

**School Employees Retirement System of Ohio  
 GASB 68 Disclosure Information  
 June 30, 2018**

	<b>Source Document</b>
<p><b>Pension Plan Description (paragraph 76)</b></p> <ul style="list-style-type: none"> <li>• The name of the pension plan</li> <li>• A brief description of the benefit terms</li> <li>• A brief description of the contribution requirements</li> <li>• Access to the Pension Plan’s stand-alone financial report</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">School Employees Retirement System of Ohio Comprehensive Annual Financial Report</a>            For the Year Ended June 30, 2018            Plan Summary, Pages 22-23 and Pages 112-116</li> </ul>
<p><b>Actuarial Assumptions (paragraph 77)</b></p> <ul style="list-style-type: none"> <li>• Valuation Date : June 30, 2018</li> <li>• Actuarial Cost Method: Entry Age Normal</li> <li>• Wage Inflation: 3.00%</li> <li>• Projected Salary Increases: 3.50% to 18.20%, including inflation</li> <li>• Investment Rate of Return: 7.50%, net of System expenses</li> <li>• Cost of Living Increases (COLA): 2.50%, on and after April 1, 2018, COLA’s for future retirees will be delayed for three years following commencement</li> <li>• Mortality Tables: For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement.</li> <li>• Date of Most Recent Experience Study: 6/30/2015</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">School Employees Retirement System of Ohio Comprehensive Annual Financial Report</a>            For the Year Ended June 30, 2018            Financial Section, Footnote 9, Page 36</li> <li>• <a href="#">GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2018</a>            Prepared by Cavanaugh Macdonald Consulting, LLC            Page 4</li> </ul>

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<p><b>Sensitivity of Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (paragraph 78a)</b></p> <table border="1" data-bbox="205 402 989 698"> <thead> <tr> <th colspan="3">Employer’s Net Pension Liability</th> </tr> <tr> <th>1% Decrease</th> <th>Current Discount Rate</th> <th>1% Increase</th> </tr> </thead> <tbody> <tr> <td>6.50%</td> <td>7.50%</td> <td>8.50%</td> </tr> <tr> <td>\$8,067,172,229</td> <td>\$5,727,185,218</td> <td>\$3,765,262,702</td> </tr> </tbody> </table>	Employer’s Net Pension Liability			1% Decrease	Current Discount Rate	1% Increase	6.50%	7.50%	8.50%	\$8,067,172,229	\$5,727,185,218	\$3,765,262,702	<ul style="list-style-type: none"> <li>• <a href="#">School Employees Retirement System of Ohio Comprehensive Annual Financial Report</a> For the Year Ended June 30, 2018 Financial Section, Footnote 9, Page 36</li> <li>• <a href="#">GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2018</a> Prepared by Cavanaugh Macdonald Consulting, LLC Page 6</li> </ul>
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<p><b>Projected Cash Flows (paragraph 78b)</b></p> <ul style="list-style-type: none"> <li>• The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 27-year amortization period of the unfunded actuarial liability. If the funded ration is less than 70%, the entire 14% employers’ contribution shall be allocated to SERS’ basic benefits. If the funded ration is 70%, but less than 80%, at least 13.50% shall be allocated to SERS’ basic benefits. If the funded ration is 80%, but less than 90%, at least 13.25% of the employers’ contribution shall be allocated to SERS’ basic benefits.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2018</a> Prepared by Cavanaugh Macdonald Consulting, LLC Page 5</li> </ul>												
<p><b>Long-term Expected Rate of Return Expectation (paragraph 78c)</b></p> <ul style="list-style-type: none"> <li>• The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for the System. The most recent analysis, performed for the period covering fiscal years 2010 through 2015, is outlined in a report adopted</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">School Employees Retirement System of Ohio Comprehensive Annual Financial Report</a> For the Year Ended June 30, 2018 Financial Section, Footnote 9, Page 35</li> </ul>												

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<p>by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.</p>	<ul style="list-style-type: none"> <li>• <a href="#">GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2018</a>        Prepared by Cavanaugh Macdonald Consulting, LLC        Page 5</li> </ul>
<p><b>Municipal Bond Rate (paragraph 78d)</b></p> <ul style="list-style-type: none"> <li>• The discount rate determination does not use a municipal bond rate.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2018</a>        Prepared by Cavanaugh Macdonald Consulting, LLC        Page 5</li> </ul>

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<p><b>Periods of Projected Benefit Payments (paragraph 78e)</b></p> <ul style="list-style-type: none"> <li>Projected future benefit payments for all current plan members were projected through 2129.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2018</a>        Prepared by Cavanaugh Macdonald Consulting, LLC        Page 5</li> </ul>																								
<p><b>Assumed Asset Allocation (paragraph 78f)</b></p> <table border="1"> <thead> <tr> <th>Asset Class of Return</th> <th>Allocation</th> <th>Real Rate</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>1.00%</td> <td>0.50%</td> </tr> <tr> <td>US Equity</td> <td>22.50%</td> <td>4.75%</td> </tr> <tr> <td>International Equity</td> <td>22.50%</td> <td>7.00%</td> </tr> <tr> <td>Fixed Income</td> <td>19.00%</td> <td>1.50%</td> </tr> <tr> <td>Private Equity</td> <td>10.00%</td> <td>8.00%</td> </tr> <tr> <td>Real Assets</td> <td>15.00%</td> <td>5.00%</td> </tr> <tr> <td>Multi-Asset Strategies</td> <td>10.00%</td> <td>3.00%</td> </tr> </tbody> </table>	Asset Class of Return	Allocation	Real Rate	Cash	1.00%	0.50%	US Equity	22.50%	4.75%	International Equity	22.50%	7.00%	Fixed Income	19.00%	1.50%	Private Equity	10.00%	8.00%	Real Assets	15.00%	5.00%	Multi-Asset Strategies	10.00%	3.00%	<ul style="list-style-type: none"> <li><a href="#">School Employees Retirement System of Ohio Comprehensive Annual Financial Report</a>        For the Year Ended June 30, 2018        Financial Section, Footnote 9, Page 35</li> <li><a href="#">GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2018</a>        Prepared by Cavanaugh Macdonald Consulting, LLC        Page 6</li> </ul>
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<p><b>Net Pension Liability (NPL) as of June 30, 2017, for June 30, 2018 reporting</b></p> <ul style="list-style-type: none"> <li>Individual employers can apply their proportionate share percentage as identified in the Schedule of Employer Allocations As of and For the Year Ended June 30, 2018 to determine its proportionate share of the June 30, 2017 net pension liability of \$5,974,779,097.</li> </ul>	<ul style="list-style-type: none"> <li>Pension liability and Plan net position figures may be found in:</li> <li><a href="#">GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2018</a>        Prepared by Cavanaugh Macdonald Consulting, LLC        Page 1</li> <li>Proportionate share calculation may be found in:        School Employees Retirement System of Ohio  <a href="#">GASB 68 Allocation Report</a>        Schedule of Employer Allocations and Schedule of Pension Amounts by Employer        As of and For the Year Ended June 30, 2018        Audited by RSM US, LLP</li> </ul>																								