Board Member Takes Oath
Employee-member Hugh W. Garside, Jr., took his oath of office at this month’s Board meeting.

Garside, a treasurer for South-Western City Schools, is beginning his first full term on the Board.

He was chosen by the Board in November 2017 to fill the unexpired term of a member who resigned.

Garside’s term runs from July 1, 2019 through June 30, 2023.

Board Appoints Compensation Committee Members
For FY2020 (July 1, 2019 - June 30, 2020), Board Chair Catherine Moss appointed Hugh Garside, Jr., James Haller, Jeffrey DeLeone, and Barbra Phillips to serve on the Compensation Committee, with Daniel Wilson serving as Committee Chair.

New Actuarial Standard Focuses on Pension Plan Risk
Beginning with the FY2019 actuarial valuation, which is already underway, SERS’ independent actuary, Cavanaugh Macdonald, will start using Actuarial Standard of Practice (ASOP) Number 51: Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions as required by the Actuarial Standards Board.

Todd Green and John Garrett, principal consulting actuaries with Cavanaugh Macdonald, provided the Board with an overview of how they intend to implement the recommendations contained in ASOP Number 51 during SERS’ valuations.

Because pension fund risks change as a fund matures, the actuaries performed the following assessments: SERS’ active-to-retiree ratio has declined since 2007; SERS’ asset volatility ratio is lower than it was in 2007; SERS’ cash flow has decreased since 2007; and the retirees’ share of SERS’ total liability has increased from 50.3% to 62%, which makes financial restoration of the system after investment losses more difficult. These measures are significant in understanding the risks associated with the Plan.

ASOP Number 51 suggests disclosure of qualitative and quantitative risks. Qualitative risks include contribution rate funding policy, amortization policy, payroll growth assumption and changes to active membership levels, and cost-of-living adjustments. Quantitative risks include demographic risks, such as mortality, active population growth or reduction, and changes to retirement patterns, investment return risk, and sensitivity analysis.

Overall, the actuaries believe that using ASOP Number 51 will help the Board to better understand the risks associated with funding SERS and to identify decisions within the Board’s authority that might have a positive impact in addressing risks to SERS’ financial stability.
Total Fund Update

<table>
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<tr>
<th>TOTAL FUND BALANCE</th>
<th>April 30</th>
<th>May 31</th>
<th>Difference</th>
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<tbody>
<tr>
<td>$14.52 billion</td>
<td>$14.10 billion</td>
<td>▼ $420 million</td>
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<table>
<thead>
<tr>
<th>TOTAL FUND RETURN (net of fees)</th>
<th>Fiscal Year</th>
<th>Calendar Year</th>
<th>3-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>▲ 2.28%</td>
<td>▲ 5.71%</td>
<td>▲ 8.31%</td>
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<table>
<thead>
<tr>
<th>TOTAL FUND RETURN vs. BENCHMARK</th>
<th>Fiscal Year</th>
<th>Calendar Year</th>
<th>3-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>▼ 0.16%</td>
<td>0.00%</td>
<td>▲ 0.77%</td>
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Two Full-Term Board Seats Up for Election
One employee-member seat and one retiree-member seat are up for election with the terms **beginning July 1, 2020, and ending June 30, 2024**. Any member of SERS, other than a disability benefit recipient, is eligible to run for an employee-member seat, and any SERS disability or service retiree is eligible to run for a retiree member seat.

To be considered for election, the following requirements must be met:

**Employee-Member seat**
- Obtain signatures of 500 SERS members on a nominating petition provided by SERS with not less than 20 signatures of members from each of at least 10 counties where those members are employed
- Make sure that each signing member indicates his or her employer, county of employment, and last four digits of his or her Social Security number

**Retiree-Member seat**
- Obtain signatures of 150 SERS retirees on a nominating petition provided by SERS with not less than 10 signatures of retirees from each of at least five counties where those retirees reside
- Make sure that each signing retiree indicates his or her county of residence and last four digits of his or her Social Security number

**All seats**
- Begin gathering signatures on or after **August 1, 2019**
- Deliver petitions with original signatures and a completed original Certification Form to the SERS office no later than **4:30 p.m., EDT, December 6, 2019**

Certification forms can be downloaded from the SERS website at [http://www.ohsers.org/about-sers/board-of-trustees/board-election](http://www.ohsers.org/about-sers/board-of-trustees/board-election). Nominating Petition forms will be available at the above website address on August 1, 2019. General information about the responsibilities of being a SERS Board member can be found in our **Board Member Responsibilities and Election Guide**.

If you have questions regarding these elections, please contact Tim Barbour, External Communications Supervisor, by phone at 614-222-5901 or by email at tbarbour@ohsers.org.

**Special Election for Open Employee-Member Seat**
This Special Election is being held to fill one open employee-member Board seat that remains open because only one candidate met the qualifications to fill two available seats during last year’s election.
For this Special Election, candidates will be nominated by the Board members and the successor member will be chosen by a Board vote. All SERS members, other than disability recipients, are eligible to apply for the open employee-member seat.

Board members serve without compensation, but are reimbursed for all necessary expenses and for any loss of salary or wage as a result of serving on the Board. At its July meeting, the Board set the following election schedule:

- Candidates for the open employee-member seat shall send a resume addressed to the SERS Board of Trustees, 300 E. Broad St., Suite 100, Columbus, OH, 43215-3746 or by email to SERSBoardofTrustees@ohsers.org by October 1, 2019.
- Candidates must submit a completed Certification Form. The completed original form should be mailed to the above address by October 1, 2019.
- SERS staff will certify that the resumes received were submitted by eligible members of SERS.
- All valid resumes will be sent to the Secretary of State for certification.
- At the Board meeting scheduled for October 17 and 18, 2019, Board members will nominate candidates from the pool of resumes received. Each Board member is allowed to nominate one individual. Nominated candidates will be interviewed by the Board.
- Interviews will take place at the November 21 and 22, 2019 Board meeting in Columbus, and the successor member will be elected at this meeting.
- The term for the employee-member Board seat runs through June 30, 2020.

If you have questions regarding this Special Election, please contact Tim Barbour, External Communications Supervisor, by phone at 614-222-5901 or by email at tbarbour@ohsers.org.

**Special Election for Open Retiree-Member Seat**

This Special Election is being held to fill one open retiree-member Board seat that remains open because no retiree met the qualifications to fill the available retiree seat during last year’s election.

For this Special Election, candidates will be nominated by the Board members and the successor member will be chosen by a Board vote. Any SERS disability or service retiree is eligible to run for a retiree-member seat.

Board members serve without compensation, but are reimbursed for all necessary expenses and for any loss of salary or wage as a result of serving on the Board. At its July meeting, the Board set the following election schedule:

- Candidates for the open retiree-member seat shall send a resume addressed to the SERS Board of Trustees, 300 E. Broad St., Suite 100, Columbus, OH, 43215-3746 or by email to SERSBoardofTrustees@ohsers.org by November 5, 2019.
- Candidates must submit a completed Certification Form. The completed original form should be mailed to the above address by November 5, 2019.
- SERS staff will certify that the resumes received were submitted by eligible retirees of SERS.
- All valid resumes will be sent to the Secretary of State for certification.
- At the Board meeting scheduled for November 21 and 22, 2019, Board members will nominate candidates from the pool of resumes received. Each Board member is allowed to nominate one individual. Nominated candidates will be interviewed by the Board.
- Interviews will take place at the December 19 and 20, 2019 Board meeting in Columbus, and the successor member will be elected at this meeting.
- The term for this retiree-member seat runs through June 30, 2021.

If you have questions regarding this Special Election, please contact Tim Barbour, External Communications Supervisor, by phone at 614-222-5901 or by email at tbarbour@ohsers.org.
Executive Director's Update

_Pension and Health Care Sustainability Discussions_

Executive Director Richard Stensrud summarized the Board’s pension and health care sustainability discussions that occurred during the Board retreat on July 17.

Stensrud noted that the sustainability initiatives are timely, necessary, and impactful.

You can find a detailed description of these discussions in the _Board Retreat Highlights_, which will be published in the coming week.

_Federal Outreach for Wraparound Extension Continues_

SERS continues to actively lobby for an extension of its health care Wraparound Program. Although general language supportive of extending the Wrap was included in the House Labor-HHS Appropriations bill, SERS staff and SERS’ federal government relations consultant are urging Senate appropriators to add specific language to their version of the bill to extend the program by two years.

In June, SERS sent an email blast to more than 31,000 retirees asking them to urge their Senators to support an extension. To date, 808 retirees have responded by sending 1,675 emails to 40 Senate offices.

Members and retirees who have not yet contacted their senators and would like to do so can visit the [Laws and Legislation](#) page of our website for more information.

SERS would like to thank all who have responded for their support of this vital program.

_Monthly Retirement and Survivor Benefit Transactions_

For July, the SERS Board approved 246 active members for service retirements, and 15 survivor benefits for spouses and/or dependents.

_No Board Meeting in August_

The SERS Board will not meet in August.

_September Meeting Dates_

The next Board meeting will take place Thursday, September 19 at 8:30 a.m., and Friday, September 20 at 8:30 a.m. (if necessary).