

Subcommittee Chairman Buddy Carter (R-GA) emphasized his commitment to PBM reform stating, “Americans deserve and expect protection from inflated prescription drug costs, forced pharmacy closures, and barriers to health care access. I look forward to working with my colleagues on both sides of the aisle to enact these meaningful PBM reforms for patients... who are suffering at the expense of PBM's abusive tactics.”

Executive Order to Ensure Transparency in Health Care Pricing Information

On February 25th, President Donald Trump signed an executive order to mandate that the Department of Treasury, the Labor Department, and Health and Human Services (HHS) update their enforcement policies to ensure hospitals and insurers comply with price transparency requirements established via executive order during the first Trump Administration.

The Executive Order directs the Secretaries of the Treasury, HHS, and Labor to “take all necessary and appropriate action to rapidly implement and enforce the healthcare price transparency regulations issued pursuant to” the 2019 Executive Order within 90 days of the issuance of the 2025 Executive Order. This order requires that healthcare entities disclose actual prices, not just price estimates.

FEDERAL LEGISLATION BOARD REPORT
119th United States Congress
(Prepared by Chris Collins as of March 7, 2025)

H.Con.Res.14

SPONSOR: Rep. Arrington, Jodey C. [R-TX-19]

LAST ACTIONS: House - 02/25/2025 On agreeing to the resolution, as amended Agreed to by the Yeas and Nays: 217 - 215 (Roll no. 50).

CAPTION: Establishing the congressional budget for the United States Government.

COMMENT: This concurrent resolution establishes the congressional budget for the federal government for FY2025, sets forth budgetary levels for FY2026-FY2034, and provides reconciliation instructions for legislation that increases or decreases the deficit and increases the statutory debt limit by specified amounts.

S.526

SPONSOR: Sen. Grassley, Chuck [R-IA]

LAST ACTIONS: Senate - 02/11/2025 Read twice and referred to the Committee on Commerce, Science, and Transportation.

CAPTION: Pharmacy Benefit Manager (PBM) Transparency Act:

COMMENT: A bill to prevent unfair and deceptive acts or practices and the dissemination of false information related to pharmacy benefit management services for prescription drugs, and for other purposes.

H.R.950

SPONSOR: Rep. Landsman, Greg [D-OH-1]

LAST ACTIONS: House - 02/04/2025 Referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

CAPTION: Saving Seniors Money on Prescriptions Act

COMMENT: To amend title XVIII of the Social Security Act to establish pharmacy benefit manager reporting requirements with respect to prescription drug plans and MA-PD plans under Medicare part D.

STATE LEGISLATION BOARD REPORT
(Prepared by Chris Collins as of March 7, 2025)

136th General Assembly

SB69 INTENTION TO REFORM-STATE PUBLIC RETIREMENT SYSTEMS (Romanchuk, M) - To declare the General Assembly's intent to enact legislation to reform the law governing the state's public retirement systems.

Current Status: 02/12/2025 Referred to Financial Institutions, Insurance and Technology Committee

HB96 OPERATING BUDGET (Stewart, B) - To make operating appropriations for the biennium beginning July 1, 2025, and ending June 30, 2027, to levy taxes, and to provide authorization and conditions for the operation of state programs.

Current Status: 03/05/2025 House Education, (Fourth Hearing)

HB116 DIGITAL ASSET MINING, TAXATION, REGULATION (Demetriou, S) - To address mining, taxation, and regulation of digital assets and digital asset investments by the state retirement systems.

Current Status: 02/26/2025 Referred to Technology and Innovation Committee

Finance Headline News – March 2025



- Budget Administration
 - FY25 SERS administrative expenses are tracking under budget through February 2025
 - Medical and Prescription claims continue to be a concern
 - Expect higher professional services in 4th quarter due to Clearwater implementation
 - FY26 budget cycle – FY25 forecast is being calculated (9 actuals + 3 forecast). FY26 draft Personnel scenarios presented in March. FY26 budget in ORSC format will be presented in April.
- The following detailed reports are attached for further analysis:
 - FY25 Budget Administrative expense reports
 - Administrative expense summary for February 2025
 - Administrative expense detail for February 2025
 - Parameters report for February 2025
 - Financial highlights
 - As of January 2025

**School Employees Retirement System of Ohio
SERS Detail Admin Expenses
Feb 2025**

Financial Row	Vendor Bill Name	Amount
Detail Admin Expenses		
Expense		
53100.0 - Staff Salaries Expense		
53100 - Salaries & Wages		
	0133 ADP, LLC	\$1,294,040.67
Total - 53100 - Salaries & Wages		\$1,294,040.67
53110 - Salaries & Wages - Overtime		
	0133 ADP, LLC	\$2,185.18
Total - 53110 - Salaries & Wages - Overtime		\$2,185.18
53111 - Vacation Leave Expense		
	0133 ADP, LLC	\$117,137.75
Total - 53111 - Vacation Leave Expense		\$117,137.75
53112 - Sick Leave Expense		
	0133 ADP, LLC	\$16,748.12
Total - 53112 - Sick Leave Expense		\$16,748.12
53113 - Voluntary Life Insurance Reimbursement		
	0133 ADP, LLC	\$119.58
Total - 53113 - Voluntary Life Insurance Reimbursement		\$119.58
Total - 53100.0 - Staff Salaries Expense		\$1,430,231.30
53200.0 - Staff Retirement Contribution Expense		
53200 - Employer Contributions - PERS		
	0133 ADP, LLC	\$191,677.09
Total - 53200 - Employer Contributions - PERS		\$191,677.09
Total - 53200.0 - Staff Retirement Contribution Expense		\$191,677.09
53300.0 - Staff Benefit Expenses		
53300 - Staff Group Life		
	0267 American United Life Insurance Company	\$10,246.26
Total - 53300 - Staff Group Life		\$10,246.26
53310 - Staff Long Term Disability		
	0267 American United Life Insurance Company	\$3,641.15
Total - 53310 - Staff Long Term Disability		\$3,641.15
53315 - Staff Short Term Disability		
	0267 American United Life Insurance Company	\$3,255.44
Total - 53315 - Staff Short Term Disability		\$3,255.44
53320 - Staff Group Health Claims		
	3555 Aetna Admin - ESERS	\$379,278.53
Total - 53320 - Staff Group Health Claims		\$379,278.53
53321 - Staff Group Health - Admin Fees		
	3552 Aetna Admin - ESERS	\$8,075.99
Total - 53321 - Staff Group Health - Admin Fees		\$8,075.99
53322 - Staff Prescription Claims		
	5271 SaveonSP, LLC	\$5,745.73
	2811 Express Scripts - ESERS	\$97,630.45
Total - 53322 - Staff Prescription Claims		\$103,376.18
53324 - Staff Group Health - Stop Loss Admin		
	3552 Aetna Admin - ESERS	\$25,102.89
Total - 53324 - Staff Group Health - Stop Loss Admin		\$25,102.89
53326 - Staff Vision Claims		
	0266 VSP - (OH)	\$4,434.81
Total - 53326 - Staff Vision Claims		\$4,434.81
53327 - Staff Vision Admin Fees		
	0266 VSP - (OH)	\$128.16
Total - 53327 - Staff Vision Admin Fees		\$128.16
53330 - Staff Group Health - Employee Cost		
	Employee Premiums	(\$38,053.45)
Total - 53330 - Staff Group Health - Employee Cost		(\$38,053.45)
53331 - Staff Group Health - Wellness Incentive		
	0133 ADP, LLC	\$3,750.00
Total - 53331 - Staff Group Health - Wellness Incentive		\$3,750.00

53332 - Staff Group Health - Tobacco Premiums	0133 ADP, LLC	(\$560.00)
Total - 53332 - Staff Group Health - Tobacco Premiums		(\$560.00)
53340 - Staff Medicare Premium - Employer	0133 ADP, LLC	\$19,057.62
Total - 53340 - Staff Medicare Premium - Employer		\$19,057.62
53380 - Staff Deferred Compensation Match	0133 ADP, LLC	\$5,025.00
Total - 53380 - Staff Deferred Compensation Match		\$5,025.00
Total - 53300.0 - Staff Benefit Expenses		\$526,758.58
54100 - Actuarial Services	0040 Ohio Retirement Study Council	\$9,956.25
	3241 CavMac	\$39,393.00
Total - 54100 - Actuarial Services		\$49,349.25
54200 - Audit Services	5222 Plante & Moran, PLLC	\$30,000.00
Total - 54200 - Audit Services		\$30,000.00
54300.0 - Banking Fee Expenses	5482 Fifth Third - Investments	\$31,977.26
54310 - Custodial Fees	0273 BNY Mellon Asset Servicing	\$65,000.00
Total - 54310 - Custodial Fees		\$96,977.26
54320 - Custodial Banking	0125 Treasurer of State - Warrants	\$22.82
	0386 Huntington National Bank	\$11,125.70
Total - 54320 - Custodial Banking		\$11,148.52
Total - 54300.0 - Banking Fee Expenses		\$108,125.78
54400.0 - Investment Related Expenses	0273 BNY Mellon Asset Servicing	\$112,356.95
54410 - Master Recordkeeper Fees		\$112,356.95
Total - 54410 - Master Recordkeeper Fees		\$112,356.95
54430 - Performance/Analytics Fee	0484 Wilshire Advisors, LLC	\$2,000.00
	0273 BNY Mellon Asset Servicing	\$34,401.66
Total - 54430 - Performance/Analytics Fee		\$36,401.66
54460 - Bloomberg Terminal Rentals	2700 Bloomberg Finance LP	\$15,210.00
Total - 54460 - Bloomberg Terminal Rentals		\$15,210.00
Total - 54400.0 - Investment Related Expenses		\$163,968.61
54520 - Medical Consultant	1021 Glen G Borchers, M.D.	\$3,750.00
Total - 54520 - Medical Consultant		\$3,750.00
54600.0 - Technical Expenses	1921 Porter, Wright, Morris,	\$4,097.90
54610 - Special Counsel	0276 Ice Miller LLP	\$8,673.74
	3361 Seyfarth Shaw LLP	\$68,115.00
Total - 54610 - Special Counsel		\$80,886.64
54620 - Technical	5215 ComResource	\$7,646.25
	5516 Buck Global, LLC	\$10,000.00
	4518 Sagitec Solutions, LLC	\$40,635.50
Total - 54620 - Technical		\$58,281.75
54630 - Other Professional Services	5060 Kimberly Wickert	\$621.00
	5031 Vorys Advisors LLC	\$3,741.66
	5877 Nossaman LLP	\$3,300.00
	5550 Sage Policy Group	\$9,200.00
	3463 Courtyard by Marriott	\$393.00
	5423 Contoural, Inc.	\$3,146.75
Total - 54630 - Other Professional Services		\$20,402.41
Total - 54600.0 - Technical Expenses		\$159,570.80
55100 - Postage	4906 Quadient	\$1,125.75
	0254 Unishippers Association	\$435.79
	0060 Pitney Bowes Inc.	\$8,445.38
	0251 United States Postal Service	\$100,000.00
Total - 55100 - Postage		\$110,006.92

55200 - Telecommunications Services

5555 Everstream Solutions LLC	\$1,376.00
0087 Spectrum	\$483.55
5543 Spectrum AWS	\$1,230.00
5665 Total Communication Solutions	\$1,448.30
1605 AT&T - 7258	\$40.10
0253 T-Mobile	\$59.38
4732 Verizon Wireless	\$161.70

Total - 55200 - Telecommunications Services **\$4,799.03**

55300 - Member/Employer Education

4116 Cameron Vaughan	\$85.74
4834 Event Brite	(\$150.00)

Total - 55300 - Member/Employer Education **(\$64.26)**

55400.0 - Printing & Publication Expenses**55420 - Communications & Publications**

0127 Bindery and Specialties, Inc.	\$5,798.00
4946 Proforma Graphic Services	\$4,423.10

Total - 55420 - Communications & Publications **\$10,221.10**

Total - 55400.0 - Printing & Publication Expenses **\$10,221.10**

56000.0 - Computer Support Service Expenses**56020 - Hardware Maintenance**

5197 Park Place Technologies	\$55.55
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Total - 56020 - Hardware Maintenance **\$55.55**

56030 - Software Maintenance

5601 RoadMunk.com	\$632.10
2263 Dell Marketing LP	\$532.51
4518 Sagitec Solutions, LLC	\$35,000.00

Total - 56030 - Software Maintenance **\$36,164.61**

56035 - Software Subscriptions

5473 Wellable LLC	\$481.00
5501 Expedient	\$12,275.58
5895 Swish Data Corporation	\$89,854.04
0133 ADP, LLC	\$5,341.19
5409 Amazon Web Services	\$114.51
5665 Total Communication Solutions	\$101,553.59
0413 CDW-Government, Inc.	\$35,175.00
4615 Open Text, Inc	\$3,225.00
5269 Workiva Inc.	\$55,000.00
4139 Shi International Corp.	\$82,305.00

Total - 56035 - Software Subscriptions **\$385,324.91**

56040 - Hardware < \$5,000

0411 Amazon.com	\$597.70
2263 Dell Marketing LP	\$2,250.00

Total - 56040 - Hardware < \$5,000 **\$2,847.70**

Total - 56000.0 - Computer Support Service Expenses

\$424,392.77

56100.0 - Office Equipment & Supply Expenses**56110 - Equipment Repairs & Maintenance**

5332 Canon Financial Services, Inc	\$544.00
4447 LD Products Inc.	\$643.96
4620 Ricoh USA, Inc	\$1,250.92
5340 Digital Print Solutions	\$910.82
4849 US Bank Equipment Finance	\$3,761.03

Total - 56110 - Equipment Repairs & Maintenance **\$7,110.73**

56130 - Office Supplies & Expenses

0411 Amazon.com	\$221.80
0411 Amazon.com	\$12.95
0172 Staples Business Advantage	\$1,315.66

Total - 56130 - Office Supplies & Expenses **\$1,550.41**

56150 - Furniture & Equipment < \$5,000

0411 Amazon.com	\$2,100.00
4286 Loth, Inc.	\$3,871.70

Total - 56150 - Furniture & Equipment < \$5,000 **\$5,971.70**

56160 - Records Storage

0007 Vital Records Holdings, LLC	\$125.00
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Total - 56160 - Records Storage **\$125.00**

Total - 56100.0 - Office Equipment & Supply Expenses **\$14,757.84**

56200.0 - Staff Training Expenses
56210 - Seminars & Conferences

5276 Kaplan Schweser	\$347.61
5902 Alvanita Singleton	\$2,542.65
5899 Jamie Tunstall	\$77.36
5859 Ai4	\$1,695.00
1535 Ohio State University	\$1,250.00
Total - 56210 - Seminars & Conferences	\$5,912.62

56220 - In House Training

0133 ADP, LLC	\$658.80
Total - 56220 - In House Training	\$658.80

Total - 56200.0 - Staff Training Expenses \$6,571.42

56300.0 - Transportation & Travel Expenses

56310 - Travel & Transportation

1217 Steve Price	(\$717.60)
2320 Phil Sisson	(\$717.60)
5541 Cameron Mitchell	(\$88.30)
5884 Institutional Investor, LLC	\$142.00
5896 Khaab Indian Kitchen and Bar	\$147.00
0564 Kroger	\$112.11
4588 Farouki Majeed	\$527.96
5437 Adam Messerschmitt	\$830.21
5318 Michael Browning	\$1,432.92
5889 Jeanine Alexander	\$262.00
5829 Brad Carr	\$601.03
5418 Matt King	\$262.00
5639 Aimee Russell	\$393.00
5889 Jeanine Alexander	\$276.46
4824 Frank Weglarz	\$317.60
0146 Judi Masri	\$1,906.33
0024 James Rossler	\$262.00
0017 Daniel L Wilson	\$158.86
5860 Andrew Gartner	\$129.25
5199 Richard Stensrud	\$998.64
Total - 56310 - Travel & Transportation	\$7,235.87

56311 - Mileage

5437 Adam Messerschmitt	\$8.68
5318 Michael Browning	\$6.02
5829 Brad Carr	\$31.92
5889 Jeanine Alexander	\$275.80
4824 Frank Weglarz	\$223.31
5639 Aimee Russell	\$114.94
5418 Matt King	\$168.00
0146 Judi Masri	\$73.96
0017 Daniel L Wilson	\$208.60
0024 James Rossler	\$198.80

Total - 56311 - Mileage \$1,310.03

Total - 56300.0 - Transportation & Travel Expenses \$8,545.90

56400.0 - Membership & Subscription Expenses

56410 - Subscriptions

0304 Wall Street Journal	\$125.73
5433 Modern Healthcare	\$249.00
4547 Constant Contact	\$545.00
5865 Cleveland.Com	\$10.00
5644 Bloomberg.com	\$149.00
5511 Toledo Blade	\$12.99
0305 Columbus Dispatch	\$35.00
0917 National Association of Public Pension Attorneys	\$350.00
4810 Shutterstock, Inc.	\$29.00
5571 Currency Research Associates LLC	\$1,250.00
0571 Thomson Reuters	\$7,482.01
0996 Gongwer News Service, Inc	\$3,800.00
Total - 56410 - Subscriptions	\$14,037.73

56420 - Memberships

5211 Association for Information and Image Management	\$160.00
0372 Institutional Limited Partners Association	\$6,500.00
0473 Public Pension Financial Forum	\$900.00
2054 Joint Legislative Ethics Committee	\$50.00
5029 Capital Square Review and Advisory Board	\$36.04
0685 International Facility Management Association	\$239.00
5029 Capital Square Review and Advisory Board	\$61.04

Total - 56420 - Memberships \$7,946.08

Total - 56400.0 - Membership & Subscription Expenses \$21,983.81

56600.0 - Maintenance Expenses		
56630 - Interior Landscaping		
	3039 Ambius Inc. (05)	\$1,396.37
Total - 56630 - Interior Landscaping		\$1,396.37
56640 - Vehicle Expense		
	0563 AutoZone 0762	\$13.95
	5069 Moo Moo Car Wash	\$12.00
Total - 56640 - Vehicle Expense		\$25.95
Total - 56600.0 - Maintenance Expenses		\$1,422.32
56650.0 - Staff Support Expenses		
56620 - Staff Support		
	1683 Premier ProduceOne	\$257.95
	5263 Matt & Tony's	\$132.61
	0411 Amazon.com	\$25.00
	5574 Aetna Behavioral Health, LLC	\$282.60
	4637 Buckeye Donuts	\$211.64
	0477 Panera Bread	\$121.32
	5898 Lucky Dragon	\$86.75
	0133 ADP, LLC	\$2,215.00
	5303 Culligan Bottled Water of Columbus	\$42.95
	4750 Inspira Financial	\$353.50
	5240 Mount Carmel Occupational Health	\$1,806.00
	5043 Cintas Corporation	\$592.21
	0259 Cuyahoga Franklin Group	\$300.00
Total - 56620 - Staff Support		\$6,427.53
56621 - Recruiting Expenses		
	5460 Indeed	\$929.45
Total - 56621 - Recruiting Expenses		\$929.45
Total - 56650.0 - Staff Support Expenses		\$7,356.98
56800.0 - Mandatory Costs		
56820 - Ohio Retirement Study Council		
	0040 Ohio Retirement Study Council	\$15,278.08
Total - 56820 - Ohio Retirement Study Council		\$15,278.08
Total - 56800.0 - Mandatory Costs		\$15,278.08
56900 - Reimbursement of Leased Svcs from OSERS Broad St		
	Reimbursement of Leased Services	(\$25,416.67)
Total - 56900 - Reimbursement of Leased Svcs from OSERS Broad St		(\$25,416.67)
Total - Expense		\$3,263,286.65
Total Admin Expenses		\$3,263,286.65

School Employees Retirement System of Ohio

SERS Summary Admin Expenses

Feb 2025

Financial Row	Amount
Summary Admin Expenses	
Expense	
53100.0 - Staff Salaries Expense	
53100 - Salaries & Wages	\$1,294,040.67
53110 - Salaries & Wages - Overtime	\$2,185.18
53111 - Vacation Leave Expense	\$117,137.75
53112 - Sick Leave Expense	\$16,748.12
53113 - Voluntary Life Insurance Reimbursement	\$119.58
Total - 53100.0 - Staff Salaries Expense	\$1,430,231.30
53200.0 - Staff Retirement Contribution Expense	
53200 - Employer Contributions - PERS	\$191,677.09
Total - 53200.0 - Staff Retirement Contribution Expense	\$191,677.09
53300.0 - Staff Benefit Expenses	
53300 - Staff Group Life	\$10,246.26
53310 - Staff Long Term Disability	\$3,641.15
53315 - Staff Short Term Disability	\$3,255.44
53320 - Staff Group Health Claims	\$379,278.53
53321 - Staff Group Health - Admin Fees	\$8,075.99
53322 - Staff Prescription Claims	\$103,376.18
53324 - Staff Group Health - Stop Loss Admin	\$25,102.89
53326 - Staff Vision Claims	\$4,434.81
53327 - Staff Vision Admin Fees	\$128.16
53330 - Staff Group Health - Employee Cost	(\$38,053.45)
53331 - Staff Group Health - Wellness Incentive	\$3,750.00
53332 - Staff Group Health - Tobacco Premiums	(\$560.00)
53340 - Staff Medicare Premium - Employer	\$19,057.62
53380 - Staff Deferred Compensation Match	\$5,025.00
Total - 53300.0 - Staff Benefit Expenses	\$526,758.58
54100 - Actuarial Services	\$49,349.25
54200 - Audit Services	\$30,000.00
54300.0 - Banking Fee Expenses	
54310 - Custodial Fees	\$96,977.26
54320 - Custodial Banking	\$11,148.52
Total - 54300.0 - Banking Fee Expenses	\$108,125.78
54400.0 - Investment Related Expenses	
54410 - Master Recordkeeper Fees	\$112,356.95
54430 - Performance/Analytics Fee	\$36,401.66
54460 - Bloomberg Terminal Rentals	\$15,210.00
Total - 54400.0 - Investment Related Expenses	\$163,968.61
54520 - Medical Consultant	\$3,750.00
54600.0 - Technical Expenses	
54610 - Special Counsel	\$80,886.64
54620 - Technical	\$58,281.75
54630 - Other Professional Services	\$20,402.41
Total - 54600.0 - Technical Expenses	\$159,570.80
55100 - Postage	\$110,006.92
55200 - Telecommunications Services	\$4,799.03
55300 - Member/Employer Education	(\$64.26)
55400.0 - Printing & Publication Expenses	
55420 - Communications & Publications	\$10,221.10
Total - 55400.0 - Printing & Publication Expenses	\$10,221.10

56000.0 - Computer Support Service Expenses	
56020 - Hardware Maintenance	\$55.55
56030 - Software Maintenance	\$36,164.61
56035 - Software Subscriptions	\$385,324.91
56040 - Hardware < \$5,000	\$2,847.70
Total - 56000.0 - Computer Support Service Expenses	\$424,392.77
56100.0 - Office Equipment & Supply Expenses	
56110 - Equipment Repairs & Maintenance	\$7,110.73
56130 - Office Supplies & Expenses	\$1,550.41
56150 - Furniture & Equipment < \$5,000	\$5,971.70
56160 - Records Storage	\$125.00
Total - 56100.0 - Office Equipment & Supply Expenses	\$14,757.84
56200.0 - Staff Training Expenses	
56210 - Seminars & Conferences	\$5,912.62
56220 - In House Training	\$658.80
Total - 56200.0 - Staff Training Expenses	\$6,571.42
56300.0 - Transportation & Travel Expenses	
56310 - Travel & Transportation	\$7,235.87
56311 - Mileage	\$1,310.03
Total - 56300.0 - Transportation & Travel Expenses	\$8,545.90
56400.0 - Membership & Subscription Expenses	
56410 - Subscriptions	\$14,037.73
56420 - Memberships	\$7,946.08
Total - 56400.0 - Membership & Subscription Expenses	\$21,983.81
56600.0 - Maintenance Expenses	
56630 - Interior Landscaping	\$1,396.37
56640 - Vehicle Expense	\$25.95
Total - 56600.0 - Maintenance Expenses	\$1,422.32
56650.0 - Staff Support Expenses	
56620 - Staff Support	\$6,427.53
56621 - Recruiting Expenses	\$929.45
Total - 56650.0 - Staff Support Expenses	\$7,356.98
56800.0 - Mandatory Costs	
56820 - Ohio Retirement Study Council	\$15,278.08
Total - 56800.0 - Mandatory Costs	\$15,278.08
56900 - Reimbursement of Leased Svcs from OSERS Broad St	(\$25,416.67)
Total - Expense	\$3,263,286.65
Total Admin Expenses	\$3,263,286.65

FY2025 Administrative Budget
Board Expense to Budget Reporting
Year-to-Date Through February 28, 2025

Major Category/Sub-Major Category	Line Item	Vendor	FY2025 Budget Approved	Year to Date Expense	Additional Information
PROFESSIONAL SERVICES			\$ 6,493,858.00	\$ 4,213,813.99	
ACTUARIAL ADVISORS			\$ 425,500.00	\$ 210,180.25	
	Actuarial	Cavanaugh Macdonald	\$ 325,500.00	\$ 200,224.00	Actuarial Consultant
	Actuarial	Audit PTA/KMS/Bolton	100,000.00	9,956.25	Actuarial Audit
AUDITING			\$ 220,000.00	\$ 152,888.00	
	Auditing	Plante Moran	180,000.00	151,880.00	External Auditor
BANKING FEES			\$ 1,213,380.00	\$ 844,338.29	
	Custodial Banking		1,020,000.00	761,668.70	
		Fifth Third	360,000.00	245,473.41	Domestic Custodian
		BNYM	660,000.00	516,195.29	International Custodian
	Administrative Banking	Huntington National Bank/ TOS	193,380.00	82,669.59	Banking Services
INVESTMENT RELATED			\$ 2,530,364.00	\$ 1,504,198.61	
	Master Recordkeeper	BNYM	1,056,000.00	736,160.35	
	Investment Consulting & Advisory Services		525,000.00	225,000.05	
		Wilshire	450,000.00	225,000.05	Investment Consulting
	Performance Analytics Services		704,765.00	393,079.03	
		Barra-One Risk Mgmt Sys	238,445.00	178,833.75	Investment Risk Analytics
		BNY Mellon GRS	412,820.00	275,213.28	Investment Performance Analytics
TECHNICAL			\$ 2,059,614.00	\$ 1,472,208.84	
	Special Counsel		301,000.00	410,291.91	
	Technical		1,285,720.00	708,498.38	
		Merative	124,000.00	62,000.00	Data Warehouse
		Sagitec	573,440.00	361,247.00	SMART Development Resources
		Board Initiative	100,000.00	-	Board Initiatives
	Other Professional Services		472,894.00	353,418.55	
		Gartner	109,230.00	101,359.00	Management Consulting
OTHER OPERATING EXPENSE			\$ 4,350,782.00	\$ 2,903,417.45	
COMPUTER SUPPORT SERVICES			\$ 3,003,345.00	\$ 1,962,476.30	
	Software Maintenance		1,013,621.00	754,482.92	
		Dell	300,000.00	248,976.58	Microsoft Enterprise Agreement/ True Up
		Sagitec	420,000.00	315,000.00	SMART Silver Support
		Hyland	119,061.00	121,454.36	ImageNow
	Software Subscriptions		1,732,520.00	1,158,716.87	
		DRaaS	163,332.00	105,631.34	Expedient
		Dynamo	207,686.00	224,477.76	Dynamo Software, INC
		Carahsoft	163,830.00	135,266.32	ServiceNow System
		Zoom	100,000.00	101,553.59	Telecommunication Services
PROPERTY MANAGEMENT LIABILITY INSURANCE			\$ 566,375.00	\$ 512,467.00	
	Management Liability Insurance		566,375.00	512,467.00	
		Cyber Liability Insurance	166,805.00	152,374.75	ARC Excess & Surplus, LLC
		Crime Fiduciary D&O Insurance	372,182.00	360,092.25	ARC Excess & Surplus, LLC

PROJECT ITEMS					
Major Category/Sub-Major Category	Line Item	Project	FY2025 Budget	YTD Expense	Additional Information
PROFESSIONAL SERVICES					
	TECHNICAL				

SERS					
UNBUDGETED PROJECT ITEMS					
Major Category/Sub-Major Category	Line Item	Project	FY2025 Budget	YTD Expense	Additional Information
Professional Services	Other Professional Services	Chief Risk Officer recruiting	\$ -	\$ 35,450.00	Hudepohl & Associates Inc.
Professional Services	Other Professional Services	Member Account Fraud Assessment	\$ -	\$ 20,000.00	Linea Solutions, Inc.

OSERS BROAD STREET, LLC					
UNBUDGETED PROJECT ITEMS					
Major Category	Line Item	Project	FY2025 Budget	YTD Expense	

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

FINANCIAL HIGHLIGHTS

As of January 31, 2025 and 2024

(unaudited)

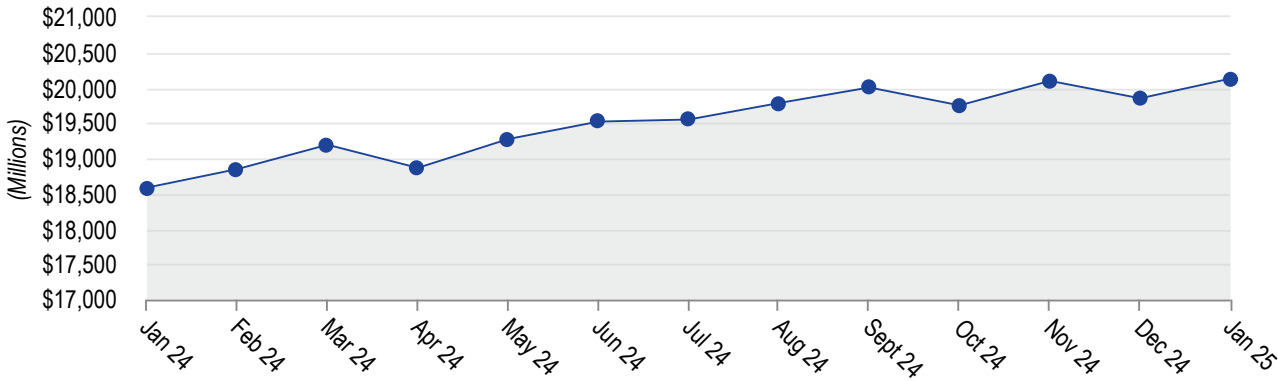
SERS (All Funds)	1/31/25 YTD	1/31/24 YTD	Comparative Difference	% Difference
<u>ADDITIONS</u>				
Employer Contributions	\$389,677,262	\$368,335,070	\$21,342,192	6%
Member Contributions	253,812,240	240,417,057	13,395,183	6
Other Income	80,625,134	73,524,816	7,100,318	10
Total Investment Income, Net	922,206,919	630,793,457	291,413,462	46
TOTAL ADDITIONS	1,646,321,555	1,313,070,400	333,251,155	25
<u>DEDUCTIONS</u>				
Retirement, Disability, Survivor & Death Benefits	861,554,533	823,965,932	37,588,601	5
Health Care Expenses	100,686,865	94,618,069	6,068,796	6
Refunds & Transfers	54,776,868	56,974,162	(2,197,294)	(4)
Administrative Expenses (excluding Investments)	19,256,353	17,501,789	1,754,564	10
TOTAL DEDUCTIONS	1,036,274,619	993,059,952	43,214,667	4
Changes in Net Position	610,046,936	320,010,448	290,036,488	(91)
Net Position - Beginning	19,521,138,893	18,265,722,222	1,255,416,671	7
SERS Net Position - Ending	\$20,131,185,829	\$18,585,732,670	\$1,545,453,159	8%

HEALTH CARE FUND

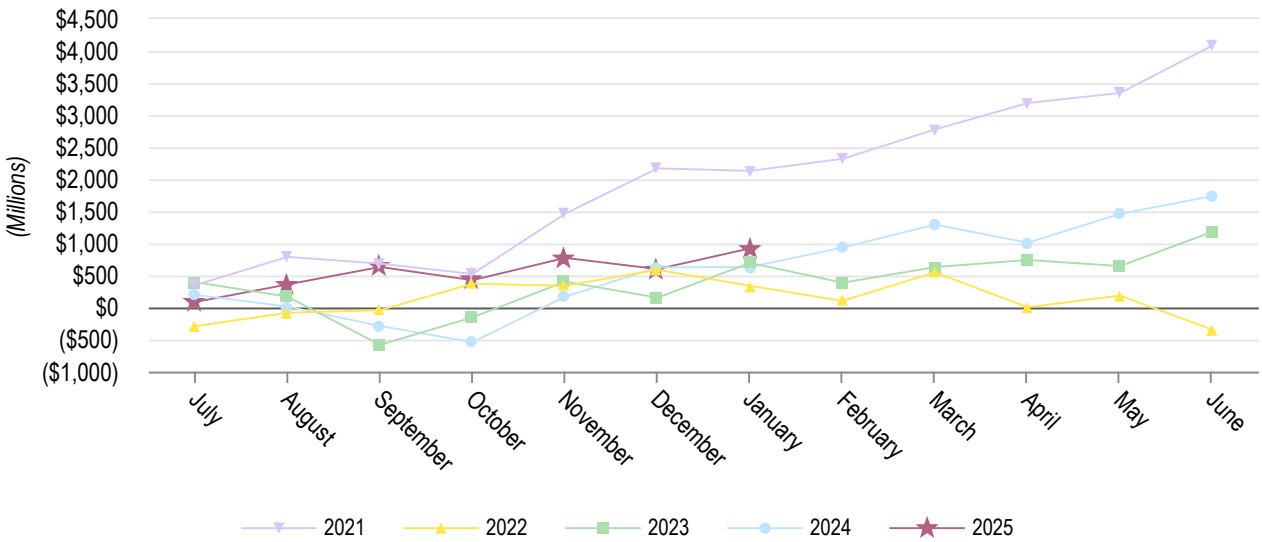
HEALTH CARE ADDITIONS

Employer Contributions	\$34,999,990	\$32,898,923	\$2,101,067	6%
Health Care Premiums	33,195,929	34,340,586	(1,144,657)	(3)
Federal Subsidies & Other Receipts	47,412,585	39,192,061	8,220,524	21
Total Investment Income, Net	32,779,987	21,194,816	11,585,171	55
TOTAL HEALTH CARE ADDITIONS	148,388,491	127,626,386	20,762,105	16
TOTAL HEALTH CARE DEDUCTIONS	102,515,176	96,310,265	6,204,911	6
Changes in Net Position	45,873,315	31,316,121	14,557,194	46
Net Position - Beginning	816,468,867	706,785,561	109,683,306	16
SERS Health Care Fund Net Position - Ending	\$862,342,182	\$738,101,682	\$124,240,500	17%

Total SERS Fund Balance for Previous 12 Months



Investment Income (includes realized and unrealized gains & losses)



Health Care Fund Balance Trend



Memo

To: Retirement Board
From: Richard Stensrud
CC: Karen Roggenkamp, Michelle Miller, Joe Marotta
Date: March 20, 2025
Re: Cost Impact of Compensation Recommendations

Background:

As you will recall, at the February Board meeting CBiZ provided the Board with guidance on two compensation-related matters. Both matters are addressed annually as part of the development of the next year's budget, and are important for maintaining the compensation structure and objectives established in the compensation study.

First, pursuant to the Compensation Policy, each year the salary structure (i.e., all of the salary ranges for all employees) is reviewed and adjusted as necessary based on the changes to the labor market salary data for the markets against which SERS' positions are benchmarked (public sector or private sector depending on the position). This is important because it is the mechanism by which SERS' salary ranges are kept aligned with the salaries for comparable positions, and in so doing, it helps assure that the salary ranges allow SERS to attract and retain the quality of employees that will enable SERS to continue to be successful at our mission. The annual adjustment also reduces the potential for having to make larger adjustments when market-competitive pay is assessed every three to five years in the full compensation study.

A few things to note about the salary structure adjustment:

- The annual salary range adjustment is the same for and applied to all positions.
- Changes to salary ranges does not mean that employees receive a salary increase in the amount of the change. In most cases, it is simply the salary range that is changed, not the salary. In some cases, however, an employee's salary may fall below the new salary range minimum, and in such a case the salary is raised to the new salary range minimum. Typically, this is a small salary adjustment.

The second compensation matter is the adjustment to the total salary budget for FY 25-26. Adjusting the salary budget annually to match market trends for annual salary growth is important and a best practice because it assures that wages remain competitive in the relevant markets and that larger salary increases are not required when the next compensation study is performed. As you will recall, annual merit increases are the primary source of salary growth for most SERS employees. Salary growth can also come via a promotion; be based on expanded job duties; for an equity adjustment to keep the employee appropriately placed in her/his salary range; or because the employee is below the minimum of her/his salary range. SERS' employees do not receive automatic step increases or cost of living adjustments.

Discussion:

In February, CBiZ made the following recommendations based on the labor market data for SERS' positions:

- A 3.1% increase to the salary structure (the increase in the salary range for all positions).
- A 4.5% increase in the total salary budget (the amount needed to address merit, planned promotions, equity adjustments, and bringing people up to the new minimum of their salary range).

CBiZ further recommended that the merit component of the salary budget be greater than the structure adjustment (range increase) so that people continue to advance within their salary range and not simply remain clustered in the lower part of the range. Specifically, CBiZ recommended that the merit growth be approximately 1.2% more than the structure adjustment.

As was done last year, with the CBiZ recommendations in mind, the following scenarios were modeled to illustrate the fiscal impact of various combinations of structure, merit and total salary budget growth levels. The calculations are built off of a projected base salary total for the end of FY 24-25 of \$17,767,194. Please further note that all of the scenarios include the addition of a proposed new Project Manager FTE. This proposed new position will be discussed with the Technology Committee at the March meeting.

- Scenario 1 assumes the CBiZ 3.1% structure adjustment recommendation as the starting point. Per the discussion above, that would mean a 4.25% merit assumption, and with promotions/adjustments (0.25%) and a new FTE (0.56%), would result in a 5.06% increase in the salary budget – an increase of \$899,524 over the FY 24-25 year-end total.
- Scenario 2 assumes the CBiZ 4.5% salary budget adjustment recommendation as the starting point. This would result in a lower salary structure adjustment of 2.5%, a 3.7% merit assumption, with promotions/adjustments (0.25%) and a new FTE (0.56%), bringing the total increase in the salary budget to 4.5%. This would be an increase of \$799,524 over the FY 24-25 year-end total.

Scenarios 3 and 4 illustrate variations on the two CBiZ recommendations.

- Scenario 3 assumes a slightly higher salary budget adjustment recommendation (4.71%) as the starting point. This would result in a 2.7% salary structure adjustment and a 3.9% merit adjustment. With the promotions/adjustments and a new FTE, the increase in the salary budget would be \$836,628.
- Scenario 4 assumes a slightly higher salary structure adjustment than Scenarios 2 and 3 (2.8%) as the starting point. This would result in a 4.0% merit adjustment, and with promotions/adjustments and a new FTE, a 4.81% salary budget adjustment. The salary budget increase would be \$854,396 greater than FY 24-25 year-end.

At the March Board Meeting the Board will be asked to approve a specific salary structure and salary budget adjustment, and merit level, so that this information can be built into the budget for FY 25-26. You will recall that pursuant to policy and practice, a preliminary budget is presented to the ORSC in April, the draft budget is presented for Board discussion in May, and the proposed final budget is presented for Board approval in June.

I hope this information is helpful. Please let me know if you have any questions.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Salary Structure Update	3.10%	2.50%	2.70%	2.80%
Merit Assumption	4.25%	3.70%	3.90%	4.00%
Adjustments	0.25%	0.25%	0.25%	0.25%
New FTE	0.56%	0.56%	0.56%	0.56%
Total Base Salary Growth	5.06%	4.50%	4.71%	4.81%
Total Projected Base Salary Increase	\$899,524	\$799,524	\$836,628	\$854,396
Total Personnel Budget Growth	5.9%	5.4%	5.6%	5.7%

CBIZ Recommendation 3.1% structure update and 4.5% total salary growth.

Based On Projected Actual			
Projected Base Salary Ending FY25**	\$17,767,194.67		
Total Projected Increases for FY26	\$799,523.76		
Budgeted promotions and Adjustments	\$43,707.83	0.25%	
Merit Budget	\$755,815.93	4.25%	
	\$18,566,718.43	4.50%	
Project Manager New FTE Salary	\$100,000.00	0.56%	
	\$18,666,718.43	5.06%	

Based On Projected Actual			
Projected Base Salary Ending FY25**	\$17,767,194.67		
Total Projected Increases for FY26	\$799,523.76		
Budgeted promotions and Adjustments	\$43,707.83	0.25%	
Project Manager New FTE Salary	\$100,000.00	0.56%	
Merit Budget	\$655,815.93	3.69%	
	\$18,566,718.43	4.50%	

Based On Projected Actual			
Projected Base Salary Ending FY25**	\$17,767,194.67		
Total Projected Increases for FY26	\$836,628.42		
Budgeted promotions and Adjustments	\$43,707.83	0.25%	
Project Manager New FTE Salary	\$100,000.00	0.56%	
Merit Budget	\$692,920.59	3.90%	
	\$18,603,823.09	4.71%	

Based On Projected Actual			
Projected Base Salary Ending FY25**	\$17,767,194.67		
Total Projected Increases for FY26	\$854,395.62		
Budgeted promotions and Adjustments	\$43,707.83	0.25%	
Project Manager New FTE Salary	\$100,000.00	0.56%	
Merit Budget	\$710,687.79	4.00%	
	\$18,621,590.29	4.81%	

Projections as of 3/3/2025

Memo

To: Retirement Board
From: Richard Stensrud
cc: Karen Roggenkamp
Date: March 14, 2025
Re: Age Reduction Factor Overview and Resolution

The attached materials provide detailed information regarding the analysis and proposed remediation of a benefit administration issue that has recently been discovered, as well as the steps that are being implemented to assure that similar situations do not occur in the future.

The issue centers on the actuarial-based reduction that is made to a retiree's service retirement benefit when the person retires earlier than reaching eligibility for an unreduced benefit. This actuarial 'age factor' reduction is made pursuant to a table prepared by SERS' actuary, which is built into SERS' pension calculation and administration system. That table is reviewed and revised as appropriate by the actuary every five years as part of the quinquennial experience study.

As detailed in the attached materials, in the case at hand the updated table was not properly submitted and installed in the pension administration system (first in MARS, then in SMART) following the five year experience studies in 2016 and 2021. As a result, from August 1, 2017 to the present, retirees who were subject to the age factor reduction have received a larger reduction to their benefit than they should have.

Extensive analysis has been undertaken to identify the retirees who experienced this over-reduction, the level of the over-reduction in each case, and how long the over-reduction has gone on. Through this analysis, the amount necessary to correct for the over-reduction has been identified and will be paid to each impacted benefit recipient. Pursuant to federal tax law requirements, interest will be added to the corrective payment to the 'make the retiree whole.'

As described in the attached materials, in order to move forward with the proposed remediation of this situation, the Board is being asked to take action to:

- Approve implementation of the correct age factor reduction table from the 2016 experience study originally adopted by the Board in March 2017 with an effective date of August 1, 2017.
- Adopt the correct age factor reduction table from the 2021 experience study and approve its implementation date (i.e., April 1, 2022).
- Approve the plan to make impacted retirees whole by adjusting their current monthly benefit and remitting retroactive payment for underpaid benefits.
- Approve including 3% interest to the corrective payments for benefits effective before July 1, 2024.

With this approval, the appropriate age factor reduction tables will be updated in SMART and the lump sum corrective payments will be calculated and sent to the bulk of the impacted retirees in April. A payment for the interest component will follow.

While the vast majority of the over-reductions were small, and the number of impacted retirees is also small relative to the total number of retirement benefits processed during this period, this situation is very disappointing and regrettable. As you will see in the attached materials, a number of measures will be implemented to help assure that a similar situation does not occur in the future.

I hope this information is helpful. Staff will be ready to answer any questions you might have.



Age Reduction Factor Overview and Resolution

March 2025

Reduction Factor Explanation

When pension benefits are received earlier than the unreduced retirement age (age 67), an actuarial reduction is applied to ensure that the present value of the benefits received is adequately discounted to cover the extended duration of payment. Actuarial reductions act as a balance between life expectancy and financial commitments and play a critical role in sustaining funds over extended periods. They ensure that fair payouts are maintained across several scenarios, and funds don't get exhausted prematurely.

SERS' actuary, CavMac, uses statistical analysis and modeling to ensure that such reductions are equitable to the retirees and sustainable for SERS. Various demographic factors such as age, service time, gender, and health status, along with economic factors establish these reduction factors. CavMac provides SERS with Early Retirement Reduction Factor (ERRF) tables that consist of separate service and age reduction tables for benefit calculations. These tables and other pension benefit tables are updated as part of the quinquennial actuarial experience study, which is typically done every five years. Tables are loaded into our pension administration system (SMART and formerly MARS) to calculate and pay retiree benefits.

Beginning on August 1, 2017, SERS ended its subsidization of age reduction factors due to the age and service changes approved by the Board and ultimately the General Assembly in SB 341 (pension reform). This caused the Age Reduction Factor (ARF) Table to change.

Discovery

During the course of addressing a retiree payment calculation, Finance requested the most recent ERRF tables from CavMac. Upon receipt, Legal and Finance discovered that the ARF Table did not appear to be the same one used in SMART. The SERS staff then expanded their review and validation including:

1. Extensive discussions with CavMac
2. Reviewing historical emails and files including the pension reform changes that were underway at that time
3. Assessing SMART coding and business rules since SERS was converting from MARS during the same time period
4. Reviewing Board resolutions and minutes
5. Contacting key members of the management team (current and former members) who were familiar with the 5-year Actuarial Experience Study and the SMART implementation process

Description

During the verification process, staff found the following key information:

- **4/21/2016:** CavMac presented a summary of the 2015 5-year Actuarial Experience Study results to the Board. This contained the actual economic and demographic performance of SERS' fund from July 1, 2010 – June 30, 2015. While a new ARF Table was generated, CavMac did not recommend Board approval of the table at that time.
- **12/9/2016:** CavMac sent a letter to SERS with an updated ARF Table that they recommended be approved by the Board and implemented on 8/1/2017. This was due to pension reform changes in age and service being implemented on that date. The email outlines this was a change from CavMac's prior recommendation to not implement the table and therefore was not part of the results presented in April 2016.
- **3/16/2017:** A Board resolution was passed that adopted the updated 2017 ARF Table for members retiring under R.C. 3309.34(A)(2) as contemplated by R.C. 3309.36(B)(3). Unfortunately, those updated factors were NOT put into use.
- **4/15/2021:** CavMac presented a summary of the 2020 5-Year Experience Study results to the Board. This contained the actual economic and demographic performance of SERS' fund from July 1, 2015 – June 30, 2020. It should be noted that per CavMac, they created another updated ARF Table in 2021, but the table was NOT delivered to SERS until validation was requested in December 2024.

In summary the ARF Table from 2017 was approved by the Board but never put into use, and the ARF Table from 2021 was never received from CavMac and consequently never approved by the Board. While the tables had minimal changes from 2017-2021, retirement benefits calculated using the old ARF Table were lower than they should have been, resulting in an underpayment of monthly benefits for those retirees that retired earlier than the normal retirement age.

Other Relevant Developments

Several major developments occurred that required staff oversight in addition to their daily work during the above timeline. This included:

October 2011: Work on building a new member and retiree computer system (SMART) began. Daily work continued in MARS.

1/7/2013: SB 341 became effective. For SERS, the following changes to age and service were targeted for implementation on 8/1/2017:

1. To retire with unreduced benefits: a member must be age 67 with 10 years of service credit or age 57 with 30 years of service credit, (previously, age 65 with 5 years, or any age with 30 years)
2. To retire early with actuarially reduced benefits: a member must be age 62 with 10 years of service credit or age 60 with 25 years of service credit, (previously, age 60 with 5 years, or age 55 with 25 years)

October 2013: Testing on SMART begins.

August 2014: Although the ARF Table would not be used to calculate benefits until 8/1/2017, the actuary made the table available to SERS so members could calculate the difference in their benefit if they retired before and after the new age and service requirements were put into place. This table was in the August 2014 *Service Retirement Guide* and was added to MARS so staff could run estimates and to SMART for testing purposes.

9/12/2016-2/27/2017: User acceptance testing (final stage of testing) was performed on SMART. Switchover from MARS to SMART occurred 2/27/2017. SMART utilized the outdated ARF Table for calculations.

Scope of Review

Upon confirmation that the most current ARF Table was not in use, the Executive Director and Deputy Executive Director organized a “SWAT” team in January 2025 to determine the extent of the problem and manage the remediation process. The team consisted of knowledgeable staff from Finance, Legal, Member Services, Information Technology, Communications, and Internal Audit; and other resources as needed including Sagitec (our SMART provider). Weekly progress was monitored by a steering committee consisting of Executive and the Directors of Legal/Communications, Information Governance, Risk, Information Technology, Health Care, Investments, and Member Services.

The team’s priorities included:

1. Identifying retirees who were negatively affected
2. Consulting with outside legal counsel (Ice Miller) for remediation guidelines that fulfilled IRS requirements
3. Developing SMART queries and validating the results through calculations and comparisons to system generated data
4. Calculating the underpayments, COLA impacts, and interest as recommended by Ice Miller and CavMac
5. Delivery of underpayments to impacted members
6. Ensuring that future early retiree retirement benefits are calculated correctly
7. Implementing process improvements/oversight so the same situation does not occur in the future
8. Ensuring accurate and timely outreach to affected members

Member Impact

SERS currently provides benefit payments for more than 82,000 retirees.

Since August 1, 2017, 6,350 members retired whose pension benefits were calculated using an outdated ARF Table. Of this population:

1. 5,878 retirements are able to be completely recalculated in SMART.
2. 472 others must be individually calculated due to benefit complexities.

Retirement Types	Number of Retirees Affected*	
SMART Recalculation Processing		5,878
Other Retirement Calculations		
Survivor	38	
DOPOs	36	
Deaths	222	
Pop Up/Pop Down	147	
66 and 28	25	
Converted Disability	4	
Subtotal		472
TOTAL		6,350

**Estimated*

SERS Impact

In the groups mentioned above, the population of 5,878 retirees will have their pension benefit recalculated in SMART using the updated ARF Table. The following chart details the impact of the adjustments:

Nearly 80% have less than a \$25 monthly increase.

More than 97% have a monthly difference of less than \$50.

Summary of Monthly Difference for SMART Population

Difference Range \$	Number of SMART Population Retirees	% of Total
0-24.99	4,680	79.62%
25-49.99	1,028	17.49%
50-74.99	146	2.48%
75-99.99	16	0.27%
100-124.99	3	0.05%
=>125	5	0.09%
TOTAL	5,878	100.00%

**Summary of Total Amount Due for SMART Population
(including COLA but excluding interest)**

Underpayment Range \$	Number of SMART Population Retirees	Sum of Total Underpayment \$	Average Underpayment Amount \$	% of Total
0-74.99	215	\$10,686.21	\$49.70	3.66%
75-174.99	651	\$84,539.80	\$129.86	11.08%
175-274.99	743	\$167,462.90	\$225.39	12.64%
275-374.99	749	\$243,444.79	\$325.03	12.74%
375-474.99	655	\$277,270.45	\$423.31	11.14%
475-574.99	562	\$294,471.34	\$523.97	9.56%
575-674.99	483	\$302,184.33	\$625.64	8.22%
675-999.99	916	\$751,068.74	\$819.94	15.58%
1000-1499.99	604	\$724,325.68	\$1,199.21	10.28%
1500-1999.99	195	\$332,972.83	\$1,707.55	3.32%
2000-2999.99	83	\$195,921.42	\$2,360.50	1.41%
3000-3999.99	17	\$56,625.61	\$3,330.92	0.29%
4000-4999.99	3	\$13,488.45	\$4,496.15	0.05%
=>5,000	2	\$12,947.22	\$6,473.61	0.03%
TOTAL	5,878	\$3,467,409.80*	\$589.90	100.00%

*Estimated through April 1, 2025.

Of the accumulated \$3.5 million impact, members who have been retired the longest generally will receive the highest lump sum payments.

We project the final distribution amount will increase by approximately \$472,000 when the manual calculation group is completed.

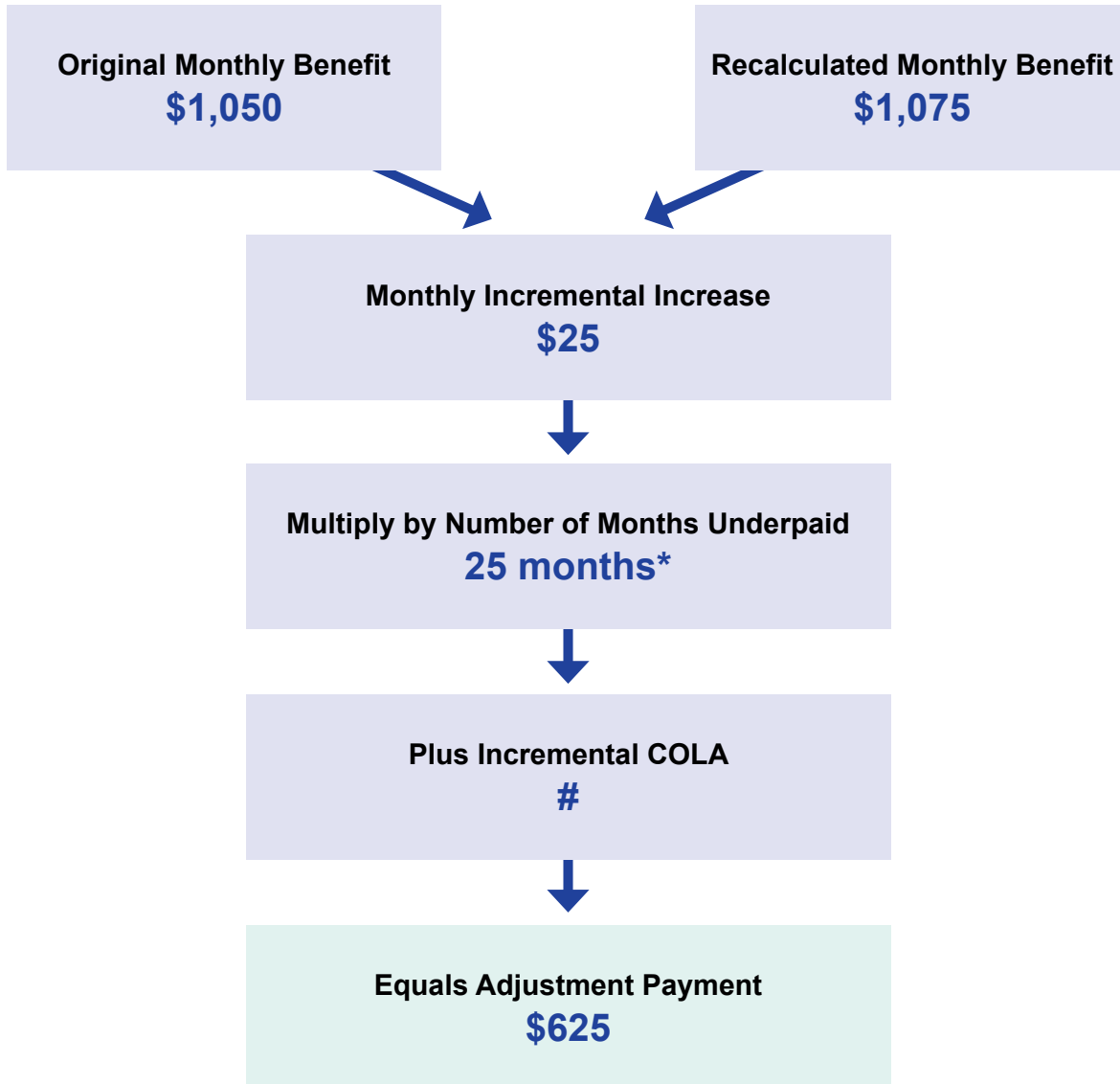
For recalculation purposes, early retirements approved between August 1, 2017, and March 31, 2022, will be based on the 2017 ARF Table, and early retirements approved from April 1, 2022, to present will be based on the 2021 ARF Table. The April 1, 2022, start date represents the time the other actuarial factors were put into use at SERS from the 2020 5-Year Experience Study.

Comparison of age reduction factors in SMART to 2015 and 2020 quinquennial values

Age	Age Reduction Factor in SMART (2010 quinquennial)	Age Reduction Factor in Resolution 2084 (2015 quinquennial)	Difference (SMART vs quinquennial 2015 - Resolution 2084)	Age Reduction Factor (2020 quinquennial Not Yet Approved)	Difference (SMART vs quinquennial 2020)
62	58.60%	60.50%	1.90%	61.40%	2.80%
63	64.90%	66.70%	1.80%	67.40%	2.50%
64	72.10%	73.60%	1.50%	74.20%	2.10%
65	80.30%	81.40%	1.10%	81.80%	1.50%
66	89.50%	90.10%	0.60%	90.40%	0.90%
67	100.00%	100.00%	0.00%	100.00%	0.00%

Sample Recalculation

How the underpayment check is calculated



* In this example, retirement effective date of 4/1/2023 through 4/1/2025 equals 25 months of underpayment.

No COLA adjustment as member has not reached COLA eligibility.

Interest

Ice Miller has recommended that interest be paid as set by our actuary. CavMac has set 3% as the rate. Because interest calculations are not programmed into SMART, this will be a separate member payment. More than 96% will receive a one-time interest payment under \$50.

Remediation Requirements Checklist

- ☒ Consult with outside legal counsel to understand the IRS implications of these underpayments and chart the path forward (**completed**).
- ☒ Consult with CavMac to ensure the correct 2021 ERRF Table is being used (**completed**).
- ☒ Review all other actuarial tables loaded in SMART to ensure they are all correct (**completed**).
- ☒ Identify all affected retirees (**completed**).
- ☒ Add the 2021 ERRF Table to SMART in SEC-STAGE for testing. This will allow staff to begin using the table as soon as the Board approves it (**completed**).
- ☐ Review and receive Board approval of the 2021 ERRF Table with an effective date.
- ☐ Receive Board approval of the correction process, payment details, and interest rate.
- ☐ Notify all affected retirees/beneficiaries of the adjustment and alert them that a one-time lump sum payment for the amount of underpayment since their benefit commenced (on or after August 1, 2017) will be deposited into their bank account. Those same retirees/beneficiaries, with the exception of those who have an effective benefit date on or after July 1, 2024, will also receive a check stub detailing a one-time interest payment.
- ☒ Review SMART business rules to make sure the plan is being followed (**completed**).
- ☒ Complete SMART Code Changes to ensure that the new ARF Table is properly loaded and working correctly (**completed**).
- ☐ Release payments to affected retirees/beneficiaries (targeted for April and May)

Prevention Measures

New Policies

In 2017, SERS implemented a Succession Planning Policy to help manage short-term vacancies and the eventual permanent personnel change in key positions – either planned or unplanned – to ensure the stability and accountability of the organization. This policy is intended to prepare qualified internal candidates for promotion and facilitate the sharing of institutional knowledge. Unfortunately, this policy was not fully in effect when some of the significant retirements mentioned previously occurred. Add new steps in the policy to require the identification of key knowledge transfer processes. For Finance, this would include receiving updated 5-year Experience Study information from SERS' actuary and ensuring the hand-off to SMART.

Improve Communication with the Actuary

Establish a project kickoff meeting with the actuary before the onset of the 5-year Actuarial Experience Study that includes key Finance, Member Services, and Legal team members. Document deliverables, regulatory changes (if applicable), and timing. Hold a wrap-up meeting with the same team following the completion of the study.

Use a Task Management Tool for Documentation and Reminders

Finance uses Blackline software to manage projects. That software could be used to document the process for updating actuarial tables and provide reminders to open ServiceNow tickets to update SMART. It could also include meeting minutes, deliverables, final Board resolutions, and any other material that will be helpful the next time the 5-year Actuarial Experience Study takes place.

Create Signoffs

Generate a signoff document that is circulated to the CFO, General Council, Director of Member Services, Internal Auditor, Deputy ED, and ED to ensure that multiple people certify that tables such as ARF have been received, approved by the Board, loaded into SMART, and put into use by the Member Services team.

Initiate Internal Audit Oversight

Involve the Internal Auditor in the verification process by initiating a new audit on the 5-year Actuarial Experience Study process or adding that oversight to an existing audit.

Memorandum



To: Ms. Marni Hall, Chief Financial Officer
From: CavMac
Date: January 22, 2025
Re: Actuarial requirements under 3309.36(D)

ORC Section 3309.36(D) requires the actuary to evaluate the basis for actuarial equivalent reductions for certain retirement eligibilities prior to eligibility for unreduced retirement benefits. We have prepared and recommend the Board adopt updated actuarial equivalent reduction factors applicable to non-grandfathered members with less than 25 years of service who elect to retire prior to eligibility for unreduced benefits with an effective date of April 1, 2022.

Let us know if you have any questions.



**Ohio School Employees Retirement System
Early Retirement Actuarial Reduction Factors
Actuarially Adjusted For Years Before Age 67**

**7.00% Interest, PUB 2010 General Employees Amount Weighted Below Median Mortality Table Projected to
2017 with Male Ages set Forward 1 year and Female Ages set Forward 2 years (94.2%M/81.35%F)*
(Blended 30% Male, 70% Female)**

<u>Age</u>	<u>Factor</u>
62	61.4%
63	67.4%
64	74.2%
65	81.8%
66	90.4%
67	100.0%

* Improvement projected with MP2020 to year 2025.



Memorandum

To: Ms. Marni Hall, Chief Financial Officer
From: CavMac
Date: March 03, 2025
Re: Underpayment Correction

SERS has inadvertently underpaid benefits to members whose retirement benefits were calculated in accordance with 3309.36(B)(3). As a result, SERS must adjust benefit payments for current and former participants, as well as correct back underpayments. According to EPCRS Section 6.02(4)(4), these underpayments should be corrected with interest on an actuarial equivalent basis.

SERS applies different interest rates across its system. Specifically, no interest is credited on members' accumulated contributions. However, a 3.00% annual interest rate is applied to reemployed retirees' employee contribution accounts. Additionally, the assumed rate of return on the market value of assets is 7.00%, which reflects the long-term expected return on assets supporting the system.

Public sector retirement systems across the country vary in how they correct underpayments, particularly in the interest rates used to calculate the amounts owed. In this case, actuarial equivalence is not explicitly defined for this purpose. We believe it would be inappropriate to use the assumed rate of return, as it is based on a complex long-term investment strategy. Conversely, applying no interest to corrected back payments would be too punitive.

Therefore, we recommend that the Board apply the same 3.00% annual interest rate as is used for reemployed retirees' contribution accounts.

**AGE REDUCTION FACTOR TABLES – IMPLEMENTATION OF TABLES AND
ADJUSTMENT OF BENEFITS**

It was moved by _____ and seconded by _____ that SERS will fully correct operational oversights pursuant to the IRS's Self Correction Program under the Employee Plans Compliance Resolution System (EPCRS) as follows:

- 1) implement the age reduction factor table approved by the Board in March 2017, with an effective date of August 1, 2017;
- 2) adopt effective April 1, 2022, the age reduction factor table recommended by SERS' actuary CavMac and presented at the March 2025 Board meeting, and implement the table;
- 3) make retirees who are affected by the change in age reduction factor tables whole as required by EPCRS by adjusting their current monthly benefit and remitting retroactive payment for underpaid benefits; and
- 4) include simple interest at a rate of 3%, a rate recommended by SERS' actuary CavMac, on retroactive payments for retirees with a benefit effective date before July 1, 2024.

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Catherine Moss	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
James Haller	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Matthew King	_____	_____	_____

Memo

To: Retirement Board
From: SERS Legal Department
CC: Richard Stensrud
Date: March 10, 2025
Re: Administrative Rules

Two categories of resolutions on Administrative Rules are on the March Board Agenda.

I. Approval to file with JCARR the following proposed amended rule:

- **3309-1- 29 Purchase of service credit; out-of-state and other**

This rule details the process for purchasing eligible out-of-state service credit and the type of credit available to purchase. The proposed amendment codifies the existing interpretation that employment identical to that covered under R.C. 3309.01(B)(2) that is performed in an out-of-state school is eligible for purchase. These are positions where a person paid by one who has contracted with the school performs a service common to the normal daily operation of the school.

II. Approval to final file the following proposed new and amended administrative rules:

- **3309-1-07 Application for payment of accumulated contributions**
- **3309-1-09 Federal Taxation**
- **3309-1-11 Membership determinations**
- **3309-1-20 Validity of marriage**
- **3309-1-61 Reemployment covered by section 3309.345**
- **3309-1-70 Contribution based benefit cap**

Please call Todd Nist at 614-340-1287 or Britani Galloway at 614-222-5924 if you have any questions before the meeting.

FILING OF PROPOSED AMENDED ADMINISTRATIVE RULE

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rule: 3309-1-29 Purchase of Service Credit; out-of-state and other.

_____ moved and _____ seconded that proposed amended rule 3309-1-29 be filed with JCARR as discussed.

3309-1-29 Purchase of Service Credit; out-of-state and other

- (A) All service in public or private schools, colleges and universities or public service with another state or the United States government which is to be purchased shall be subject to the following requirements, governing eligibility and cost:

(1) To be eligible to purchase service under this rule, after termination of the service to be purchased, a member must have one year of Ohio service in a year as defined in division (R) of section 3309.01 of the Revised Code.

(2) The service credit must be properly certified by the official employer or custodian of records on a form acceptable to the retirement board. The certification should be taken from a legitimate source of documentation such as payroll or retirement records. When records have been destroyed, affidavits may be used, but only in conjunction with other documented evidence as proof of service.

(3) Accrued interest shall be calculated from the date of membership in the school employees retirement system of Ohio following service to be purchased to the date of payment.

(4) The member will be entitled to purchase any portion of the service credit under this rule not to exceed five years, or the total accumulated number of years of Ohio contributing service credit, whichever is less.

(5) Service credit to be purchased shall be granted in accordance with the law and policy of the school employees retirement board current at the time each portion of service to be purchased was performed.

(6) School service purchased under this rule shall receive .125 per cent of a year service credit per month of service rendered prior to July 1, 1955, and .111 per cent of a year service credit per month of service rendered after June 30, 1955 and before July 1, 1977. School service performed after June 30, 1977 shall be determined by dividing the number of days paid by one hundred eighty, if the employee worked less than one hundred twenty days in the partial year to be purchased. All service other than school service purchased under this rule shall receive .083 per cent of a year service credit per month of service rendered.

(7) The Ohio service used for the purpose of establishing the purchase price of service under this rule shall be the first year of continuous full-time Ohio service following termination of the service to be purchased.

(8) No more than one year of service credit may be granted for any twelve-month

period.

(B) The following types of service may be purchased under this rule:

(1) Employment in a public or private school, college or university, located in or out of Ohio and ~~service employment~~ in any school operated by or for the United States government, provided any such school, college or university is recognized by an accrediting association approved by:

(a) The U.S. office of education;

(b) The appropriate state department of education; or

(c) The appropriate state department of higher education, and acceptable to the retirement board.

For purposes of this section, employment includes the performance of services that would qualify the individual to be an "employee" under division (B)(2) of section 3309.01 of the Revised Code.

(2) Employment with a public governmental entity of a state or of the United States government which would have been covered by the school employees retirement system, state teachers retirement system, Ohio police and fire pension fund, state highway patrol retirement system, or the public employees retirement system, if served in a comparable position in Ohio; and

(3) Except as provided in division (C) of section 3309.31 of the Revised Code, service for which contributions were made to a municipal retirement system in Ohio.

(C) For purposes of section 3309.31 of the Revised Code and this rule, "Ohio contributing service" and "Ohio service" means contributing service in this retirement system.

HISTORY: 4/1/24, 4/28/13, 4/2/10, 5/14/05, 2/11/02, 11/19/01 (emer), 5/14/87, 6/29/78, 12/16/77, 12/14/76

Promulgated Under:	111.15
Statutory Authority:	3309.04
Rule Amplifies:	3309.31
Review Date:	2/1/29

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Catherine Moss	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
James Haller	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Matthew King	_____	_____	_____

FINAL FILING OF PROPOSED NEW AND AMENDED ADMINISTRATIVE RULES

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed new and amended rules: 3309-1-07 Application for payment of accumulated contributions; 3309-1-09 Federal Taxation; 3309-1-11 Membership determinations; 3309-1-20 Validity of marriage; 3309-1-61 Reemployment covered by section 3309.345; and 3309-1-70 Contribution based benefit cap; that have been reviewed by JCARR and are ready for final adoption by the Board.

_____ moved and _____ seconded that proposed new and amended rules 3309-1-07, 3309-1-09, 3309-1-11, 3309-1-20, 3309-1-61 and 3309-1-70 be filed with JCARR as discussed.

3309-1-07 Application for payment ~~upon termination of employment of~~ accumulated contributions.

- (A) For purposes of this rule, "retirant" means a "SERS retirant" or "other system retirant" as defined in section 3309.341 of the Revised Code, or a member who retired under section 3309.343 of the Revised Code.
- (B) An application for payment of the accumulated contributions in a member's individual account pursuant to section 3309.42 of the Revised Code shall be signed by the member. If the account balance exceeds five thousand dollars, the member's signature must be notarized or witnessed by a SERS counselor.
- (C) An application for a lump sum annuity payment or a return of contributions pursuant to section 3309.344 of the Revised Code shall be signed by the retirant. If the account balance exceeds five thousand dollars, the retirant's signature must be notarized or witnessed by a SERS counselor.
- (D) If the member or retirant was employed in a SERS-covered position during the six month period preceding the application, the application shall not be approved until the employer certifies to the retirement system the member or retirant's last date of service.
- (E) For purposes of division (A)(2) of section 3309.42 of the Revised Code, "eligible for age and service retirement" means a member is eligible for retirement under section 3309.34, 3309.36, or 3309.381 of the Revised Code on or before the first of the month following the date the application for a refund is received by the retirement system.
- (F) The retirement board waives the requirement of spousal consent in division (A)(2) of section 3309.42 of the Revised Code upon receipt of one of the following:
 - (1) The written statement of the spouse's physician certifying that the spouse is medically incapable of consent;
 - (2) A certified copy of a probate court order appointing a guardian for the spouse due to a finding of incompetence; or
 - (3) The affidavits of the member and at least two other persons, one of whom must be unrelated to the member, attesting that the whereabouts of the spouse is unknown.

(G) A member or retirant may withdraw an application by delivering to the retirement system a signed written request over the applicant's signature to withdraw the application and as follows:

- (1) If the payment was made by check, by returning to the retirement system the warrant uncashed no later than thirty days from the date the check was issued.
- (2) If the payment was transmitted by direct deposit to the member or retirant's financial institution, by remitting to the retirement system a personal check or money order repaying the amount transmitted no later than thirty days after the institution's receipt of the payment.
- (3) If any portion of the payment was distributed as a direct rollover pursuant to rule 3309-1-53 of the Administrative Code, the retirement plan that received the distribution must return to the retirement system the amount transferred no later than sixty days after the transfer.
- (4) If any portion of the payment was paid to satisfy a court order or was otherwise deducted as required by law, the application may not be withdrawn as provided in this rule.

(H) An application for payment of a benefit pursuant to Chapter 3309. of the Revised Code due to the death of a member or a retirant shall be signed by the beneficiary. When a benefit payable pursuant to division (C) of section 3309.344 of the Revised Code, section 3309.44 of the Revised Code, division (E) of section 3309.45 of the Revised Code, or division (D) of section 3309.46 of the Revised Code exceeds five thousand dollars, the beneficiary's signature must be notarized or witnessed by a SERS counselor.

HISTORY: 4/1/24, 5/3/19, 5/15/17, 8/13/15, 3/30/15, 4/2/10, 5/14/05, 2/11/00, 1/2/93, 12/24/76

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.42, 3309.344
Review Date: 2/1/29

3309-1-09 Federal Taxation.

- (A) For purposes of this rule, "benefit" refers to a payment from the accumulated contributions of the member or the employer, or both, under Chapter 3309. of the Revised Code and includes an account refund, pension, annuity, disability benefit, or survivor benefit.
- (B) Notwithstanding any provision in rules of school employees retirement system ("SERS") or Chapter 3309. of the Revised Code to the contrary, distributions to members and beneficiaries shall be made in accordance with a good faith interpretation of the requirements of section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C. 401(a)(9), as applicable to a governmental plan within the meaning of section 414(d) of the Internal Revenue Code, 26 U.S.C. 414(d), and the following:
 - (1) The entire interest of a member shall be distributed to the member:

- (a) Not later than the required beginning date; or
- (b) Beginning not later than the required beginning date over the life of the member and a designated beneficiary (or over a period not extending beyond the life expectancy of such member or the life expectancy of such member and designated beneficiary) within the meaning of section 401(a)(9) of the Internal Revenue Code.

(2)

- (a) The required beginning date means April first of the calendar year following the later of:
 - (i) The calendar year in which the member attains the applicable age; or
 - (ii) The calendar year in which the member retires.
- (b) For purposes of compliance with section 401(a)(9) of the Internal Revenue Code, "applicable age" means:
 - (i) Age seventy and one-half (if the member was born before July 1, 1949);
 - (ii) Age seventy-two (if the member was born after June 30, 1949, but before January 1, 1951); or
 - (iii) Age seventy-three, ~~or the otherwise applicable age under section 401(a)(9)(C)(v) of the Internal Revenue Code,~~ (if the member was born ~~on or after January 1, 1951~~ December 31, 1950, but before January 1, 1960); ~~or~~
 - (iv) Age seventy-five (if the member was born on or after January 1, 1960).

- (3) If distribution of a member's benefit has begun in accordance with section 401(a)(9) of the Internal Revenue Code, and the member dies, any survivor benefits will be distributed at least as rapidly as under the plan of payment selected and effective as of the date of the member's death.
- (4) If a member dies before the distribution of the member's interest has begun in accordance with section 401(a)(9) of the Internal Revenue Code, the entire interest of the member will be distributed within five years after the death of such member. However, if a benefit is payable to or for the benefit of a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed, over the life of such beneficiary, or over a period not extending beyond the life expectancy of the beneficiary, provided that such distributions begin not later than one year after the date of the member's death. If the beneficiary is the surviving spouse of the member, distributions shall not be required to begin, pursuant to that section, until the end of the calendar year in which the member would have attained ~~age seventy-two, in the case of a member who would have attained~~ the applicable age. When the beneficiary is the surviving spouse and the surviving spouse dies before distributions commence, then the surviving spouse shall be treated as the member for purposes of this rule. Effective for calendar

years beginning after December 31, 2023, a surviving spouse who is the member's sole designated beneficiary may elect to be treated as if the surviving spouse were the member as provided under section 401(a)(9)(B)(iv) of the Internal Revenue Code.

- (5) Any death benefit amount payable under Chapter 3309. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code.

(C) When the retirement system is required to make a distribution in accordance with section 401(a)(9) of the Internal Revenue Code, and has confirmed that it has accurate contact information for the member or retirant, but the~~a~~ member or retirant does not respond after notification of the requirement to begin distributions~~such event~~, the following shall apply notwithstanding any provision in SERS rules or Chapter 3309. of the Revised Code to the contrary.

- (1) If the member is not eligible for a retirement allowance pursuant to section 3309.34 or 3309.35 of the Revised Code, the retirement system shall refund the member's account as authorized in section 3309.42 of the Revised Code.

- (2) If the member is eligible for a retirement allowance pursuant to section 3309.34 or 3309.35 of the Revised Code, the retirement system shall calculate and pay a benefit as authorized in section 3309.36 or 3309.343 of the Revised Code, as a plan B, effective on the required beginning date as provided in paragraph (B)(2) of this rule.

- (a) The member cannot purchase or receive any service credit after the effective date of the retirement allowance.
- (b) A member who commences receipt of a retirement allowance under this rule, and who is married, may, not later than one year after the payment commenced, elect a plan of payment under division (B)(1), (B)(3)(b), or (B)(3)(c) of section 3309.46 of the Revised Code provided the spouse is named as the beneficiary. The election shall be made on a form provided by the retirement system and shall be effective on the later of the effective date of the retirement allowance or the marriage. Any overpayment may be recovered as provided in section 3309.70 of the Revised Code.

- (c) If the member also was eligible for health care coverage pursuant to SERS rules and Chapter 3309. of the Revised Code, the member may, not later than sixty days after the commencement of payment of the retirement allowance, enroll for such health care coverage on a form provided by the retirement system. The effective date shall be no earlier than the first of the month after the retirement system receives the member's enrollment form.

- (3) If the retirant is eligible for a benefit pursuant to section 3309.344 of the Revised Code, the retirement system shall calculate and pay a single lump sum benefit as authorized in section 3309.344 of the Revised Code. If such retirant also is eligible for an annuity, the retirant may return the lump sum payment within sixty days of the receipt of the payment and request an annuity on a form provided by the retirement system.

- (4) If the benefit payment of a deceased member's spouse is subject to section 401(a)(9) of the Internal Revenue Code, then the retirement system shall treat the spouse as if the spouse was the member as described in Treas. Reg. 1.401(a)(9)-3(b)(3)(d) for the purposes of this rule, ~~to the extent provided under section 401(a)(9) of the Internal Revenue Code.~~

(D)

- (1) Effective for the limitation year beginning on January 1, 2012, the final regulations promulgated April 5, 2007 with respect to section 415 of the Internal Revenue Code, 26 U.S.C. 415 are incorporated herein by reference. The 5.5 per cent interest rate assumption established by the Pension Funding Equity Act of 2004, which is applicable to any actuarial adjustments required because the member or retirant elects a form of payment to which section 415(b)(2)(E) of the Internal Revenue Code and section 417(e)(3) of the Internal Revenue Code, 26 U.S.C. 417(e)(3) apply based on the form of benefit and not the status of the plan, shall be effective as of that same date.

- (2) "Limitation year" is the year used in determining whether the limits set forth in section 415 of the Internal Revenue Code have been exceeded with respect to a member or retirant in the plan describe in sections 3309.18 to 3309.70 of the Revised Code. The limitation year for the plan is the calendar year.

- (E) Effective January 1, 2007, to the extent required by section 401(a)(37) of the Internal Revenue Code, 26 U.S.C. 401(a)(37) and notwithstanding any provision in Chapter 3309. of the Revised Code to the contrary, the survivor of a member on a leave of absence to perform military service with reemployment rights described in section 414(u) of the Internal Revenue Code, 26 U.S.C. 414(u), where the member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under Chapter 3309. of the Revised Code had the member resumed employment and then terminated employment on account of death.

- (F) If there is a termination of the plan described in Chapter 3309. of the Revised Code or a complete discontinuance of contributions to the plan, the rights of each affected member, retirant, and beneficiary to the pension, annuity, or benefits accrued at the date of termination or discontinuance of contributions, to the extent then funded, are non-forfeitable.

- (G) For purposes of the limit established by section 415 of the Internal Revenue Code, 26 U.S.C. 415, effective January 1, 2009, compensation shall include differential wage payments as defined in section 3401(h)(2) of the Internal Revenue Code, 26 U.S.C. 3401(h)(2).

HISTORY: 4/1/24, 6/1/23, 6/5/20, 5/1/18, 4/10/14, 4/1/13, 9/26/10, 4/3/09, 1/6/09 (Emer.)

Promulgated Under:	111.15
Statutory Authority:	3309.04
Rule Amplifies:	3309.03, 3309.34, 3309.344, 3309.36, 3309.44, 3309.45, 3309.46, 3309.50
Review Date:	2/1/28

3309-1-11 Membership determinations.

- (A) A request for a determination as to whether an individual or a group of individuals are required to be members of the school employees retirement system may be initiated by an employer, an affected individual, or the retirement system.
- (1) An employer or individual who has a question as to membership requirements shall request in writing a determination by the retirement system. Such determination shall be made as provided in rule 3309-1-03 of the Administrative Code.
- (2) When a membership determination has been initiated, the employer and any affected individual or individuals shall furnish such documents and information requested by the retirement system.
- (B) If contributions have not been remitted and the retirement system determines the individual is covered by this system, the employer shall be liable for employee and employer compulsory contributions pursuant to rule 3309-1-13 of the Administrative Code. If no membership record and/or contributions are received by the system within thirty days of the determination, a charge, based on an estimated salary for such individual's position, against the employer shall be made for collection through the state school foundation program if available or by direct billing.
- (C) If contributions have been remitted and the retirement system determines the individual is not covered by this system, any contributions received shall be unauthorized and shall be refunded.
- (D)
- (1) The definition of "employee" in division (B)(2) of section 3309.01 of the Revised Code does not include a person who holds a position for which the person is required to have a certificate or license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code.
- (2) The retirement board has determined that the phrase "service common to the normal daily operation of an educational unit" as used in division (B)(2) of section 3309.01 of the Revised Code means:
- (a) Any service that an educational unit is required, by law, statute, or rule, to be provided on a regular continuous basis ~~by an educational unit or the provision of which is governed by law, statute, or rule~~; or
- (b) Any service necessary on a regular continuous basis to the efficient operation of an educational unit; or
- (c) Any service which, through custom and usage, has become a service commonly provided or procured by an educational unit on a regular continuous basis.

HISTORY: 4/1/24, 12/4/20, 4/3/09, 9/27/04

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.01, 3309.23
Review Date: 2/1/2029

3309-1-20 Validity of marriage.

- (A) For purposes of this rule, "age and service retiree" and "disability benefit recipient" have the same meaning as defined in rule 3309-1-35 of the Administrative Code, and "retiree" has the same meaning as defined in division (G) of section 3309.01 of the Revised Code.
- (B) For the purpose of qualifying for, or receiving, any benefit as a spouse under Chapter 3309. of the Revised Code, the member's or retiree's marriage must be recognized by the state of Ohio. The school employees retirement board shall accept the following as proof of marriage:

- (1) A certified marriage certificate or abstract of marriage; or
- (2) In the absence of a certified marriage certificate or -abstract of marriage, a decision rendered by a court, having jurisdiction in the state in which the member or retiree was domiciled at the time of death, that the relationship constituted a valid marriage at time of death, or the "spouse" would have the same status as a widow or widower for purposes of sharing in the distribution of the member's or retiree's intestate personal property if not otherwise prohibited by section 3105.12 of the Revised Code.

~~(C) For any retiree or disability benefit recipient legally married in another state before June 26, 2015 whose marriage became recognized in the state of Ohio beginning on that date, the following rules apply:~~

- ~~(1) If a retiree makes an election under division (E)(3) of section 3309.46 of the Revised Code, the election must be made before June 26, 2016;~~
- ~~(2) An eligible age and service retiree or disability benefit recipient may enroll themselves and may enroll a spouse in the system's health care plan at any time between August 1, 2015 and November 30, 2015.~~
- ~~(3) The surviving spouse of a deceased age and service retiree who is receiving a benefit pursuant to section 3309.46 of the Revised Code may enroll in the system's health care plan at any time between August 1, 2015 and November 30, 2015.~~

HISTORY: 10/4/15, 4/10/14, 4/3/09, 8/14/04, 5/8/04, 12/24/76

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.44, 3309.45
Review Date: 1/31/25

3309-1-61 Reemployment covered by section 3309.345 of the Revised Code.

- (A) When an employer proposes to continue the employment as a reemployed retirant, or rehire as a reemployed retirant in the same position, an individual who is, or most recently has been employed in a position customarily filled by a vote of members of a board or commission, the employer shall certify to the retirement system that it complied with the public notice and public meeting requirements of section 3309.345 of the Revised Code.
- (B) The public notice and public meeting requirements of division (B) of section 3309.345 of the Revised Code, shall not apply to subsequent years when the reemployment is in the same position and continuous from year to year.
- (C) The person reemployed shall be subject to any other provisions applicable to reemployment.

3309-1-70 Contribution based benefit cap.

- (A) As used in this rule:
- (1) "Retirement allowance" has the same meaning as defined in division (A) of section 3309.363 of the Revised Code.
 - (2) "CBBC" has the same meaning as defined in division (A) of section 3309.363 of the Revised Code.
- (B) The calculations required by section 3309.363 of the Revised Code shall be made when calculating retirement allowances with effective dates of August 1, 2024, or later.
- (C) A retirement allowance with an effective date of August 1, 2024 or later shall not be finalized and granted until after the member's CBBC has been calculated.
- (D) When a member's employer has purchased service credit under section 3309.33 of the Revised Code, an amount equal to ten per cent of the member's highest year of compensation multiplied by the years of service credit purchased shall be credited to the member's accumulated contributions.
- (E) When a member retires under section 3309.35 of the Revised Code and school employees retirement system is the paying system, contributions used to fund a disability benefit under sections 145.36 or 3307.63 of the Revised Code shall be included in the value of the member's accumulated contributions for purposes of division (C) of section 3309.363 of the Revised Code.

HISTORY: 8/4/24

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.36, 3309.363, 3309.381, 3309.45
Review Date: 2/1/29

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Catherine Moss	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
James Haller	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Matthew King	_____	_____	_____

Memo

To: Retirement Board
From: Richard Stensrud
CC: Karen Roggenkamp
Date: March 7, 2025
Re: Remote Board Meeting Attendance Policy

As discussed at the February Board meeting, recently enacted House Bill 257 (HB 257) authorizes Ohio pension system Board members to remotely attend a limited number of Board meetings every year. HB 257 directs pension Boards to adopt a policy should they choose to allow remote Board meeting attendance.

Included in this month's materials is a draft Remote Board Meeting Attendance Policy for your consideration. Language included in the Policy tracks the new statute (R.C. 3309.091) created by HB 257.

Should the Board wish to adopt the Policy, a resolution to do so is also included in your materials. HB 257 is effective April 9, 2025, so the resolution has that date as the effective date of the Policy. The Policy would then be in effect for the April Board meeting.

If you have any questions about the draft Policy, please don't hesitate to contact me.

REMOTE BOARD MEETING ATTENDANCE POLICY

It was moved by _____ and seconded by _____ to adopt a Remote Board Meeting Attendance Policy. The Policy shall be effective April 9, 2025.

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Catherine Moss	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
James Haller	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Matthew King	_____	_____	_____



BD2-015

Remote Board Meeting Attendance

Effective Date:	April 9, 2025	Revision Date:	N/A	Audience:	Everyone
Owner:	Board	Certifier:	Richard Stensrud	Co-Owner(s):	Executive
Document Links:	Purpose , Policy , Procedure , Definitions , Related Documents , Policy History				

Purpose

To outline the requirements for Board members to remotely attend via video conference regularly scheduled Board meetings in accordance with R.C. 3309.091.

Policy

Board Member Participation Requirements

1. Each Board member must, at a minimum, attend at least three-quarters of the regularly scheduled Board meetings during the Board's calendar year, which starts July 1 and ends June 30. For clarity, if the Board has ten regularly scheduled meetings during the year, each Board member must attend at least eight meetings in person. Similarly, if a Board Committee has four regularly scheduled meetings during the year, each Board committee member must attend at least three of the meetings in person.
2. For each meeting, a majority of the Board or Board Committee members must attend in person.
3. Unless an emergency exists, Board members and Board Committee members must notify the Board Chair or Committee Chair, as well as the Executive Director, at least seventy-two hours in advance of the meeting of their intention to remotely attend such meeting.
4. Remote participation will be determined on a first-come-first-serve basis.
5. If an emergency exists affecting another Board member or Board Committee member, a Board member or Board Committee member tentatively scheduled to attend remotely may be required to attend in person.

Remote Meeting Conduct

1. All votes must be taken by roll call.
2. A Board member who attends a meeting by means of video conference is considered present in person at the meeting, may vote at the meeting, and is counted for purposes of determining whether a quorum is present at the meeting.

-
3. At any meeting in which a Board member or Board Committee member attends by means of video conference, the Board or Board Committee shall ensure that the public can hear and observe the discussions and deliberations of all the members of the Board or Board Committee, whether the member is participating in person or electronically.

General Considerations

1. Except as provided in this Policy, no person shall impose additional limits or obligations on the Board or Board Committee or any of their members regarding remote attendance.
2. If an executive order, mandate, or other regulatory action permits Board or Board Committee meetings to be held remotely, then that order, mandate or regulatory action will take precedence over this Policy.

Procedures None

Definitions

Emergency - An unexpected situation affecting a Board member or Board Committee member's or his/her family's health, wellness, or safety. Examples of emergency situations include, but are not limited to, illness, inclement weather, bereavement, and birth of a child. The Board Chair or Board Committee Chair, in his or her sole discretion, shall determine if the Board member or Board Committee member's absence is due to an emergency.

Related Documents and Information

Statutes: R.C. 3309.091, R.C. 3309.09

Rules: O.A.C. 3309-1-25

Document Links: [Purpose](#), [Policy](#), [Procedure](#), [Definitions](#), [Related Documents](#), [Policy History](#)

Forms: None

Policy History

Only If Needed

EXECUTIVE SESSION

_____ moved and _____seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits.

ROLL CALL:	YEA	NAY	ABSTAIN
Catherine Moss	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
James Haller	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Matthew King	_____	_____	_____

CONVENED IN EXECUTIVE SESSION AT _____A.M./P.M.

RETURNED TO OPEN SESSION AT _____A.M. / P.M.


**SERS
AUDIT
COMMITTEE
REPORT**

AUDIT COMMITTEE CHARTER AMENDMENTS

It was moved by _____ and seconded by _____ to accept the recommendation of the SERS Audit Committee and amend the SERS Audit Committee Charter effective March 20, 2025.

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Catherine Moss	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
James Haller	_____	_____	_____
James Rossler	_____	_____	_____
Aimee Russell	_____	_____	_____
Daniel Wilson	_____	_____	_____
Frank Weglarz	_____	_____	_____
Matthew King	_____	_____	_____

 <h2 style="text-align: center;">SERS Audit Committee Charter</h2> <p>BD5-015</p>					
Effective Date:	03/21/2013	Revision Date:	03/20/202509/24/2023	Audience:	Everyone
Owner:	Board	Certifier:	Richard Stensrud	Co-Owner(s):	Executive
Document Links:	Purpose , Policy , Procedure , Definitions , Related Documents , Policy History				

Purpose

The purpose of this Audit Committee Charter is to assist the SERS Board in fulfilling its oversight responsibilities for:

- Financial and non-financial reporting processes;
- The system of internal control and risk management;
- Internal and external audit processes of SERS; and
- Compliance with laws and regulations and SERS' policies governing ethical conduct.

Policy

Authority

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Oversee the operations of the internal audit activity.
- Oversee the work of any registered public accounting firm employed by the organization.
- Resolve any disagreements between management and the external auditors regarding financial reporting.
- Seek any information it requires from employees – all of whom are directed to cooperate with the Committee's requests – or external parties.
- Meet with SERS' management, internal auditors, external auditors, or outside counsel, as necessary.

Composition

The Audit Committee consists of three members of the SERS Board. The Board Chair will appoint the Committee Chair on a biennial basis. Following the appointment of the

Committee Chair, the Board Chair will ask for other Board members to fill the remaining spots on the Committee, with such commitments being for a two-year term.

Each committee member will be both independent and familiar with the finances of SERS. One committee member will be a retirant member and one committee member will be an employee member. One member shall be an "investment expert" or an "investment designee" as defined in Ohio Revised Code Section 3309.05.

Meetings and Communications

The Committee will hold regular meetings each quarter. Notice for all meetings shall be given in accordance with Rule 3309-1-25. The Committee may also convene additional meetings as circumstances require.

All committee members are expected to attend each meeting. The Committee will invite members of management, internal and external auditors, or others to attend meetings and provide pertinent information as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and approved by the Committee at the subsequent meeting. Meetings will be arranged and conducted in accordance with Ohio's open meeting laws. Subject to open meeting laws, the Committee may hold executive sessions.

Responsibilities

Certain committee responsibilities will be carried out by the SERS Board at regular Board meetings (external audit results, enterprise risk management, management operational reporting, etc.). The Committee will ensure the following responsibilities are performed:

1. Financial Statements

- 1.1** Obtain information and training to enhance the Audit Committee members' expertise in financial reporting standards and processes to reasonably oversee financial reporting.
- 1.2** Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 1.3** Review with the external auditors the results of the audit, including any difficulties or disagreements encountered.
- 1.4** Review the Annual Comprehensive Financial Report and related regulatory filings before release and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- 1.5** Review with the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.
- 1.6** Review all significant adjustments proposed by the external auditor.

- 1.7 Review all significant external auditor recommendations and management responses.
- 1.8 Review with General Counsel the status of legal matters that may have an effect on the financial statements.
- 1.9 Review the statement of management's responsibility for internal controls.

2. Internal Control

- 2.1 Review and discuss the organization's risk management and internal control system, including information technology security and control.
- 2.2 Obtain information and training to enhance the Audit Committee members' awareness of the organization's internal controls to limit material weaknesses and fraud.
- 2.3 Understand the scope of Internal Audit's review of risk management and internal control and obtain reports on significant findings and recommendations, together with management's responses.
- 2.4 Understand the scope of the external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- 2.5 Discuss with the external auditors their review of the organization's internal control over financial reporting.

3. Internal Auditing

- 3.1 Review and approve the Internal Audit Charter, plans, activities, staffing, and organizational structure of the internal audit activity, including succession planning.
- 3.2 As needed, ensure there are no unjustified scope restrictions or resource limitations placed on the internal audit activity.
- 3.3 Annually approve the goals and objectives of the Chief Audit Officer (CAO).
- 3.4 At least quarterly, review the goals of the CAO.
- 3.5 Annually evaluate the performance of the CAO and deliver an annual written evaluation report to the Board.
- 3.6 Recommend to the Board salary and benefit changes for the CAO.
- 3.7 As needed, recommend to the Board the CAO's appointment and/or discharge.
- 3.8 Ensure the CAO has unrestricted access to and communicates and interacts directly with the committee. As needed, meet separately with the CAO to discuss any matters that the Committee or CAO ~~believes~~believe should be discussed in executive session.
- 3.9 Receive and review internal audit reports and management responses as appropriate.
- 3.10 Review the responsiveness and timeliness of management's follow-up activities pertaining to any reported recommendations.

Review periodic updates of advisory and consulting activities by the internal audit activity.

~~3.11 Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing. Participate in discussions with the CAO and senior management about the "essential conditions", described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.~~

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3.12 Discuss with the CAO and senior management other topics that should be included in the internal audit charter.

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3.13 Discuss with the CAO and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.

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4. External Auditing

- 4.1 Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal auditing.
- 4.2 Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the organization, including non-audit services and compensation practices, and discussing the relationships with the auditors.
- 4.3 As needed, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed in executive session.

5. Compliance

- 5.1 Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- 5.2 Review the findings of any examinations by regulatory agencies, and any auditor observations.
- 5.3 Review the process for communicating applicable policies governing ethical conduct to SERS personnel, and for monitoring compliance therewith.
- 5.4 Obtain regular updates from management and legal counsel regarding compliance matters.

6. Reporting Responsibilities

- 6.1 Regularly report to the SERS Board about committee activities, issues, and related recommendations.
- 6.2 Provide an open avenue of communication between internal auditors, external auditors, management, and the SERS Board.
- 6.3 As needed, review any other reports the organization issues that relate to committee responsibilities.

- 6.4 In accordance with Ohio Revised Code Section 3309.044, the Committee shall annually prepare and submit to the Ohio Retirement Study Council a report of its actions during the preceding year.

7. Other Responsibilities

- 7.1 Perform other activities related to this Charter as requested by the SERS Board.
- 7.2 Institute and oversee special investigations as needed.
- 7.3 Review and assess the adequacy of the Committee Charter annually, requesting SERS Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- 7.4 Review annually that all responsibilities outlined in this Charter have been carried out.
- 7.5 Evaluate the Committee's and individual members' performance on a regular basis.
- 7.6 In accordance with the SERS Reporting of Suspected Misconduct Policy, review results of any suspected misconduct reported to or discovered by the internal audit activity.

Effective Date

This Audit Committee Charter was adopted by the SERS Board on March 21, 2013, and amended by the Board on February 14, 2014, June 19, 2014, September 17, 2015, June 16, 2016, June 15, 2017, June 21, 2018, ~~and June 18, 2020, September 21, 2023, and March 20, 2025.~~

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Procedures None

Definitions

None

Related Documents and Information

Statutes: 3309.044

Rules: N/A

Document Links: [Purpose](#), [Policy](#), [Procedure](#), [Definitions](#), [Related Documents](#), [Policy History](#)

Forms: ---

Policy History

Version 1 – March 21, 2013– Created – Approved by Board
Version 2 – February 14, 2014 – Edited – Approved by Board
Version 3 – June 19, 2014 – Edited – Approved by Board
Version 4 – September 17, 2015 – Edited – Approved by Board
Version 5 – June 16, 2016 – Edited – Approved by Board
Version 6 – June 15, 2017 – Edited – Approved by Board
Version 7 – June 21, 2018 – Edited – Approved by Board

Last Reviewed: July 2024

Version 8 – June 18, 2020 – Edited – Approved by Board
Version 9 – September 21, 2023 – Edited – Approved by Board

**SERS
COMPENSATION
COMMITTEE
REPORT**

CALENDAR DATES FOR SERS BOARD AND COMMITTEE MEETINGS FOR 2025 **

AUDIT COMMITTEE MEETINGS

June 17, 2025 – 2:30 p.m. (Tues.) **** Moved due to Juneteenth Holiday ****
September 17, 2025 - 2:30 p.m. (Weds.)
December 17, 2025 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

June 18, 2025 – 7:30 a.m. (Weds.) **** Moved due to Juneteenth Holiday ****
July 17, 2025 – 7:30 a.m. (Thurs.) **** Special Meeting ****
September 18, 2025 – 7:30 a.m. (Thurs.)
December 18, 2025 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

June 18, 2025 – 12:30 p.m. (Weds.) **** Moved due to Juneteenth Holiday ****
September 19, 2025 – 12:30 p.m. (Thurs.)
December 19, 2025 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

April 17 – 18, 2025 - 8:30 a.m. (Thurs. and Fri.)
May 15 – 16, 2025 – 8:30 a.m. (Thurs. and Fri.)
June 18, 2025 – 8:30 a.m. (Weds.) **** Moved due to Juneteenth Holiday ****
July 17 – 19, 2025 – 8:30 a.m. (Thurs. and Fri.)
September 18 – 19, 2025 – 8:30 a.m. (Thurs. and Fri.) **** Board Picture Day ****
October 16 – 17, 2025 – 8:30 a.m. (Thurs. and Fri.)
November 20 – 21, 2025 – 8:30 a.m. (Thurs. and Fri.)
December 18 – 19, 2025 – 8:30 a.m. (Thurs. and Fri.)

**** Please note that these dates and times are tentative.**

CONTINUED OR NEW BUSINESS

Board Information Requested

BOARD INFORMATION REQUESTS AND FOLLOW-UP ITEMS

1.

2.

3.

4.

5.

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10.

ADJOURNMENT(R)

_____ moved that the SERS Retirement board adjourn to meet on Thursday, April 17, 2025, for the next regularly scheduled meeting.

The meeting adjourned at _____ a.m./p.m.

Matthew King – Chair

Richard Stensrud, Secretary