



Retirement Board Agenda October 16, 2025

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Meeting ID: 986 6745 8984

Password: 12345

To join by phone, dial: (929) 205-6099 and enter the Meeting ID: **986 6745 8984** and Password: **12345** when prompted.

PLEDGE OF ALLEGIANCE

1. Roll Call
2. Approval of Out-of-State Board Travel (R)

CONSENT AGENDA

3. Minutes of the **September 18, 2025**, Retirement Board meeting
4. Summary of Investment Transactions
 - August 1, 2025 to August 31, 2025
5. Retirement Report
 - Superannuations, Survivor Benefits and Transfers
 - Special Cases
6. Disability Report
 - Approval of Disability Benefits
 - Disapproval of Disability Benefits
 - Termination of Disability Benefits – Any Occupation
 - Approval of Appeal on Personal Appearance

INVESTMENT REPORT

7. Annual Portfolio Review – Private Equity
8. Monthly Investment Report – Period Ending 8/31/2025
9. Investment Consultant RFP Discussion

EXECUTIVE DIRECTOR'S REPORT

10. Executive Director's Update
11. Actuarial Audit Presentation
12. Review of Administrative Expenses
13. Revised and Restated SERS Health Care Plan and Trust (R)
14. Filing of Proposed Rescinded, New and Amended Administrative Rules (R-6)

TECHNOLOGY COMMITTEE REPORT

15. Technology Committee Update

RETIREMENT REPORT

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

BOARD COMMUNICATION AND POLICY ISSUES

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

Adjournment (R)

FY2026 SERS Board Roll Call

James Rossler	
Daniel Wilson	
Jeanine Alexander	
Jeffrey DeLeone	
Matthew King	
Catherine Moss	
Rebekah Roe	
Aimee Russell	
Frank Weglarz	

APPROVAL OF OUT-OF-STATE BOARD TRAVEL

_____ moved and _____ seconded the motion that the travel request by a Board Member to travel and receive reimbursement for the following out-of-state conference and meeting expenses be approved.

Conference	Attendee	Conference Date(s)	Conference Location	Estimate of Expenses
Public Plan Trustees Institute	Jeanine Alexander	February 23 – February 24, 2026	Orlando, FL	\$3522.04

Upon roll call, the vote was as follows:

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

BOARD: Travel
R.C. 3309.04

OCTOBER 2025 CONSENT AGENDA

1. Minutes of the
 - a. **September 18, 2025**, Retirement Board meeting
2. Summary of Investment Transactions – **August 1, 2025 to August 31, 2025.**
3. Retirement Report
 - a. Superannuations, Survivor Benefits, and Transfers
 - b. Special Cases
4. Disability Report
 - a. Approval of Disability Benefits
 - b. Disapproval of Disability Benefits
 - c. Termination of Disability Benefits – Any Occupation
 - d. Approval of Appeal on Personal Appearance

APPROVAL OF CONSENT AGENDA

_____ moved and _____ seconded the motion to approve the Consent Agenda for **October 16, 2025**, which includes the following items:

1. Minutes of the
 - a. **September 18, 2025**, Retirement Board meeting
2. Summary of Investment Transactions – **August 1, 2025 to August 31, 2025**.
3. Retirement Report
 - a. Superannuations, Survivor Benefits, and Transfers
 - b. Special Cases
4. Disability Report
 - a. Approval of Disability Benefits
 - b. Disapproval of Disability Benefits
 - c. Termination of Disability Benefits – Any Occupation
 - d. Approval of Appeal on Personal Appearance

Upon roll call, the vote was as follows:

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

SERS Retirement Board Meeting Minutes September 18, 2025

The nine hundredth and eighty-third 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, September 18, 2025.

Pledge of Allegiance

The SERS Retirement Board meeting convened at 8:36 a.m. with the Pledge of Allegiance.

Roll Call

The roll call was as follows: James Rossler, Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz. Also attending was Mary Therese Bridge, 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.

Approval of Board Out-of State Travel

Frank Weglarz moved and Jeanine Alexander seconded the motion that the travel requests by Board Members to travel and receive reimbursement for the following out-of-state conference and meeting expenses be approved. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

Conference	Attendee	Conference Date(s)	Conference Location	Estimate of Expenses
NCPERS Trustee Educational Seminar (TEDS)	Aimee Russell	May 17 – May 20, 2026	Las Vegas, NV	\$2426.34
NCPERS Fall Conference	Catherine Moss	October 26 – October 29, 2025	Ft. Lauderdale, FL	\$3082.75

Consent Agenda

The Consent Agenda for September 18, 2025, included:

- **Minutes** of the July 17, 2025, Retirement Board meeting.
- **Summary of Investment Transactions** for the period of June 1, 2025, to June 30, 2025, and July 1, 2025, to July 31, 2025.
- **Retirement Report** - Superannuations, Survivor Benefits, and Transfers and Special Cases.
- **Disability Report** - Approval of Disability Benefits, Disapproval of Disability Benefits, Termination of Disability Benefits, Termination of Disability Benefits – Any Occupation, Disapproval of Appeal of Termination – Any Occupation, Approval of Appeal of Termination – Any Occupation.

Catherine Moss moved and Frank Weglarz seconded the motion to approve the Consent Agenda of the Retirement Board meeting held on Thursday, September 18, 2025. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. Abstain: Jeffrey DeLeone. The motion carried.

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Investment Report

Quarterly Performance Report (Period Ending June 30, 2025) – Wilshire Associates

SERS Chief Investment Officer, Farouki Majeed, introduced Joanna Bewick and Chris Tessman from Wilshire Associates, who provided an update on the quarterly performance of the SERS retirement fund. Ms. Bewick reported that The U.S. equity market rose by 11.1% in the second quarter and 5.7% year-to-date. Ms. Bewick also reported that sector performance was broadly positive, with eight sectors posting gains, with Information Technology (+23.5%) and Communication Services (+18.6%) leading the way.

Ms. Bewick continued, reporting that growth stocks significantly outperformed value stocks, while small-cap stocks underperformed large-cap stocks by 470 basis points. Ms. Bewick also stated that concerns were noted regarding the U.S. fiscal outlook and unlike historical patterns where deficits declined during economic recoveries, the federal deficit has remained above 5% of GDP since 2022, despite low unemployment. U.S. debt now stands at approximately 120% of GDP, raising questions about sustainability in the event of a recession.

Ms. Bewick reported on Fixed Income, stating that the U.S. Treasury yield ended the quarter at 4.23%. The Federal Open Market Committee (FOMC) held rates steady during its two meetings in the quarter. However, market expectations suggest a potential rate cut of 0.5% by year-end. Ms. Bewick reported that Fed Chair Jerome Powell emphasized the importance of maintaining the current policy stance to control inflation.

Mr. Tessman reported that SERS' total fund performance is solid, and value is being added over the benchmarks. SERS retirement fund is earning higher returns while assuming less risk. Most assets had positive growth, with Global Real Estate leading the way. Mr. Tessman emphasized that SERS retirement fund consistently adds value and exceeds benchmarks set by the actuary. Following several questions and a robust discussion, the Board thanked Ms. Bewick and Mr. Tessman for their presentation.

Quarterly Investment Report and Monthly Investment Report – Periods Ending: June 30, 2025, and July 31, 2025

Mr. Majeed provided an update on the SERS Retirement fund for the end of FY2025 and for the first month in FY2026. Mr. Majeed reported that the US economy is slowing down as the number of jobs added each month continues to decrease. Interest rates have been steady, but the fear is that a reduction in the interest rate could signal a recession. Consumer sentiment is weak yet spending remains steady. However, consumers are more stressed as they rely on credit to meet basic needs.

Mr. Majeed closed his report stating that the SERS retirement fund was valued at \$20.8B as of July 31. August's preliminary numbers show a retirement fund value of \$21B, but this rate of investment return is not expected to continue. Mr. Majeed advised the Board of the need for the market to correct itself. Following a robust discussion and several questions, the Board thanked Mr. Majeed and his Investment Staff for their hard work.

Global Equities Benchmark Review

Chief Investment Officer, Farouki Majeed provided an update on the SERS' Global Equity benchmarks. Mr. Majeed advised the Board that he is not making a request but is rather advising the Board of some changes being made. Mr. Majeed proposes eliminating benchmark exposure to Russell 2000 due to its higher valuation, lower profitability and growth and higher debt, and to reduce size mismatch compared to MSCI USA.

Russell 2000 has been impacted by growing companies migrating to the Russell 1000 Index and many attractive companies being acquired by private equity managers resulting in adverse selection. It is estimated that nearly 50% of companies in Russell 2000 index are unprofitable.

Mr. Majeed continued, stating that SERS Global Equities' Benchmark was changed from a blended 55% US Equity (Russell 3000) / 45% Non-US Equity (MSCI ACWI ex-US) benchmark to a single global benchmark - the MSCI ACWI - in July 2022. SERS Global Equities' portfolio structure retains a legacy regional approach. Currently 70% of assets are benchmarked to regional benchmarks. The remaining 30% of Global Equities' assets are

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directly benchmarked to the MSCI ACWI as new global equity managers with ACWI benchmarks were hired. The aggregate Global Equities portfolio is benchmarked to the MSCI ACWI. This review is being conducted to address benchmark mis-fit in the regional US Equity composite. Mr. Majeed asked if there were any questions about the asset allocations that will likely change. With no additional questions, the Board thanked Mr. Majeed for his report.

Investment RFP Update

Mr. Majeed advised the Board that a RFP (Request for Proposal) would be sent out requesting proposals from qualified investment consulting firms to provide independent, unbiased, proactive research, information, and advice to the Retirement Board and Staff regarding SERS' investment portfolio. Mr. Majeed explained that SERS' current Investment Consultant, Wilshire Associates, has a contract that expires August 2026. Mr. Majeed proposed a timeline and the Board agreed that the timeline is acceptable. SERS will move forward with the RFP process accordingly.

The Board took a break at 9:55 a.m.

The Board reconvened at 10:15 a.m.

Executive Director's Update

Amended Education, Travel and Expense Reimbursement Policy

SERS General Counsel, Joe Marotta reported that the Ohio Ethics Commission ("OEC") recently issued Advisory Opinion 2025-02 which allows public officials or employees to use frequent flyer miles that were earned during official travel for personal travel. This Opinion reverses Advisory Opinion 91-10 which restricted the use of frequent flyer miles accrued during official travel for personal use.

Mr. Marotta continued, stating that SERS' current Education, Travel and Expense Reimbursement Policy ("the Policy") still reflects the prohibition contained in Advisory Opinion 91-10, so reference to the now outdated Advisory Opinion 91-10 will be deleted. Mr. Marotta noted that per the OEC, while Advisory Opinion 2025-02 primarily references frequent flyer miles, the analysis also applies to other reward points programs. He further noted the OEC stated public officials and employees are prohibited from choosing an airline, vendor, or service based solely on whether it provides frequent flyer miles or other rewards points.

Mr. Marotta noted that two other small changes to the Policy are proposed for approval. First, removing language that requires Board and staff members to complete a Conference/Seminar Evaluation Form following their attendance at a conference, meeting or seminar as it has become practice for Board and staff to share knowledge gained orally rather than in writing. Second, outdated language regarding telephone reimbursement is being removed.

Mr. Marotta stated that If the proposed amendments are approved by the Board, in accordance with R.C. 3309.041, the amended Policy will be sent to the Ohio Ethics Commission and Ohio Retirement Study Council ("ORSC") for review. Per R.C. 3309.041, the Policy cannot become effective less than 60 days before it is submitted to the ORSC.

It was moved by Jeanine Alexander and seconded by Aimee Russell to amend the Education, Travel and Expense Reimbursement Policy ("the Policy"). Staff is directed to send the amended Policy to the Ohio Ethics Commission and Ohio Retirement Study Council ("ORSC") for review. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

Filing of Proposed Amended Administrative Rules (3)

Legal Counsel Britani Galloway discussed with the Retirement Board filing with JCARR the following proposed amended rules:

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3309-1-40 Application and procedures for receiving disability benefits - This rule details the procedures for application, initial eligibility criteria, ongoing requirements, and termination processes for disability benefits.

Two amendments have been proposed.

To remain eligible for a disability benefit, recipients must undergo an annual medical examination, unless an examination is waived by the Board. Under the current rule, this requirement may be waived indefinitely based on a recipient's ongoing disability, for the present year if the Board physician determines current medical information clearly establishes that the recipient continues to be disabled, or if the termination standard is whether the recipient can perform "any occupation," when the earnings statement indicates the recipient earned seventy-five percent or more of their final average salary and the Board physician finds no significant decline in their physical or mental health based on the most recent medical records.

The first proposed amendment removes the provision which requires the Board's physician to review the recipient's current medical records and concludes that the recipient's physical or mental health has not significantly declined in situations where the earnings statement indicates the benefit recipient earned seventy-five percent or more of their final average salary. Per the amendment discussed in the next paragraph, a recipient earning seventy-five percent or more of their final average salary will have their benefit terminated, thus negating the need for a medical examination.

The second proposed amendment eliminates a similar provision regarding the termination of a disability benefit. When the termination standard is whether the recipient can perform any occupation, a recipient's disability benefit may be terminated based on a vocational assessment and medical conclusion which determines that they are capable of meeting the physical and mental demands of three positions that meet the any occupation definition. Alternatively, the benefit may be terminated if the recipient provides earning statements indicating annual earnings of seventy-five percent or more of their final average salary, and the Board physician finds no significant decline in their physical or mental health based on recent medical records.

The proposed amendment removes the requirement that the Board physician determine no significant decline in the individual's physical or mental health based on recent medical records. As a result, the benefit may be terminated exclusively based on the recipient earning at least seventy-five percent of their final average salary the previous year.

Matthew King moved and Aimee Russell seconded that proposed amended rule 3309-1-40 be filed with JCARR as discussed. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

3309-1-45 Release of names, addresses and information - This rule specifies the guidelines for releasing personal and medical information maintained by SERS.

In March 2025, the Ohio General Assembly amended Revised Code 3309.22. This statute identifies which records can be publicly disclosed and which records require written authorization. The amendment permits an individual's medical reports and recommendations to be released, upon written authorization, to a member's personal certified nurse-midwife, clinical nurse specialist, and certified nurse practitioner. In response to the statutory amendment, the proposed rule amendment includes provisions for release upon written authorization to an individual's personal certified nurse-midwife, clinical nurse specialist, and certified nurse practitioner.

Frank Weglarz moved and Jeanine Alexander seconded that proposed amended rule 3309-1-45 be filed with JCARR as discussed. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

3309-1-52 Travel and expense reimbursement - This rule outlines travel expense reimbursement for SERS Board members and staff.

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Two amendments have been proposed which will make similar changes to the changes described above to the Education, Travel and Expense Reimbursement Policy.

Rebekah Roe moved and Jeffrey DeLeone seconded that proposed amended rule 3309-1-52 be filed with JCARR as discussed. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

FY2025 Year End Budget to Actual Report

SERS Chief Financial Officer, Marni Hall, provided an update on the FY2025 year end budget.

Ms. Hall reported that SERS FY2025 spending ended at \$8,000 under budget. There were several "big ticket items" that affected the budget, including higher than normal medical costs.

Ms. Hall also updated the Board on other details of the FY2025 budget.

Executive Session

Rebekah Roe moved and Catherine Moss seconded the motion that the 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: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

The Board convened into executive session at 10:29 a.m.

The Board reconvened in open session at 11:04 a.m.

FY2025 Year End Budget to Actual Report (cont.)

Ms. Hall continued her report, reminding the Board that one administrative expense was higher than normal because the old and new master record keeping services are running in parallel until the conversion to the new system is complete. Ms. Hall reported on other administrative expenses, noting that the expenses are normal. Following several questions, the Board thanked Ms. Hall for her report.

COLA (Cost of Living Adjustment) Discussion

SERS Executive Director, Richard Stensrud, introduced the COLA discussion.

Mr. Stensrud explained that given the importance of the COLA to retirees and its impact on the long term sustainability on the Pension Fund, as prudent fiduciaries the Board considers a number of variables in determining the COLA for the upcoming year. He noted that under the COLA statute the SERS Board has wide discretion with respect to setting the COLA. The Consumer Price Index (CPI-W) for the previous year is a consideration, but it does not control or determine what the COLA will be. The Board also considers the funded ratio of the Pension Fund, the amortization period for paying off the unfunded liability, the cash flow of the Pension Fund, and investment experience.

To assist the Board in making its decision, SERS' actuary, CavMac, has provided information on the projected impact on the Pension Fund of different possible COLAs combined with different possible investment returns. This information shows how the projected funded ratio, total benefit payment level, and cash flow on June 30, 2026 would be impacted by a COLA in 2026 ranging from 0% to 2.50%, combined with investment returns for the year ranging from 0% to 7% (the investment return assumption). Information has also been provided which shows the projected longer-term impact of several possible COLAs on the funded ratio.

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Mr. Stensrud noted that the June-to-June 2025 change in CPI-W was 2.6%. He further noted that the information incorporates the 11.17% investment return for the 24-25 fiscal year, as well as the 2.5% COLA that was provided in 2025. Mr. Stensrud noted that the estimated funded ratio of the Pension Fund as of June 30, 2025 is 80.05%, which represents an increase from the 78.99% funded ratio as of June 30, 2024.

Mr. Stensrud noted that the highest projected funded ratio – 83.64% -- would be reached with a 0% COLA and a 7% investment return. The lowest projected funded ratio – 81.51% -- would occur with a 2.5% COLA and a 0% investment return.

Mr. Stensrud noted that a similar pattern and level of change is seen with respect to total benefit payments and cash flow impact.

He noted that the lowest negative cash flow percentage (-2.35%) would be under the 0% COLA/7% return combination and the highest negative cash flow percentage (-2.54%) would be under the 2.5% COLA/0% return combination. He further noted the negative cash flow percentage has improved compared to last year, when the lowest negative cash flow percentage was -2.59% and the highest negative cash flow percentage was -2.80%. The actuary generally considers a negative cash flow percentage greater than -4% as warranting attention.

Mr. Stensrud noted the amortization period for the Pension Fund to reach 100% funded status is projected to be 14 years as of June 30, 2026 (100% funded in 2037) if a COLA between 2.0% and 2.5% is provided in 2026.

Mr. Stensrud also noted the potential impact of a decision by the Board to allocate a portion of the employer pension contribution to the Health Care Fund.

Discussion followed.

It was moved by Rebekah Roe and seconded by Matthew King that following review by SERS' actuary, CavMac, eligible SERS allowances, pensions and benefits shall receive a 2.5% cost-of-living adjustment in calendar year 2026. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

Allocation of Employer Pension Contributions – Health Care Fund

Mr. Stensrud reported that SERS' actuary, CavMac, has provided preliminary calculations of the funding levels of the Pension Fund and Health Care Fund to assist the Board in determining what portion of the employer pension contribution, if any, should be allocated to the Health Care Fund in Fiscal Year 2026. Per SERS' Funding Policy, if the funded ratio of the Pension Fund is above 80% but less than 90%, at least 13.25% of the 14.0% employer contribution shall be allocated to SERS' Basic Benefits, but in the Board's discretion, the remaining 0.75% can be allocated to the Health Care Fund.

Mr. Stensrud continued, stating that the actuary projects that as of June 30, 2025, the Pension Fund funded ratio will be approximately 80.05%, up from 78.99% in 2024, and the Health Care Fund funded ratio will be approximately 54%, down from 61.6% in 2024. In addition, the actuary projects Health Care Fund solvency through 2064 (39 years), a decrease of 5 years from the prior year.

Mr. Stensrud reported that the preliminary Health Care fund balance on June 30, 2025 is \$936.0 million, which is above the \$816.5 million balance of the Health Care Fund last year at this time.

Mr. Stensrud noted two other factors that will positively impact the Health Care Fund balance: (1) The annual employer health care surcharge (approximately \$63.57 million) which was billed at the end of July; and (2) Various other revenue such as Aetna Risk Sharing and CMS direct subsidies. He further noted, however, the pending expiration of Inflation Reduction Act premium subsidies brings uncertainty to pre-Medicare retiree participation and claim trends.

Discussion followed.

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Jeanine Alexander moved and Aimee Russell seconded that after discussion with SERS' actuary, CavMac, regarding the preliminary results of the annual basic benefits valuation (to be prepared as of June 30, 2025) at the September 2025 Board meeting, the Board elects to allocate 0% (ZERO percent) of the 14% employer pension contribution to the Health Care Fund for fiscal year 2026 in accordance with the funding policy approved by the Board on June 18, 2015. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

Ohio Retirement Study Council

Mr. Stensrud reported that at the ORSC meeting on August 14th, the Council received the report on SERS' actuarial audit. The actuarial audit identified no critical concerns and found that the actuarial calculations were reasonable, consistent and accurate, and that the assumptions recommended by CavMac and adopted by the Board were reasonable, and consistently and accurately applied. The report highlighted that the actuarial liabilities and normal costs calculated by CavMac were closely matched by the auditing actuaries.

Mr. Stensrud stated that the results provide confirmation to SERS' stakeholders that SERS' actuarial condition is being accurately and correctly presented. Mr. Stensrud noted that the auditing actuaries will present the report at the October SERS Board Meeting. Board member, Jeffrey DeLeone, thanked SERS staff for their focus on transparency and hard work on behalf of the members of SERS.

Advocacy Groups

Mr. Stensrud continued his report, stating that SERS staff continue to engage with stakeholders on key issues, such as SB69, which will address possible changes to the amortization period requirement.

Mr. Stensrud also reported on member, retiree and employer education and engagement activities.

State Legislative Activity

Mr. Stensrud reported that since the passage of the State operating budget, the Ohio General Assembly has been out of session. Focus has been on property tax relief proposals, and the congressional redistricting debate is expected to ramp up this fall. He also noted that legislation has been reintroduced which would mandate that all state pension systems participate in the State's online 'checkbook' project. He noted that SERS already participates in this program on a voluntary basis.

Federal Legislative Activity

Mr. Stensrud continued his report, stating that government shutdown concerns continue as the federal government debates federal appropriations, which are scheduled to end October 1st. SERS staff continues to monitor expiration of the enhanced ACA subsidies at the end of 2025 because of the possible implications for SERS wrap around program.

Mr. Stensrud stated that SERS continues to monitor potential developments regarding mandatory Social Security coverage. He noted that such a mandate would have a negative effect on SERS members, employers, and the sustainability of SERS retirement fund.

Pensionable Compensation

Mr. Stensrud reported that applying the new definition of pensionable compensation to SERS members is going smoothly to date.

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Member Counseling Survey

Mr. Stensrud reported on member counseling levels, the different ways counseling is being provided, and the high participant satisfaction levels with the information and service they received.

Oldest Age at Retirement/Longest Careers

Mr. Stensrud provided information regarding the five oldest SERS retirees at the time of retirement, noting that all five were over 90 years old when they retired, with the oldest being age 92. Mr. Stensrud noted that all five had more than 35 years of service at the time of retirement. Mr. Stensrud also provided information regarding the longest service careers for a SERS retiree, noting that the five longest careers were all over 55 years, with the longest career nearly 58 years. Mr. Stensrud stated that this illustrates the commitment of SERS members to their work and those they serve.

Operation Feed and Operation Backpack

Mr. Stensrud reported that SERS staff collected over \$3,000 to benefit the MidOhio Foodbank, providing 7,600 healthy meals to needy families in the local community.

Mr. Stensrud reported that SERS staff collected school supplies and toiletries for local schoolchildren resulting in a donation of 102 fully stocked backpacks and 14 virtual backpacks, which were cash donations.

Mr. Stensrud commended the staff for their generosity.

Strategic Plan Update

Mr. Stensrud and Deputy Executive Director Karen Roggenkamp provided an update on the progress made in the first year of the new SERS Strategic Plan.

Mr. Stensrud and Ms. Roggenkamp noted that the six goals of the Strategic Plan are focused on Sustainability; Service Delivery and Operations; Technology; Education and Engagement; Talent and Culture; and Risk. They highlighted several accomplishments and achievements over the past fiscal year with respect to those goals, which included:

- **Sustainability:** SERS maintained its focus on and commitment to sustainability. The actuary noted that sustainability continues to strengthen and the Pension Fund is on track to be fully funded by 20240. The definition of pensionable compensation was updated and implemented as well as a Contribution Based Benefit Cap (CBBC). SERS' Investment staff continues to deliver investment performance that exceeds benchmarks. The strength of the Health Care Fund enabled a reduction of the Medicare premium surcharge. The SERS board approved a 2.5% COLA without weakening sustainability.
- **Service Delivery and Operations:** SERS maintained high touch customer service augmented by technology. SERS continues to provide exemplary service with technological advancements, such as the addition of a FAQ bot to SERS' website. A new identity verification tool was implemented to reduce the risk of fraud and identity theft. SERS is increasing leasing activity with current and new tenants and SERS successfully completed an office consolidation at 300 E. Broad Street.
- **Technology:** Year 3 of the *Technology Roadmap* has been completed. Accomplishments include the replacement of eight servers to optimize and modernize SERS' infrastructure platform. SERS has also successfully tested and implemented Microsoft's Copilot. SERS has also listened to its members by developing an online refunds process.
- **Education and Engagement:** SERS remains committed to engagement, education, and transparency and by doing so has maintained the trust and credibility of our stakeholders. SERS mobilized support for the Windfall Elimination Provision and Government Pension Offset repeal. SERS has also expanded educational and

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training opportunities for members and employers. SERS continues to receive positive scores from customer satisfaction surveys.

- **Talent and Culture:** SERS continues to focus on attracting and retaining the best and brightest talent to support SERS' mission and values. Talent and Culture goal accomplishments include the creation of new employee development programs and completion of the 2025 employee engagement survey, with engagement levels exceeding 90%.
- **Risk:** SERS continues expansion and maturation of its risk management programs. Last year's achievements include the integration of risk assessments at the beginning of new projects, fraud prevention improvements to safeguard member and retiree data, and the hiring of a new Chief Risk Officer and expansion of the information security staff.

Mr. Stensrud and Ms. Roggenkamp closed their remarks, by noting ongoing plans and projects that will be carried forward into FY2026. They noted that strategies and action plans are reviewed quarterly to stay current with events impacting SERS and its members.

Following several questions and a robust discussion, the board thanked Mr. Stensrud and Ms. Roggenkamp for the presentation.

Membership Appeal

The board took a recess at 12:11 p.m. to discuss a member appeal.

The board reconvened in open session at 12:45 p.m.

Rebekah Roe moved and Jeanine Alexander seconded to reverse the July 15, 2025, Final Staff Determination that Tamara Wells cannot contribute to SERS for her service as a School Board member for the Barnesville Exempted Village School District. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

Audit Committee Report

Audit Committee Update

SERS' new Chief Audit Officer, Steve Ritzer, provided the Board with an update on the work being done by the Audit Committee. Mr. Ritzer presented his FY2026 goals for approval by the Committee. Mr. Ritzer also provided the Committee with an update on the work he plans to complete in the first quarter of his tenure at SERS. The Board thanked Mr. Ritzer for his report and welcomed him to SERS.

Compensation Committee Report

Compensation Committee Update

Compensation Committee Chair, Daniel Wilson, provided the Board with an update on the work being done in the Compensation Committee. The Committee met in the morning to review and approve the Executive Director's goals for FY2026, which are on target.

Retirement Report

There was no executive session for the retirement report.

SERS Retirement Board Meeting Minutes September 18, 2025

Board Communication and Policy Issues

Board Information Request & Follow Up Items

No additional follow-up items were noted.

Calendar Dates for Future Board Meetings

The Board members reviewed the 2025 meeting calendar.

The board made note of the Joint Trustee Training scheduled to take place on Wednesday, November 12, 2025, at OPERS.

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

AUDIT COMMITTEE MEETINGS

December 17, 2025 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

December 18, 2025 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

December 19, 2025 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

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.)

CALENDAR DATES FOR SERS BOARD AND COMMITTEE MEETINGS FOR 2026 **

AUDIT COMMITTEE MEETINGS

March 18, 2026 – 2:30 p.m. (Weds.)
June 17, 2026 – 2:30 p.m. (Weds.)
September 16, 2026 - 2:30 p.m. (Weds.)
December 16, 2026 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

March 19, 2026 – 7:30 a.m. (Thurs.)
June 18, 2026 – 7:30 a.m. (Thurs.)
July 16, 2026 – 7:30 a.m. (Thurs.) **** Special Meeting ****
September 17, 2026 – 7:30 a.m. (Thurs.)
December 17, 2026 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

March 19, 2026 – 12:30 p.m. (Thurs.)

SERS Retirement Board Meeting Minutes September 18, 2025

June 18, 2026 – 12:30 p.m. (Thurs.)
September 17, 2026 – 12:30 p.m. (Thurs.)
December 17, 2026 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

February 19 – 20, 2026 – 8:30 a.m. (Thurs. and Fri.)
March 19 – 20, 2026 - 8:30 a.m. (Thurs. and Fri.)
April 16 – 17, 2026 – 8:30 a.m. (Thurs. and Fri.)
May 21 – 22, 2026 – 8:30 a.m. (Thurs. and Fri.)
June 18, 2026 – 8:30 a.m. (Thurs.)
July 16 – 17, 2026 – 8:30 a.m. (Thurs. and Fri.)
September 17 – 18, 2026 – 8:30 a.m. (Thurs. and Fri.) **** Board Picture Day ****
October 15 – 16, 2026 – 8:30 a.m. (Thurs. and Fri.)
November 19 – 20, 2026 – 8:30 a.m. (Thurs. and Fri.)
December 17 – 18, 2026 – 8:30 a.m. (Thurs. and Fri.)

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

Adjournment

Board Chair, James Rossler, moved to adjourn to meet on Thursday, October 16, 2025, at 8:30 a.m. for the next SERS regularly scheduled Retirement Board meeting.

The SERS board meeting adjourned at 12:51 a.m.

James Rossler, Board Chair

Richard Stensrud, Executive Director

SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

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

The following is a summary of the investment transactions made during the period of August 1, 2025, through August 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	\$266.2
Fixed Income	233.0
Private Equity Capital Calls	64.2
Real Estate Capital Calls	2.3
Infrastructure Capital Calls	10.4
Opportunistic & Tactical	2.8
Global Private Credit	20.0
Cash Equivalents	321.7

B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	244.8	59.2
Fixed Income	185.1	1.5
Private Equity Distributions	50.5	n/a
Real Estate Distributions	22.1	n/a
Infrastructure Distributions	22.9	n/a
Opportunistic & Tactical	4.8	n/a
Global Private Credit	n/a	n/a
Cash Equivalents	301.9	n/a



Global Private Equity Portfolio Review

Fiscal Year 2025

Presented by Investment Staff

Meeting Date: October 2025

Steve Price and Phil Sisson



- Implementation Guidelines
- Portfolio Construction
- Portfolio Management
- Fiscal Year in Review
- The Year Ahead



\$2.63 Billion Market Value

- 28 General Partners/70 Funds/18 Co-investments
 - 17 Ranked as A
 - 5 Ranked as B
 - 4 Ranked as C
 - 2 New to the portfolio
- \$1.41 billion unfunded commitments

FY 2025 Performance

- 9.99% 1-year net return vs. 6.42% benchmark return
- Co-Investments generating solid returns & reducing fees
- Value-added performance across all periods

Long-Term Value Add to Total Fund

- Ten-year return exceeds PE benchmark with premium to public equity returns
- Program remains cash flow positive
- Continuously review and improve implementation



Role

- SERS invests in private equity to provide risk adjusted returns in excess of those provided by publicly traded equities to compensate for private equity's liquidity and concentration risk

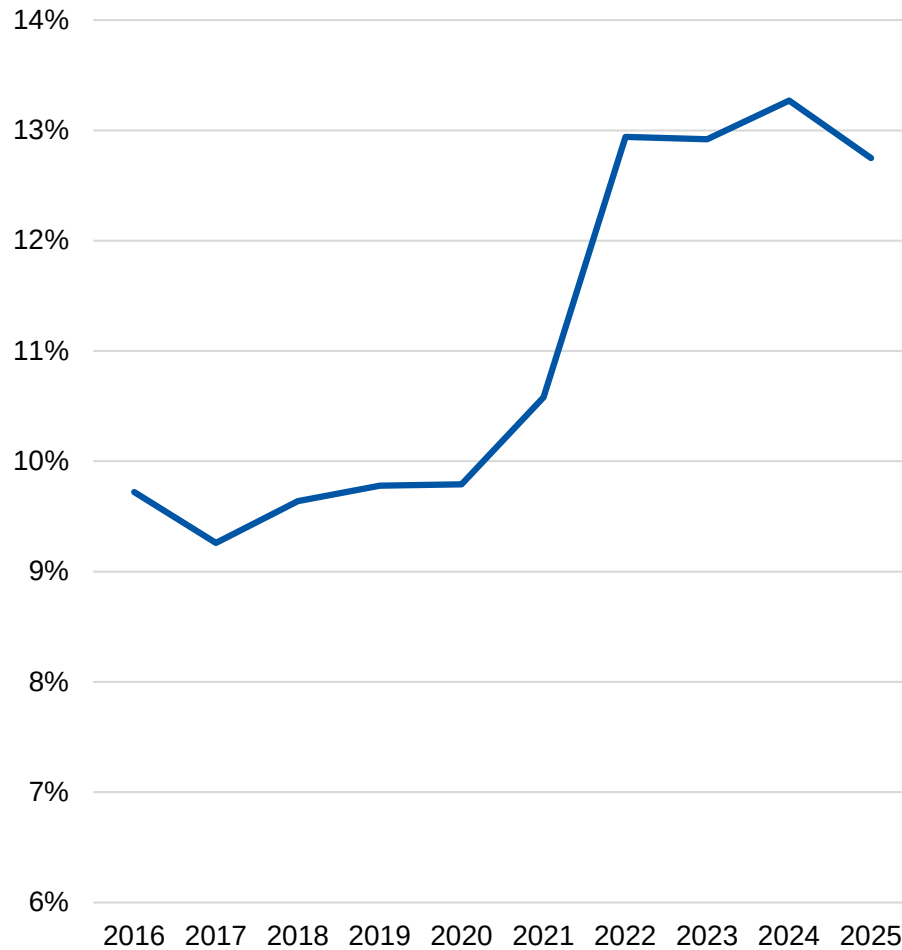
Objective

- The performance objective for private equity is to provide returns in excess of the MSCI-Burgiss Global Private Equity Funds Index by 1.5%

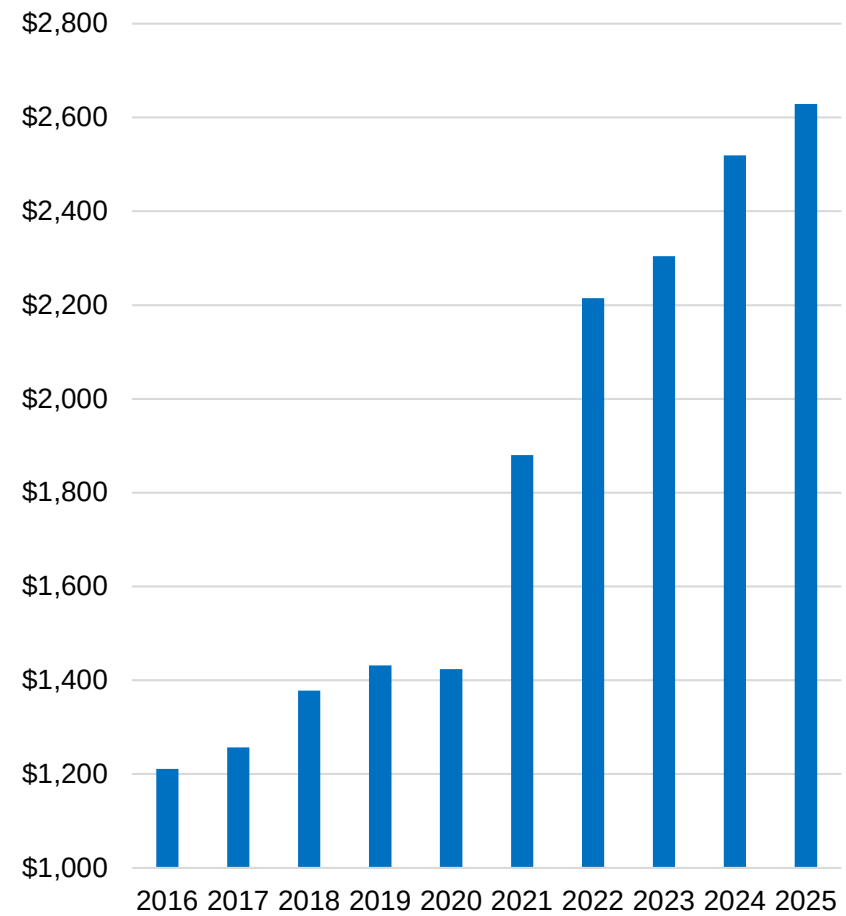
Allocation

- Target for Global Private Equity allocation set at 14% with permissible range of 11% to 17%

Global Private Equity Allocation

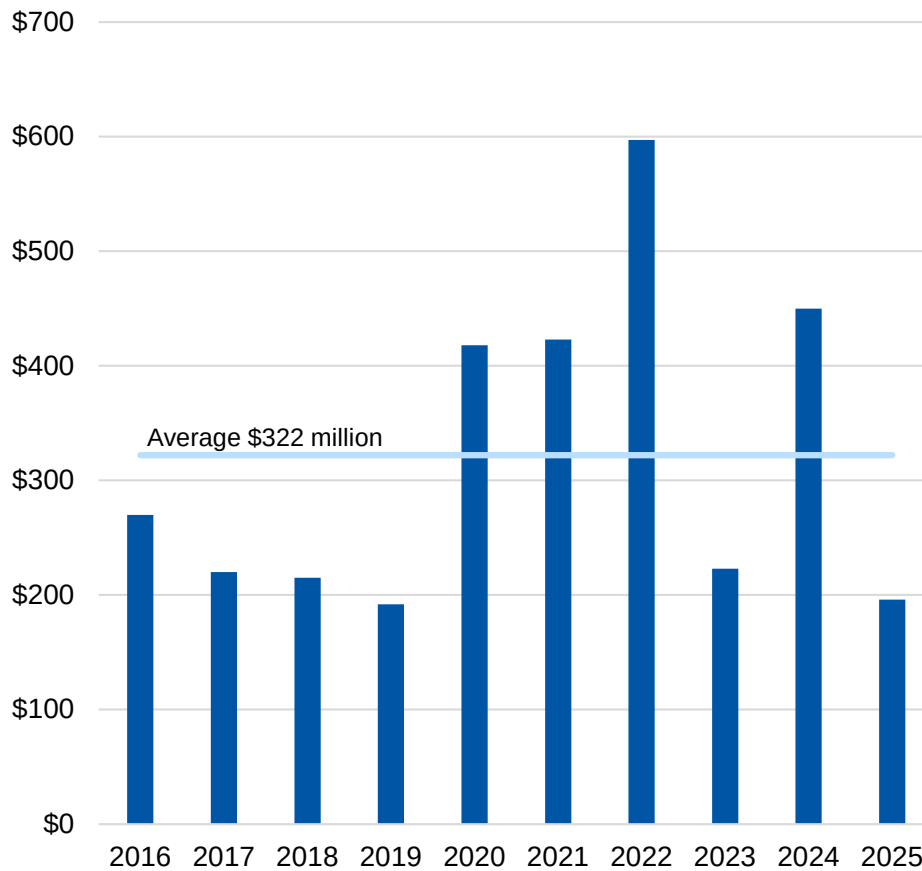


Net Asset Value

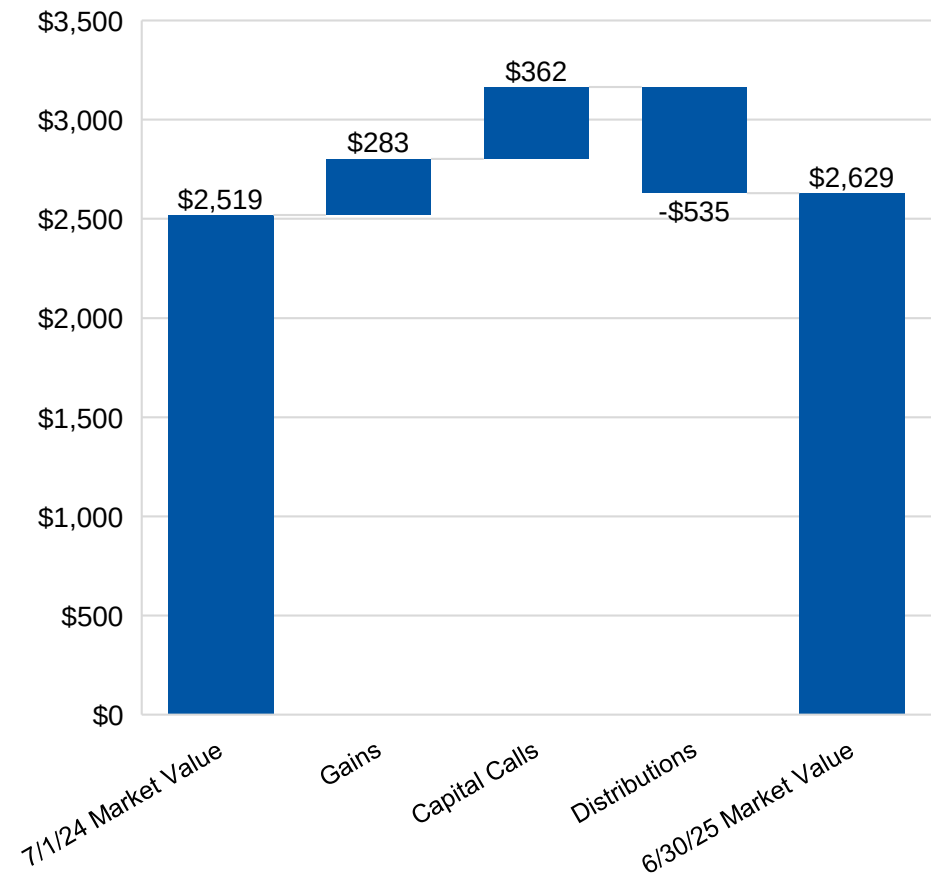




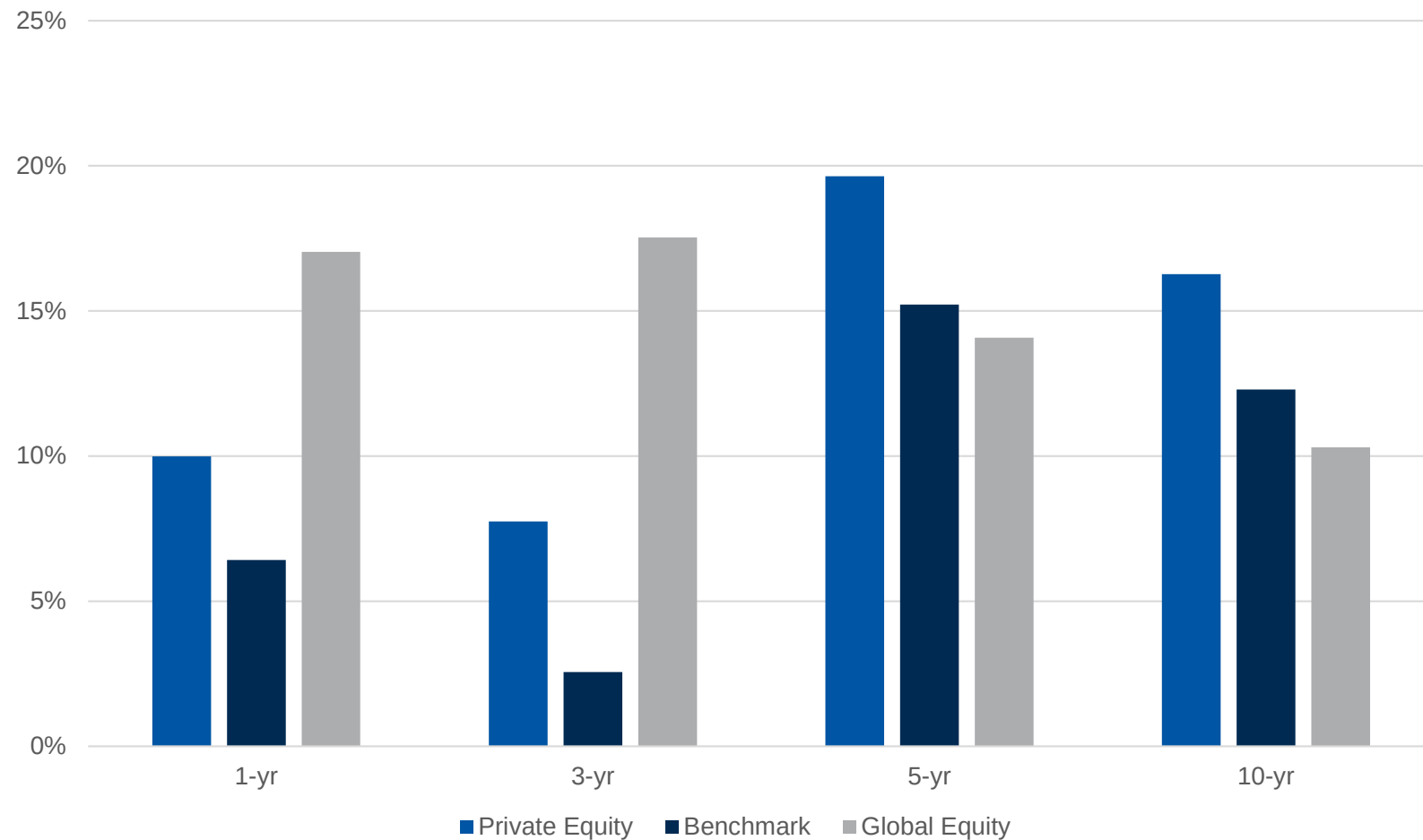
Fiscal Year Commitments
\$ millions



Valuation Bridge
\$ millions



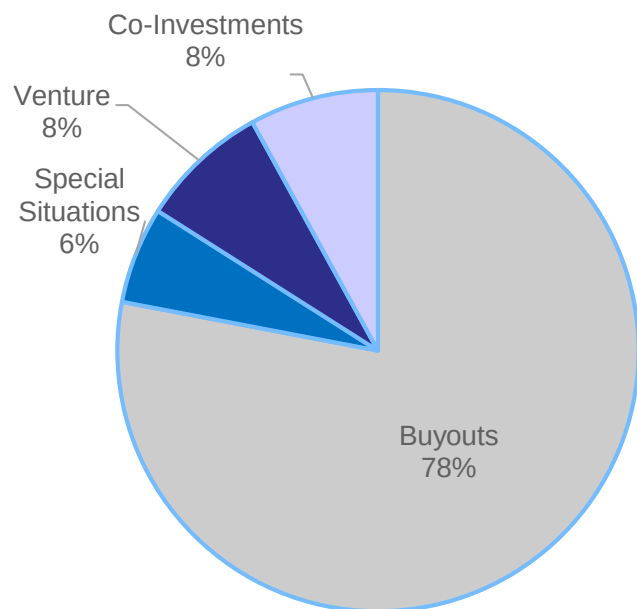
Global Private Equity Performance



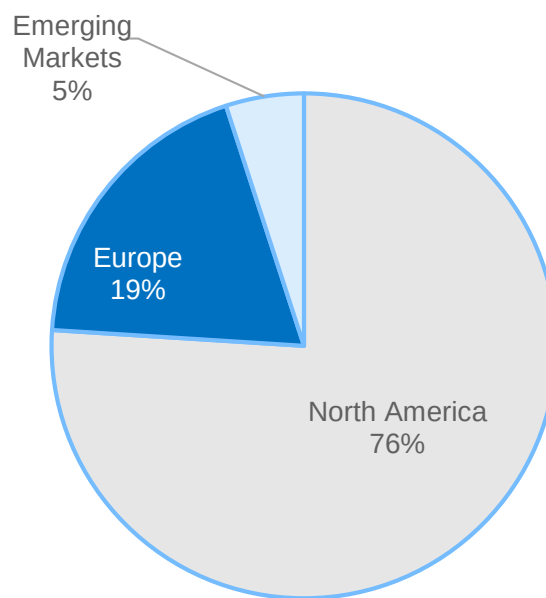
Private Equity Portfolio Construction



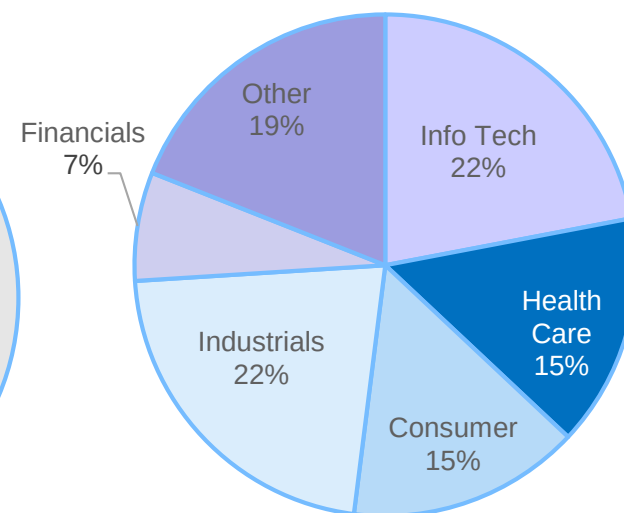
Strategy



Geography



Sector



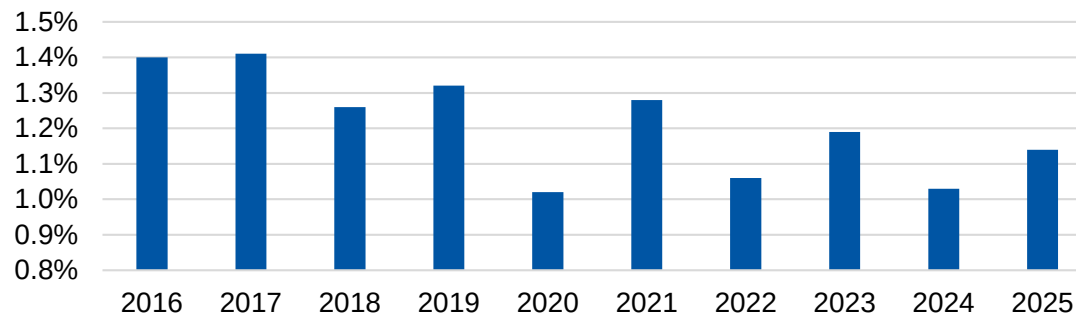


Performance Net of Fees (as of 6/30/2025)	1 Year	3 Year	5 Year	10 Year
SERS Private Equity Portfolio \$2,629,938,916	9.99%	7.75%	19.64%	16.27%
<i>Buyouts</i> \$1,996,953,593	9.95%	9.08%	20.37%	18.31%
<i>Venture Capital</i> \$212,144,709	21.32%	3.93%	NA	NA
<i>Co-Investments</i> \$199,504,127	11.74%	3.06%	18.43%	15.88%
<i>Special Situations</i> \$160,822,034	4.34%	6.30%	18.51%	9.13%
Private Equity Benchmark	6.42%	2.56%	15.22%	12.29%
Excess Return	3.57%	5.19%	4.41%	3.98%

Focus on Fees

- Fees should be reasonable given fund's strategy and size
- Pursue fee-saving opportunities when appropriate:
 - Co-Investment
 - Early investor discount
 - Large investor discount
- Management Fees have stabilized at approximately 1.1%

Average Management Fees Paid





Co-Investments

- Co-investing occurs when an LP (SERS) invests in a company alongside a GP (PE manager). A co-investment opportunity arises when a GP seeks to syndicate a portion of their investment in a company it recently acquired.

Benefits

- Reduce overall fees
- Increase exposure to highest conviction GPs
- Provides better understanding of GP's investment underwriting

SERS' implementation approach

- Proactive outreach to GPs
- Single asset transactions: opportunistically invest ~\$8 to \$15 million per company
- Sidecar vehicle: GP automatically co-invests pro-rata into every deal; total SERS commitment typically \$25 million

Portfolio construction

- \$200 million market value
- 11 General Partners
- 8% of PE portfolio

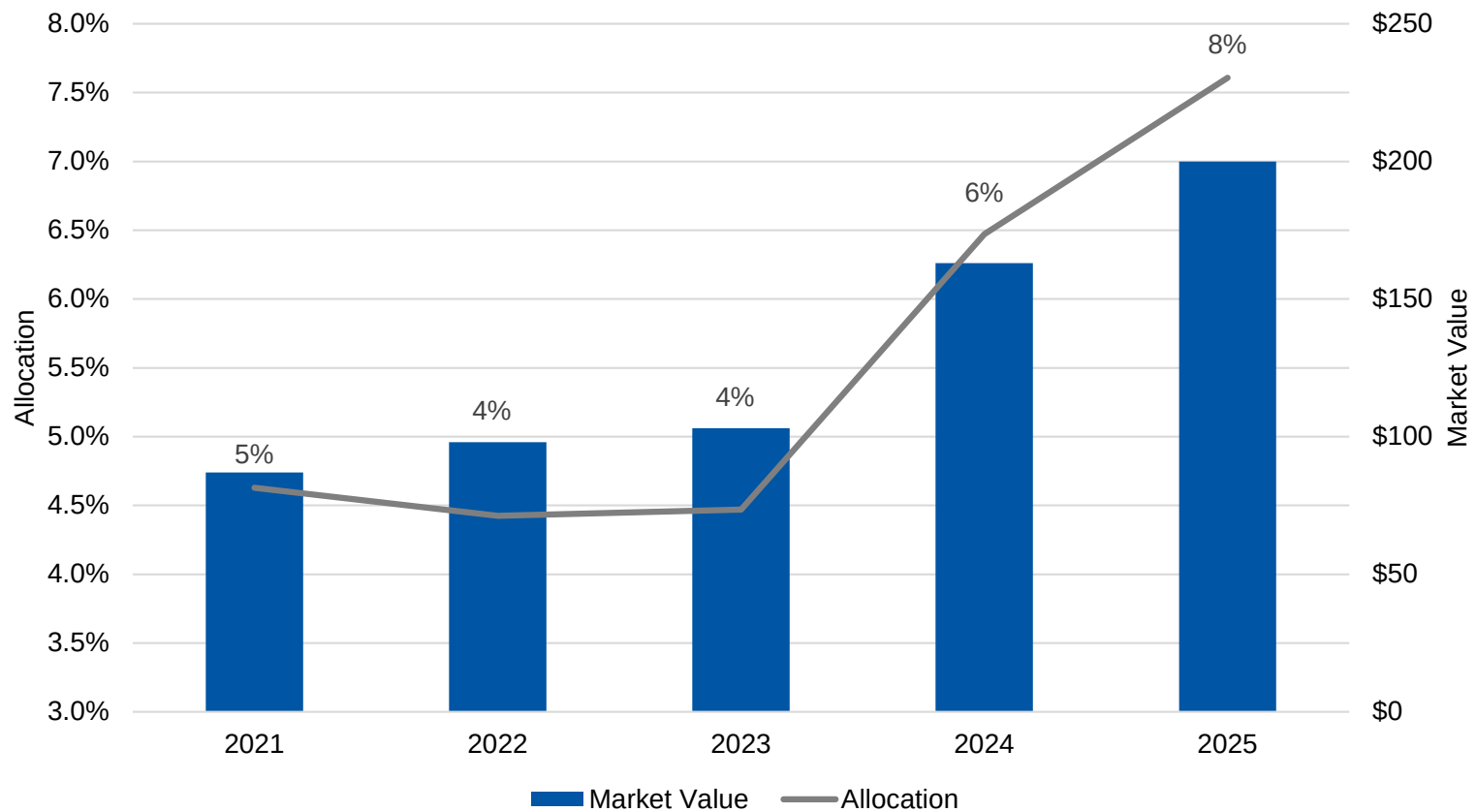
Co-Investment Opportunity for Cost Savings

Assumptions	
Committed	\$25,000,000
Gross Investment Multiple	2.0x
Management Fee	1.75%
Carried Interest	20%
Fund Life	10 years

Savings versus fund investment	
Management fee	\$4,375,000
Carried Interest	\$4,125,000
Total Savings	\$8,500,000

- Each \$25 million in co-invest is expected to save approximately \$8.5 million in management fees and carried interest over the life of the investment.

Co-Investment Portfolio Growth





Fiscal Year 2025 New Commitments:

\$196 Million Committed to New Investments

- Broadly diversified
- Three funds
- Two co-investment vehicles

Maintain Consistent Investment Discipline

- Focus on portfolio fit, performance, people, process, and product when evaluating new investments
- SERS did not “re-up” with several managers who no longer meet the above criteria

Understand Macro Environment

- Tariff uncertainty
- Exits remain subdued
- High acquisition multiples

New Commitments:

Bridgepoint

Bridgepoint Development Capital V - €50 million fund commitment; €12.5 million sidecar co-investment commitment

- Bridgepoint Development Capital makes controlling investments in middle-market buyout companies located throughout Europe.
- SERS has invested with Bridgepoint since 2007.

**Great Hill
PARTNERS**

Great Hill Partners IX - \$50 million fund commitment; \$25 million sidecar co-investment commitment

- Great Hill Partners employs a middle market growth buyout strategy and will invest in companies operating in the business services, software, consumer, healthcare and financial services sectors.
- This is SERS' first investment with Great Hill Partners.

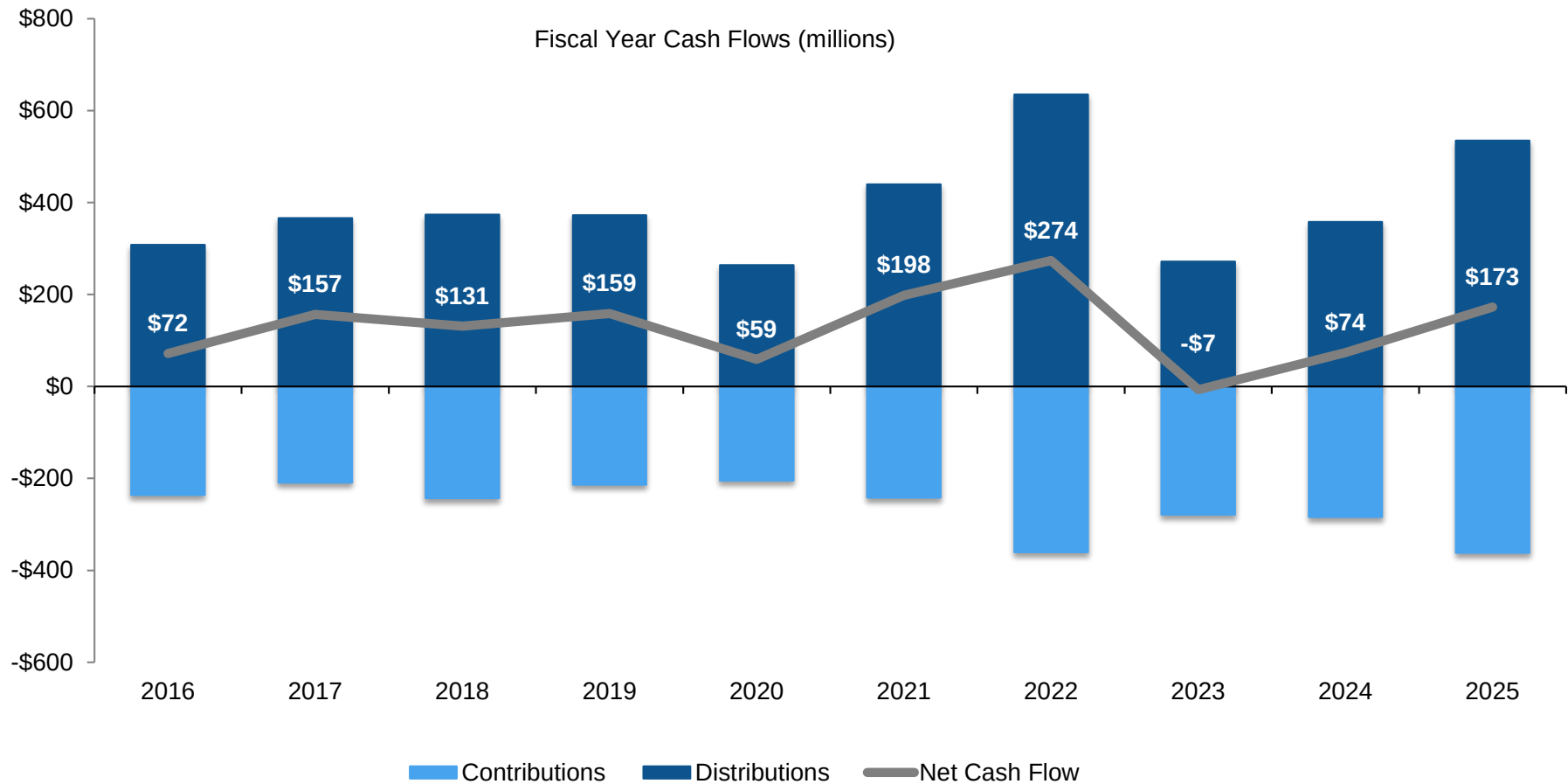
Riverside

Riverside Value Fund II- \$50 million fund commitment

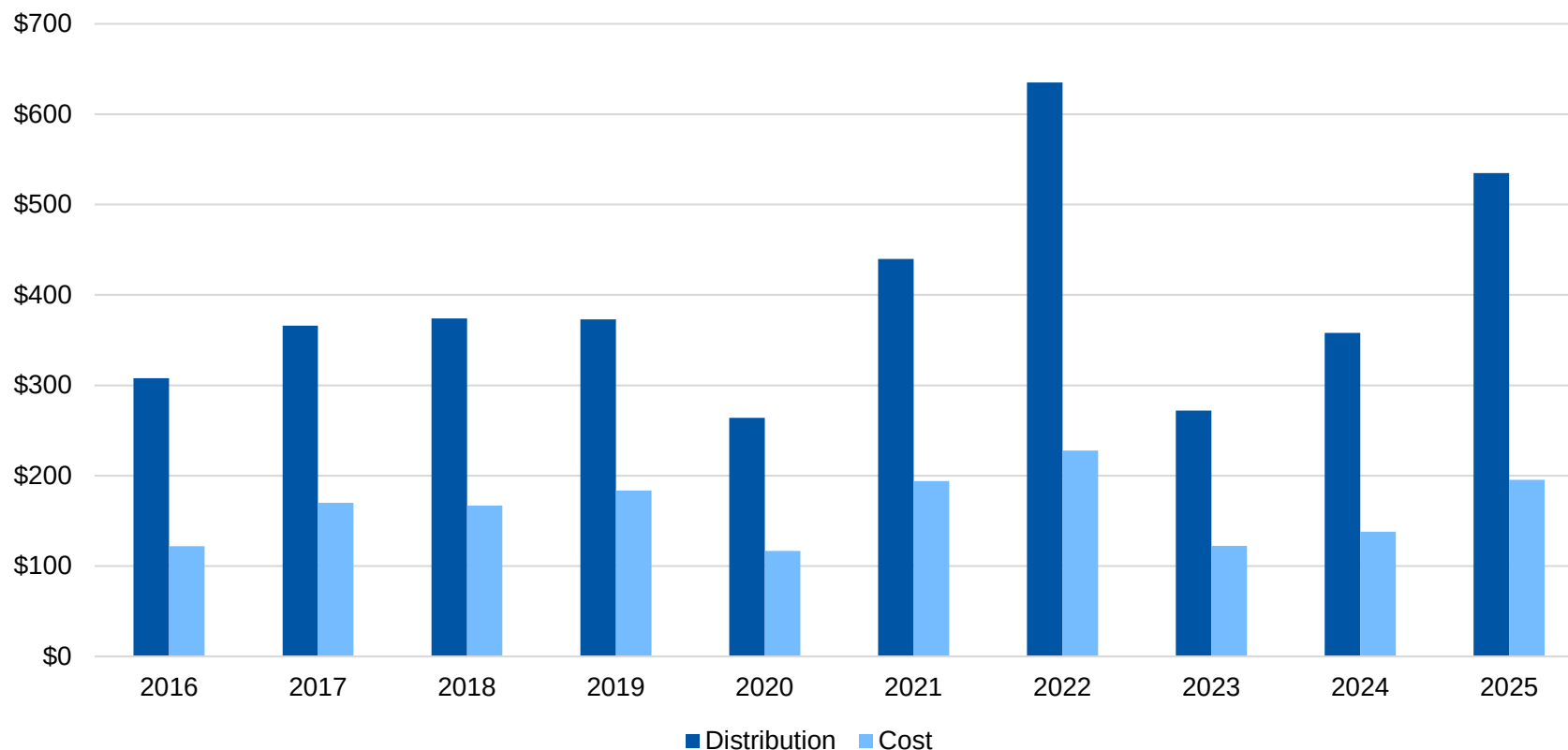
- Riverside Value Fund invests in North American businesses with embedded value that are facing financial, operational or structural challenges that can be corrected through operational improvement.
- This is SERS' first investment with Riverside Value Fund.



10-year positive cash flow of \$1.3 billion



Realized gains of \$2.2 billion since 2016



Net Investment Multiple	2.5x	2.2x	2.2x	2.0x	2.3x	2.3x	2.8x	2.2x	2.6x	2.7x
Number of Exits	97	92	95	98	107	95	85	63	75	66

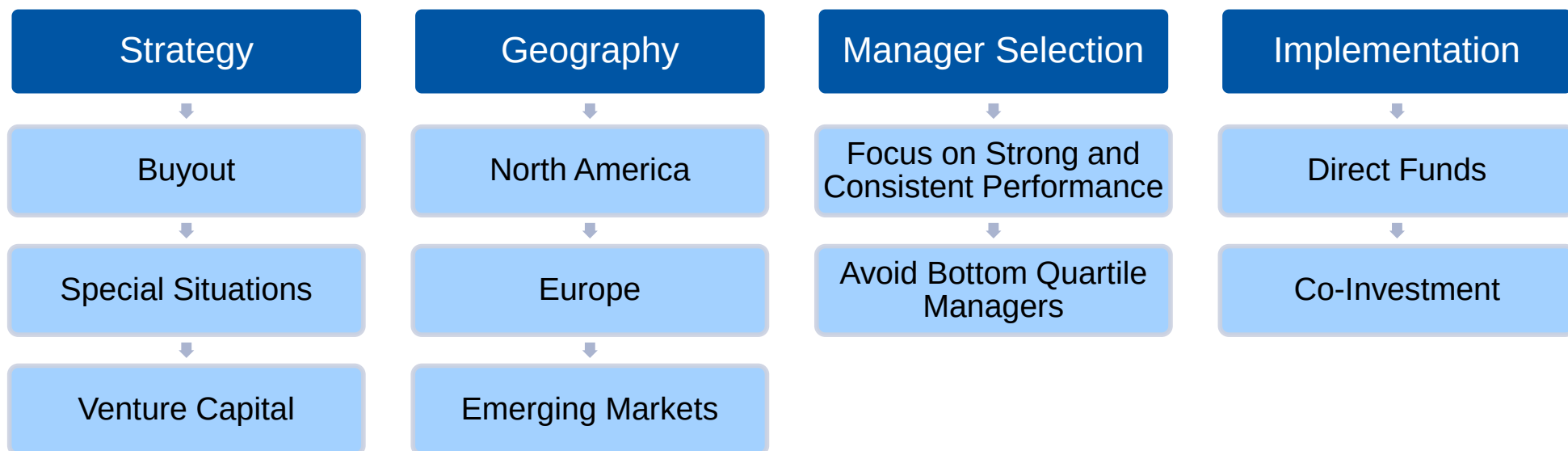
Fiscal Year 2026 Objectives

- Manage the Private Equity portfolio and fiscal year commitments to reflect the investment allocation of 14%, subject to identifying opportunities that meet SERS' investment criteria.
- Review the private equity portfolio strategy and structure and develop a plan to improve risk and return characteristics of the portfolio, achieve fee reductions and optimize manager count as appropriate.
- Actively seek co-investment opportunities where appropriate with current SERS' private equity general partners who meet co-investment criteria, as outlined in the private equity co-investment guidelines.
- Research and identify new and innovative investment opportunities with managers who offer compelling return expectations. These new opportunities may be used for a combination of purposes to replace current managers who no longer meet SERS' investment criteria or to target strategies that are not currently a directly invested component of the private equity portfolio.

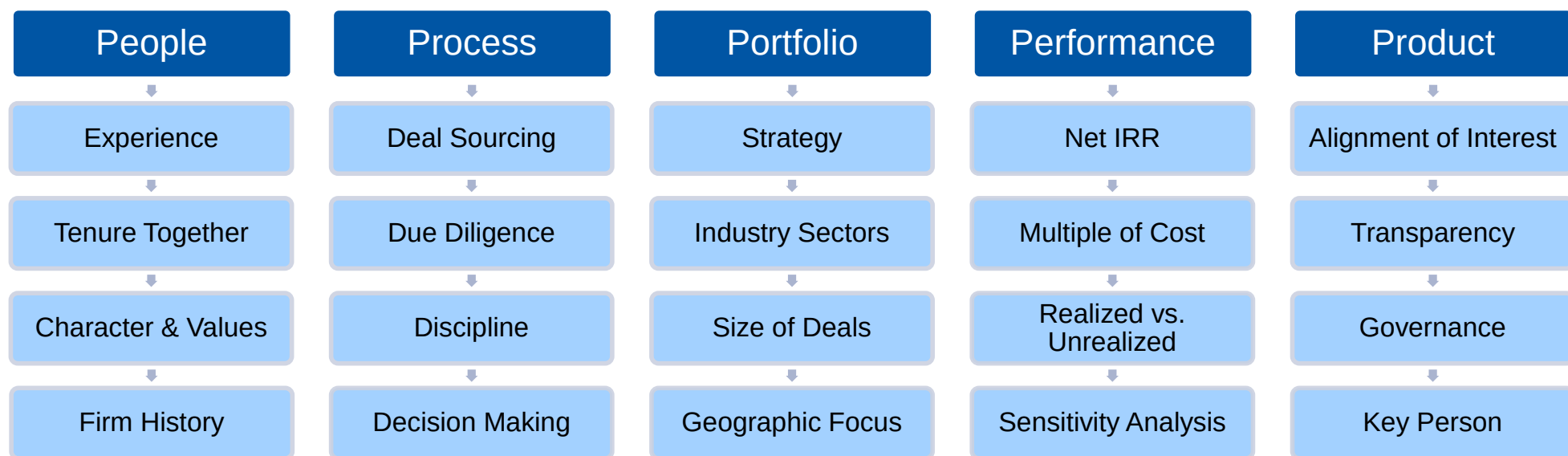


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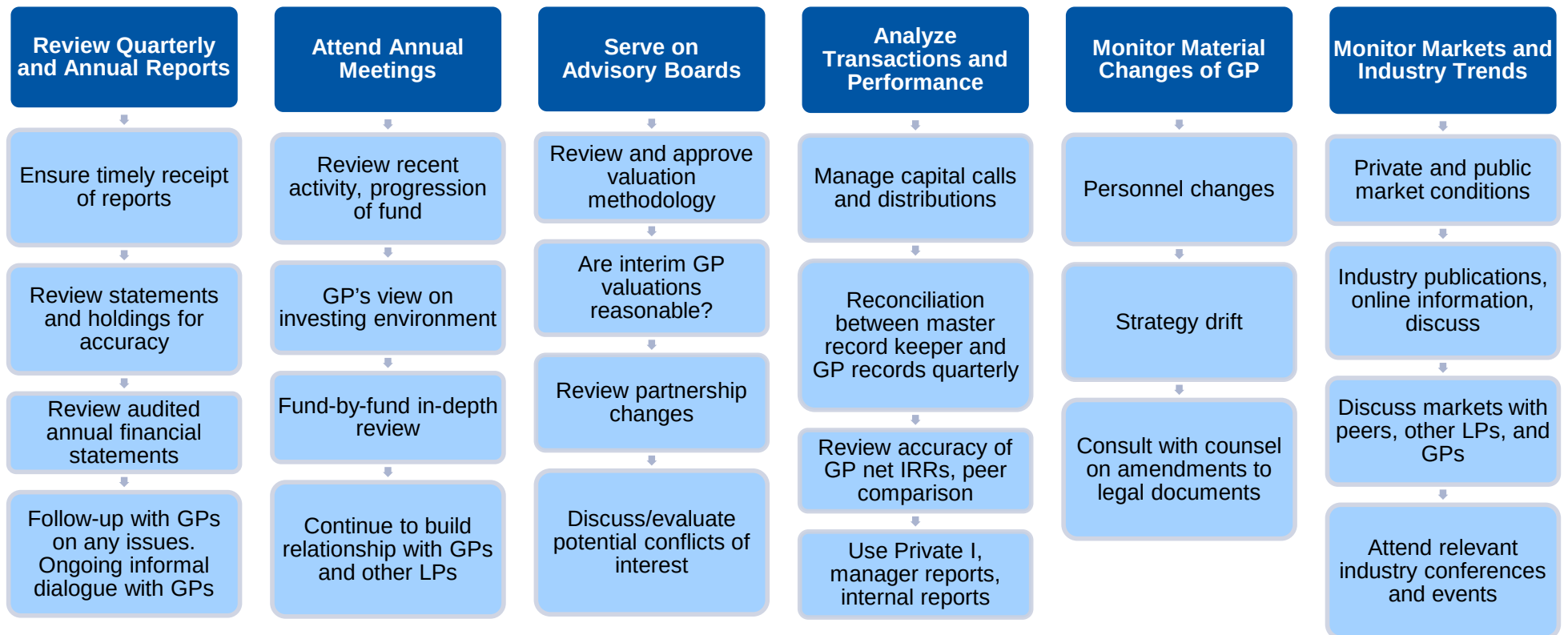
Value Add Through Four Key Areas:



Methodical Manager Selection:

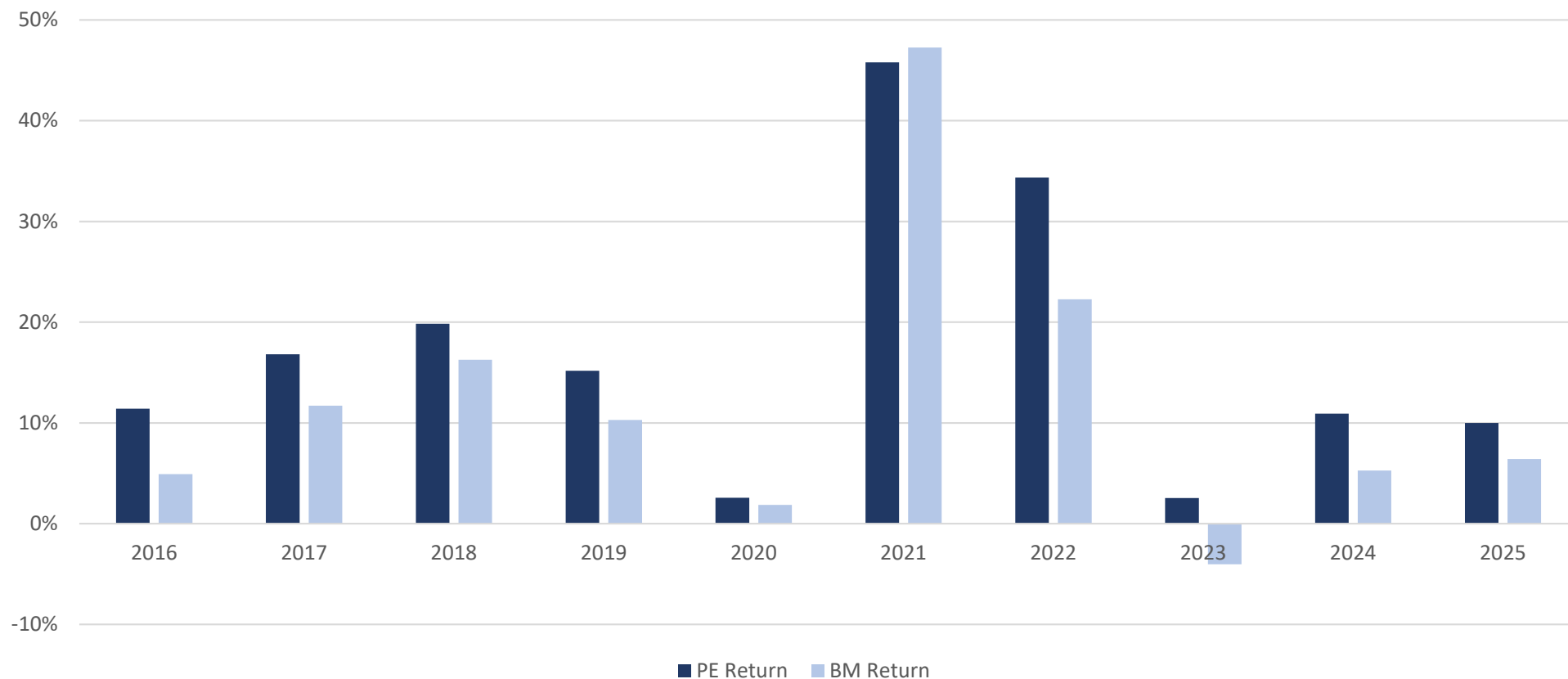


Continuous Due Diligence Through Extensive Monitoring





Fiscal Year Returns



Private Equity Terms



- **Private equity** – Private equity is capital invested in companies not listed on a stock exchange or publicly traded.
- **Private equity fund** – Private equity funds have a finite term of 10-12 years. Private equity funds typically consist of 10-25 portfolio companies when fully deployed. These investments are illiquid and can take several years to generate returns.
- **General partner** – A general partner (GP) is an entity that manages a private equity fund
- **Limited partner** – A private equity fund's limited partners (LP) are its investors, or clients.
- **Committed capital** – The money provided by limited partners is not invested immediately. It is provided over time as investments are identified.
- **Capital call** – Capital calls are issued to LPs when the GP has identified a new investment and the LP's committed capital is required to pay for the investment.
- **Distribution** – Distributions are issued to LPs when the GP sells a portfolio company.
- **J-curve** – The J-curve represents the pattern of return an LP can expect over time. A private equity fund will often exhibit negative returns in its early years. Investment gains will typically occur in the later years as portfolio companies mature, increase in value, and are sold.
- **Co-investment** – Co-investing occurs when an LP invests in a company alongside a GP.
- **Investment multiple** – An investment multiple is a financial metric used to evaluate the total return on an investment relative to the initial capital invested. Commonly expressed as a ratio, it helps investors assess the profitability and performance of their investments over time.

Source: JP Morgan; Investopedia.com



Ohio SERS Investment Report

Monthly Report to the Board

For the period ending: August 31, 2025

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

Meeting Date: October 2025



Investment Agenda

- Annual Portfolio Review – Private Equity
- Investment report and economic update for the period ended August 31, 2025
- Investment Consultant RFP Discussion



Economic and Financial Market Outlook

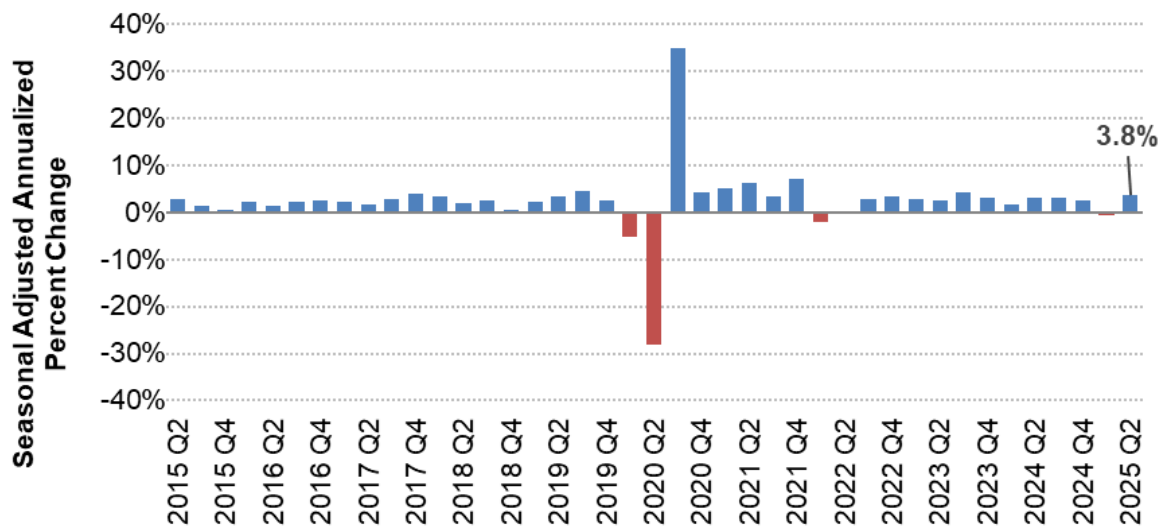
- In Q2 2025, GDP expanded 3.8% on an annual basis, reversing a 0.6% contraction in Q1. Growth was driven by a decrease in imports and an increase in consumer spending. The average GDP growth for the first half of 2025 was 1.6%, significantly below the 2.8% annual growth in 2024. The Blue Chip Economic Indicators (BCEI) September 2025 consensus estimates GDP growth to decelerate to 1.7% in 2025 due to tariff uncertainty and sticky inflation concerns. *(Source: Bureau of Economic Analysis and Blue Chip Economic Indicators)*.
- The US labor market weakened, adding only 22,000 new jobs in August. The unemployment rate rose to 4.3%. The labor force participation rate remained largely unchanged at 62.3% from the previous month, but down by 0.4% from a year ago. According to Automatic Data Processing (ADP), US private employers cut 32,000 jobs in September, showing the latest sign of the labor market pullback. *(Sources: Bureau of Labor Statistics and Department of Labor; ADP)*.
- US headline inflation was 2.9% in August, up 0.2% from July. Over the past 12 months, the food index rose 3.2% and the energy index 0.2%. Core inflation, which excludes food and energy, remained steady at 3.1% in August. *(Source: Bureau of Labor Statistics)*.
- The 10-year Treasury nominal yield decreased 8 basis points to 4.16% in September. Since January 1, 2025, the 10-year yield declined 42 basis points. The current 10-year real yield, estimated by the gap between the 10-year Treasury nominal yield and current headline inflation, decreased to 1.31%, 0.48% below the historical average. The Fed cut interest rates by 25 bps in September to a range of 4.00-4.25% due to a deteriorating labor market. This is the first interest rate cut since December 2024.
- S&P Case-Shiller 20-City home price index was down 0.29% for the month but gained 1.82% for the last 12 months as of July 2025.
- The Consumer Sentiment Index released by Thomson Reuters and the University of Michigan was 55.1 in September, down 5.3% from August and 21.4% from a year ago. Both US and Global Economic Surprise indices were positive in September, indicating that the actual data exceeded expectations, suggesting stronger economic conditions. The US reading was 22.8, and the Global reading was 9.8, both slightly down from August. The Leading Economic Index (LEI), issued by the Conference Board, was 98.4 in August. This composite of indicators forecasts economic activities several months ahead. The LEI was down 0.5% for the month and 2.8% for the 6-month period.
- US Manufacturing PMI improved but was below 50 at 49.1, indicating slight contraction in September. A sub-50 level indicates a decline in business activities. Global Manufacturing PMI maintained a mild expansion level of 50.8 in September. *(Source: Institute for Supply Management and S&P Global)*.
- Equity markets experienced gains in September. Emerging markets (MSCI EM) led with a return of 7.15%, followed by the US market (Russell 3000) at 3.45% and Non-US Developed markets (MSCI World ex-USA) at 2.13%.
- The US fixed income market, Bloomberg US Universal Bond Index, increased by 1.06% in September.



ECONOMY

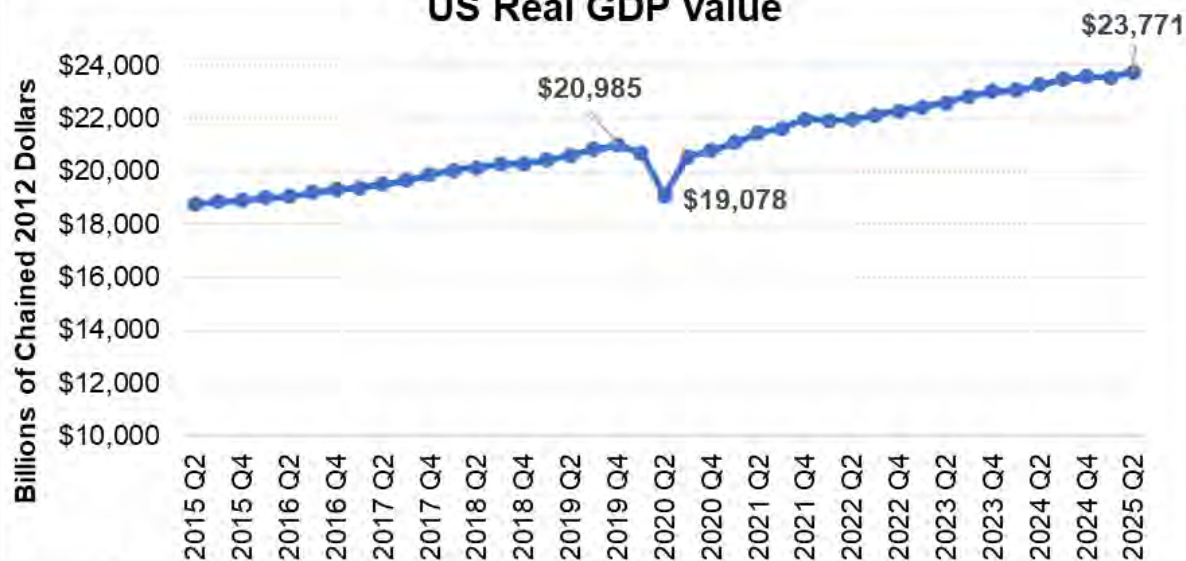
US Real Gross Domestic Product

US Real GDP Growth



Source: U.S. Bureau of Economic Analysis

US Real GDP Value

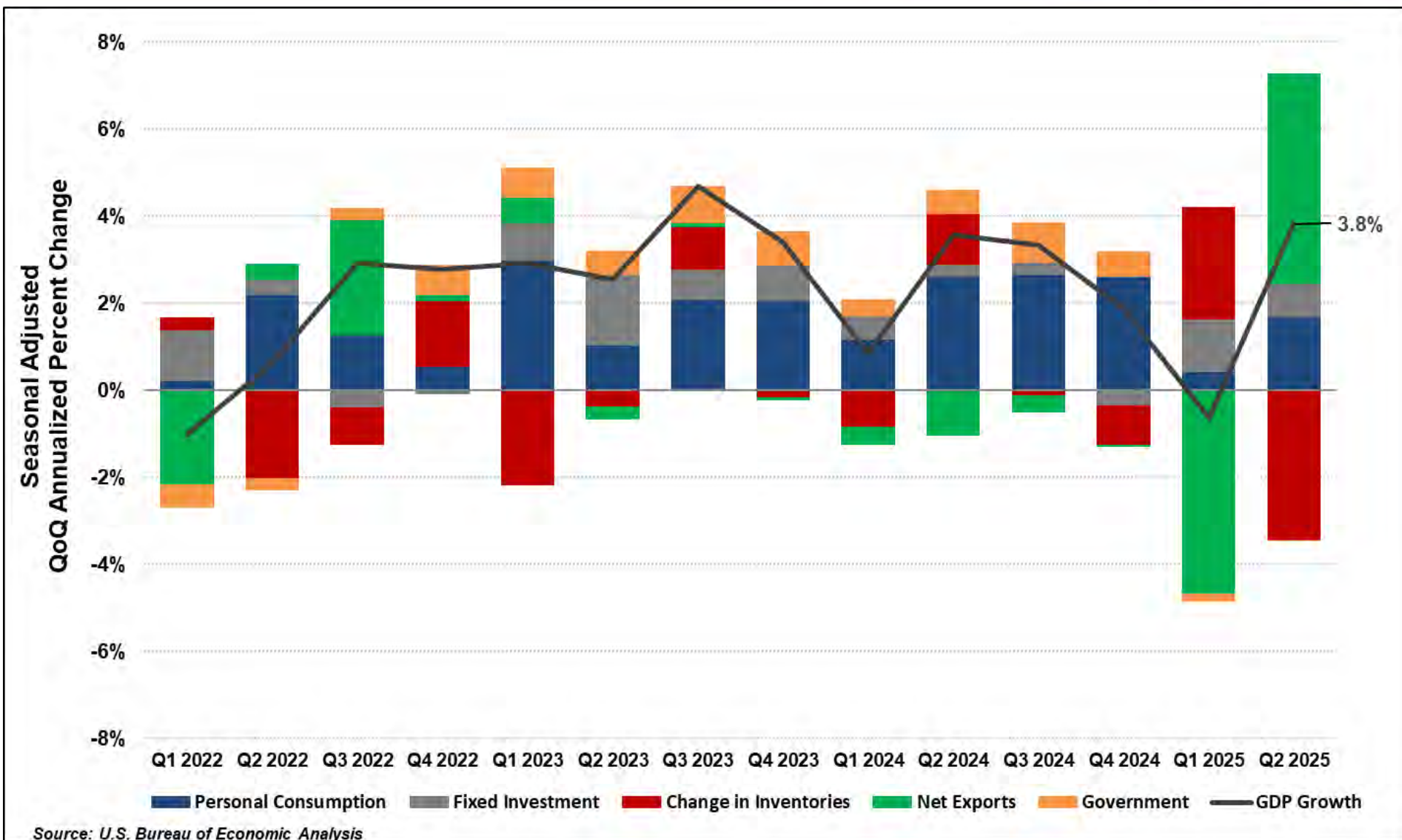


Source: U.S. Bureau of Economic Analysis



ECONOMY

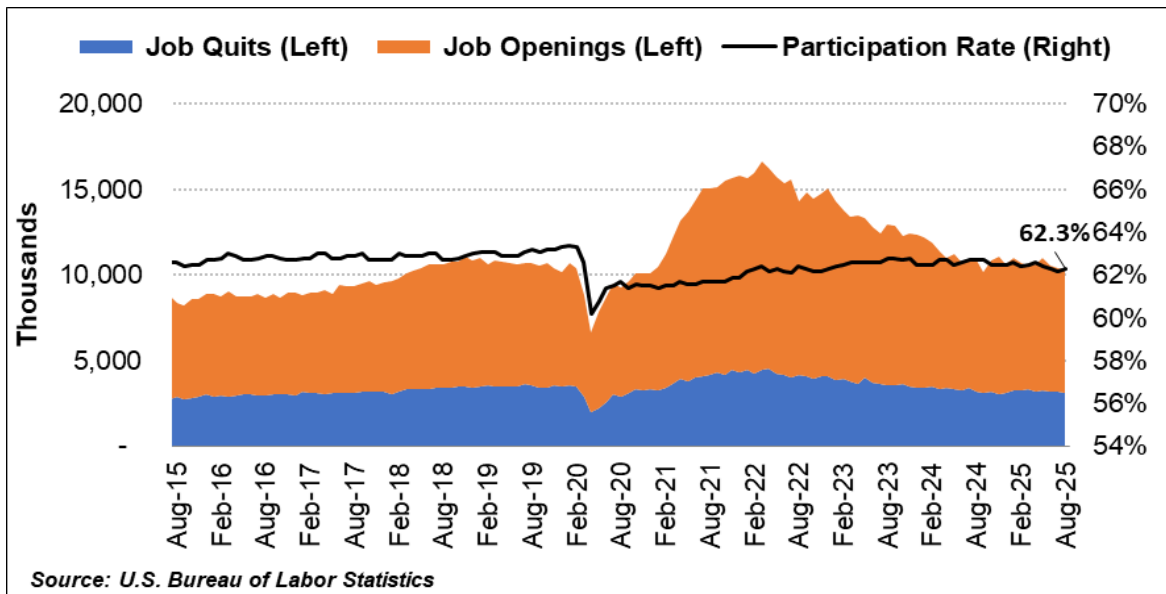
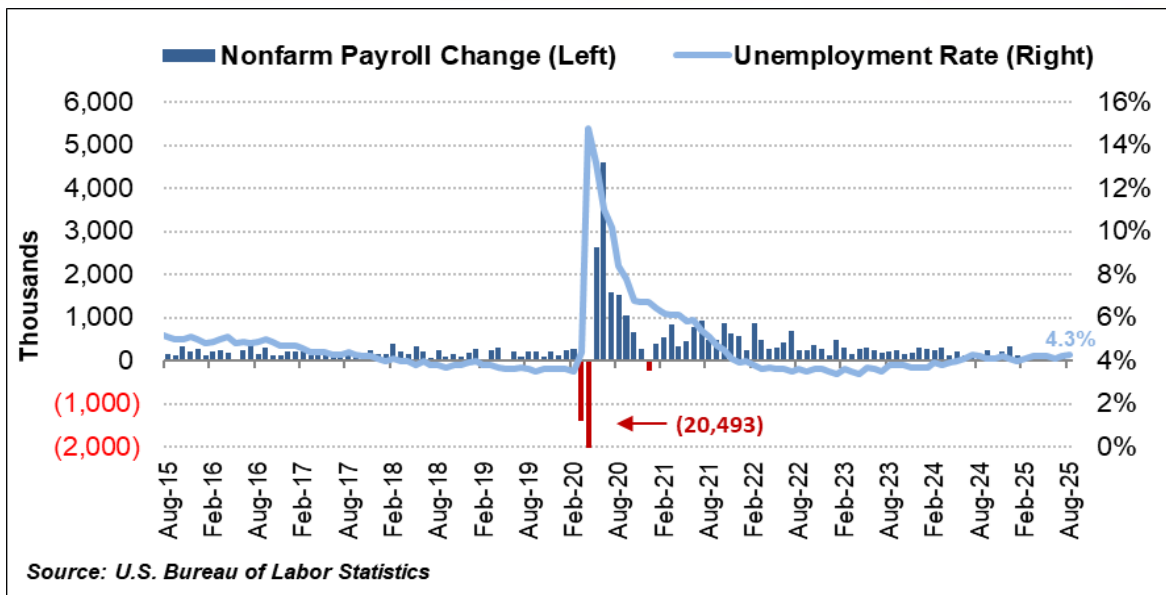
GDP Growth and its Component Contributions





ECONOMY

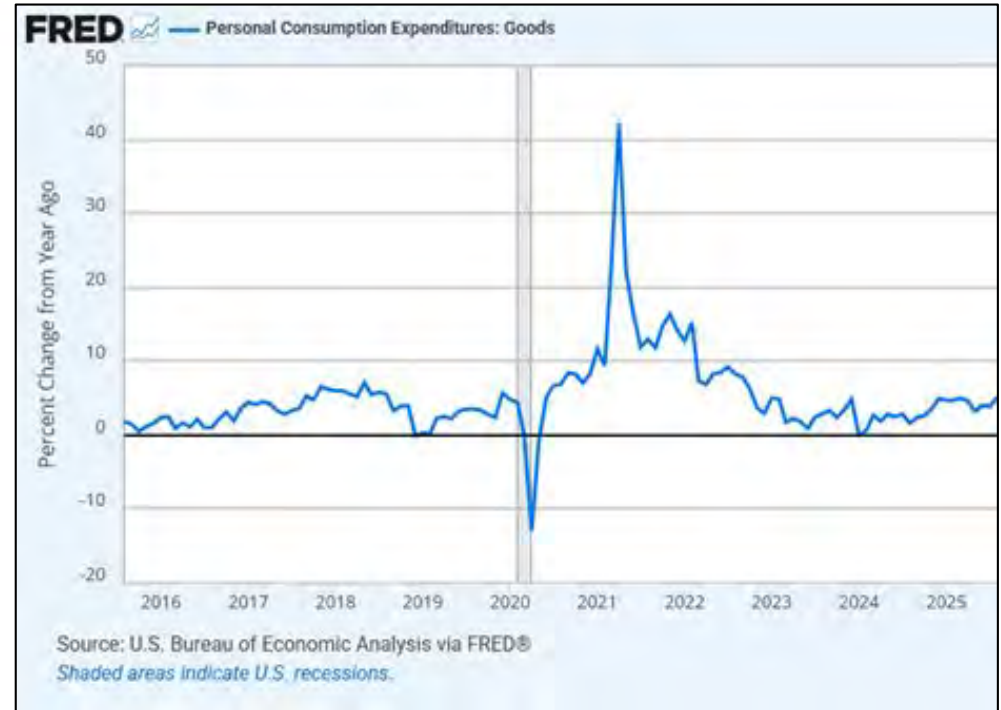
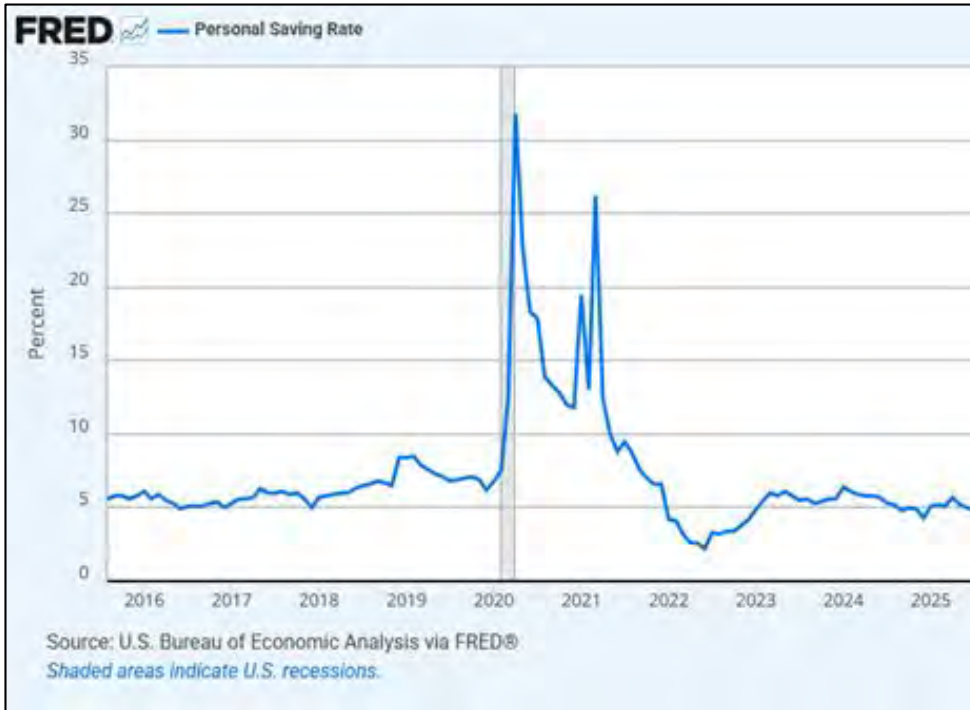
US Labor Market





ECONOMY

Personal Savings Rate & Personal Expenditures: Goods



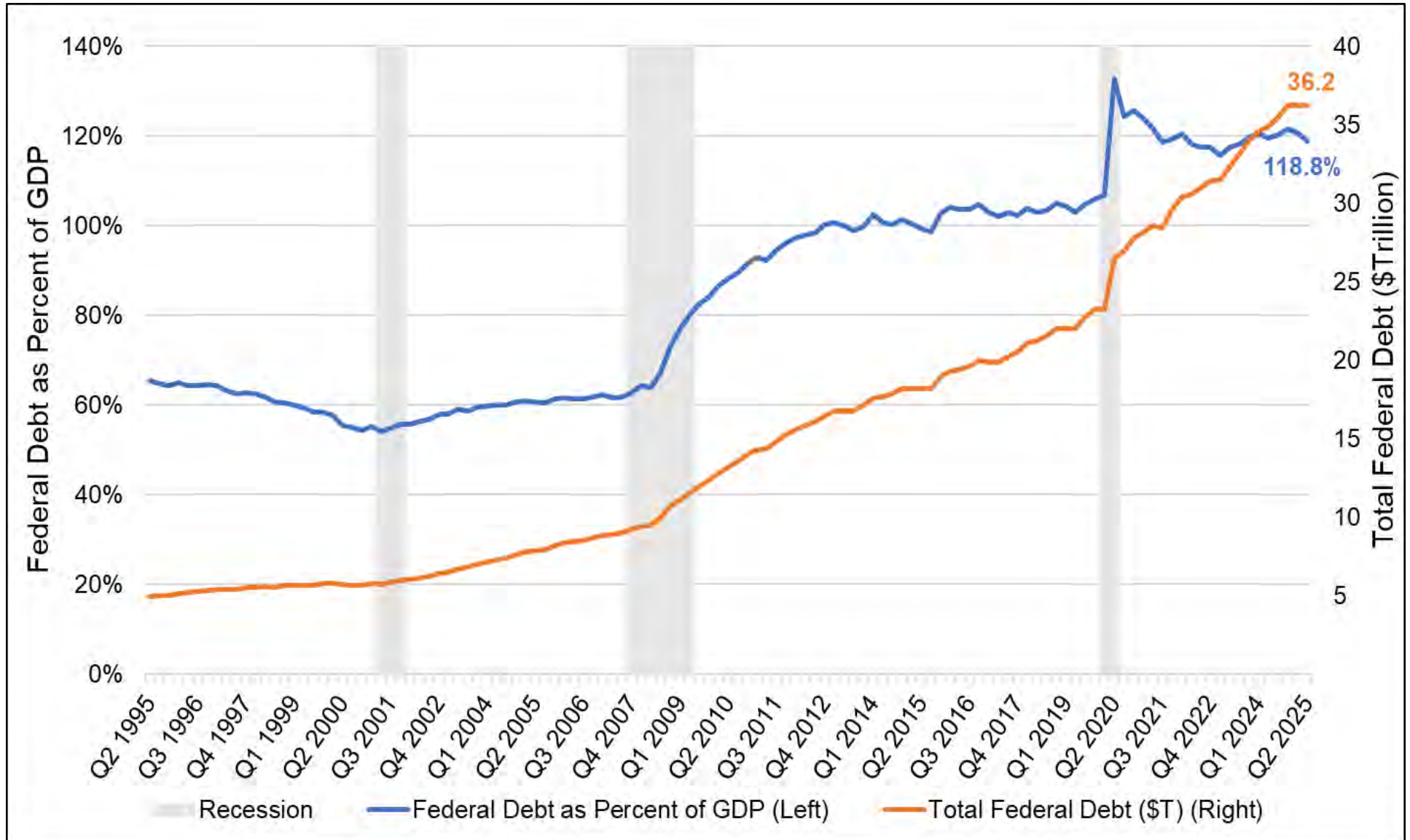
Date	Annual Personal Savings Rate
Jun-22	2.2%
Jun-23	5.8%
Jun-24	5.7%
Jun-25	5.0%
Aug-25	4.6%

Date	Personal Consumption Expenditures: Goods Change from Prior Year
Jun-22	8.5%
Jun-23	0.9%
Jun-24	2.5%
Jun-25	4.0%
Aug-25	5.1%



ECONOMY

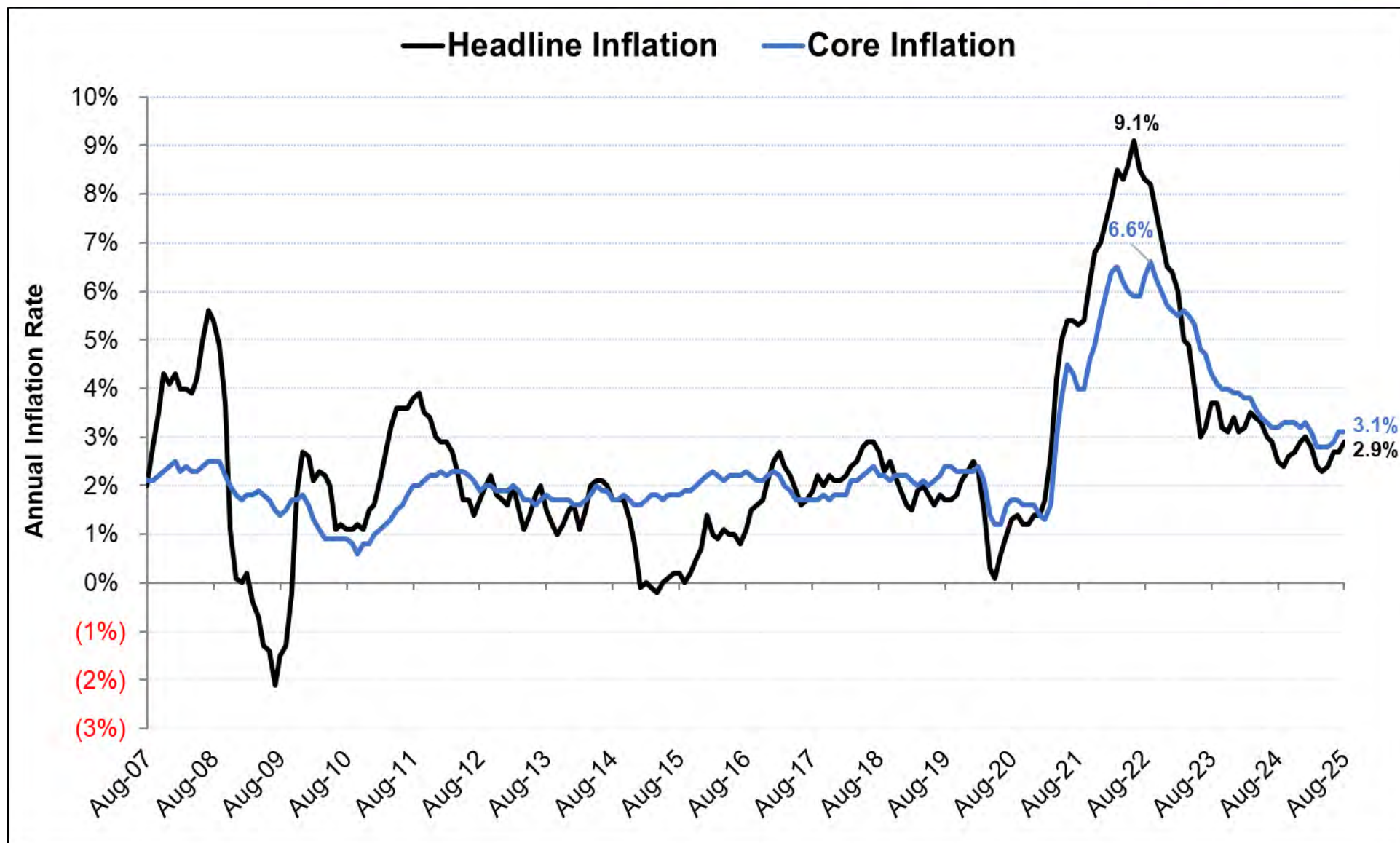
Federal Debt in USD and Percentage of GDP





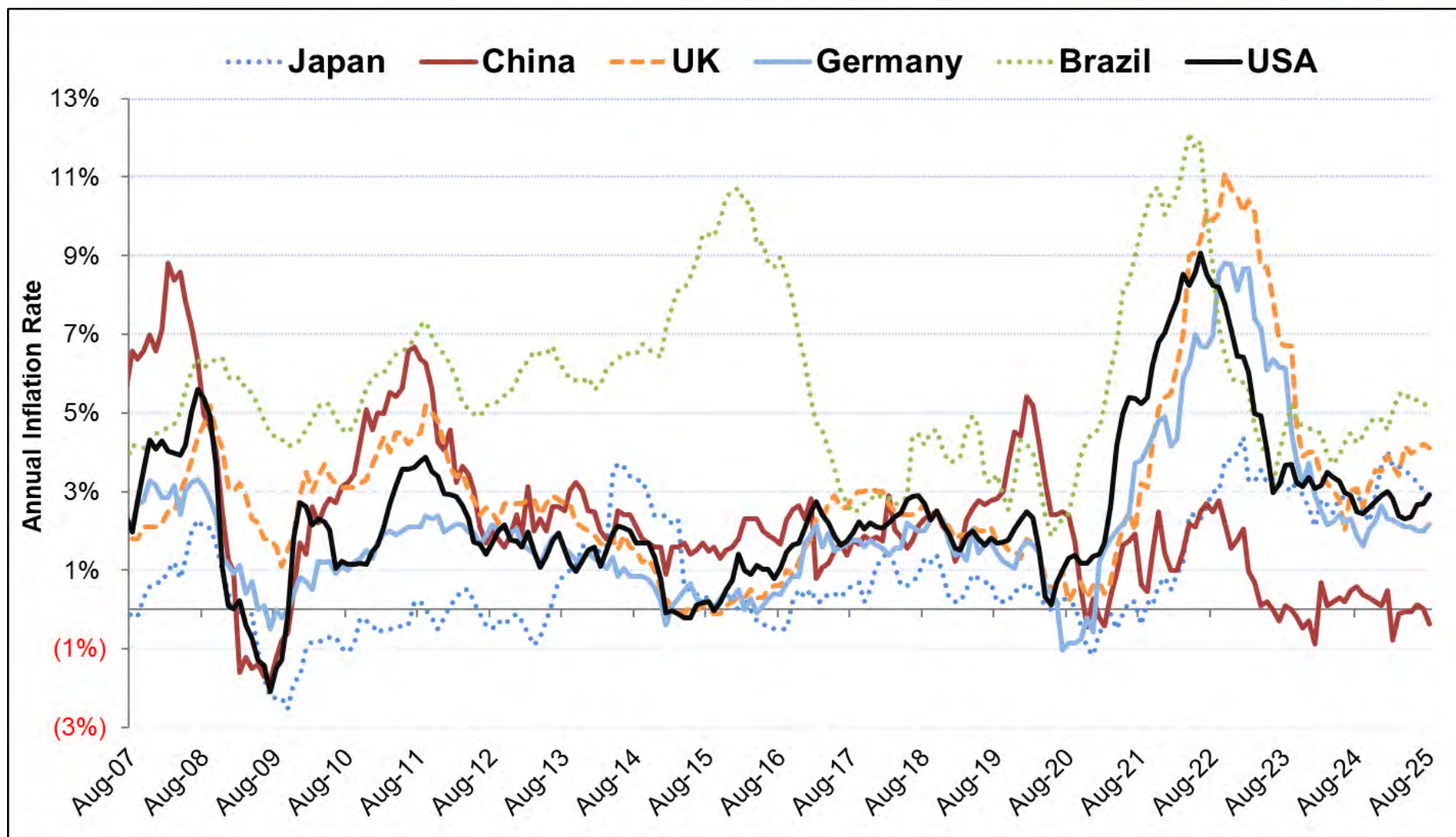
ECONOMY

US Inflation



ECONOMY

Global Headline Inflation



	Japan	China	UK	Germany	Brazil	USA
Aug-25	2.75	-0.36	4.12	2.17	5.13	2.92



ECONOMY

US & Global Manufacturing Activities



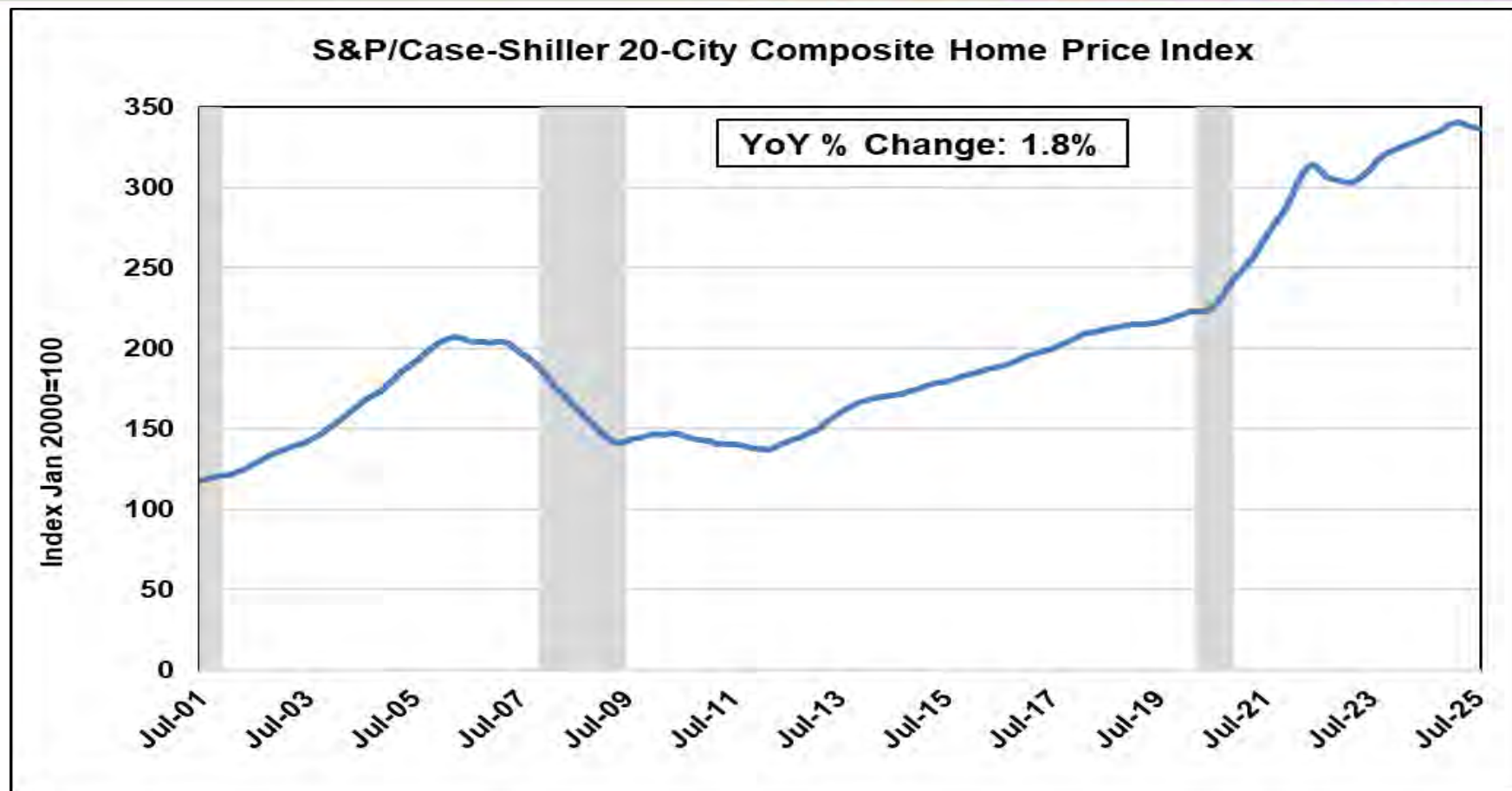
Source: Manufacturing ISM Report On Business & JPMorgan Global Manufacturing PMI™

Notes: Acronym – ISM – Institute of Supply Management; PMI – Purchasing Managers Index



ECONOMY

US Housing Market

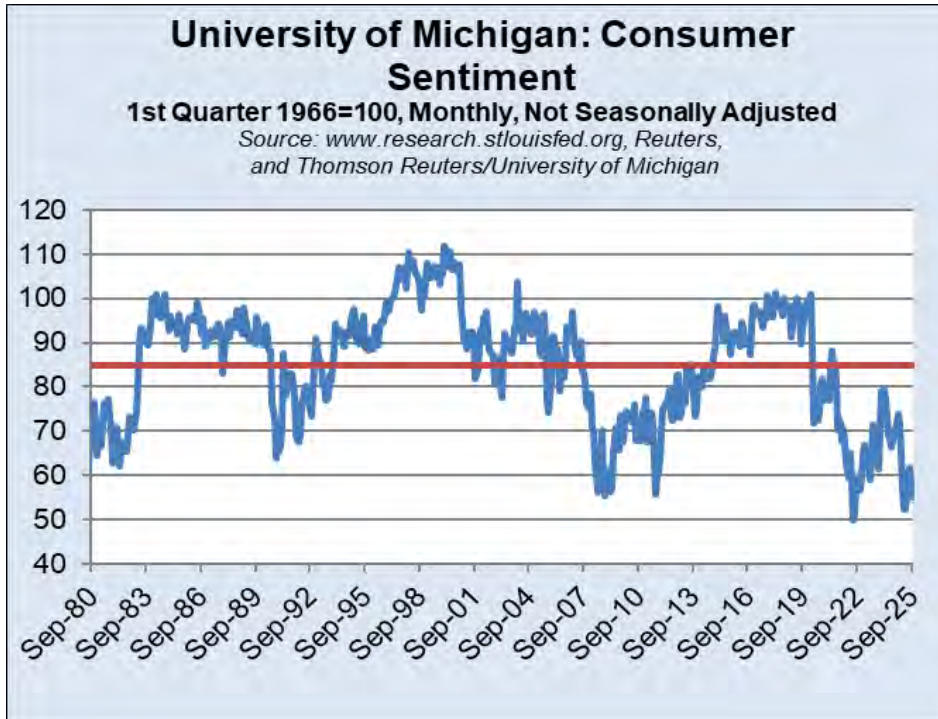


Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-21	269.28
Jul-22	312.10
Jul-23	312.48
Jul-24	330.61
Jul-25	336.57



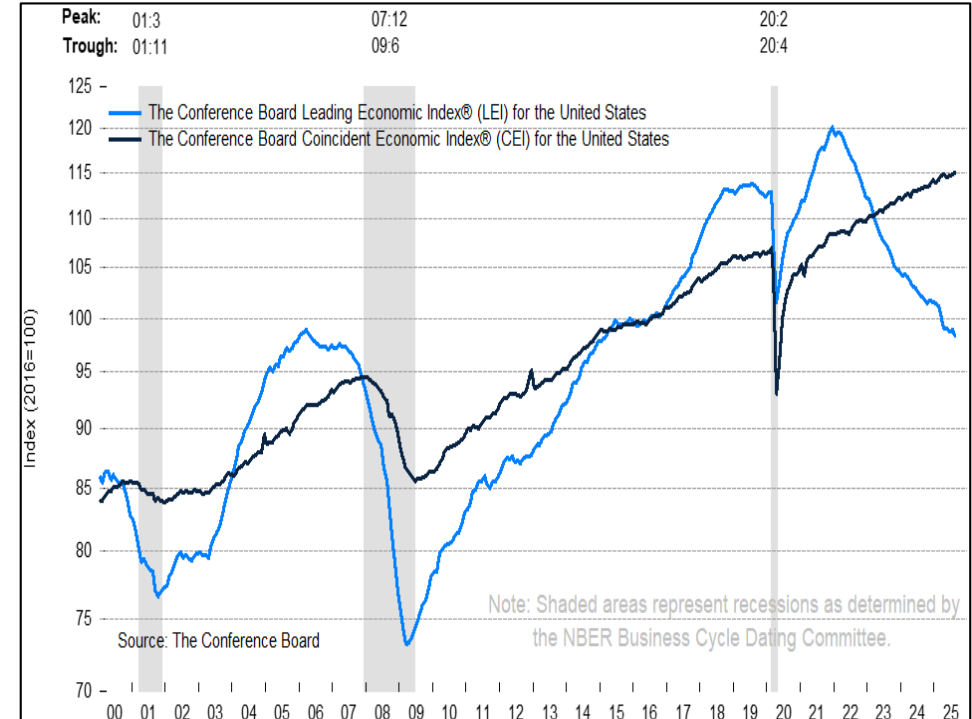
ECONOMY

Consumer Sentiment



Index of Consumer Sentiment				
Sep-25	Aug-25	Sep-24	M-M Change	Y-Y Change
55.1	58.2	70.1	-5.3%	-21.4%

The Leading Economic Index (LEI)



Shaded areas represent US recessions

Index	Jul-25	Aug-25	Month -Month Percent Change	6-Month Percent Change (Feb-Aug)
LEI	98.9 r	98.4 p	-0.5	-2.8

p Preliminary; r Revised; Indexes equal 100 in 2016



ECONOMY

FRED US Yield Curve Slope — (10Y Treasury Constant Maturity minus 3M Treasury Constant Maturity)



Source: Federal Reserve Bank of St. Louis via FRED®
Shaded areas indicate U.S. recessions.

myf.red/g/1MIqR

US Growth Surprise

Source: Bloomberg



Global Growth Surprise

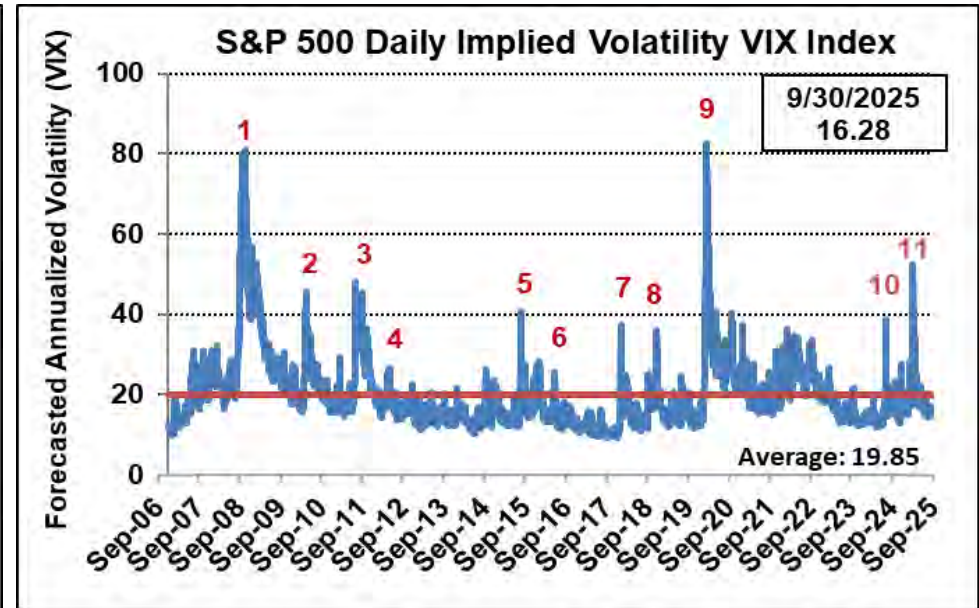
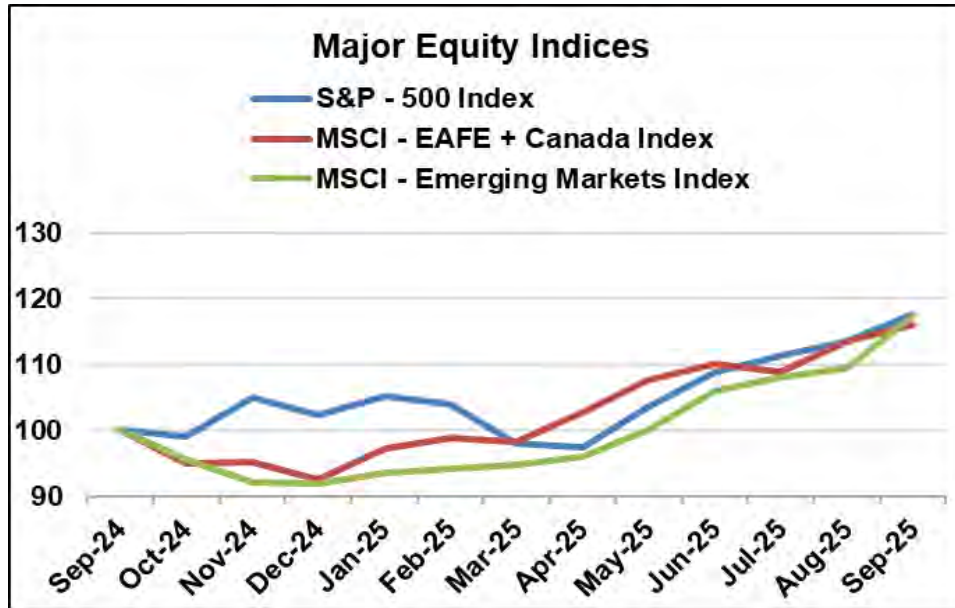
Source: Bloomberg





MARKETS

Equity



	Return as of 9/30/2025	
	1 Year	FYTD
S&P 500 Index	17.60	8.12
MSCI - EAFE + Canada Index	16.03	5.33
MSCI - Emerging Markets Index	17.32	10.64

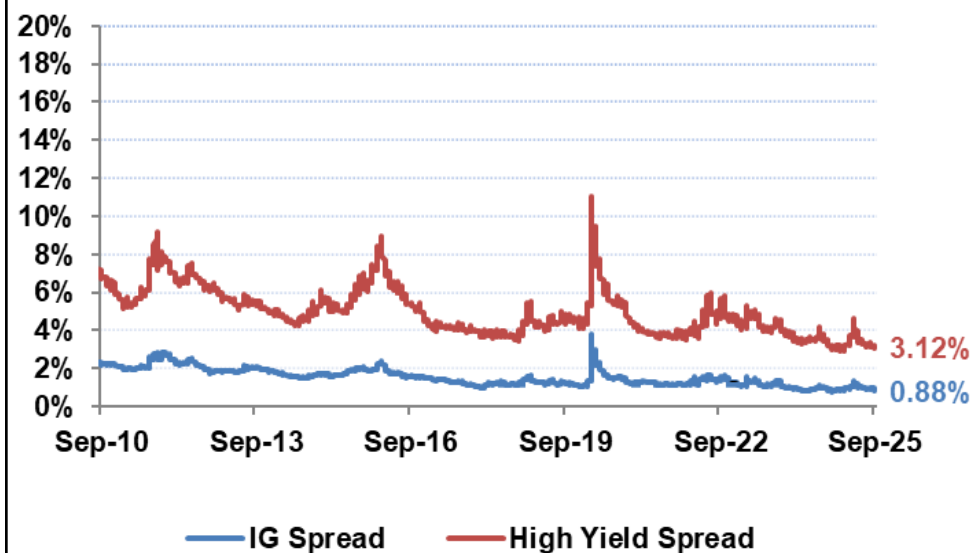
- 1 2008 (Nov.) Financial Crisis S&P 500: - 48.8%
- 2 2010 (May) Flash crash; Europe/ Greece debt S&P 500: -16%
- 3 2011 (Aug.) US down grade, Europe periphery S&P 500: -19.4%
- 4 2012 (June) Eurozone double dip S&P 500: -9.9%
- 5 2015 (Aug.) Global slow down, China, Fed S&P 500: -12.4%
- 6 2016 (Feb.) 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 slow down S&P 500: -10.5%
- 9 2020 (Mar.) Coronavirus, S&P 500 : -23.7%
- 10 2024 (Aug.) Crow ded FX (Japanese Yen) trade, recession fear S&P 500: -6.0%
- 11 2025 (Apr.) Tariff tantrum, S&P 500: -11.5%



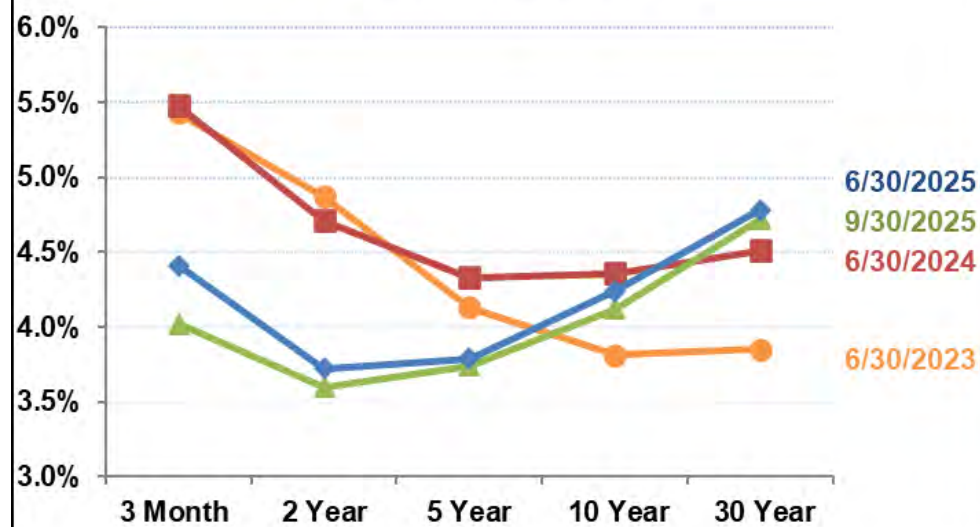
MARKETS

Fixed Income

U.S. Corp. IG and High Yield Spreads



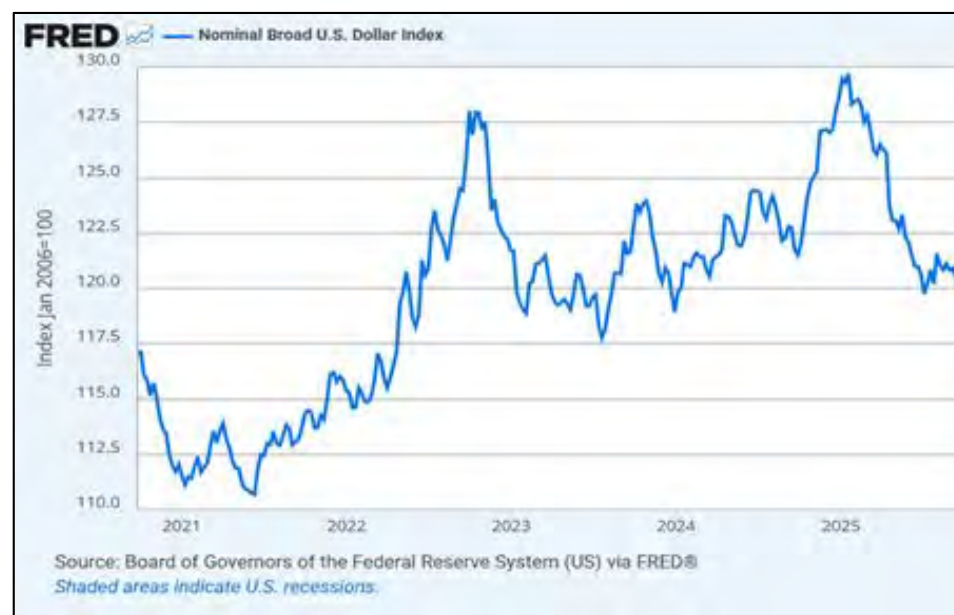
U.S. Treasury Yield Curve





MARKETS

Foreign Exchange



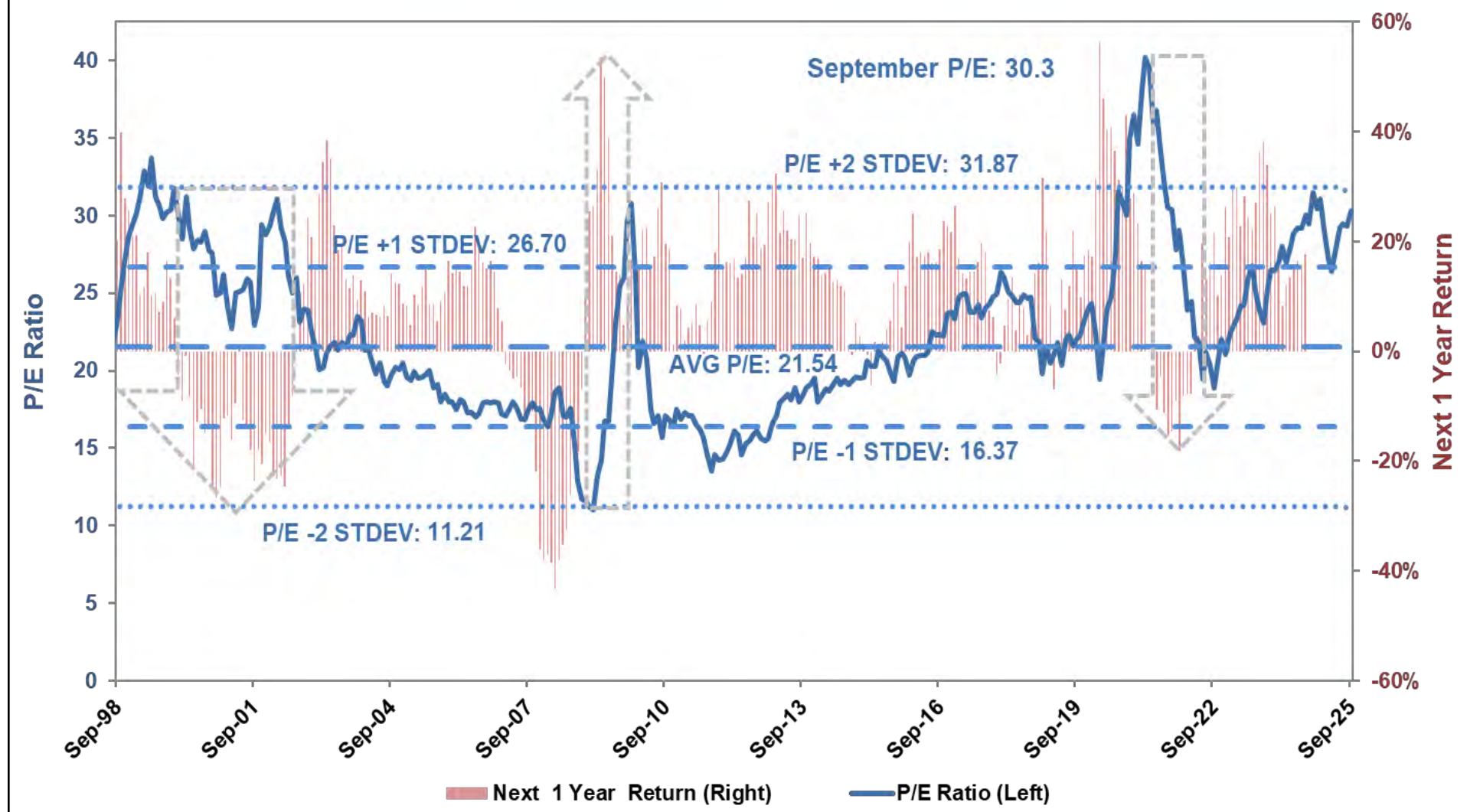
Date	U.S. / Euro Foreign Exchange Rate U.S. Dollars to One Euro
June-22	1.05
June-23	1.09
June-24	1.07
June-25	1.18
September 26, 2025	1.17

Date	Nominal Broad U.S. Dollar Index Index January 2006=100
June-22	121.05
June-23	119.89
June-24	124.52
June-25	119.83
September 26, 2025	120.86



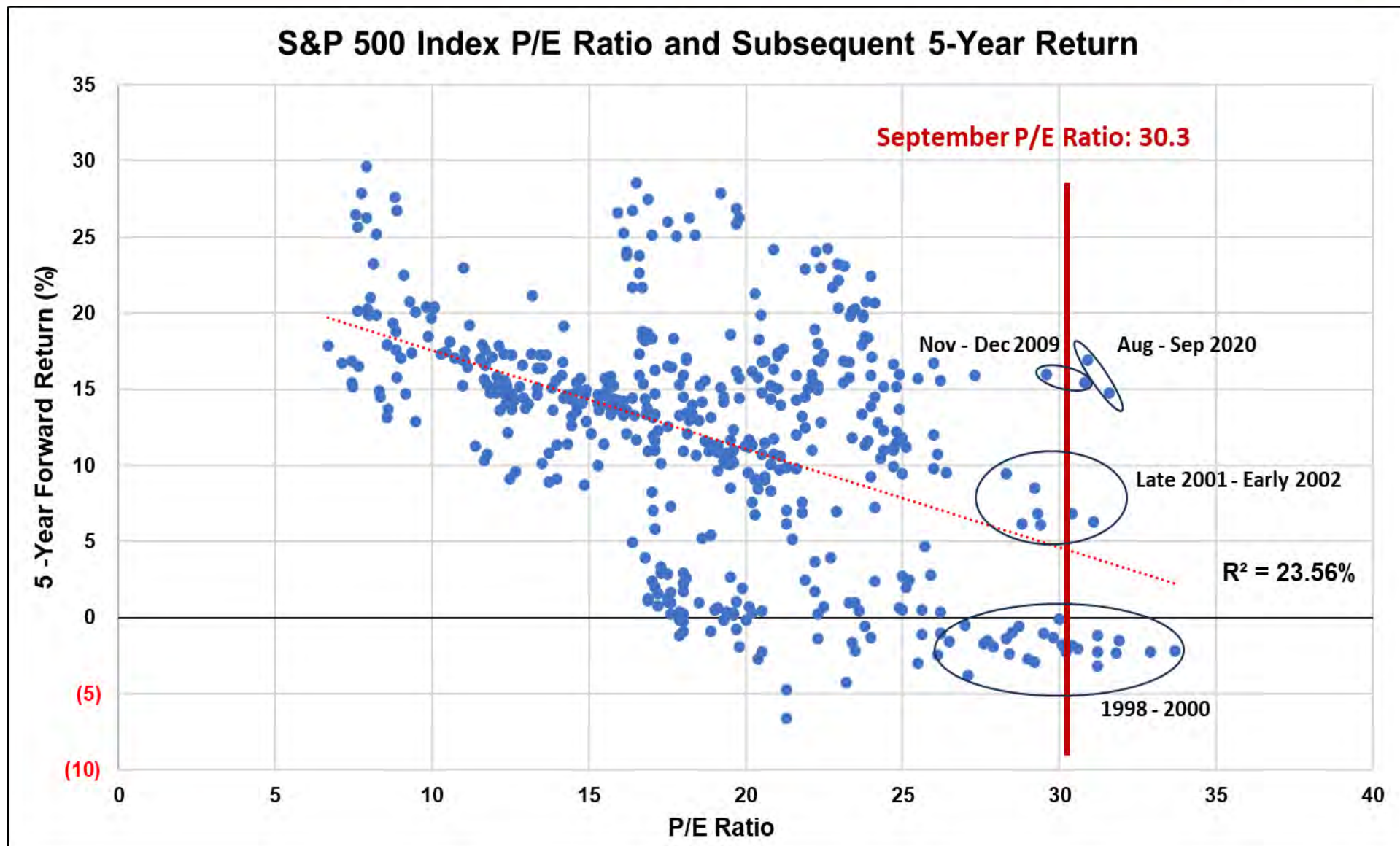
VALUATION US Equity

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





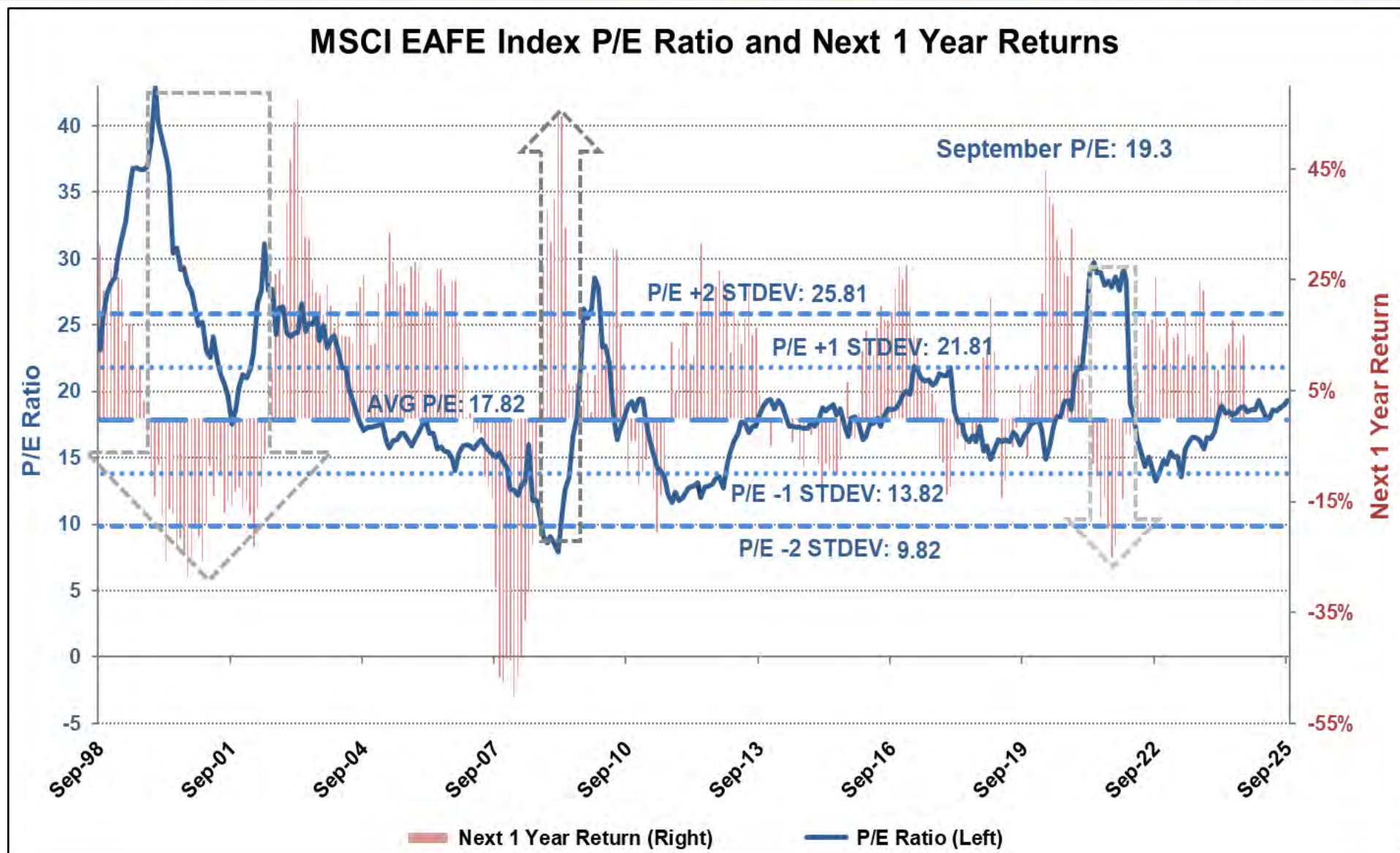
VALUATION US Equity





VALUATION

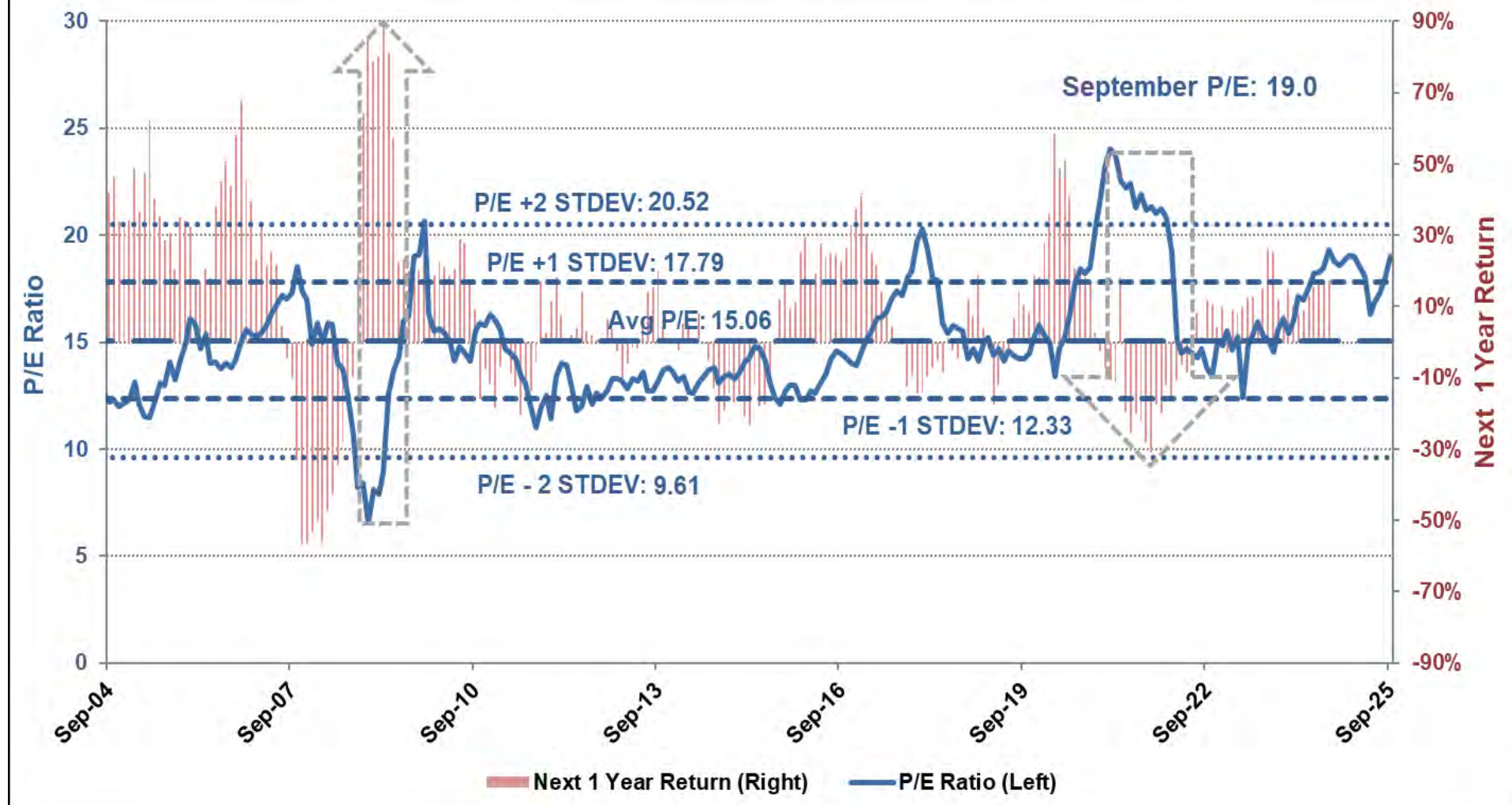
Non US Developed Market Equity





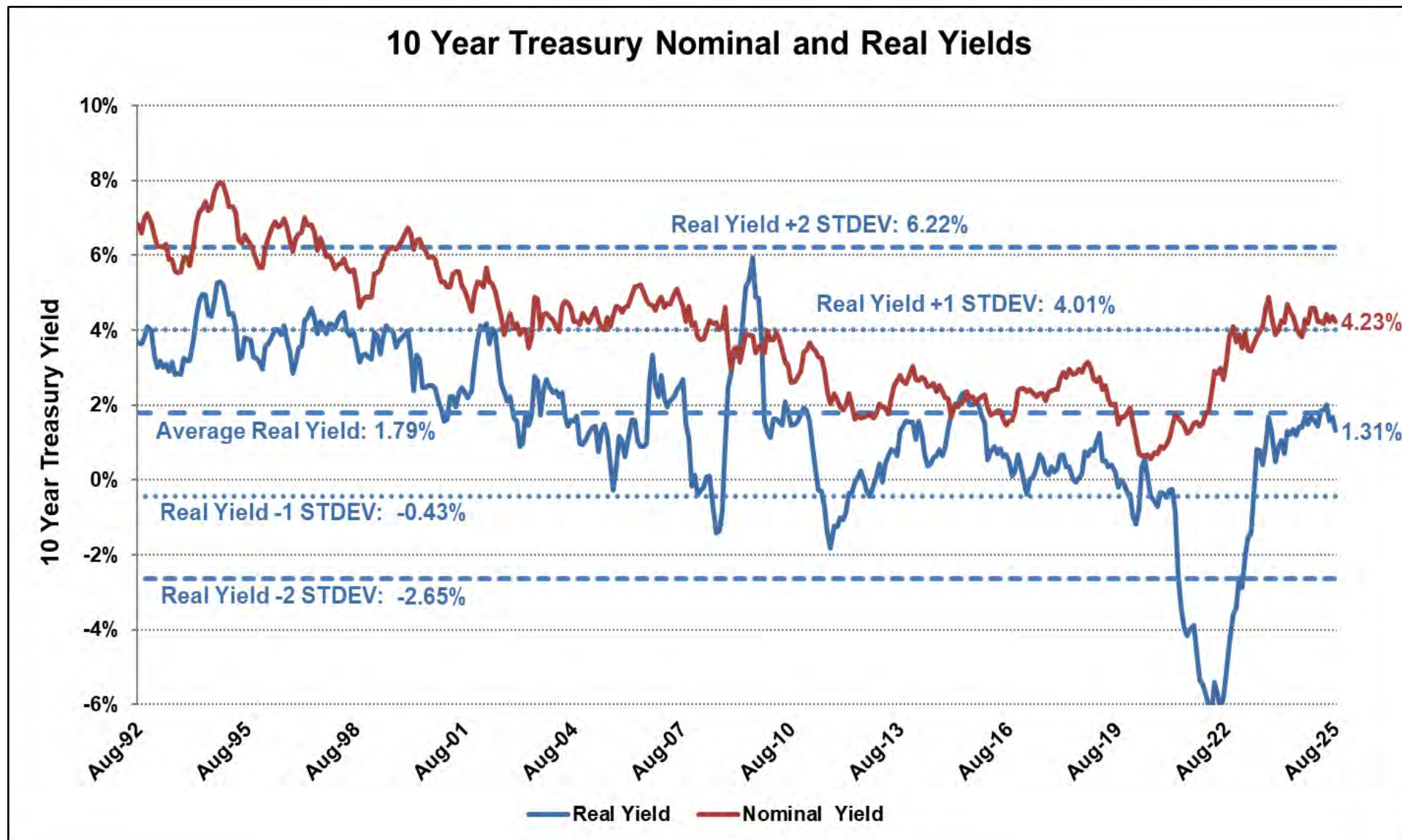
VALUATION Emerging Market Equity

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





VALUATION US Treasury Bonds





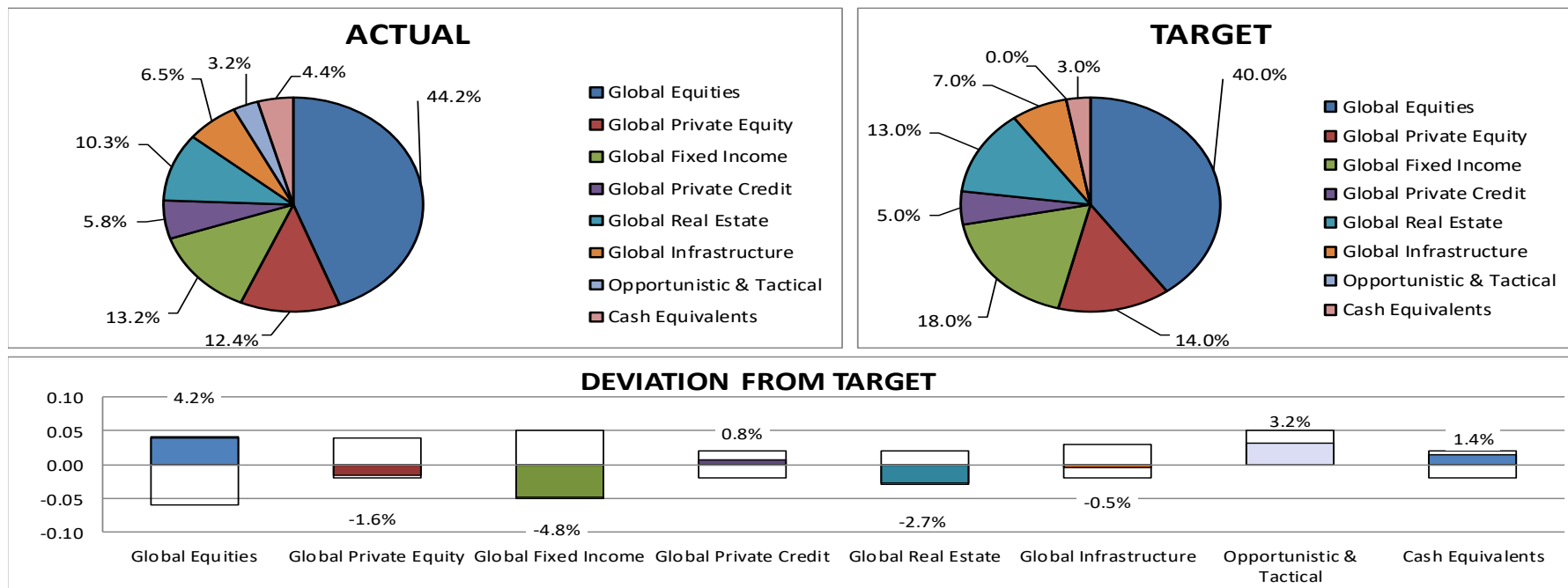
SERS' Investment Portfolios Review



Total Fund Asset Allocation

Asset Class	Market Value \$	Actual	Target	Range
Global Equities	9,285,172,587	44.2%	40.0%	35% - 45%
Global Private Equity	2,611,973,039	12.4%	14.0%	11% - 17%
Global Fixed Income	2,777,439,462	13.2%	18.0%	13% - 23%
Global Private Credit	1,213,990,503	5.8%	5.0%	3% - 7%
Global Real Estate	2,160,765,723	10.3%	13.0%	10% - 15%
Global Infrastructure	1,367,135,826	6.5%	7.0%	5% - 10%
Opportunistic & Tactical	665,235,397	3.2%	0.0%	0% - 5%
Cash Equivalents	928,030,041	4.4%	3.0%	1% - 5%
Short-Term	36,448,435	0.2%	2.0%	
Russell EA Overlay	-1.98	0.0%	0.0%	
Direct Rebalance Overlay	6,031,847	0.0%	0.0%	
Transition / Operational Account	762,745	0.0%	0.0%	
Currency Overlay	14,998,120	0.1%	0.0%	
SERS Cash	869,788,897	4.1%	0.0%	
Total Fund	21,009,742,577	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% Expanded NCREIF Property Index

(one quarter in arrears)

7.00% Quarterly (4 qtrs.) smoothed CPI

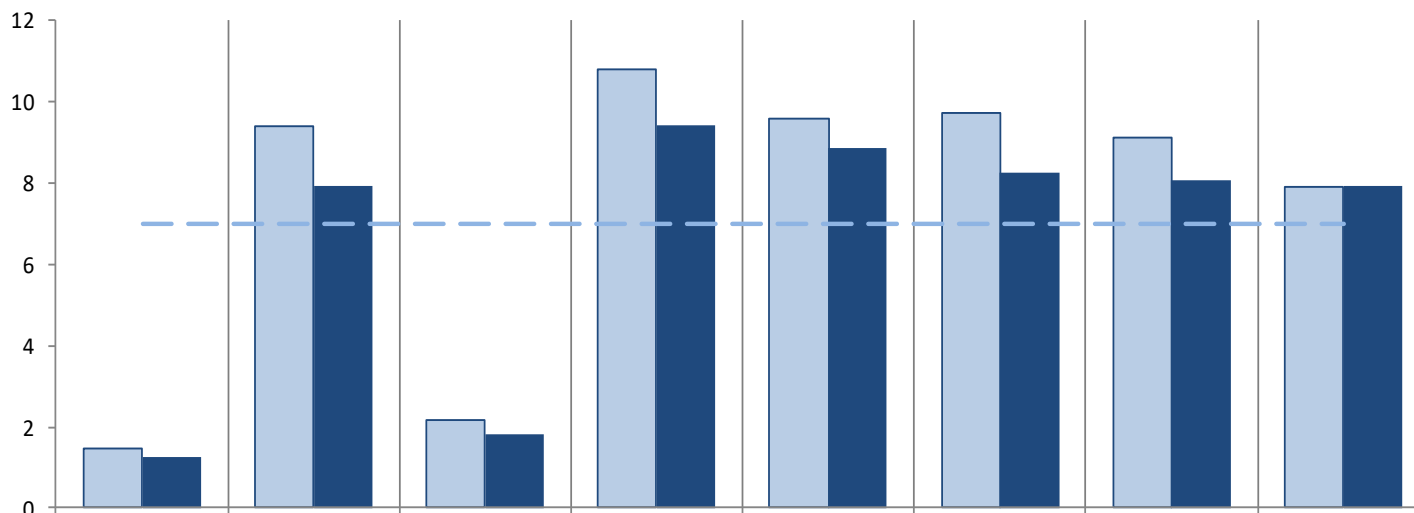
+1.20% per quarter

5.00% 90 day SOFR rate + 4.5%

(one quarter in arrears)

3.00% FTSE 30 Day T-Bill

Total Fund (Net) OSERS Policy Actuarial Rate



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)	1.49	9.80	2.19	11.55	10.36	10.43	9.83	8.56
Total Fund (Net)	1.46	9.39	2.14	10.77	9.59	9.70	9.12	8.01
OSERS Policy	1.25	7.92	1.82	9.42	8.83	8.25	8.08	7.90
Value Added (Net of Fee)	0.21	1.47	0.32	1.35	0.76	1.45	1.04	0.11

Estimated Cumulative Net Value Added (\$MM)**	\$43.3	\$285.7	\$66.4	\$258.0	\$447.0	\$1,465.1	\$2,202.9
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Source: BNY Mellon GRS

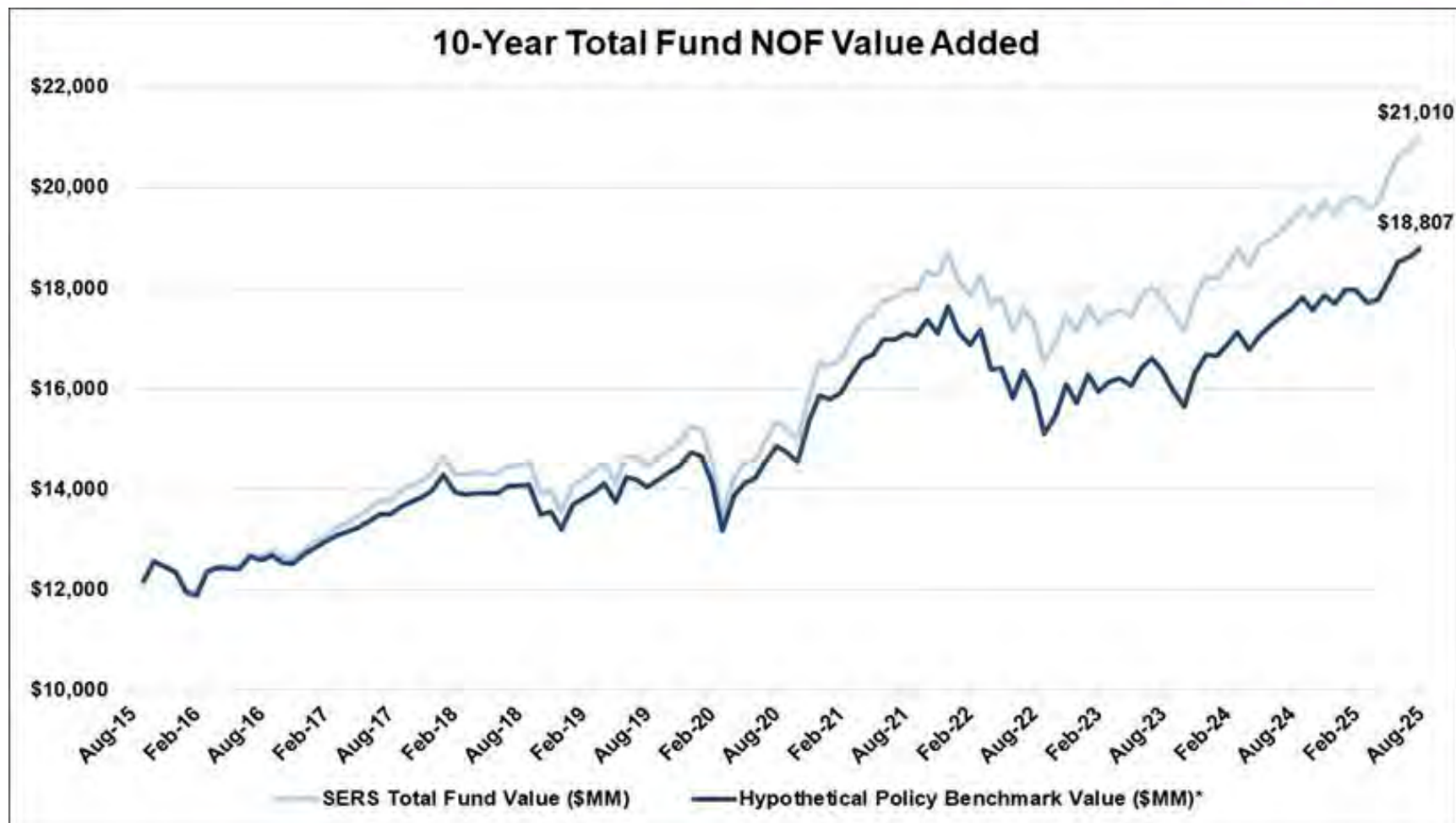
*ITD is Inception date 10/1/1994 (30 years and 11 months)

**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



Fiscal Year Net Excess Return (%)									
FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
0.33	1.50	0.86	0.06	(0.64)	2.66	3.01	0.23	0.90	1.05

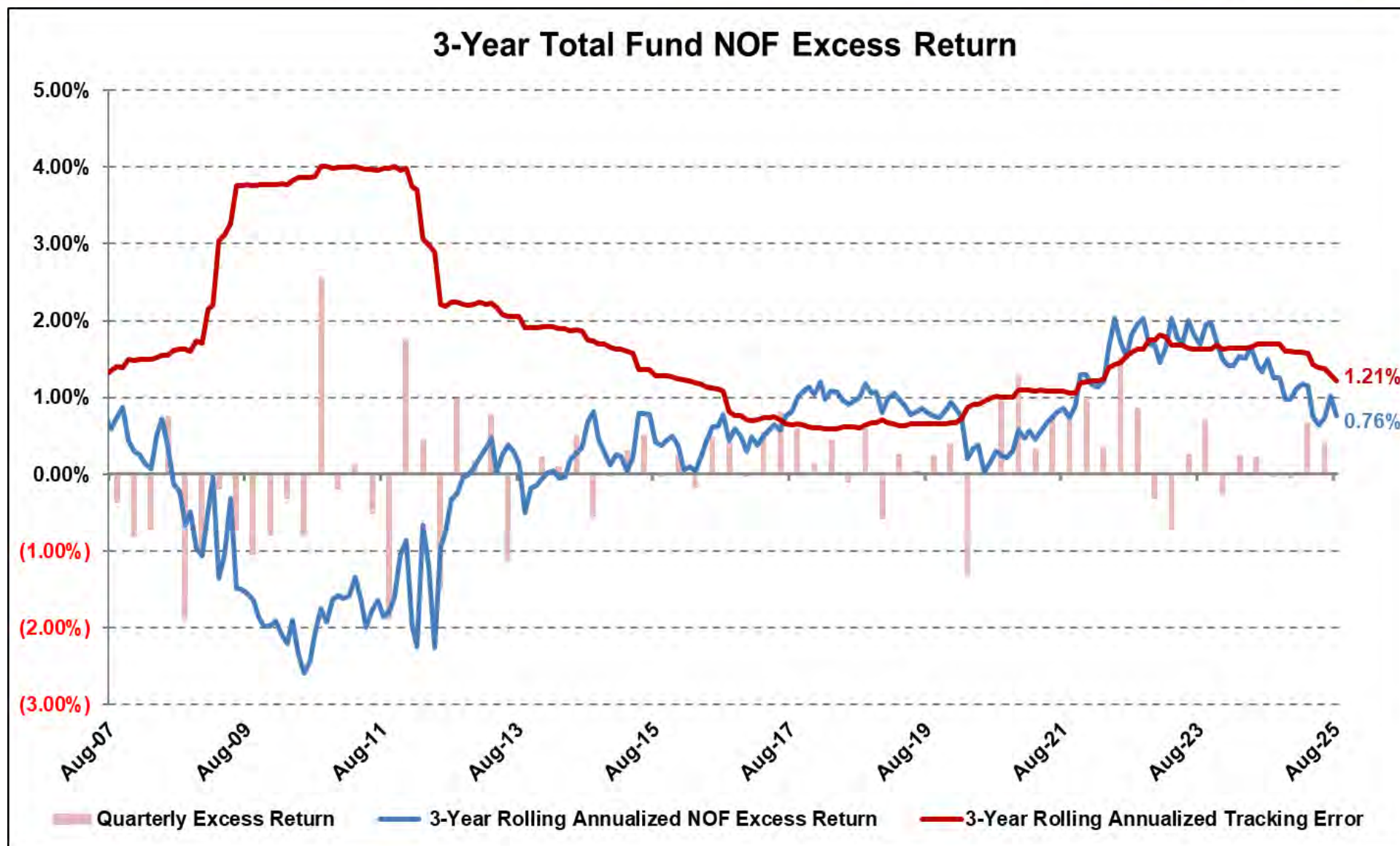
Source: BNY Mellon GRS

*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.

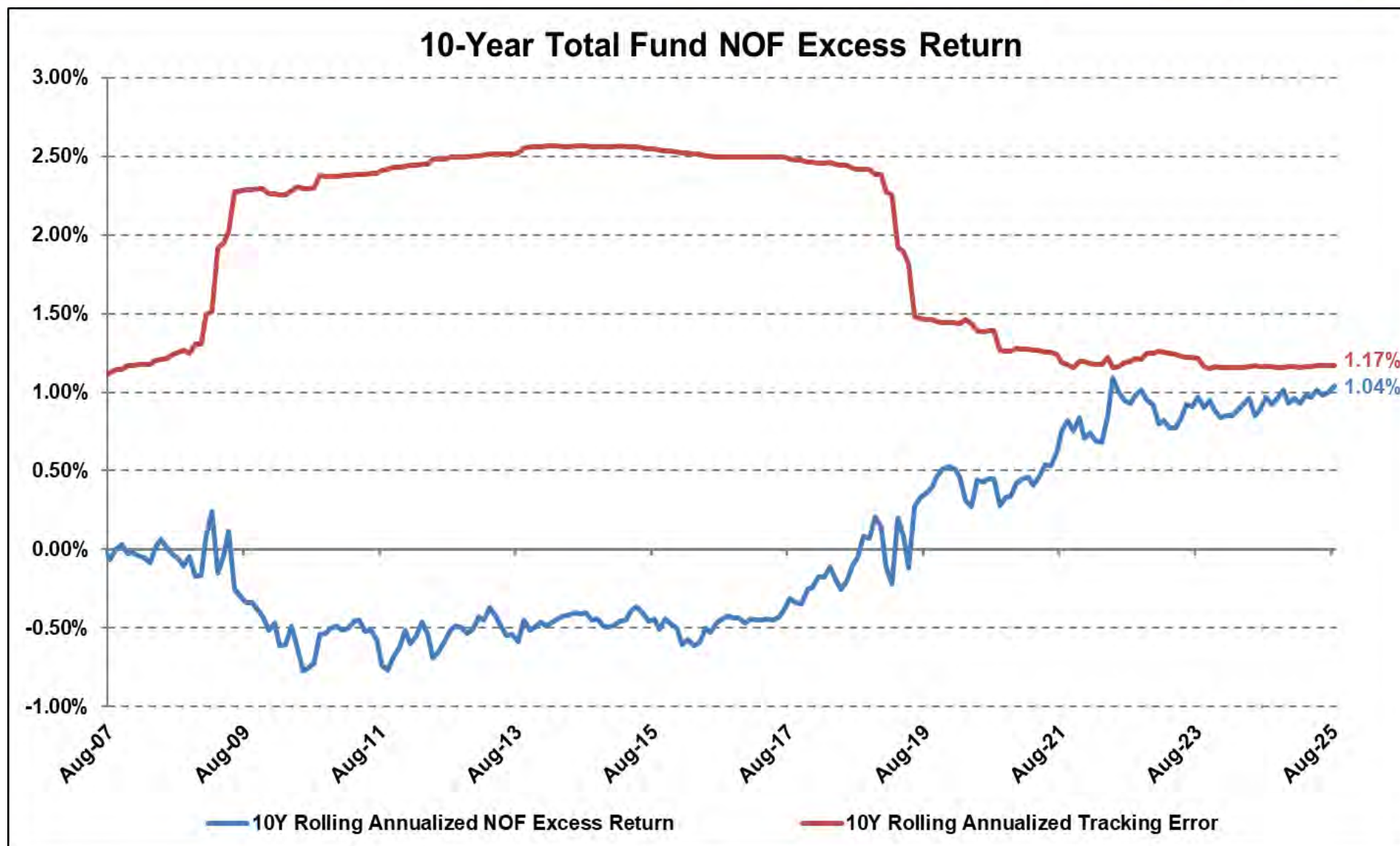


Total Fund Performance



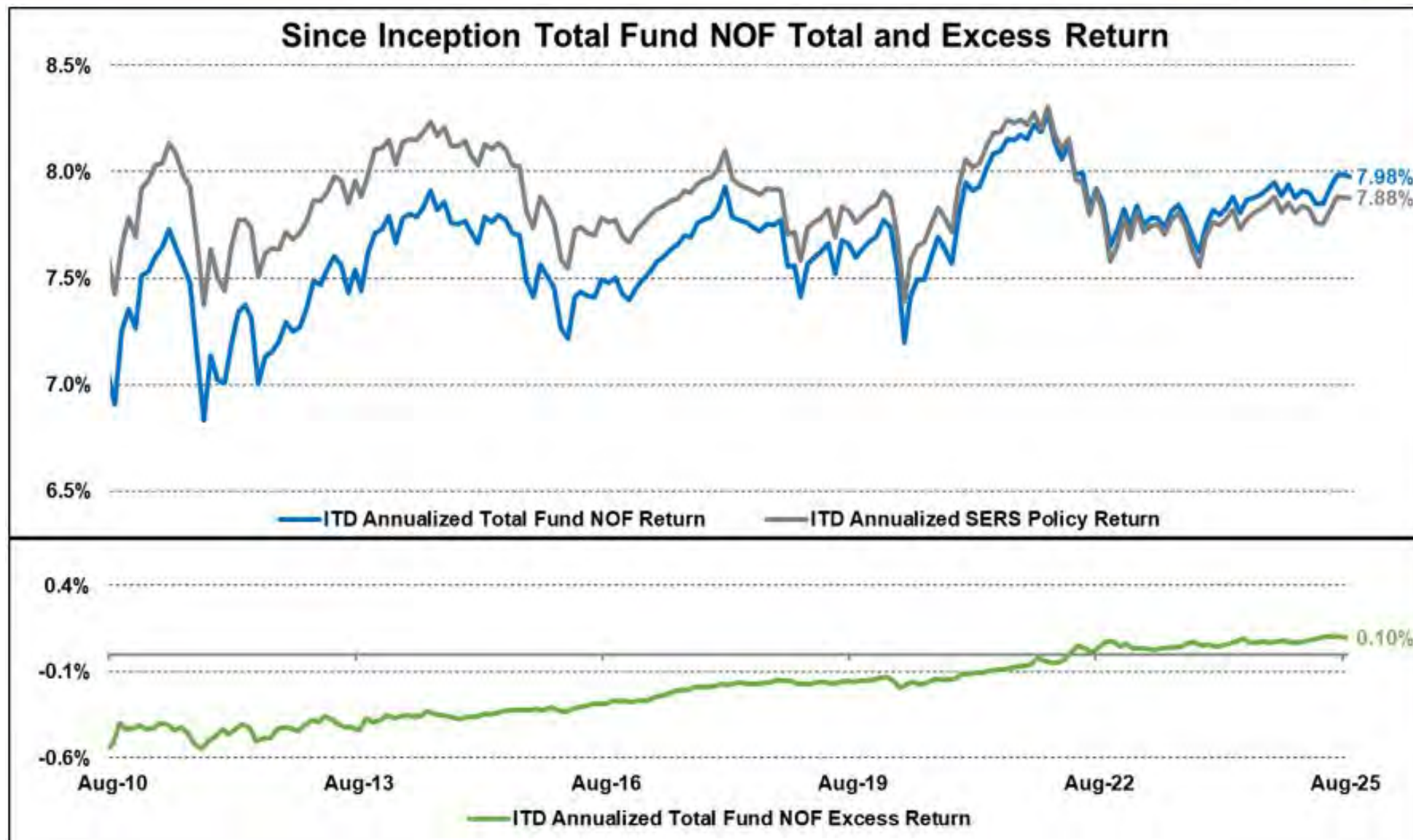


Total Fund Performance





Total Fund Performance



Note: ITD is Inception date 10/1/1994



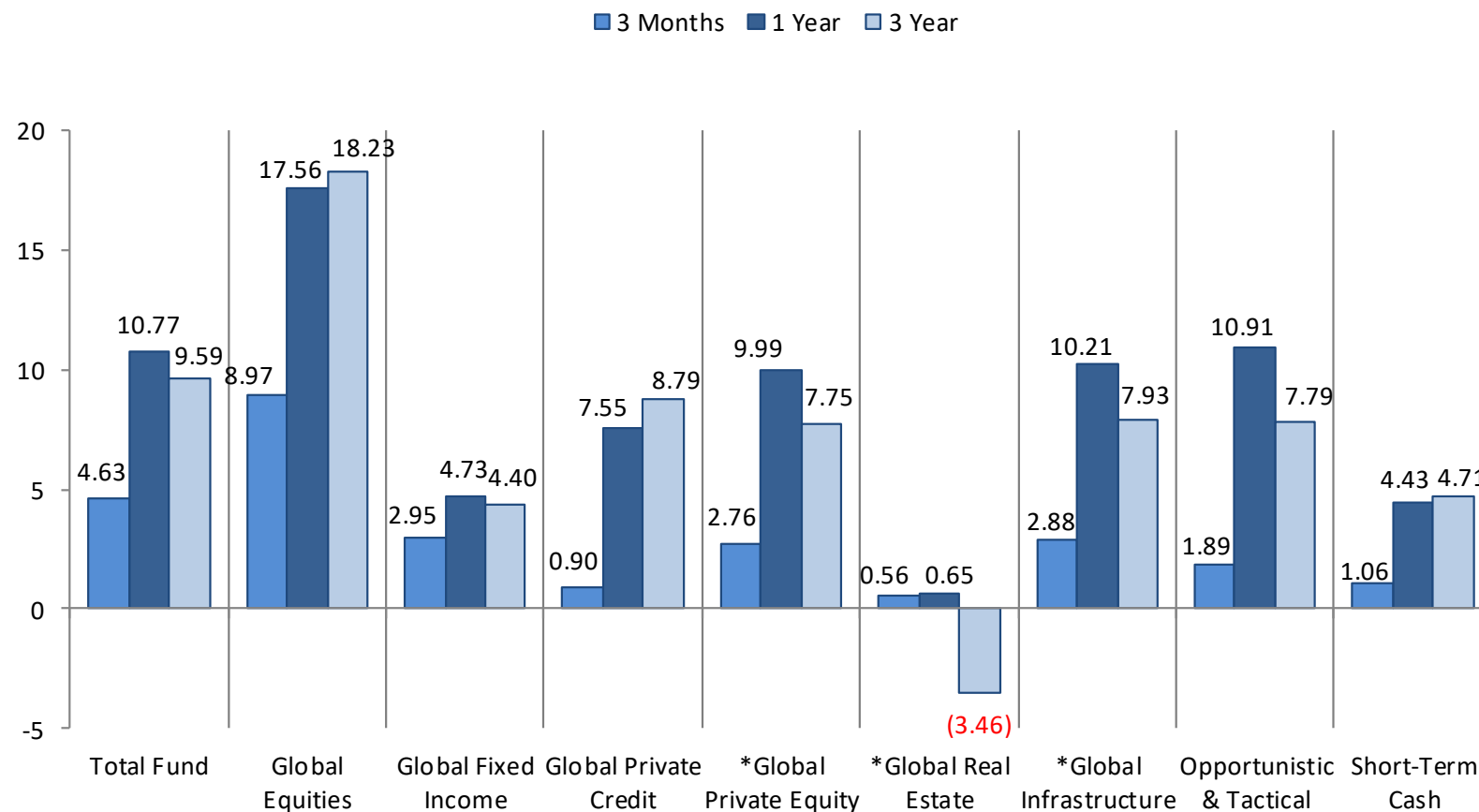
Total Fund Performance

10-Year Total Fund NOF Total Return





Total Fund and Asset Class Performance (Net)



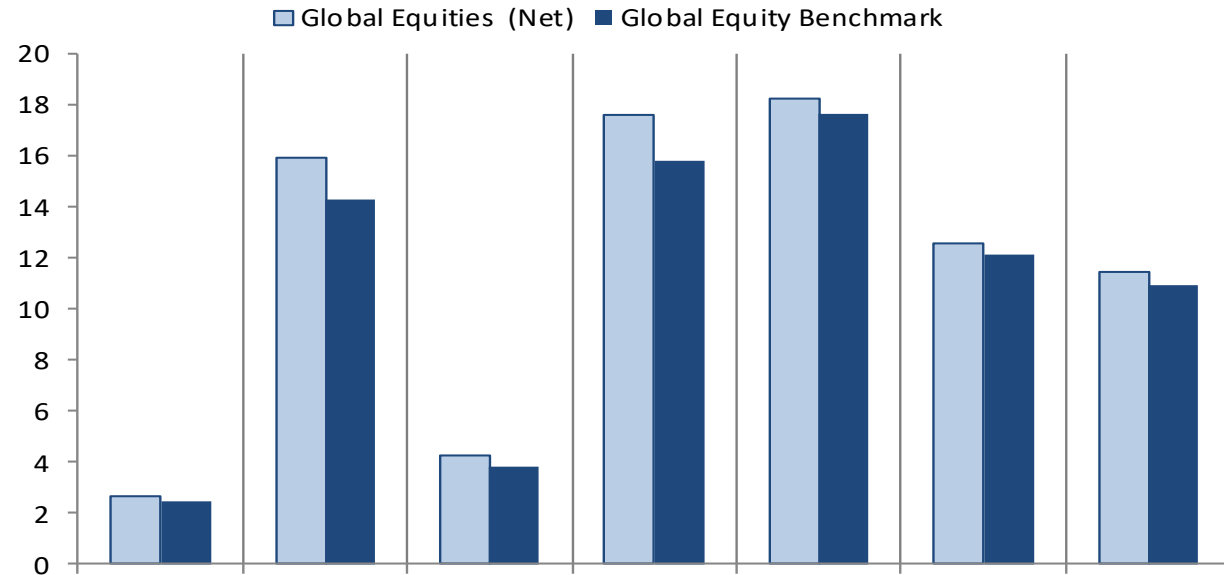
* Global Private Equity, Global Real Estate, and Global Infrastructure results are as of 06/30/2025

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)	2.70	16.09	4.32	17.85	18.57	12.89	11.82
Global Equities (Net)	2.68	15.91	4.28	17.56	18.23	12.56	11.49
Global Equity Benchmark	2.47	14.30	3.86	15.79	17.66	12.11	10.95
Value Added (Net of Fee)	0.21	1.62	0.42	1.77	0.57	0.45	0.53
Regional US Equity	2.28	10.78	4.51	15.55	18.01	13.37	13.48
Russell 3000 Index	2.31	10.58	4.57	15.84	18.81	14.11	13.98
Value Added (Net of Fee)	(0.03)	0.20	(0.06)	(0.29)	(0.80)	(0.74)	(0.50)
Regional Non-US Equity	3.03	22.29	3.03	16.64	15.65	9.82	8.48
Custom Non-US Equity BM	3.47	21.64	3.17	15.42	15.15	8.88	7.31
Value Added (Net of Fee)	(0.44)	0.65	(0.14)	1.22	0.50	0.94	1.18

Source: BNY Mellon GRS

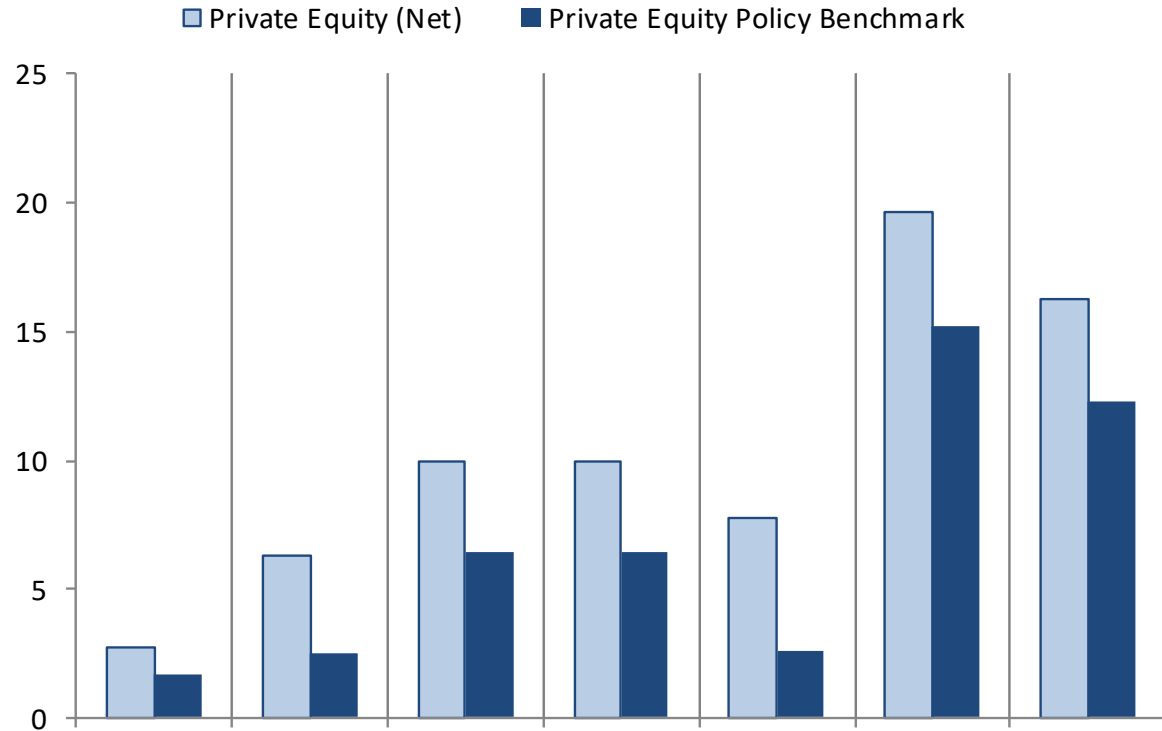


Global Private Equity Performance

Results as of: 06/30/2025

Current Benchmark:

Burgiss All Private Equity Index



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	3.10	7.21	12.27	12.27	9.73	21.68	18.04
Private Equity (Net)	2.76	6.28	9.99	9.99	7.75	19.64	16.27
Private Equity Policy Benchmark	1.73	2.51	6.42	6.42	2.56	15.22	12.29
Value Added (Net of Fee)	1.02	3.77	3.57	3.57	5.19	4.41	3.98

Source: BNY Mellon GRS

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

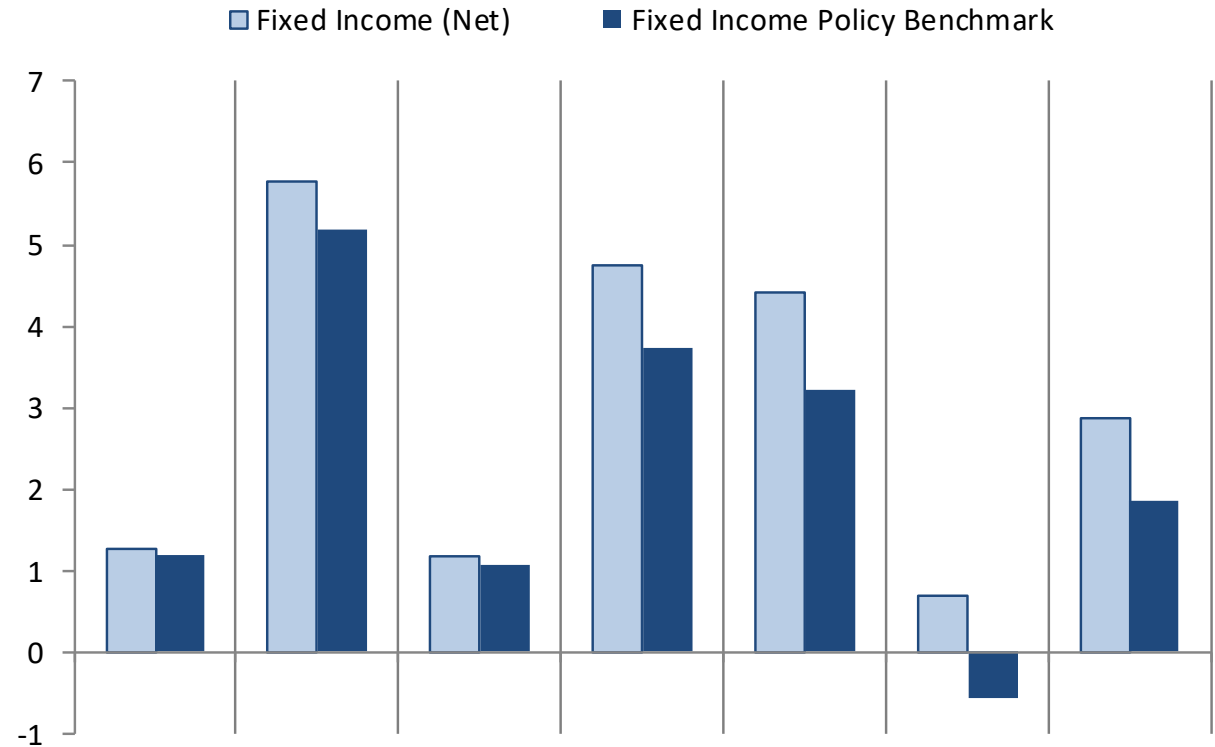
Global Private Equity performance is reported one quarter in arrears.



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)	1.26	5.95	1.20	5.03	4.68	0.96	3.12
Fixed Income (Net)	1.25	5.77	1.17	4.73	4.40	0.69	2.87
Fixed Income Policy Benchmark	1.20	5.20	1.06	3.72	3.21	(0.57)	1.85
Value Added (Net of Fee)	0.05	0.57	0.11	1.01	1.19	1.26	1.02

Source: BNY Mellon GRS



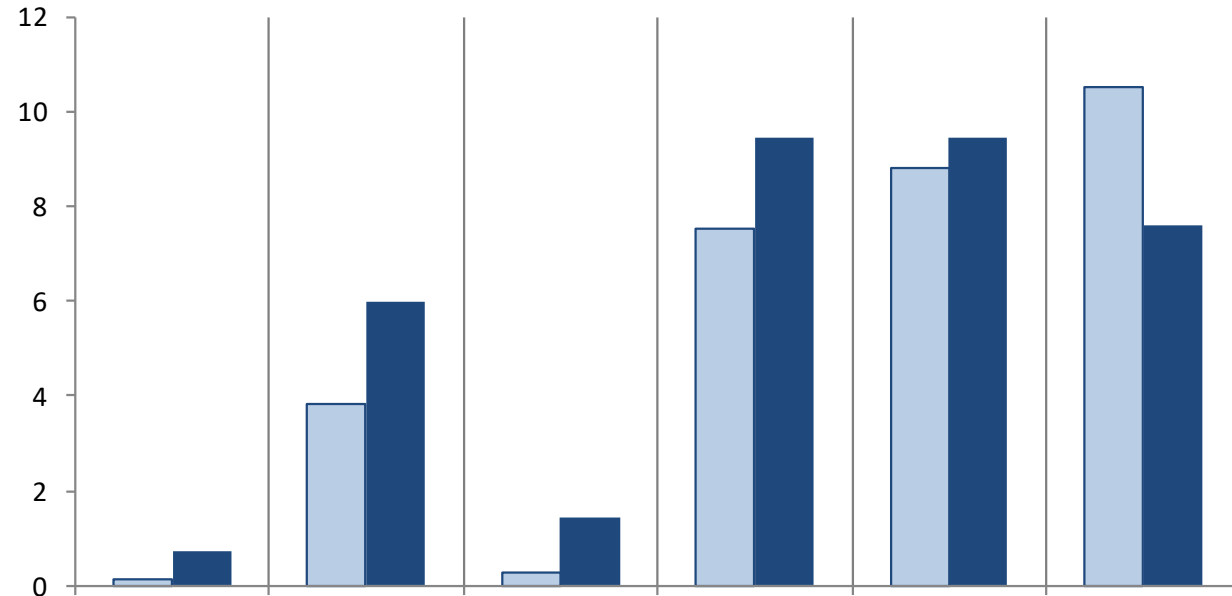
Global Private Credit Performance

Global Private Credit (Net)

Global Private Credit Policy Benchmark

Current Benchmark:

90 day SOFR rate + 4.5%
(one quarter in arrears)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Global Private Credit (Gross)	0.16	4.54	0.30	8.98	10.34	12.05
Global Private Credit (Net)	0.13	3.83	0.26	7.55	8.79	10.50
Global Private Credit Policy Benchmark	0.71	6.01	1.43	9.46	9.47	7.59
Value Added (Net of Fee)	(0.58)	(2.18)	(1.18)	(1.91)	(0.67)	2.91

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

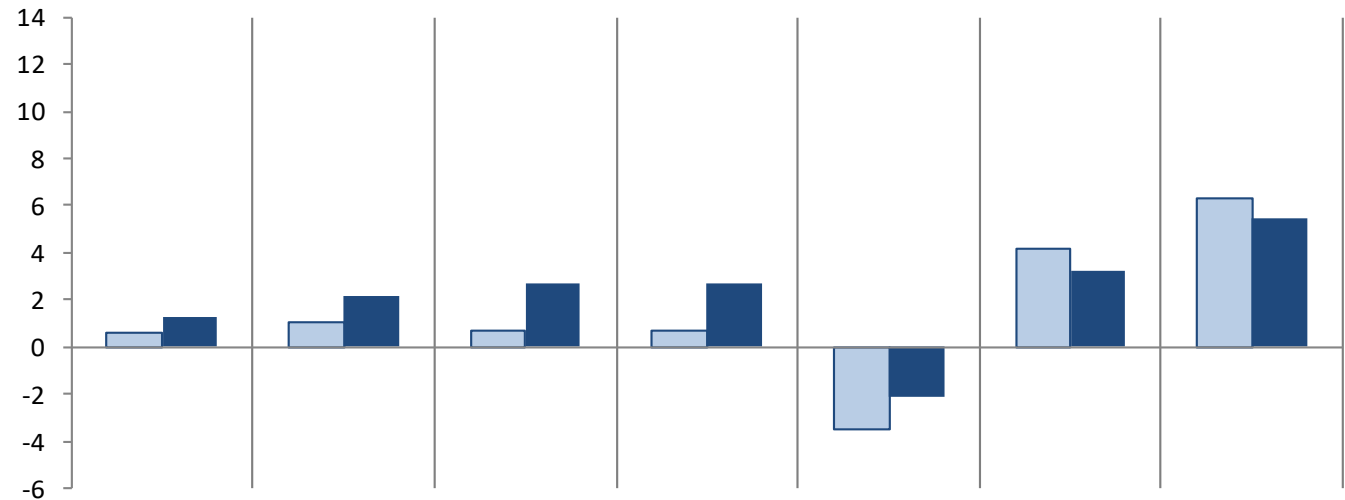
Results as of: 06/30/2025

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)	0.89	1.57	1.59	1.59	(2.63)	5.10	7.32
Real Estate Portfolio (Net)	0.56	1.06	0.65	0.65	(3.46)	4.17	6.33
Real Estate Policy Benchmark	1.28	2.19	2.72	2.72	(2.11)	3.25	5.42
Real Estate Value Added (NOF)	(0.72)	(1.13)	(2.07)	(2.07)	(1.36)	0.93	0.90
Real Estate Core (Net)	0.62	1.40	1.15	1.15	(3.26)	4.70	6.71
Real Estate Policy Benchmark	1.28	2.19	2.72	2.72	(2.11)	3.25	5.42
Real Estate Core Value Added (NOF)	(0.66)	(0.79)	(1.57)	(1.57)	(1.15)	1.45	1.29
Real Estate Non-Core (Net)	0.34	(1.03)	(3.21)	(3.21)	(5.58)	0.89	4.62
Real Estate Policy Benchmark	1.28	2.19	2.72	2.72	(2.11)	3.25	5.42
Real Estate Non-Core Value Added (NOF)	(0.95)	(3.22)	(5.94)	(5.94)	(3.48)	(2.36)	(0.80)

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: 06/30/2025

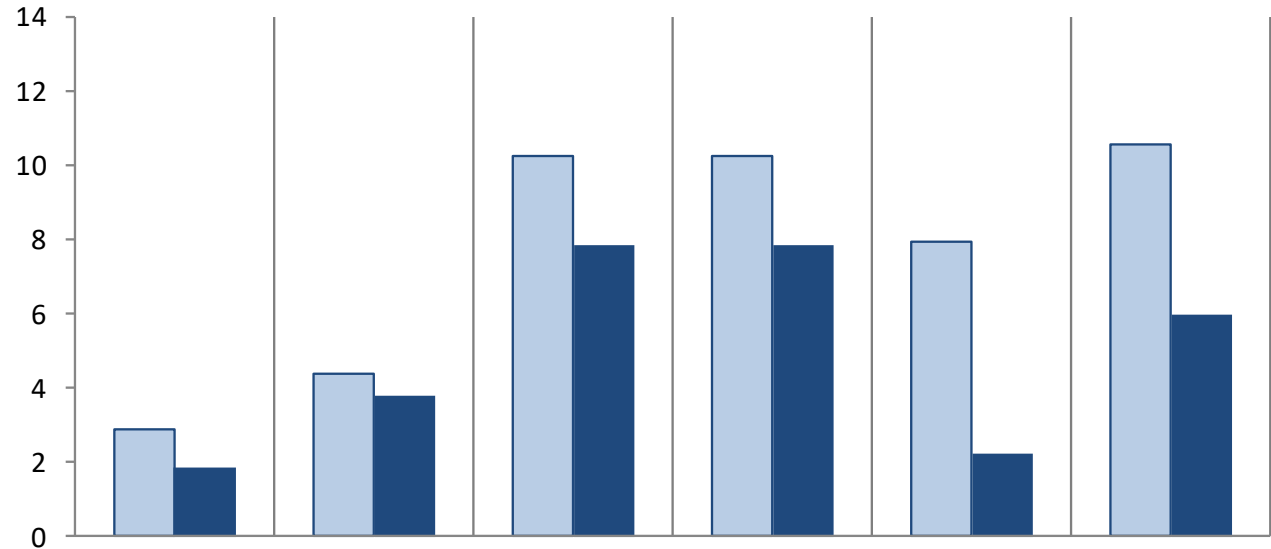
Global Infrastructure (Net)

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)	3.07	4.83	11.39	11.39	8.97	11.42
Global Infrastructure (Net)	2.88	4.38	10.21	10.21	7.93	10.53
Global Infrastructure Policy Benchmark	1.85	3.75	7.84	7.84	2.22	5.96
Global Infrastructure Value Added (NOF)	1.04	0.62	2.37	2.37	5.72	4.57

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.

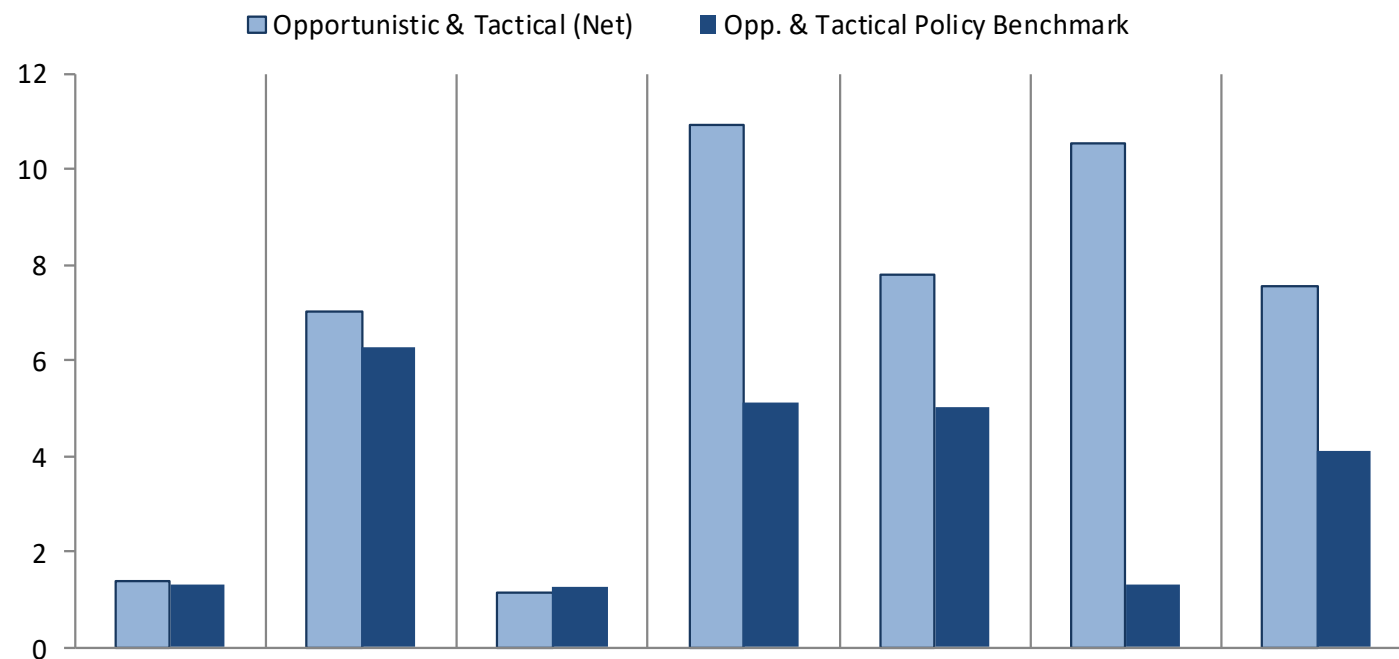


Opportunistic & Tactical Performance

Current Benchmark:

Bloomberg Aggregate

Bond Index + 2%



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Opportunistic & Tactical (Gross)	1.37	7.59	1.17	12.04	8.93	11.72	8.85
Opportunistic & Tactical (Net)	1.37	7.03	1.17	10.91	7.79	10.53	7.54
Opp. & Tactical Policy Benchmark	1.33	6.28	1.26	5.14	5.02	1.33	4.13
	0.04	0.75	(0.09)	5.78	2.77	9.20	3.41

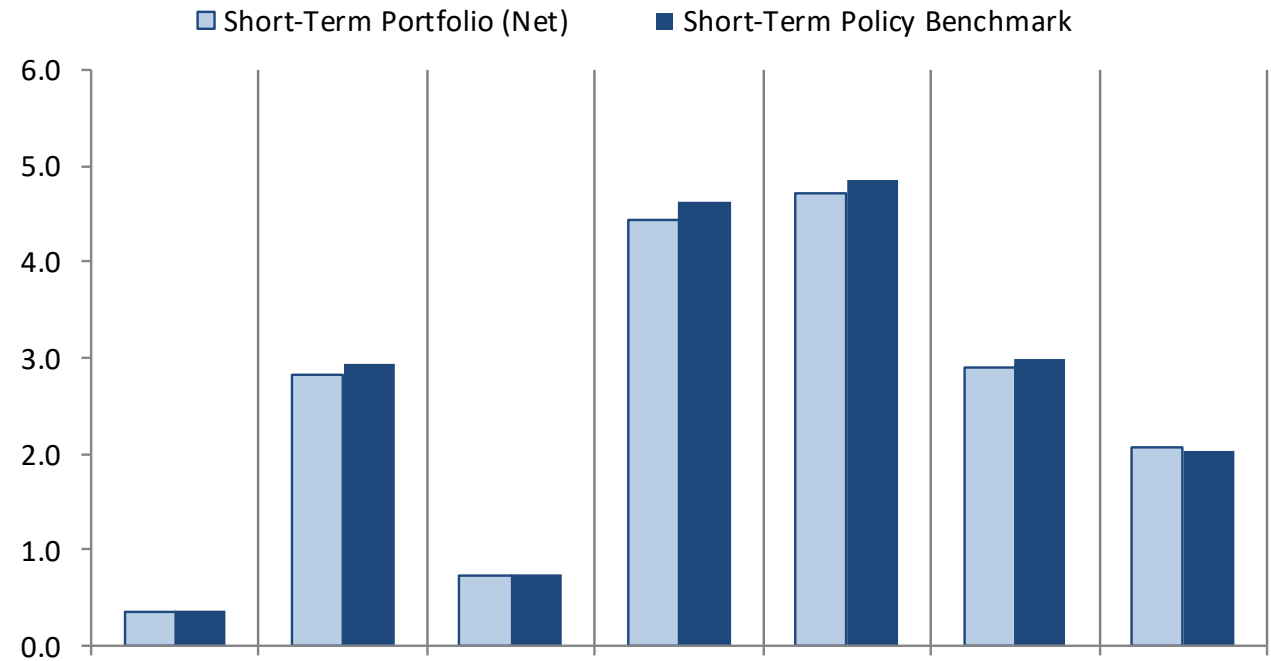
Source: BNY Mellon GRS



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)	0.36	2.82	0.72	4.43	4.71	2.90	2.06
Short-Term Portfolio (Net)	0.36	2.82	0.72	4.43	4.71	2.90	2.06
Short-Term Policy Benchmark	0.37	2.92	0.74	4.62	4.84	2.98	2.03
Value Added (Net of Fee)	(0.01)	(0.10)	(0.02)	(0.18)	(0.13)	(0.08)	0.03

Source: BNY Mellon GRS



Overlay Performance

	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Overlay Cumulative Net Value Added (\$MM)	\$1.9	\$9.1	\$1.9	(\$2.9)	(\$137.4)	(\$29.6)	(\$13.6)
Overlay Cumulative Net Value Added (%)	0.01	0.04	0.01	(0.03)	(0.29)	(0.05)	(0.02)

Source: BNY Mellon GRS



Proposed Investment Agenda – Next Meeting

- Annual Portfolio Review – Fixed Income
- Quarterly performance report for the period ended September 30, 2025, presented by Wilshire Associates.
- Investment report and economic update for the period ended September 30, 2025

Request for Proposal

Investment Consulting Services

November 2025



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
614-222-5853 • Toll-Free 866-280-7377 • www.ohsers.org

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I. INTRODUCTION

The School Employees Retirement System of Ohio (SERS) is requesting proposals from qualified investment consulting firms to provide services as described below in Scope of Services. The objective of the investment consulting firm will be to assist and collaborate with the SERS Retirement Board and Staff in developing and carrying out investment policies that are designed to ensure that sufficient assets are available to meet current and future benefit obligations. SERS is soliciting proposals from investment consulting firms with broad investment expertise, specific asset class knowledge, and robust investment manager research.

II. BACKGROUND

SERS is a statewide defined benefit retirement system for non-certificated persons employed by the public schools within the state's cities, villages and counties, as well as local districts, vocational and technical schools, community colleges, and The University of Akron. SERS provides service retirement, disability and survivor benefits, and access to health care coverage for benefit recipients and their dependents. General administration and management of the plan is vested in the Retirement Board established under [Chapter 3309](#) of the Ohio Revised Code.

As of June 30, 2025, investment assets totaled \$20.6 billion and were allocated as shown in the following table.

Asset Class	Actual (\$bil)	Actual %	Target %	Range %
Global Equities	9.01	43.7	40.0	35 - 45
Global Private Equity	2.63	12.8	14.0	11 – 17
Global Fixed Income	2.73	13.2	18.0	13 - 23
Global Private Credit	1.19	5.8	5.0	3 - 7
Global Real Estate	2.13	10.3	13.0	10 – 15
Global Infrastructure	1.46	7.1	7.0	5 – 10
Opportunistic	0.65	3.1	0.0	0 – 5
Cash Equivalents	<u>0.83</u>	<u>4.0</u>	<u>3.0</u>	1 – 5
Total	\$20.63	100%	100%	

Fund assets are invested and managed externally by investment managers. An Investment Staff ("Staff") of 13 oversees the managers and administers the investment program in accordance with investment policies established by the Retirement Board. Investment decisions are delegated to a Staff Investment Committee chaired by the CIO. In addition, the Retirement Board approves an Annual Investment Plan prepared by Staff.

The most recent [SERS Annual Comprehensive Financial Report](#), [Statement of Investment Policy](#) (SIP), and [Iran and Sudan Investment Policy](#) can be found on the SERS website, www.ohsers.org.

III. SCOPE OF SERVICES

SERS is seeking the services of an investment consulting firm to provide independent, unbiased, proactive research, information, and advice to the Retirement Board and Staff in regards to SERS' investment portfolio. Responsibilities of the investment consulting firm include, but are not limited to, the following:

- Provide services as fiduciaries and in accordance with all applicable federal and state laws and regulations and with all applicable professional codes and regulations;
- Assist in the development of strategic asset allocation recommendations which are approved by the Board;
- Report every three months to the Board on the status of SERS' investment portfolio and its multi-period, net of fee performance;
- Assist in the development and amendment of investment related policies, procedures, guidelines, and performance measurement standards that will aid both the Board and Staff in developing the strategic objectives of the SERS investment portfolio;
- Provide the Board with unbiased research, information, and advice on investment topics and strategies when requested by the Board or when considered relevant by the consultant or Staff;
- Monitor, evaluate, and communicate investment portfolio and manager performance as appropriate on an ongoing basis;
- Assist Staff on decisions relating to the retention, additional investment in, redemption, or discharge of investment managers;
- Collaborate with Staff on the due diligence of potential or existing investment managers;
- Provide advice and opinions to the Staff Investment Committee on all investment recommendations; and
- Provide access to robust investment manager research or other tools which would be helpful in constructing and managing SERS' investment portfolios.
- The duties of the investment consultant are defined in the SIP.

SERS will consider only proposals for the services as described above. **Responses submitted for other services will not be considered.**

IV. PROPOSAL SPECIFICATIONS

A. Intent to Respond

If the investment consulting firm intends to respond to this RFP, a Notice of Intent to do so should be sent to SERS by November 24, 2025. The Notice should be sent by email to the SERS contact listed in Paragraph IV.C. below, and contain the investment consulting firm's name, its intent to respond, the name of a

contact person and the contact person's telephone number, and email address. Submitting this Notice will not obligate an investment consulting firm to submit a Response nor be a prerequisite for submitting a Response but will allow SERS to send out any necessary information to interested parties.

B. Response Deadline

The completed Response, including hard and electronic copies, must be received by **Wednesday, December 3, 2025, at 3:00 p.m. Eastern Time.** Responses received after the Response deadline will not be considered.

C. Delivery

Contact person for all responses, and communications:

Judi Masri
Assistant Director of Investments
Investment Department
School Employees Retirement System of Ohio
300 East Broad Street, Suite 100
Columbus, OH 43215
jmasri@ohsers.org
Telephone: 614-222-5919

Three hard copies, and an electronic copy of the Response are to be sent by mail/delivery service and email. Faxed transmissions are not acceptable and will not be considered.

D. Response Documents

All of the following documents must be submitted together and in the order listed.

1. Submittal Form in Appendix A on the investment consulting firm's letterhead, signed by at least one individual who is authorized to bind the firm contractually.
2. The Questionnaire in Appendix B with the question and/or request duplicated in the Response before the answer or response.

E. Submitted Responses

Any Response submitted will become the property of SERS. SERS reserves the right to retain all Responses submitted, and use any information contained in a Response except as otherwise prohibited by law. **All Responses and the contents thereof will be deemed to be a public record which is open to public inspection after an investment consulting firm has been selected and contract has been executed, if any.** An investment consulting firm may include one additional copy of its Response with any proprietary trade secret information redacted and marked as such with a brief written basis why it believes the information is protected from disclosure. In the event that SERS

receives a public records request to which, in SERS's sole discretion, any of an investment consulting firm's materials are responsive, SERS may release the investment consulting firm's redacted materials, or in the event no redacted materials are submitted, the investment consulting firm's unredacted materials without notice to the investment consulting firm. In the event any of the investment consulting firm's redactions are challenged, the investment consulting firm shall have sole responsibility to defend such redactions at its cost and expense. SERS will not institute any legal action to defend any of investment consulting firm's redactions, but will notify the investment consulting firm of such challenges.

F. Communications with SERS

Investment consulting firms which intend to submit a Response should not contact any member of SERS Staff, Retirement Board, or current investment consultants. An exception to this rule applies to firms who currently do business with SERS, but any contact should not relate to this RFP. In addition, such investment consulting firms should not discuss this RFP with any employee of SERS' managers, the Treasurer of the State of Ohio, Fifth Third Bank, N.A., BNY Mellon Asset Servicing, The Bank of New York Mellon, and Clearwater Analytics.

G. Questions Relating to this RFP

All questions concerning this RFP must be received in writing by email by the Contact person by **Wednesday, November 12, 2025, at 4:00 p.m., Eastern Time**. SERS will answer only emailed questions received by this deadline; all such questions and answers will be available to all investment consulting firms by a posting at www.ohsers.org. Questions submitted after 4 p.m. on November 12, 2025, or other than by email will not be considered.

H. Disclosure Requirements

Ohio state law has certain reporting and registration requirements. A summary description appears attached in Appendix C. Candidates must review and comply with the law to the extent applicable.

V. SELECTION PROCESS

SERS Staff will evaluate all timely and complete Responses. SERS reserves the right to request that any Response be clarified or supplemented.

Based upon its review of the Responses, Staff will select candidates to make a presentation to Staff in Columbus, Ohio. Firms not selected for a presentation will be notified that they no longer are under consideration.

After completion of the presentations in Columbus, Staff will conduct due diligence visits to selected candidates' offices. Finalists for investment consulting services will be selected.

The finalists will be asked to make a presentation to the Retirement Board, where the Retirement Board may approve, or fail to approve, any investment consulting firm.

VI. TENTATIVE TIMETABLE

The following is the tentative time schedule for SERS' search for investment consulting firms to provide the requested services. All dates are subject to modification by SERS without prior notice.

Issuance of RFP:	November 3, 2025
Question Deadline:	November 12, 2025, 4:00 p.m. EDT
Response to Written Questions:	November 19, 2025
Notice of Intent to Respond:	November 24, 2025, 4:00 p.m. EDT
RFP Response Deadline:	December 3, 2025, 3:00 p.m. EDT
Presentations to Staff:	February 2026
Due Diligence Visits:	TBD
Presentations to Retirement Board:	TBD

The investment consulting firm selected must enter into a contract.

VII. CRITERIA

The selected investment consulting firm should meet the following minimum criteria:

- Be a registered investment advisor under the Investment Company Act of 1940;
- Agree to act as a "fiduciary" with respect to SERS;
- Have been in business for a minimum of ten (10) years; if the firm has not been in business for at least ten (10) years, the senior principals of the firm must have at least ten (10) years of experience with institutional clients at an investment consulting firm;
- Have provided similar investment consulting services, including asset liability modeling and asset allocation studies, to other public retirement systems of similar asset size to SERS;
- Employ a professional team or department dedicated to investment manager research and analysis;
- Have individuals assigned to SERS with a minimum of seven (7) years professional experience in the investment consulting field; and
- Disclose all conflicts of interest, all sources of revenue and all affiliations especially, but not limited to, investment managers recommended by the firm.

In addition, investment consulting firms will be reviewed for the following:

- Stability and experience of investment consulting firm.
- Stability and experience of the personnel assigned to SERS.
- Depth of knowledge, experience and resources to provide required services.
- Independence of judgment and avoidance of conflicts of interest in providing services.
- Proposed fees.
- Engagement and communication skills with both the Retirement Board and Staff.
- Demonstrated ability to add value in the creation and execution of the strategic objectives of the investment portfolio.
- Occurrences of material cyber events that impact clients and investors.

VIII. QUESTIONNAIRE

Investment consulting firms must complete the Questionnaire appearing in Appendix B. Responses to the questions should repeat the question and be answered in order. Limit each response to no more than one-half page.

IX. TERMS AND CONDITIONS

SERS makes no representations or warranties, expressed or implied, as to the accuracy or completeness of the information in the RFP and nothing contained herein is or shall be relied upon as a promise or representation, whether as to the past or the future. The RFP does not purport to contain all of the information that may be required to evaluate the RFP and any recipient hereof should conduct its own independent analysis of SERS and the data contained or referenced herein. SERS does not anticipate updating or otherwise revising the RFP. However, this RFP may be withdrawn, modified, or re-circulated at any time at the sole discretion of SERS.

SERS reserves the right, at its sole discretion and without giving reasons or notice, at any time and in any respect, to alter these procedures, to change and alter any and all criteria, to terminate discussions, to accept or reject any Response, in whole or in part, to negotiate modifications or revisions to a Response and to negotiate with any one or more respondents to the RFP.

SERS is not and will not be under any obligation to accept, review or consider any Response to the RFP, and is not and will not be under any obligation to accept the lowest offer submitted or any offer at all. SERS is not and will not be under any obligation to any recipient of, or any respondent to, the RFP except as expressly stated in any binding agreement ultimately entered into with one or more parties, either as part of this RFP process, or otherwise.

This RFP is not an offer but a request to receive a Response. SERS will consider a Response as an offer to develop an agreement based upon the contents of the Response. Respondents agree that the contents of their Responses are valid for one year from the date of submission. SERS will not be liable for any cost incurred in the preparation of a Response and will not reimburse any respondents for their submission. Expenses related to the production of a Response are the sole responsibility of the Respondent.

APPENDIX A SUBMITTAL FORM

INVESTMENT CONSULTING SERVICES

REQUEST FOR PROPOSAL

FIRM NAME: _____

ADDRESS: _____

CLIENT CONTACT: _____

TELEPHONE #: _____

E-MAIL ADDRESS: _____

By signing below, the authorized signer represents that the attached Response is a firm and irrevocable offer of the firm.

AUTHORIZED SIGNATURE:

Name (print): _____

Title: _____

Date: _____

APPENDIX B QUESTIONNAIRE

Responses to the following questions should repeat the question and be answered in order. Limit responses to no more than one-half page.

A. FIRM

1. Give a brief history and description of your firm including:
 - a. Year organized and history of investment consulting services,
 - b. Date of initial U.S. Securities and Exchange Commission (SEC) investment advisor registration and/or any other regulatory agency registration. Please explain if exempted from registration.
 - c. Describe any predecessor entities and/or key management professionals.
2. Provide location of, function of, and number of employees in each of the firm's offices.
3. Describe the nature of your firm's ownership, including specific details with regard to affiliated companies, subsidiaries, or joint ventures. Please provide a chart showing the organizational ownership structure.
4. If your firm is employee owned, provide the ownership breakdown by individual. What are the criteria for an employee to become an owner?
5. What ownership or structural changes have occurred in the last five years? Are ownership or structural changes expected in the next five years?
6. Attach the firm's organizational chart and describe the relationship among the components and the consulting group. Indicate if consulting personnel in the firm also are assigned to perform work for any other component of the firm.
7. Briefly outline the firm's succession plan.
8. Discuss the overall business objectives of your firm with respect to future growth, including any limits to client/consultant ratio. Comment on present or planned areas of emphasis over the near future.
9. Describe your firm's key strengths, competitive advantages, and weaknesses and how these relate to your overall business objectives.
10. Does the firm have a business recovery plan in effect including plans for an alternative work site in the event of a business disruption? Provide a general description.
11. Provide a breakdown of your assets under advisement (\$ millions) by client type as of 6/30/2025.

	Total Assets Under Advisement		
	\$ Amount	% Total	# Account
Public			
Corporate			
Insurance			
Taft-Hartley			
Endowment/Foundation			
Mutual Funds			
Other Commingled Funds			
Sub-Advised Funds			
Outsourced CIO Services			
Other (Please Define)			

12. Provide a list of lost accounts and provide contact information for the lost accounts.
13. Does your firm have an ESG policy or statement? If so, briefly describe the scope of the policy or statement (i.e. firm-wide, fund, or mandate specific) in fifty words or less and attach a copy or link to its location on a public website. If not, are you considering or planning on developing an ESG policy or statement?
14. Do you engage with clients on ESG? If yes, provide examples on implementation. What has been the impact or value added from implementing ESG practices?

B. PERSONNEL

1. Provide a list of all key personnel including all consultants. Include the following for each:
 - a. Name and title,
 - b. Location,
 - c. Education and designations,
 - d. Responsibilities,
 - e. Industry tenure and background,
 - f. Firm tenure, and
 - g. Number and size of clients managed.
2. Describe how you intend to service this account. Who is responsible for client communications?
3. List in detail those employees that have departed the firm. Include name, area of responsibility, departure date, and reason for leaving. Was the position filled? If so, by whom?
4. Describe incentives used by your firm in obtaining and maintaining key personnel.
5. How are resources being used in terms of people and revenues to become a better team in the future?
6. Indicate what targets, if any, have been set for staff and the number of clients for the firm.
7. Does your firm conduct background checks on all employees?

C. SERVICES

1. List all of the firm's standard services provided in a typical pension plan consulting and performance evaluation relationship as well as manager search and evaluation program. List special services that the firm has provided to meet other needs of the firm's clients and/or services unique to the firm.
2. Describe the firm's philosophy of working with the Retirement Board members, Staff and investment managers.
3. Describe the firm's process for analyzing a client's existing Investment Policy. Describe the firm's method for recommending modifications and monitoring the

Investment Policy and strategy.

4. Describe the firm's asset/liability modeling process. Describe the manner in which the firm would assist the Retirement Board in recommending changes and monitoring asset mix.
5. Describe the process of assisting Staff with a portfolio structure analysis. What asset classes is this service provided for in the retainer fee?
6. Describe the firm's process for evaluating a client's investment performance including determination and/or recommendation of benchmarks.
7. Provide the performance of all your clients, including public fund clients, versus their benchmark, their peer universe for one, three, five and ten years, and their quartile rank for each period.
8. Describe the firm's investment and economic research capabilities and how such research is available and/or distributed to clients.
9. Provide an example of your firm's ability to provide proactive investment advice to a client.
10. Describe the firm's investment manager research and analysis services:
 - a. Manner and frequency in which information is obtained and updated;
 - b. Type of database used including number of years of usable data on managers and whether the database is proprietary or purchased from an affiliated entity or a non-affiliated vendor. Is this database available to clients and on what basis?
 - c. Approach to and due diligence for evaluating managers;
 - d. Access to clients;
 - e. Attach an example of a manager research report.

11. Complete the following table regarding manager research and selection:

Asset Class	Number of Managers Covered	Number of Coverage Personnel	Provided in Retainer (Y/N)?	Provided Separately (Y/N)?
Global Equity				
US Equity				
World ex-US Equity				
Emerging Equity				
Fixed Income				
Hedge Funds				
Private Equity				
Private Credit				
Real Estate				
Infrastructure				

D. STANDARDS OF CONDUCT

1. List all services your firm, its principals, or any affiliate provide that generate revenues for the firm and indicate the applicable percent of your firm's total revenue during the last three years. Insert percentage under each year for each of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues from Consulting with Plan Sponsors	_____ %	_____ %	_____ %
Revenues from Money Management activities	_____ %	_____ %	_____ %
Revenues from Services to Money Managers	_____ %	_____ %	_____ %
Revenues from Services to Plan Sponsors and Other Services such as Fund of Funds fees	_____ %	_____ %	_____ %
Revenues from Broker-Dealer Affiliates or Subsidiaries	_____ %	_____ %	_____ %

Did these services produce 100% of your firm's revenue during the reporting period? If not, provide information regarding differences.

2. Does your firm, its principals, or any affiliate, own any part of an investment management firm or an affiliate of such firm, broker-dealer, or other organization that sells services to institutional investors and/or SEC registered investment advisors? If so, identify the firm(s) and describe the relationship.
3. Is your firm owned, in whole or in part, by an investment management firm or an affiliate of such firm? Has your firm received loans from any management firms, their subsidiaries, or principals? Do you manage money for your parent or affiliate? Does your parent or affiliate manage money for your firm? If so, explain.
4. Does your firm, its principals or any affiliate have any strategic alliance with any broker or investment management firm? If yes, please disclose with whom and describe the nature of the alliance.
5. Do you offer a broker/dealer facility to sponsor clients to pay for or offset your fees? What conversion ratio ranges are clients paying when using directed brokerage to satisfy your fees?
6. Are there additional services you offer plan sponsors through your broker/dealer?
7. Has your firm, its principals or any affiliate ever: (a) been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state, or self-regulatory body or organization; (b) been a party to any litigation concerning fiduciary responsibility, other investment related matters, or consulting arrangements; (c) submitted a claim to your errors & omission, fiduciary liability and/or fidelity bond

- insurance carrier(s); or (d) undergone an SEC audit? If yes to any, please provide details including the current status of any pending actions or litigation.
8. Has your firm, its principals or any affiliate ever had a material cyber event? If yes, please provide details including root cause analysis, remediation efforts, and current status.
 9. Has SERS' Investment Consultant, (Wilshire) received any compensation from your firm (either cash or commissions) in the past three years? This includes commissions of any sort resulting from trades initiated by your firm which were executed by an affiliated broker/dealer (referred to as "Agent" of the consulting firm) or through a brokerage relationship in which Consultants receive the net proceeds of the trade.
 10. Does your firm have a written code of conduct or set of standards for professional behavior? If so, attach a copy and state how they are monitored and enforced.
 11. Has your firm adopted the CFA Code of Ethics and Standards of Professional Conduct? If so, how is employee compliance monitored?
 12. How does your firm identify and manage conflicts of interest?
 13. Are there any potential conflicts of interest the firm would have in providing investment consulting services to SERS? If yes, explain.
 14. List and describe any relationships and/or contacts the firm has had with any Retirement Board member and/or SERS Staff within the last twelve months.
 15. Has your firm or any officer, principal or employee given any remuneration or anything of value directly or indirectly to SERS or any of its Retirement Board members, officers, or employees? If yes, identify the recipient and remuneration or thing of value. Additional information on the Ohio ethics law in this area may be found at:
http://ethics.ohio.gov/education/factsheets/doing_business_with_retirement_systems_in_ohio.pdf.
 16. Has your firm or any officer, principal or employee given any remuneration or anything of value such as a finder's fee, cash solicitation fee, or fee for consulting, lobbying or otherwise, in connection with this RFP? If yes, identify the recipient and remuneration or thing of value.
 17. Describe the level of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance your firm carries. SERS will require a firm to have not less than \$5,000,000 (fidelity) coverage for loss by reasons of acts of fraud or dishonesty, and no less than \$5,000,000 in comprehensive general commercial liability insurance, including coverage to protect against any errors or omission of the investment manager. If retained, your firm will be required to certify that the firm is in compliance with this requirement before hiring and annually thereafter.

E. REPORTS

1. Provide a complete copy of your firm's most recent Form ADV (Parts I and II and accompanying schedules).

2. Provide copies of the firm's most recent audited financial statements and auditor's management letter.
3. Does the firm conduct a periodic risk assessment? If so, describe such assessment. Provide a SAS 70 report, if applicable, or other internal control review documentation prepared by an independent third party.
4. List all reports routinely provided to clients.
5. Describe and provide samples of reports which would meet the type of reporting described under Scope of Services.

F. FEES AND CONTRACT

1. Provide the annual fee for all services proposed to be provided by the firm in the following formats:
 - a. Bundled – provide the total annual fee for all services being proposed that include those services listed in the Scope of Services.
 - b. Unbundled – provide an itemized annual fee for the following:
 - i. Development of strategic asset allocation recommendations.
 - ii. Quarterly report to SERS' Retirement Board on the status and performance of the investment portfolio.
 - iii. Investment manager search and selection with access to investment manager research and database, per assignment.
 - iv. Review and recommendations related to portfolio structure within a single asset class, per assignment.

The quotes should assume a three-year contract and include all travel and other out-of-pocket expenses.

2. List any additional services not listed in the fee proposals above that would incur additional fees as special or other services.
3. Attach a sample contract.

G. REFERENCES AND CLIENTS

1. Provide the names of clients, contact person and telephone number for:
 - a. Three current defined benefit public pension plan clients with at least \$5 billion of assets that have used the firm's investment consulting services for at least five (5) years;
 - b. Investment consulting clients that within the last five (5) calendar years have terminated their relationship with the firm. You may provide the reason for the termination.
2. Provide the name of each institutional investor client and assets under advisement for which the firm has provided full-retainer investment consulting services during the last five (5) years. You may attach a representative listing of clients larger than \$5 billion in assets.

APPENDIX C REPORTING AND REGISTRATION REQUIREMENTS



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

300 E. BROAD ST., SUITE 100, COLUMBUS, OHIO 43215-3746

614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

Reporting and Registration Requirements under Ohio Law

The operation of the Ohio public pension plans is governed by specific statutes under Ohio law. These can be found in Chapters 101*, 102, 145, 742, 3307, 3309 and 5505 of the Ohio Revised Code.

Persons/entities doing business, or seeking to do business, with any of the Ohio public pension plans or making campaign contributions to, or on behalf of, a Board member or candidate for a Board position are governed by, and may be required to register or file reports with, the Joint Legislative Ethics Committee, the Ohio Ethics Commission, and/or the Ohio Secretary of State. The Ohio public pension plans cannot provide guidance about these requirements. To determine if these provisions apply to you, please contact the following agencies:

Joint Legislative Ethics Committee
100 East Broad Street, Suite 1910
Columbus, Ohio 43215
614-728-5100
www.jlec-olig.state.oh.us

Ohio Ethics Commission
30 West Spring Street L3
Columbus, Ohio 43215
614-466-7090
www.ethics.ohio.gov

Ohio Secretary of State
180 South Civic Center Drive
Columbus, Ohio 43215
614-466-2655
www.ohiosos.gov

The Ohio public pension plans advocate full compliance with all applicable laws, registration and reporting requirements. The duty to comply, and to register or report as applicable, is the sole responsibility of the individual or entity conducting the activities described above.

* According to Section 101.97 of the Ohio Revised Code, a copy of which is on the reverse side of this Notice, third party marketing fees are prohibited with limited exceptions

**R.C. 101.97. Contingent compensation agreements prohibited;
incentive compensation plan**

(A) Except as provided in division (B) of this section, no person shall engage any person to influence retirement system decisions or conduct retirement system lobbying activity for compensation that is contingent in any way on the outcome of a retirement system decision and no person shall accept any engagement to influence retirement system decisions or conduct retirement system lobbying activity for compensation that is contingent in any way on the outcome of a retirement system decision.

(B) Division (A) of this section does not prohibit and shall not be construed to prohibit any person from compensating the person's sales employees pursuant to an incentive compensation plan, such as commission sales, if the incentive compensation plan is the same plan used to compensate similarly situated sales employees who are not retirement system lobbyists.

Memo

To: Retirement Board
From Chris Collins
cc: Richard Stensrud, Karen Roggenkamp
Date: October 3, 2025
Re: Federal Legislative Report

OVERVIEW

Government shutdown begins

Most federal government functions came to a halt October 1st after funding ran out and Congress deadlocked over how to extend spending laws.

The lapse in finances means that everything from small business loan services to national parks to job training for veterans will stop until lawmakers approve more money. Federal work vital to national security will continue, though employees, including many service members and law enforcement officers, will go unpaid.

Congressional leaders and President Donald Trump had met at the White House on September 29th in a bid to avoid shutting down the government. Democrats, represented by House Minority Leader Hakeem Jeffries (D-NY) and Senate Minority Leader Chuck Schumer (D-NY), demanded extensions to Affordable Care Act tax subsidies that expire at the end of the year and repeals to some of the Medicaid changes included in the One Big Beautiful Bill Act. On the Republican side, Senate Majority Leader John Thune (R-SD) and House Speaker Mike Johnson (R-LA) maintained that they wanted to pass legislation to keep the government funded for a few more weeks and that Congress could talk health care afterward.

The Congressional Budget Office (CBO) estimates that Democratic plans to permanently expand the enhanced Affordable Care Act (ACA) Tax Credits, which would cover 3.8 million Americans, will add \$349.8 billion to the deficit over the next decade. The CBO further found that average premiums would decrease by 7.6% each year from 2026 to 2035. According to one health policy think tank, if the credits expire, out-of-pocket premium payments will increase by more than 75% for enrollees.

Democrats also released their version of a continuing resolution proposal that would extend the enhanced premium subsidies permanently. Republicans say they may consider an extension of ACA credits later in the year in negotiations for a full year funding deal with Democrats but are resisting any extension for a short-term CR deal. A two-year extension would cost about \$55.336 billion and is more likely the scope of an extension that could get traction.

The shutdown is the first since January 2019, and the fourth of President Donald Trump's two terms. White House officials this time, though, have signaled plans to use the closed agencies as a way to vastly reshape the federal government and consolidate power under the presidency.

Unlike past federal shutdowns, White House budget director Russell Vought has ordered agencies to consider mass firings rather than instituting furloughs. And instructions to agencies from his Office of Management and Budget include guidance on rewriting regulations surrounding federal grants and challenging Congress's constitutional power over spending.

The Trump administration also announced it would withhold roughly \$18 billion in federal funds from two major New York transportation projects, the Second Avenue subway and the Hudson Tunnel to New Jersey, until they could be further reviewed for alleged discriminatory practices. The move appeared designed to put pressure on Senate Minority Leader Schumer. The Transportation Department said the pause came because the staff reviewing the projects had been furloughed. Democrats sharply criticized the decision.

In the meantime, the plan for the Senate is to keep taking votes on the House-passed bill in hopes that the longer the shutdown drags on, the more Democrats will peel off and vote with the Republicans.

The chamber were scheduled to take a break on Thursday, October 2nd in deference to the Yom Kippur holiday, then senators planned to be in session and voting Friday, October 3rd and through the weekend.

Congressional redistricting update

Ohio Statehouse lawmakers missed their first deadline for congressional redistricting, with Republican lawmakers defending the move to kick the process over to the Ohio Redistricting Commission without them ever introducing or negotiating on a map.

A new congressional district map is required for the 2026 elections because of a lack of bipartisan agreement in 2022, the last time congressional maps were adopted in the state.

The constitutional amendment passed by Ohio voters in 2018 required lawmakers to negotiate in good faith and attempt to pass a bipartisan map by September 30th before the process went to the redistricting commission.

The Joint Committee on Congressional Redistricting met September 30th in the House Finance Committee room for their second meeting of the month, on the day of the first deadline mentioned in the Ohio Constitution for passing a bipartisan map.

According to the constitution, if a bipartisan map isn't adopted by the end of September, the process moves to the Ohio Redistricting Commission with an October 31st deadline.

If no bipartisan map comes out of the commission, the decision-making returns to the General Assembly. The map can be passed without bipartisan support at that point with a simple majority vote by November 30th.

Committee co-chairs Rep. Adam Bird (R-New Richmond) and Sen. Jane Timken (R-Jackson Township) told reporters after the meeting adjourned with no action that they don't know of any discussions by their respective Republican caucuses about the drawing of a map.

"There's not a map that I know of," Bird said.

Timken said the caucuses plan to follow the process “through to the end of November.”

Now that the first legislative deadline has passed, the Ohio Redistricting Commission will need to be reactivated by Gov. Mike DeWine. The governor is required to also serve on the commission, along with the state auditor and secretary of state. The General Assembly will be represented with two Republican legislators and two Democratic legislators.

Whenever the map is adopted along the way, if a court challenge is presented to it, the Ohio Supreme Court will have jurisdiction over lawsuits against the map.

Republicans added party labels to Ohio Supreme Court beginning in 2022 and now control the court 6-1.

SOCIAL SECURITY

Social Security Administration Commissioner Frank Bisignano on September 19th walked back his remark made earlier in the day that raising the retirement age was among the entitlement reforms being considered by the Trump administration.

In an interview with Fox Business, he was asked if he'd consider increasing the age for full federal retirement benefits, which currently stands at 67.

“I think everything's being considered and will be considered,” he said.

Bisignano noted that any change recommended by Social Security trustees would need congressional approval.

“The White House, which is completely committed to protect and preserve, and then Congress, that's where the real work will happen. And that'll take a while, we have plenty of time.”

The Social Security Administration walked back his comments in an afternoon post on social media.

“Let me be clear: President Trump and I will always protect, and never cut, Social Security. That's why we have made many vital reforms, such as cutting waste, fraud, and abuse from the program, to ensure the solvency of Social Security for future generations of Americans,” the statement from Bisignano said.

“Raising the retirement age is not under consideration,” it added.

Projections that Social Security coffers will start running out of money by 2034 have increased pressure for lawmakers to take actions to prevent insolvency.

A bipartisan group of senators have proposed setting aside \$1.5 trillion for an investment fund to ensure the flow of future benefits, while others have suggested raising the age for retirement as a way to cut benefits.

We remain very watchful to ensure various Social Security reform ideas do not include any mandatory coverage proposals for non-covered public employees like those in Ohio.

HEALTH CARE

Prescription drug costs

President Donald Trump on September 30th announced that pharmaceutical giant Pfizer would sell its drugs to a government program at discounted rates, acceding to his long-running push to lower U.S. drug prices, and he pledged that similar deals with other companies would soon follow.

Pfizer agreed to bring the price of its drugs sold to Medicaid in line with the lower rates paid by other developed countries. Pfizer also announced a \$70 billion investment in research and development, and domestic manufacturing as part of the deal.

The Trump administration is stepping up efforts to reshape U.S. drug pricing with a dual approach of tariffs and a new pricing pilot. President Trump has threatened to impose a 100% tariff on branded or patented drugs unless companies build manufacturing plants in the United States, a move the pharmaceutical industry criticized as unnecessary given that most prescriptions sold domestically are already produced in the country.

The tariff threat comes as the Department of Health and Human Services (HHS) and the Centers for Medicare and Medicaid services (CMS) have submitted details of the long-awaited Global Benchmark for Efficient Drug Pricing (GLOBE) Model to the White House for review, with the president expected to announce the initiative in the coming weeks. The GLOBE Model, tied to Trump's "most favored nation" (MFN) executive order, would require drugmakers to align U.S. prices with those in other developed countries.

Trump said that he used the threat of tariffs to compel agreements from the drug industry, which Pfizer chief executive Albert Bourla acknowledged during the news conference had been a "powerful tool" in motivating his company's decision.

The administration has emphasized enforcement of the MFN policy, directing U.S. trade officials to pressure foreign governments to raise drug prices in an effort to end global "freeloading." Officials are also considering a digital platform, tentatively called "TrumpRx," to let patients search for medicines and connect directly with pharmaceutical company portals offering discounted prices, aiming to reduce middleman costs and expand access to lower-cost treatments.

Drugmakers have responded by ramping up domestic production and exploring direct-to-patient sales models, though tighter rules on direct-to-consumer advertising have limited some efforts. Companies including Eli Lilly, Pfizer, Merck, AstraZeneca, and GlaxoSmithKline have pledged tens of billions in new U.S. facilities and R&D investments, while some have also raised list prices abroad to comply with the administration's pricing strategy.

Experts caution that tariffs could raise U.S. drug costs, potentially undercutting the MFN goal, and that legal challenges could arise under recent Supreme Court rulings. Much of the U.S. pharmaceutical supply chain still passes through India and Europe, meaning tariffs could inadvertently reinforce reliance on foreign ingredients rather than reduce it. Despite these complexities, the Trump administration is signaling a renewed push to reshape drug pricing policy, enforce lower prices for Americans, and boost domestic manufacturing, navigating a challenging mix of international trade, legal hurdles, and market dynamics.

SERS sends letter to CMS on GLP-1 pilot

CMS is considering developing a pilot program for GLP-1 drug coverage for weight loss in Medicare Part D. SERS has sent a letter to Director Abe Sutton of the Center for Medicare and Medicaid Innovation asking them to consider a way for Employer Group Waiver Plans (EGWPs) like SERS to opt-in to such a program independently from their PBM & Part D sponsor. The goal is not to do it without a PBM partner, but rather to have our own way to opt-in or out.

Allowing EGWPs to make this decision not only offers more choice in benefit design, but it would eliminate a barrier if we were to change PBMs mid-demonstration. Otherwise, EGWPs are required to rely on their PBM for access to the pilot program and may have to consider a PBM's demonstration participation in bids for group purchasing. We are hopeful that CMS will consider our request as we believe it would be a valuable benefit to enrollees to have access to a pilot program like this as the market continues to evolve on the utilization of GLP-1 drugs.

FEDERAL LEGISLATION BOARD REPORT
119th United States Congress
(Prepared by Chris Collins as of October 10, 2025)

H.R.1

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

LAST ACTIONS: 07/04/2025 Became Public Law No: 119-21.CAPTION: One Big Beautiful Bill Act

COMMENT: This bill reduces taxes, reduces or increases spending for various federal programs, increases the statutory debt limit, and otherwise addresses agencies and programs throughout the federal government. It is known as a reconciliation bill and includes legislation submitted by 11 House committees pursuant to provisions in the FY2025 congressional budget resolution (H Con. Res. 14) that directed the committees to submit legislation to the House Budget Committee that will increase or decrease the deficit and increase the statutory debt limit by specified amounts. (Reconciliation bills are considered by Congress using expedited legislative procedures that prevent a filibuster and restrict amendments in the Senate.)

H.Con.Res.14

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

LAST ACTIONS: House - 05/20/2025 Star Print ordered on the reported concurrent resolution. (All Actions)

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 October 9, 2025)

136th General Assembly

HB18 DIGITAL ASSET INVESTMENT, CRYPTOCURRENCY RESERVE (Demetriou, S) - To address investments in exchange-traded products by the state retirement systems, to create a Ohio Strategic Reserve Fund, to permit the Treasurer of State to invest interest earnings from certain state funds in digital assets, and to name this act the Ohio Strategic Reserve Act.

Current Status: 10/07/2025 BILL AMENDED, House Technology and Innovation, (Fourth Hearing)

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: 10/01/2025 Consideration of Governor's Veto; Senate Overrides Veto on Item 66, Vote 21-11

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: 06/25/2025 Referred to Financial Institutions, Insurance and Technology Committee

HB413 CREATE LOCAL GOVERNMENT EXPENDITURE DATABASE (Young, Peterson) - To create the Ohio Local Government Expenditure Database and require political subdivision participation, to require the state retirement systems to participate in the Ohio State Government Expenditure Database, and to make an appropriation.

Current Status: 10/07/2025 House Technology and Innovation, (First Hearing)

HB473 PROHIBIT PUBLIC EMPLOYER CONTRIBUTION PAYMENTS (Thomas, D) - To prohibit a public employer from paying employee contributions to a state retirement system.

Current Status: 10/08/2025 House Public Insurance and Pensions, (First Hearing)

Memo

To: SERS Retirement Board

From: Richard Stensrud, Executive Director

CC: Karen Roggenkamp, Deputy Executive Director
Marni Hall, CPA, Chief Financial Officer

Date: October 9, 2025

Re: Actuarial Audit Report

Every ten years the Ohio Retirement Study Council (ORSC) commissions an actuarial audit in which the auditing actuary fully replicates the most recent actuarial valuation conducted by the retirement system's retained actuary.

An actuarial audit includes the following elements:

1. Audit of actuarial methods, actuarial factors, and actuarial assumptions used in the actuarial valuations
2. Replicate the actuarial calculations
3. Audit of member data used in the valuations
4. Perform sample lives testing
5. Review valuation reports for compliance with Actuarial Stand of Practice (ASOP) No. 41

After a competitive bidding process, the ORSC selected Pension Trustee Advisors, partnered with KMS Actuaries and Bolton Partners (PTA-KMS-Bolton) to perform the actuarial audit on the work performed for SERS by Cavanaugh MacDonald (CavMac). Their audit included the following CavMac reports:

- SERS valuation report on the annual basic benefits as of June 30, 2024.
- SERS valuation report on the retiree health care fund as of June 30, 2024.
- Five-year pension fund experience review for the period ending June 30, 2020.

The PTA-KMS-Bolton report is presented in the materials for your review and consideration. A response to the PTA-KMS-Bolton report by CavMac is also included. Linda Bournival, with KMS Actuaries will present their report remotely and answer any questions.

Overall Findings

The actuarial audit identified no critical concerns and found that the actuarial calculations were reasonable, consistent and accurate, and that the assumptions recommended by CavMac and adopted by the Board were reasonable, and consistently and accurately applied. The report highlights that the actuarial liabilities and normal costs calculated by CavMac were closely matched by PTA/KMS/Bolton.

Specifically, the actuarial audit:

- Confirmed the validity, completeness, and appropriateness of the demographic and financial information used by CavMac to meet SERS' funding objectives.
- Confirmed the reasonableness of CavMac's conclusions and the conformance of CavMac's work with generally accepted actuarial standards and practices.
- Determined that the auditor's calculations closely matched CavMac's calculations.
- Confirmed that CavMac captured the complexity of SERS accurately and that SERS should have confidence in the actuarial calculations provided to us.
- Confirmed that CavMac's actuarial valuations of total actuarial liability, normal cost and present value of benefits were reliable.
- Confirmed that the actuarial funding method and asset valuation method used by CavMac are a 'Model Practice.'
- Confirmed that the Actuarially Determined Contribution (ADC) of 9.56% calculated by CavMac is less than the fixed rate employer contribution (14.00%) scheduled to be paid into the plan. This confirms CavMac's conclusion that the current employer contribution rate is sufficient to fund the plan within the amortization period requirement.

None of the minor recommendations/suggestions identified by PTA/KMS/Bolton resulted in necessary recalculations. The minor recommendations/suggestions include:

- Expand certain information in the valuation report:
 - o For deferred vested members, review dates and disclose in the report the assumed commensuration dates.
 - o Include the pension normal cost figure in dollars in addition to the percentage of payroll in the report.
- Expand disclosure of methodology and assumptions in the next actuarial experience study and valuation reports.
- Consider certain enhancements to the actuarial methods and assumptions:
 - o Implement an asset smoothing method for the Health Fund.
 - o Revise the ADC approach used for comparison with the fixed rate contribution.
 - o Update the assumed retirement patterns for non-grandfathered employees.
 - o Update the retirement rates for deferred vested members.
 - o Expand the description of the method of developing the health care claims cost assumptions.
 - o Consider an assumption for the Health Care Premium Discount Program.
 - o Consider an assumption for future child dependents in the Health Benefits valuation.

We are pleased with PTA-KMS-Bolton 's favorable conclusions on CavMac's work and believe that the results provide confirmation to SERS' stakeholders that SERS' actuarial condition is being accurately and correctly presented. We have discussed the auditing actuary's recommendations with CavMac, and plan to incorporate many of them during the upcoming five-year experience study as of of June 30, 2025.

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

Actuarial Audit of the School Employees Retirement System of Ohio for Ohio Retirement Study Council

Linda L. Bournival, FSA

To ORSC – August 14, 2025

To SERS – October 16, 2025

Agenda

- Major Findings of Actuarial Review
- Actuarial Assumptions
 - Demographic
 - Economic
 - Healthcare
- Actuarial Methods
- Actuarial Valuation Replication
- Healthcare Review
- Audit Conclusions

Major Findings of Actuarial Review

- We believe the actuarial math and numbers are correct
 - Our calculations match Cavanaugh MacDonald (CavMac) calculations
 - The CavMac calculations captured key provisions accurately
- Actuarial Assumptions are reasonable, and have been periodically revised based on results of experience studies
- Improved transparency in the CavMac reporting is desirable
 - Development of assumptions
 - Disclosure of calculations
- References
 - Actuarial Standards of Practice (ASOPs)
 - Actuarial Funding Policies and Practices for Public Pension Plans
 - CCA White Paper Second Edition

Findings of Actuarial Review - Summary

Actuarial Assumptions

- ↳ Reasonable and consistent
- ↳ Some minor concerns

Actuarial Methods

- ↳ Reasonable and consistent
- ↳ Some minor concerns with disclosures

Actuarial Valuation Replication

- ↳ Close match (1% on total liability)
- ↳ Reasonable, consistent and accurate

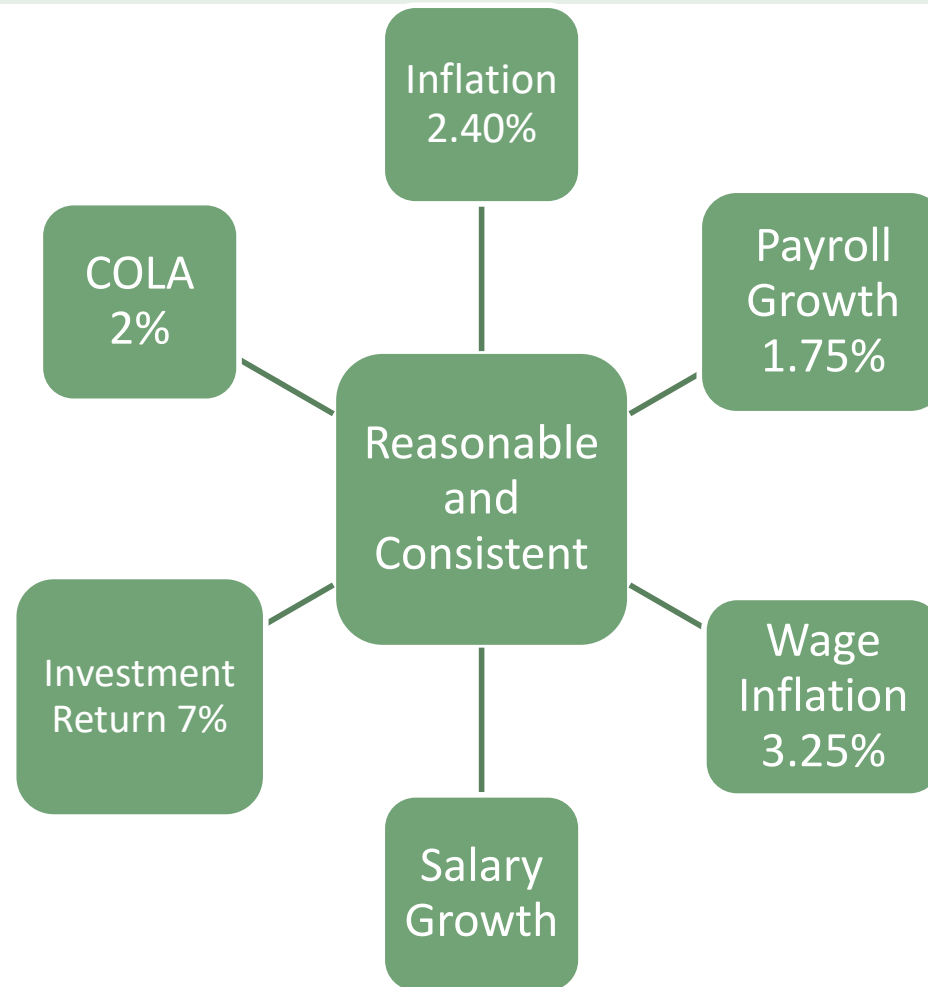
Actuarial Process

- ↳ Unable to precisely verify certain detailed calculations
- ↳ But overall close replication match suggests confidence in numbers

Demographic Assumptions



Economic Assumptions



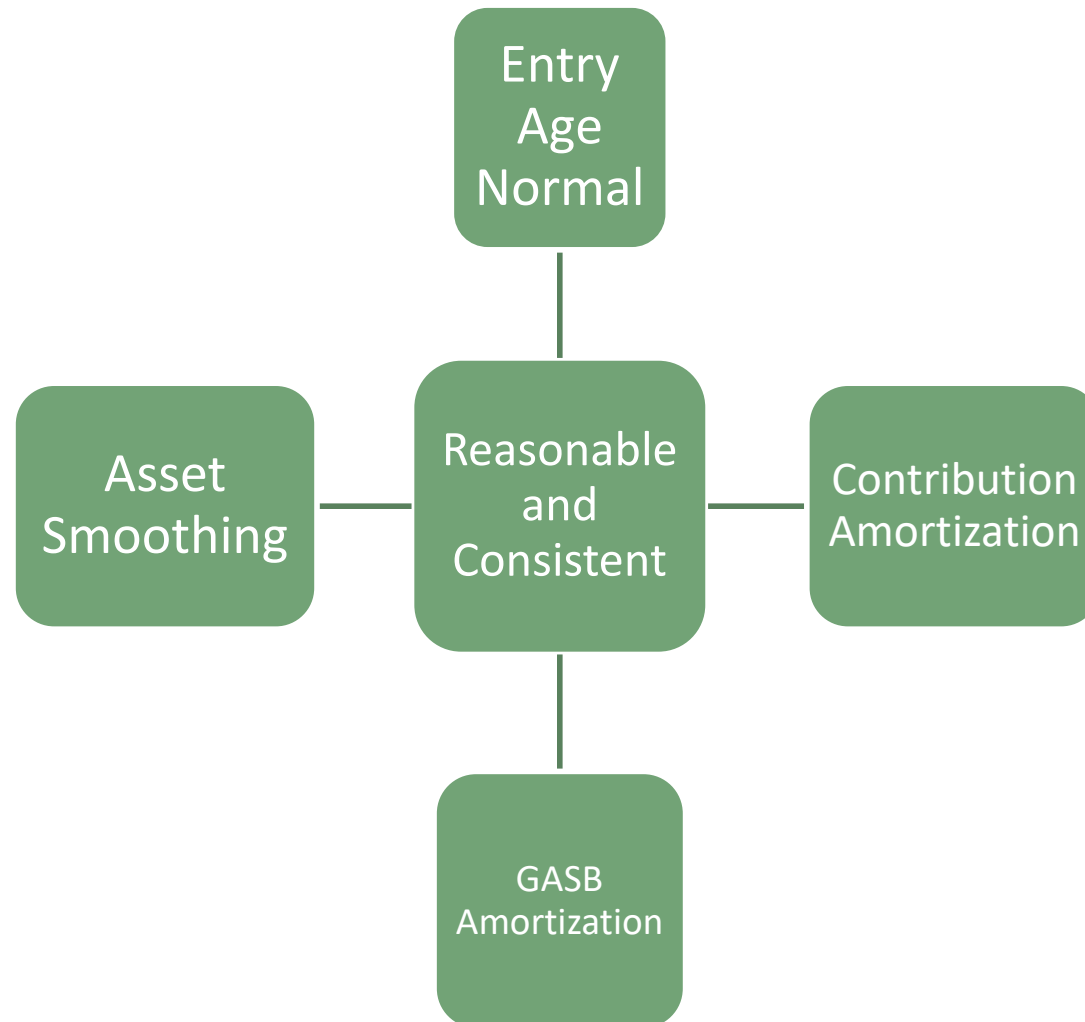
Economic Assumptions

- Investment Return Rate of 7%
 - Consistent with Ohio systems (range is 6.90%-7.50%)
 - Slightly higher than current NASRA average of 6.91%
- Inflation Rate of 2.40%
 - Consistent with peers (median is 2.47%)
- Wage Inflation of 3.25%
 - Real wage inflation of 0.85% plus 2.40% inflation
 - Payroll growth assumption for amortization of 1.75%
 - More conservative computation of ADC
- Salary Growth Rate
 - Reasonable, experience study analyzed inflation-adjusted salary growth appropriately
- Cost Of Living Allowance – 2% assumed – reasonable

Healthcare Assumptions



Actuarial Methods



Amortization Methods

- For determination of satisfying Ohio 30-year Statute
 - Based on total payroll increasing by 1.75% per year
 - Provides a margin for slightly decreasing population
 - Amortization period is 20 years as of June 30, 2024
 - Down from 28 years as of June 30, 2016
 - Indicates satisfactory progress in amortizing unfunded liability

Amortization Methods

- For determination of contribution requirements under ASOP 4
 - “Single closed period” approach is a “non-recommended” approach for a Level Cost Allocation Method in the CCA White Paper
 - Due to volatility as period declines
 - CavMac may wish to introduce “layered approach” in future
 - However closed period approach is preferred over open 30-year period approach which is permitted under statute

Actuarial Valuation Replication

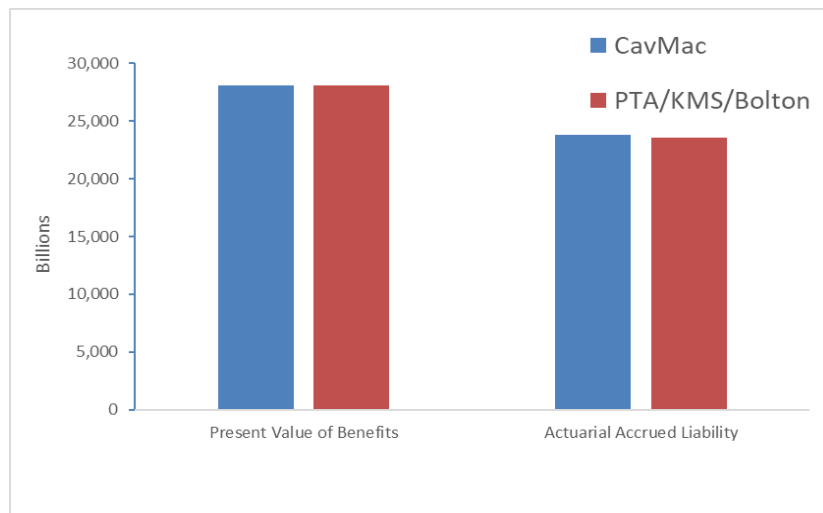
- Data used by CavMac consistent with data provided by SERS
- Reasonable match
- Thorough, complete work by CavMac

Actuarial Valuation Replication

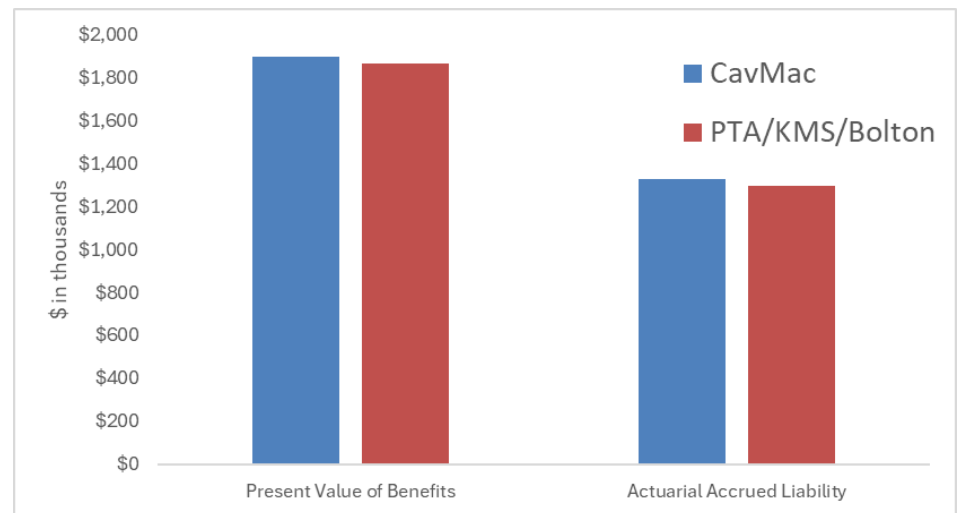
- Actuarial liabilities match within 1% in total
- Total present values match was within 0.1%
- Normal costs values did not match as closely
 - Nearly 5% deviation
- However, the strong match in Actuarial Accrued Liability and Present Value of Benefits is more important indicator that costs are also being reasonably calculated.

Actuarial Replication Match

Comparison of Present Value of Benefits and Actuarial Accrued Liability - Pension Benefits



Comparison of Present Value of Benefits and Actuarial Accrued Liability - Health Care Benefits



Summary of Deviation of Results

	Pension Benefits Valuation Results	Retiree Health Valuation Results
Present Value of Benefits	0.22%	-1.68%
Accrued Liability	-0.95%	-2.23%
Normal Cost	5.38%	-4.02%

Health Care Review

- Assumed 2024 monthly rates are reasonable
- Age-adjusted rates reflect reasonable morbidity by age, are consistent with monthly rates and are reasonable

Audit Conclusions

- Reasonable match in valuation replication
- Other Assumptions, Methods and Factors
 - Reasonable
 - Consistent
 - Accurate
- Health care rates are reasonable
- CavMac reports are complete
- Recommendations
 - Provide next auditor with more transparent calculations
 - Correct minor issues mentioned in audit report
 - Provide more robust development of certain assumptions and methods mentioned in audit report

Findings of Actuarial Review - Recap

Actuarial Assumptions

- ↳ Reasonable and consistent
- ↳ Some minor concerns

Actuarial Methods

- ↳ Reasonable and consistent
- ↳ Some minor concerns with disclosures

Actuarial Valuation Replication

- ↳ Close match (1% on total liability)
- ↳ Reasonable, consistent and accurate

Actuarial Process

- ↳ Unable to precisely verify certain detailed calculations
- ↳ But overall close replication match suggests confidence in numbers

REPORT TO ORSC



ACTUARIAL AUDIT of the SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Actuarial Valuations as of June 30, 2024

and

Experience Study
for the 5-Year Period Ending June 30, 2020

Prepared by:

William B. Forna, FSA, MAAA
Pension Trustee Advisors

Linda L. Bournival, FSA, MAAA
KMS Actuaries

Thomas Vicente, FSA, MAAA
Bolton Partners

June 2025



June 30, 2025

Ohio Retirement Study Council
30 E. Broad Street, 2nd Floor
Columbus, OH 43215

Dear ORSC Members:

We have completed our actuarial audit of the School Employees Retirement System of Ohio (SERS) pursuant to O.R.C. §171.04(E). As shown in the attached findings, we have matched actuarial calculations quite closely and have several related comments. None of the comments reflects a critical concern. Our audit finds that actuarial calculations were reasonable, consistent and accurate.

None of the actuaries signing this report or anyone closely associated with them has a relationship with the Ohio Retirement Study Council (ORSC) or SERS, other than as consulting actuaries for this assignment, that would impair our independence.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to provide this statement of actuarial opinion.

We are available to answer any questions you may have regarding our findings and recommendations of the actuarial audit.

Sincerely,

William B. Fornia, FSA, MAAA
President
Pension Trustee Advisors
303.263.2765

Linda L. Bournival, FSA, MAAA
Consulting Actuary
KMS Actuaries
603.792.9494

Thomas Vicente, FSA, MAAA
Senior Consulting Actuary
Bolton Partners
443.573.3918

cc: School Employees Retirement System of Ohio

*School Employees Retirement System of Ohio
Actuarial Audit of the June 30, 2024 Actuarial Valuations and 5-Year Experience Study*

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Section 1 – General Findings

The Ohio Revised Code §171.04(E) requires that the Ohio Retirement Study Council (ORSC) contract for an independent audit of the state retirement systems' actuaries not less than once every ten years. ORSC specified that the firm conducting the audit is to provide:

- An overall opinion as to the validity, completeness, and appropriateness of the demographic and financial information used by the consulting actuary to meet the School Employees Retirement System of Ohio (SERS') funding objectives;
- An overall opinion as to the reasonableness of the consulting actuary's conclusions and the conformance of the consulting actuary's work with generally accepted actuarial standards and practices;
- A detailed description of each audit exception and the estimated effects of each exception on SERS; and
- Detailed recommendations for improvement.

Our opinion is that these standards were met, as will be discussed in the following pages.

SERS provides retirement benefits and health care benefits to employees in K-12 schools, community colleges and the University of Akron. Actuarial values were reported through two actuarial reports:

- SERS Report on the Annual Basic Benefits Valuation prepared as of June 30, 2024, dated November 5, 2024
- SERS Report on the Retiree Health Care Valuation prepared as of June 30, 2024, dated November 7, 2024

Pension Trustee Advisors (PTA), KMS Actuaries (KMS) and Bolton Partners (Bolton), collectively PTA/KMS/Bolton, replicated these June 30, 2024 actuarial valuations conducted by Cavanaugh MacDonald, LLC (CavMac), SERS' actuary, and the results match within the acceptable thresholds for this type of exercise. This match confirms that CavMac has captured the complexity of SERS accurately and that SERS should have confidence in the actuarial calculations provided to them. In addition, we reviewed CavMac's 2020 Experience Study For the Five-Year Period Ending June 30, 2020 (the 2020 Experience Study) and its recommendations. We found that the assumptions proposed by CavMac and adopted by the Board were reasonable.

The primary purpose of an actuarial audit is to confirm that there are no significant errors in the actuarial calculations. Based on our replication, we report that **we have found no significant discrepancies and conclude that there are no significant errors**. This is confirmed on the tables and discussion below.

The following tables summarize the actuarial liabilities and normal costs produced by CavMac and PTA/KMS/Bolton actuarial valuations.

Section 1 – General Findings

Table 1.1
Actuarial Liabilities and Normal Cost as of June 30, 2024 (\$ in thousands) – Pension Benefits

	CavMac	PTA/KMS/Bolton	% Diff.
Present Value of Benefits	28,043,269	28,103,922	0.22%
Actuarial Accrued Liability	23,820,119	23,593,668	-0.95%
Normal Cost (% of payroll)	10.75%	11.33%	5.38%

Table 1.2
Actuarial Liabilities and Normal Cost as of June 30, 2024 (\$ in thousands) – Health Care Benefits

	CavMac	PTA/KMS/Bolton	% Diff.
Present Value of Benefits	\$1,895,990	\$1,864,156	-1.68%
Actuarial Accrued Liability	\$1,325,702	\$1,296,089	-2.23%
Normal Cost	\$59,576	\$57,183	-4.02%

The grand total actuarial liability calculated by PTA/KMS/Bolton was within 1% of the same calculated by CavMac. Our grand total normal cost was within 4.5% of that calculated by CavMac. Our grand total present value of benefits deviated by only \$29 million, or 0.1%, from that calculated by CavMac. These are within actuarial norms and strong evidence that the CavMac actuarial valuations are reliable.

Section 1 – General Findings

The differences in present value of benefits and actuarial accrued liability are illustrated by the following charts:

Figure 1.1
Comparison of Present Value of Benefits and Actuarial Accrued Liability - Pension Benefits

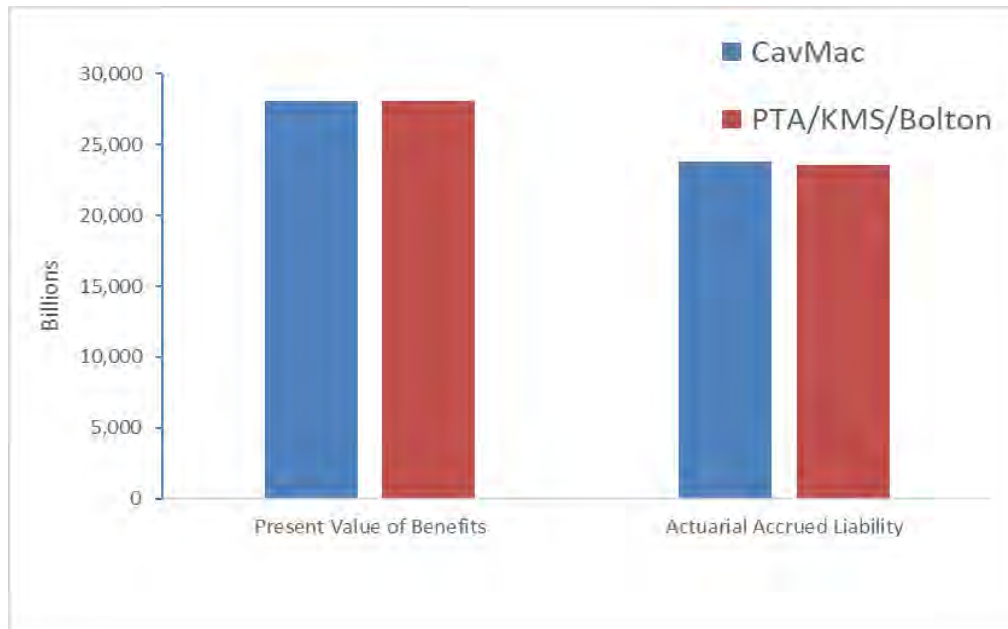
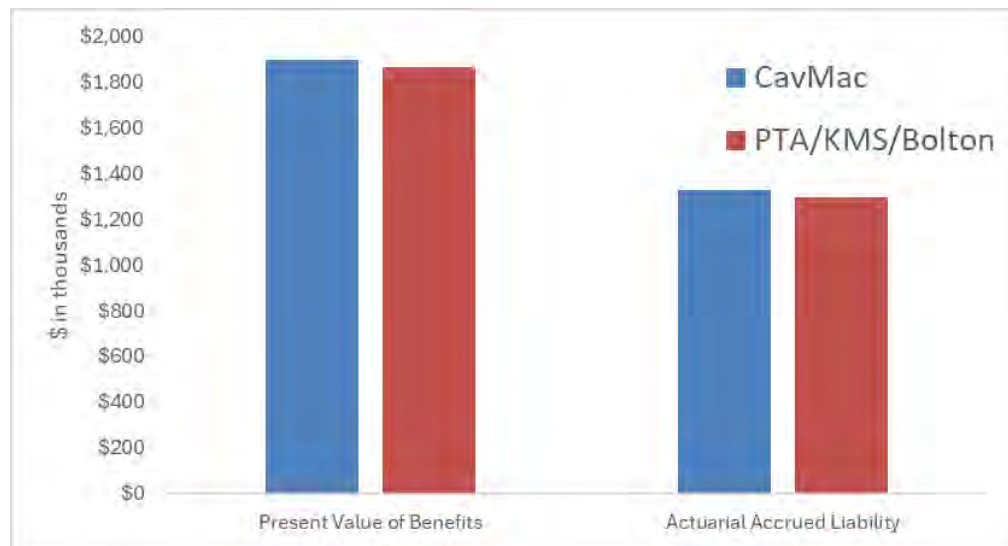


Figure 1.2
Comparison of Present Value of Benefits and Actuarial Accrued Liability - Health Care Benefits



Section 1 – General Findings

Although the match was reasonably close, there is still room for improvement. We make the following recommendations for enhancement in the accuracy of calculations and completeness in the reports:

- Correct minor calculations as discussed in the following pages
- Expand disclosure of methodology and assumptions more rigorously in the next actuarial experience study and valuation reports
- Consider the below updates to the actuarial methods and assumptions:
 - o Implement an asset smoothing method for the Health Fund
 - o Revise the ADC approach used for comparison with the fixed rate contribution
 - o Update the assumed retirement patterns for non-grandfathered employees
 - o Update the retirement rates for deferred vested members
 - o The method of developing the health care claims cost assumptions is not clearly described in the reports.
 - o Consider an assumption for the Health Premium Discount Program
 - o Consider an assumption for future child dependents in the Health Benefits valuation

In the process of this actuarial audit, SERS notified us that certain benefits in pay status had been calculated using incorrect actuarial factors and have been subsequently corrected in the SERS administration system. A measurement of the actuarial valuation impact of this correction is beyond the scope of this audit, but our understanding is that it would be insignificant.

Section 2 – Audit of Actuarial Methods, Factors and Assumptions

The first step in the actuarial audit process is to review the actuarial methods, actuarial factors, and actuarial assumptions used in the actuarial valuations.

As part of the audit we referenced the Actuarial Standards of Practice (ASOPs) promulgated by the Actuarial Standards Board. There are several Standards that are particularly appropriate for pension plans and health programs in setting assumptions and methods for funding purposes:

- ASOP 4: Measuring Pension Obligations and Determining Pension Plan Costs or Contributions
- ASOP 6: Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions
- ASOP 23: Data Quality
- ASOP 27: Selection of Economic Assumptions for Measuring Pension Obligations (note this standard was restated effective January 1, 2025)
- ASOP 35: Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations (note this standard was repealed and combined with ASOP 27 effective January 1, 2025)
- ASOP 41: Actuarial Communications
- ASOP 44: Selection and use of Asset Valuation Methods for Pension Valuations
- ASOP 51: Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions
- ASOP 56: Modeling

In addition, we reference the *Actuarial Funding Policies and Practices for Public Pension Plans* published by the Conference of Consulting Actuaries (“CCA White Paper Second Edition”). We also reviewed the 2021 actuarial audit that had been commissioned by SERS. This was completed by Milliman in December 2022 (Milliman audit).

ACTUARIAL METHODS

CavMac uses several actuarial methods in determining costs and liabilities for SERS.

- The actuarial funding method is the Individual Entry Age actuarial cost method.
- The actuarial asset valuation method for pension is a four-year smoothed market value.
- The actuarial asset valuation method for health is market value.
- The plan is funded with a fixed rate contribution set by the Board and is within their policy.
- An ASOP 4 defined Actuarially Determined Contribution (ADC) is determined for comparison with the fixed rate contribution. The ADC uses an amortization of the unfunded actuarial accrued liability and is based on a level payroll, closed period method of 20 years as of July 1, 2024.

Actuarial Funding Method

The Individual Entry Age Normal actuarial cost method is used for both pension and health care actuarial valuations. This method is designed to maintain constant plan costs throughout each employee's career as a portion of pay. We believe this is a reasonable and appropriate method. It is the most common method used by large public pension systems such as SERS. CavMac is applying the method reasonably, consistently, and accurately. This approach is considered a "Model Practice" for a Level Cost Allocation Method in the CCA White Paper Second Edition.

Actuarial Asset Valuation Method

CavMac employs a four-year smoothed market value actuarial asset valuation method for the retirement plan actuarial valuation. Unlike actuarial funding methods, actuarial asset valuation methods are not precisely defined. Some actuaries use what could be categorized as a four-year or five-year smoothed market value actuarial asset valuation method as does CavMac, but might use different methods. We have reviewed the precise provisions of the method that CavMac employs and find them to be reasonable, consistently applied, and accurate.

The method is a conventional and appropriate application of a four-year smoothed method. The method spreads any investment gains or losses (relative to the actuarial assumption) over four years and applies a 20% maximum disparity from true market value. This is a reasonable and appropriate method.

This approach is considered a "Model Practice" for a Level Cost Allocation Method in the CCA White Paper Second Edition.

The Actuarial Standards Board has published ASOP 44 (effective March 15, 2008) to define the Selection and Use of Asset Valuation Methods for Pension Valuations. The selected approach fits within the provisions of this ASOP.

Section 2 – Audit of Actuarial Methods, Factors and Assumptions

CavMac uses the Market Value of Assets (without smoothing) for the Health Fund valuation. This is also a reasonable method with regard to ASOP 44. We do note however, that given the current funding level of the Health Fund (62%) on a market value basis, the implementation of a smoothed asset approach might be advisable to reduce future cost volatility.

Determination of ASOP 4 Actuarially Determined Contribution (ADC)

The valuation determines an Actuarially Determined Contribution (ADC) meeting the requirements of ASOP 4. The ADC equals the employer paid Normal Cost plus the amortization of the unfunded liability (single layer fixed percentage of pay described below). This amount (9.56%) is less than the fixed rate employer contribution (14.00%) scheduled to be paid into the plan. As a result, the fixed rate amount is sufficient to fund the plan in a reasonable manner.

Amortization Method for Determining the ASOP 4 ADC Funding Amounts

In addition to the Entry Age Normal actuarial cost method, CavMac and SERS use a conventional method for amortizing components of unfunded liability. The method includes a closed period, which decreased from 28 years as of June 30, 2016, to 20 years as of June 30, 2024 with all changes in unfunded liabilities rolled into the same amortization base.

The other amortization feature being used is to amortize the costs as a constant percentage of payroll. With payroll growing at an assumed rate of 1.75% per year, this maintains steady costs as a percentage of payroll. We believe the level percent of payroll method is a reasonable approach for funding. With 20 years remaining, the amortization amount is large enough to cover the interest on the unfunded liability (7.00%) plus a part of the principal amount. The 1.75% payroll growth rate is reasonable in the aggregate based on a stable population and was analyzed in the 2020 Experience Study.

The current amortization method would be considered a “Non-recommended” approach for a Level Cost Allocation Method in the CCA White Paper Second Edition. The reasons for assigning this category are that:

1. The single closed amortization period approach is not sustainable. At a certain point, the amortization period will become so short that it will cause unmanageable volatility in the contribution determination. That typically leads to a restatement of the entire amortization period, effectively making it an open rolling amortization period.
2. The policy makes the approach less transparent and does not allow the Board to identify the sources of change in the UAAL (experience versus assumption changes versus plan changes, for example).

Those concerns aside, in this year for this valuation, we find the amortization method reasonable, consistent, and accurate but we do recommend the method be reviewed and a more sustainable approach be adopted for the future.

ACTUARIAL ASSUMPTIONS

We have reviewed the actuarial assumptions used by the actuary and find them to be reasonable, consistent, and accurate. CavMac conducted the 2020 Experience Study. We encourage CavMac and the SERS Board to consider our comments in the process of adopting proposed assumption changes.

The actuary uses a large number of actuarial assumptions, including:

- Demographic Assumptions
 - Post-Retirement Mortality
 - Disabled Post-Retirement Mortality
 - Pre-Retirement Mortality
 - Withdrawal from Service Before Retirement
 - Retirement
 - Disability Retirement
 - Other Demographic Assumptions
- Economic Assumptions
 - Investment Return Rate
 - Inflation
 - Wage Inflation
 - Individual Salary Increases
- Post-Employment Healthcare Assumptions
 - Gross Claim Rate Derivation
 - Health Care Cost Trend Rate
 - Morbidity
 - Retiree – Paid Premiums
 - Health Plan Participation Rates and Elections

Detailed comments on each assumption are included below.

Section 2 – Audit of Actuarial Methods, Factors and Assumptions

DEMOGRAPHIC ASSUMPTIONS

Demographic Experience Since the 2020 Experience Study

Experience in the past five years, since the 2020 Experience Study, indicates that the demographic actuarial assumptions have generated cumulative actuarial losses of 0.5% over five years. This is an indication that the demographic assumptions in the aggregate have been a reasonable measure of anticipated experience.

Table 2.1
Demographic Actuarial Gains/(Losses) By Component (\$millions)

Source	FY 20	FY 21	FY 22	FY 23	FY 24	Total
Age & Service Retirements	(94.0)	(96.2)	(65.8)	(65.1)	(53.1)	(374.2)
Disability Retirements	(3.1)	(5.0)	(6.4)	(3.2)	(1.2)	(18.9)
Pre-Retirement Deaths	(5.4)	(4.7)	(7.0)	(5.4)	(7.4)	(29.9)
Withdrawal from Employment	(104.2)	(107.5)	(43.5)	(40.1)	(46.2)	(341.5)
Pay Increases	136.2	136.7	(212.3)	(139.7)	(105.3)	(184.4)
New Members	(22.2)	(16.6)	(52.6)	(66.3)	(63.7)	(221.4)
Death after retirement	28.9	59.8	82.7	54.5	43.0	268.9
Other	62.3	189.3	(25.2)	87.7	80.1	394.2
Total Gain/(Loss)	(1.5)	155.8	(330.1)	(177.6)	(153.8)	(507.2)
Actuarial Liability (\$millions)	21,034	21,530	22,371	23,084	23,820	111,839
Gain/(Loss) as % of FYE Liability	0.0%	0.7%	-1.5%	-0.8%	-0.6%	-0.5%
	Loss	Gain	Loss	Loss	Loss	Loss

Section 2 – Audit of Actuarial Methods, Factors and Assumptions

Rates of Post-Retirement Mortality

CavMac is using rates from the PUB 2010 family of mortality tables. As detailed in their 2020 Experience Study report, the benefit-weighted tables for below median compensated general public sector employees separated by gender formed a good fit to the actual five-year experience. The standard tables were adjusted by the use of an age set-forward and percentage adjustment to fit the experience for the groups. In addition, the MP-2020 mortality improvement projection scale is applied on a generational basis.

Many trends have contributed to lengthening life expectancies, including:

- Continued eradication of diseases
- Advances in medicine
- Advances in nutrition
- Improved access to medical care

But other trends may suggest that life expectancies may not continue to improve, including:

- Emergence of new diseases including COVID-19 and potential future variants
- Obesity
- Many factors which improved mortality are one-time, and cannot be repeated, for example, smoking cessation trends (one can only quit smoking once)
- More sedentary lifestyles
- Substance abuse
- Climate change

As a result of the uncertainty of these contrary trends, we encourage CavMac to continue to study the post-2020 period experience and the appropriate application of projection scales. They may choose to incorporate different short-term and long-term mortality improvement scales. The Society of Actuaries has also developed more recent projection scales such as MP-2021.

The table above illustrates that over the five-year period, the retiree mortality assumptions have generated actuarial gains of \$269 million, while the current retiree actuarial liability is \$14 billion. This is about 1.9% of the retiree liability. Based on the relatively small size of the gain, the assumed rates provide a good fit to the actual experience over the last five years.

The healthcare valuation uses amount-weighted mortality tables as opposed to the more generally accepted headcount-weighted tables for this type of valuation. We compared the liabilities when using headcount-weighted mortality, and the resulting liabilities only differed from those developed using amount-weighted mortality by around 1%. The difference is immaterial.

Section 2 – Audit of Actuarial Methods, Factors and Assumptions

Despite the above finding, it is recommended that for the healthcare valuation, the headcount-weighted version of the mortality table be used. This avoids assessing different longevity rates due to the enrollment in more or less expensive medical plans.

Rates of Disabled Post-Retirement Mortality

CavMac is using rates from the PUB 2010 family of mortality tables. In this case they are using the tables applicable to disabled retirees with an age and percentage adjustment. These rates were developed as part of the 2020 Experience Study. In addition, the MP-2020 mortality improvement projection scale is applied on a generational basis. We find this approach reasonable.

Rates of Pre-Retirement Mortality

The pre-retirement mortality assumption also appears reasonable. Very few active members die, so the use of a standard mortality table is generally appropriate.

Withdrawal from Service before Retirement

We concur that the withdrawal tables developed by CavMac are reasonable, consistent, and accurate. CavMac uses a table based on service. We find that this is a sound methodology because research has shown that individuals do have higher likelihood of termination during their first few years of employment than later in their careers. Over the last five years, the turnover assumption has consistently generated actuarial losses indicating the assumption might be too aggressive. However, as a percentage, the loss has been less than one-half of a percent of the liability, so the difference is minor overall.

Retirement

We concur that the retirement tables used by CavMac are reasonable, consistent, and accurate. Varying retirement rates are used for grandfathered (employees with over 25 years of service on August 1, 2017) and non-grandfathered groups (employees with less than 25 years of service on August 1, 2017). For each group the assumption is age-based with separate assumptions for:

- Early retirement with less than 25 years of service
- Early retirement with more than 25 years of service
- First year of eligibility for Normal Retirement
- Normal retirement subsequent to first eligibility

Note that at the time of the 2020 Experience Study there was very little data on the retirement patterns of the non-grandfathered group. This data is likely more robust now and could provide a better determinant for the expected future retirement decrements.

Section 2 – Audit of Actuarial Methods, Factors and Assumptions

The assumption has produced a consistent actuarial loss over the last five years possibly indicating that it is an aggressive assumption. However, as a percentage of liability the loss has been less than one half of a percent of the liability, so the difference is minor overall. Nevertheless, we recommend that CavMac pay particular attention to this assumption in the next experience study.

Other Demographic Assumptions

We reviewed the other demographic assumptions which could be analyzed by CavMac. We find their study reasonable, consistent, and accurate. These assumptions include:

Disability Rates – CavMac uses an assumption for disability retirement based on five-year experience. The assumption was somewhat conservative given the relatively small number of disability retirements and the relative size of the liability when a person does become disabled. Historical actuarial gains or losses have been minimal.

Marriage Rates – CavMac assumes 80% of future retirees would be married. Current retirees use actual marriage data at the time of valuation. We support this approach.

Age Difference between Husbands and Wives – CavMac assumes female retirees are three years younger than their husbands and that male retirees are three years older than their wives. We find this reasonable. Many retirement systems use three years as a widely established norm.

Number of Dependents – CavMac assumes that the spouse is the only dependent for the survivor benefit in the retirement plan. Because the pre-retirement death benefit is greater when there are dependent children, we recommend this assumption be reviewed in the next experience study.

For the health valuation, CavMac assumes that of those future retirees who elect to continue health coverage, 25% have an eligible spouse who also opts for health coverage at that time and no dependent children. We recommend that these assumptions be analyzed in future experience studies.

Retirement Age for Inactive Vested Participants – An assumption was not disclosed in the actuarial report. Nor was this reviewed in the experience study. We would recommend reviewing this assumption and disclosing what is being assumed.

Retiree Health Participation – CavMac assumes a range of future eligible retirees and inactive vested participants who do not cash out will elect health coverage at retirement. The ranges vary by the type of retirement, the number of years of service the retiree had and whether the retiree is over or under age 65. This is reasonable at this time, and an important assumption. CavMac included this assumption in the 2020 Experience Study and made changes based on recent experience.

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Future Child Dependents – No assumption was made in the healthcare valuation. We recommend that CavMac implement an assumption given that current dependent children are already valued.

ECONOMIC ASSUMPTIONS

Investment Return Rate

In 2020, CavMac recommended a decrease in the investment return rate assumption from 7.50% to 7%. This assumption change was a bit “ahead of the curve” with respect to rates used by most systems in 2020, when 7.25% was the assumption most commonly used. Today, however, 7% is the median return according to the Public Funds Survey.

SERS adopted the 7% rate at that time.

Actuaries are required under their standards of practice to opine if they believe that the rate is not reasonable. Even though experience studies are typically conducted only every five years, this standard applies each year.

Currently, the rates used by the statewide systems in Ohio are:

- Ohio Police and Fire Pension Fund (OP&F) – 7.50% (reduced from 8.00% effective 2022)
- State Teachers Retirement System of Ohio (STRS) – 7.00%
- Ohio Public Employees Retirement System (OPERS) – 6.90%
- Ohio Highway Patrol Retirement System (HPRS) – 7.25%

A simple comparison of what other systems are using is helpful, but it is not sufficient criterion for establishing an assumed rate of investment return.

CavMac used a forward-looking “building block” method, where they developed an inflation assumption, a real return assumption and an assumption for expenses. Each of these components was calculated independently, then summed (net of expenses) to develop the net investment return assumption.

Their 7% net investment return assumption recommendation was comprised of 2.4% inflation plus 4.6% real return net of administrative expenses. Inflation is discussed in the section below, so we will focus on the real return component and the administrative expense component.

Based on our experience, investment consultants continue to pare back their expectations for future returns. This is partially a consequence of continued low inflation expectations and short-term fixed income rates, but can also be on a real return basis.

Recent inflation experience may result in changes in expected rates of return. We trust that CavMac rigorously analyzes both the expected real return as well as the inflation assumption.

According to state data from the Public Funds Survey as of March, 2024, the average real rate of return assumption for 119 state systems, 47 of which disclosed this, is 4.44%. Although not

Section 2 – Audit of Actuarial Methods, Factors and Assumptions

specifically asked, this is presumably after a reduction for administrative expenses in most responses.

The 4.6% real rate currently used by SERS is consistent with the rates used by the other statewide systems in Ohio. The other systems' expected real rates of return are:

- Ohio Police and Fire Pension Fund (OP&F) – 4.30%
- State Teachers Retirement System of Ohio (STRS) – 4.60%
- Ohio Public Employees Retirement System (OPERS) – 4.55%
- Ohio Highway Patrol Retirement System (HPRS) – 4.75%

Administrative Expenses – SERS' anticipated administrative expenses are incorporated into its valuation by reducing the assumed rate of return by 0.22%. The investment return rate is thus assumed to be net of administrative expenses. CavMac incorporated a thorough analysis of this assumption in the 2020 Experience Study.

Health Care Plan Rate of Investment Return – CavMac uses the same 7% investment return assumption for the healthcare valuation as is the assumed return from plan assets.

Inflation

We reviewed the development of the 2.4% inflation rate developed by CavMac. We find that the assumption is reasonable. The CavMac investigation considered forward looking data such as the yields on inflation-indexed treasury bonds and economist forecasts to the extent that they are not purely short term.

According to the Public Funds Survey data cited above as of March, 2024, the median inflation assumption for those who reported their inflation rate is 2.47%.

A 2.4% rate is consistent with the other statewide systems in Ohio. The other systems' expected inflation rates are:

- Ohio Police and Fire Pension Fund (OP&F) – 2.75%
- State Teachers Retirement System (STRS) – 2.50%
- Ohio Public Employees Retirement System (OPERS) – 2.35%
- Ohio Highway Patrol Retirement System (HPRS) – 2.50%

Wage Inflation

CavMac uses a real wage inflation rate of 0.85%. When added to 2.4% inflation, this results in a base payroll growth assumption of 3.25%. We find this to be reasonable, consistent, and accurate. CavMac provided a robust analysis in support of this assumption in its 2020 Experience Study.

Section 2 – Audit of Actuarial Methods, Factors and Assumptions

A different population level wage inflation assumption is also used for the amortization policy. For the amortization policy the level of wage growth is assumed to be 1.75%. This provides a more conservative ADC computation for purposes of the funding policy.

Individual Salary Increases

CavMac analyzed individual salary increase rates, and made recommendations for updates. CavMac utilized a “building block” approach and analyzed inflation, productivity (real wage increases) and merit/promotion. We found this approach to be appropriate.

POST-EMPLOYMENT HEALTHCARE ASSUMPTIONS

Gross Claim Rate Derivation

It is common practice for actuaries to project future claim costs by measuring past experience and adjusting it to reflect the effects of inflation and plan design. CavMac referenced 2025 premium levels in its report. Based on our review of the report, we find that the health care claim cost assumption is reasonable. We recommend that the development of the rates be more rigorously documented in the actuarial report.

Health Care Cost Trend Rate

To properly measure future liabilities, actuaries apply trend rates (health inflation) to the base claim costs described above. Standard practice is to use prevailing national trend rates and grade down to an ultimate trend rate that is slightly higher than prevailing CPI rates. In this case, CavMac set the initial trend rate using published annual health care inflation surveys in conjunction with actual plan experience, where credible, and developed the ultimate trend rate of 4.40% assuming a grading period of five to ten years and use of a “GDP+1.5%” to “GDP+2.5%” assumption.

We find this approach reasonable and the trend rates which it produces reasonable, but recommend CavMac provide support for the trend rates used in the actuarial report.

COVID has had a profound effect on healthcare costs. We encourage CavMac to consider this carefully in the next experience study. This might lead to projections based on long run trends, extrapolating from 2026 forward, leaving the intervening turbulence (years 2022 -2025) mostly unspecified.

Morbidity

In a health insurance valuation, morbidity is sometimes defined as the difference in claims costs at different ages. Morbidity rates are also known as aging factors. They are used to transform average health cost assumptions to health care cost assumptions which vary by age and gender. CavMac did not disclose in the valuation report what data was used for development of aging factors.

We encourage CavMac to review these factors in the next experience study to the extent data is available. At the very least, we would recommend that the experience study report discloses the process used for the choice of these aging factors. We reviewed the aging factors developed by CavMac and found them appropriate.

Retiree Contributions

The true measure of a plan's liability is the difference between total claims costs and the amount that retirees contribute to offset those total costs. In developing the Plan's liability, CavMac used the specific SERS subsidy provisions. We reviewed the methodology used by CavMac and found it

Section 2 – Audit of Actuarial Methods, Factors and Assumptions

appropriate. However, additional detail could be provided directly in the report as we found it necessary to reference the retiree benefit booklets provided on the SERS website for clarification of the retiree contribution provisions. For clarity and transparency, we recommend that this information be included in the actuarial valuation report.

Health Plan Participation Rates and Elections

CavMac developed a participation election rate system that varies by whether the participant is over or under age 65, how many years of service they had at retirement and the type of retirement they incurred. The rates range from a low of 25% to as high as 90%. The election rates were part of the 2020 Experience Study and appear to be reasonable.

Child Dependents

Benefits are valued for current dependent children beginning at age 15, although no disclosures for benefit terms are provided in the report. We assumed children dependents not eligible for Medicare are eligible to receive benefits up to age 26 and children dependents eligible for Medicare are eligible to receive benefits for their lifetime. CavMac assumes 0% participation for future child dependents. Although the liability for child dependents is generally small, we recommend that CavMac consider an adjustment to value children younger than age 15 and review the assumption for 0% participation for future child dependents.

Health Premium Discount Program

Current Medicare-eligible service retirees, disabled benefit recipients, spouses and dependent children reported as qualifying for the Health Care Premium Discount Program were assumed to continue participating in the program for their lifetime but no assumption was made for any future eligible benefit recipients. We recommend CavMac consider an assumption for future benefit recipients who may qualify for the Discount Program.

DISCLOSURE OF ACTUARIAL ASSUMPTIONS AND METHODOLOGY

CavMac’s disclosure of actuarial assumptions (and methods) was robust, particularly given the complexity of SERS. However, there are some disclosures that are omitted from the report that we identify in Section 4 that we recommend CavMac consider including in future valuation reports.

If SERS were ever to change actuaries from CavMac, based on our experience with the audit, the new actuary would be able to confirm the reasonableness of CavMac’s calculations.

Section 3 – Audit of Compilation of Actuarial Valuations

The cornerstone of an actuarial audit is a replication of the actuarial valuations. As mentioned above, we matched the costs and liabilities developed by CavMac for the retirement system within standard actuarial ranges. Consequently, we conclude that the valuation results are reasonable, consistent, and accurate.

The following table summarizes the present value of benefits, actuarial accrued liability and normal cost for the Pension Benefits produced by the CavMac and PTA/KMS/Bolton actuarial valuations.

Section 3 – Audit of Compilation of Actuarial Valuations

Table 3.1
Liabilities as of June 30, 2024 (\$ in thousands) – Pension Benefits

	CavMac	PTA/KMS/Bolton	% Diff.
Present Value of Benefits			
Active Members			
Pension Benefits	12,969,731	13,158,102	1.45%
Medicare Part B	243,316	246,558	1.33%
Post-Retirement Death Benefit	13,424	13,408	-0.12%
Total	13,226,471	13,418,068	1.45%
Retirees and Beneficiaries			
Pension Benefits	13,700,033	13,574,528	-0.92%
Medicare Part B	200,477	199,850	-0.31%
Post-Retirement Death Benefit	32,711	32,688	-0.07%
Total	13,933,221	13,807,065	-0.91%
Inactive and Deferred Vested Members			
Pension Benefits	858,410	853,629	-0.56%
Medicare Part B	23,906	23,897	-0.04%
Post-Retirement Death Benefit	1,261	1,262	0.11%
Total	883,577	878,789	-0.54%
Total of Present Value of Benefits	28,043,269	28,103,922	0.22%
Actuarial Accrued Liability			
Active Members			
Pension Benefits	8,837,164	8,742,768	-1.07%
Medicare Part B	157,570	156,507	-0.67%
Post-Retirement Death Benefit	8,587	8,539	-0.56%
Total	9,003,321	8,907,814	-1.06%
Retirees and Beneficiaries			
Pension Benefits	13,700,033	13,574,528	-0.92%
Medicare Part B	200,477	199,850	-0.31%
Post-Retirement Death Benefit	32,711	32,688	-0.07%
Total	13,933,221	13,807,065	-0.91%
Inactive and Deferred Vested Members			
Pension Benefits	858,410	853,629	-0.56%
Medicare Part B	23,906	23,897	-0.04%
Post-Retirement Death Benefit	1,261	1,262	0.11%
Total	883,577	878,789	-0.54%
Total Accrued Liability	23,820,119	23,593,668	-0.95%
Normal Cost (% of payroll)	10.75%	11.33%	5.38%

Section 3 – Audit of Compilation of Actuarial Valuations

The following table summarizes the present value of benefits, actuarial accrued liability and normal cost for the retiree health benefits produced by CavMac and PTA/KMS/Bolton actuarial valuations.

Table 3.2
Liabilities as of June 30, 2024 (\$ in thousands) – Health Benefits

	CavMac	PTA/KMS/Bolton	% Diff.
Present Value of Benefits			
Active Members	\$1,395,666	\$1,382,431	-0.95%
Retirees, Spouses and Beneficiaries	479,899	461,183	-3.90%
Inactive Members	20,425	20,542	0.57%
Total	\$1,895,990	\$1,864,156	-1.68%
Actuarial Accrued Liability			
Active Members*	\$825,378	\$814,364	-1.33%
Retirees, Spouses and Beneficiaries	479,899	461,183	-3.90%
Inactive Members	20,425	20,542	0.57%
Total	\$1,325,702	\$1,296,089	-2.23%
*Actuarial Accrued Liability for Active Members was not disclosed in the CavMac report. \$825,378 was calculated as the difference of the total liability and liabilities for inactives and retirees/spouses/beneficiaries.			
Normal Cost	\$59,576	\$57,183	-4.02%

Table 3.3
Summary of Deviation of Results

	Pension Benefits Valuation Results	Retiree Health Valuation Results
Present Value of Benefits	0.22%	-1.68%
Accrued Liability	-0.95%	-2.23%
Normal Cost	5.38%	-4.02%

Actuaries generally use a 5% deviation as an acceptable range of error. As the total actuarial accrued liabilities and normal costs deviations calculated by PTA/KMS/Bolton were within this “margin of error,” we are satisfied that the numbers are appropriate.

Although we did match within an acceptable range, there are several areas which we would encourage CavMac to explore further:

Section 3 – Audit of Compilation of Actuarial Valuations

Following are a few items we uncovered that could be corrected, but overall would be immaterial to the valuation results:

- CavMac uses the deferred allowance date provided in the data as the assumed commencement date for deferred vested members, which was not explicitly stated in the report. Further, we noted inconsistencies with these dates and the early retirement provisions. We would recommend that CavMac review these dates more closely and disclose in the report the assumed commencement dates.
- We were unable to closely match termination liabilities, particularly for grandfathered participants. We believe this may be related to how the entry age normal method was applied to the calculation of the refund benefits, but sufficient information was not given for us to determine what the source of the discrepancy was.
- We were not able to validate the source of the total annual converted disability benefits as it did not line up with the current benefit field in the data as we would have expected. As a result, our total annual disability benefits were slightly lower than those shown in the CavMac report.
- The pension normal cost in CavMac's report was not provided. Only percentages of payroll for specific benefits were reported. We used this information and the total annual salary from the report to determine the CavMac pension normal cost. Our match of the total normal cost for both pension and health (4.5%) was not as strong as our close match of the accrued liabilities (1%) and present value of future benefits (0.1%). If the pension normal cost dollar figure had been reported in detail, we would have been better able to understand their normal cost calculation nuances.

Section 4 – Audit of Member Data Used in Valuations

SERS provided us with the pension system data for all active members and pensioners. Detailed data layouts that identified all the data elements used by CavMac were provided for the pension valuation. CavMac also provided us with the data files they utilized in performing the valuations. In performing our replication, we used the data files provided by CavMac.

The following tables summarize the demographic statistics for the pension benefits valuation produced by CavMac and PTA/KMS/Bolton actuarial valuations:

Table 4.1
Active Members as of June 30, 2024 (\$ in thousands) – Pension Benefits

Active Members			
	CavMac	PTA/KMS/Bolton	% Diff.
Number of Members	163,350	163,350	0.00%
Annual Salaries	4,547,316	4,553,337	0.13%
Average Annual Salary	28	28	0.13%
Average Age	46.80	46.73	-0.15%
Average Service	7.00	7.00	0.00%

Section 4 – Audit of Member Data Used in Valuations

Table 4.2
Retirees and Beneficiaries as of June 30, 2024 (\$ in thousands) – Pension Benefits

Service Retirees			
	CavMac	PTA/KMS/Bolton	% Diff.
Number of Members	72,722	72,722	0.00%
Annual Allowance	1,241,322	1,241,325	0.00%
Average Allowance	17.07	17.07	0.00%

Survivors and Beneficiaries			
	CavMac	PTA/KMS/Bolton	% Diff.
Number of Members	4,049	4,049	0.00%
Annual Allowance	41,811	41,811	0.00%
Average Allowance	10.33	10.33	0.00%

Disability Retirees			
	CavMac	PTA/KMS/Bolton	% Diff.
Number of Members	5,719	5,719	0.00%
Annual Allowance	100,617	100,112	-0.50%
Average Allowance	17.59	17.51	-0.50%

Total			
	CavMac	PTA/KMS/Bolton	% Diff.
Number of Members	82,490	82,490	0.00%
Annual Allowance	1,383,750	1,383,248	-0.04%
Average Allowance	16.77	16.77	-0.04%

Section 4 – Audit of Member Data Used in Valuations

Table 4.3
Inactive Members as of June 30, 2024 – Pension Benefits

<u>Inactive and Deferred Vested Members</u>	CavMac	PTA/KMS/Bolton	% Diff.
Number of Members	6,607	6,607	0.00%
Annual Allowance	47,685	47,685	0.00%
Average Allowance	7.22	7.22	0.00%

Section 4 – Audit of Member Data Used in Valuations

SERS provided us with the health benefits system data for all active members and retirees. Detailed data layouts that identified all the data elements used by CavMac were provided for the health care valuation. CavMac also provided us with the data files they utilized in performing the valuations. In performing our replication, we utilized the data files provided by CavMac.

The following tables summarize the demographic statistics for the health benefits valuation produced by CavMac and PTA/KMS/Bolton actuarial valuations:

Table 4.4
Members as of June 30, 2024 – Health Benefits

Status	Number		% Diff.
	CavMac	PTA/KMS/Bolton	
Active Members	163,350	163,350	0.00%
Service Retirees	29,735	29,735	0.00%
Disability Retirees	2,575	2,575	0.00%
Spouses of Retirees	4,851	4,851	0.00%
Spouses of Deceased Retirees	1,322	1,322	0.00%
Survivor Benefit Recipients	489	489	0.00%
Non-Spouse Dependents	220	220	0.00%
Deferred Vested	6,607	6,607	0.00%
Grand Total	202,322	202,322	0.00%
In addition, CavMac valued the following pre-Medicare eligible retired members who are waiving coverage			
Waived-Service Retirees	3,119	3,119	0.00%
Waived-Disabled Retirees	1,429	1,429	0.00%

Section 5 – Other Considerations

SAMPLE LIVES

Initially, a limited number of sample lives was provided by CavMac. We requested additional sample lives for various categories of SERS members, including active test lives at various ages and group, retirees with various payment forms and disabled lives. We matched most of the sample lives.

The following tables summarize the results of the sample lives valuations produced by CavMac and PTA/KMS/Bolton:

Table 5.1
Comparison of Present Value of Benefits (\$ in thousands) – Pension Benefits

Sample Life Description	CavMac Liability (PVFB)	PTA/KMS/Bolton Liability (PVFB)	Ratio of PTA/KMS/Bolton To CavMac
Active Sample Lives			
Age 53, Not Grandfathered	37,323	38,859	104.12%
Age 64, Grandfathered	1,037,116	1,022,554	98.60%
Age 57, Grandfathered	52,833	52,186	98.78%
Age 49, Not Grandfathered	392,462	386,044	98.36%
Disabled Sample Lives			
Disabled under 65	155,993	157,302	100.84%
Disabled at least 65	58,804	58,396	99.31%
Retired Sample Lives			
Retiree with Straight Life, Male	35,586	35,101	98.64%
Retiree with Straight Life, Female	179,708	177,029	98.51%
Retiree with J&S	221,768	220,998	99.65%
Retiree with 10-Year Certain and Life	322,588	321,957	99.80%
Deferred Vested Sample Lives			
Age 48 Terminated Vested Employee	16,604	16,375	98.62%
Beneficiary Sample Lives			
Multiple Beneficiaries of Deceased Retiree	412,729	322,461	78.13%

We note the following regarding the pension benefit sample lives:

- We were unable to closely match the sample life for the pension survivor with multiple beneficiaries that was provided to us. Given this, we are uncertain of the method being used to value these survivors and if it is appropriate. This remains immaterial, however, as there are a very small number of these survivors.

Section 5 – Other Considerations

Table 5.2
Comparison of Present Value of Benefits (\$ in thousands) – Health Benefits

Test Life Description	CavMac Liability (PVFB)	PTA/KMS/Bolton Liability (PVFB)	Ratio of PTA/KMS/Bolton To CavMac
Active Test Lives			
Age 53, Not Grandfathered	2,023	2,150	106.28%
Age 64, Grandfathered	21,314	21,891	102.71%
Age 57, Grandfathered	63,687	64,357	101.05%
Age 49, Not Grandfathered	52,128	51,351	98.51%
Disabled Test Lives			
Disabled under 65	21,113	21,005	99.49%
Dependent under 26	67,099	59,148	88.15%
Waived Disabled Retiree	1,087	2,734	251.52%
Retired Test Lives			
Retiree with J&S reversionary	8,883	8,887	100.04%
Safety net, age 62, with spouse	61,632	61,628	99.99%
Waived Service Retiree	2,152	2,152	99.98%
Terminated Vested Test Lives			
Age 54 Terminated Vested Employee	1,319	1,346	102.06%
Age 67 Terminated Vested Employee	747	632	84.55%
Surviving Spouse Test Lives			
Spouse of Deceased Retiree	9,850	9,850	100.00%
Dependent over 26	2,024	7,986	394.55%

We note the following regarding the health benefit sample lives:

- The disabled sample life with a dependent under age 26 was low by 12%.
- The survivor sample life for a dependent over age 26 was high by 295%.
- The disabled and survivor sample lives without dependents were matched closely but we were unable to determine the cause of the dependent discrepancy because sample lives provided to us for retirees with dependents did not break out the liabilities by retiree and

Section 5 – Other Considerations

dependents. Further, payment commencement and end ages were not disclosed in the report. Dependents' liabilities represent a small fraction of the total liability.

- Our valuation of the waived disabled test life was high by 152%. This suggests that our valuation of waived disabled retirees and/or their spouses (with a reversionary benefit) may be incorrect as no payment forms for these retirees were provided which determines the period over which spouses receive benefits. This error accounts for such a small fraction of the total liability that the discrepancy is likely immaterial.

ACTUARIAL REPORT

We found the CavMac actuarial valuation reports to be well written, and focused on important issues. Actuarial Standard of Practice (ASOP) No. 41 provides extensive guidance to actuaries regarding actuarial communications. We find that the CavMac reports fully comply with the guidance of ASOP 41.

We recommend a few modifications to enhance the completeness of the actuarial valuation reports. These include items discussed in Section 3 as well as the following:

Pension Benefits:

- Breakout of liabilities by pre-65 and post-65 health care benefits.
- An explicit table of the early retirement factors for non-grandfathered retirees, especially since these factors have been readily calculated for use in benefit calculations.
- Whether any disabled retirees under age 65 are assumed to receive the Medicare Part B reimbursement and if so, at what age or after what period of time these disabled retirees would be assumed to go on Medicare, if applicable.
- The current year normal cost in the pension report in dollars.
- Clarification in the comments section of the report that the contributions “...consist of normal contributions and accrued liability contributions.”

Health Benefits:

- Breakout of retiree, survivor and beneficiary present value of benefits and actuarial accrued liabilities by status, given that each status uses different participation rates, claims costs and cost-sharing methods.
- Details of the valuation of waived service and disabled retirees, including the selection of claims and contributions.
- Details of the valuation of Medicare-eligible dependents, including the selection of claims and contributions and duration of benefit payments.
- Disclosure of the active entry age normal accrued liability.
- Claims costs used for current retirees and spouses.
- Benefit commencement ages for terminated vested members.
- Coverage start dates for waived service retirees, disabled retirees and spouses.
- Termination of benefits for spouses of waived service and disabled retirees.
- More robust rationale for the trend rate selection.

ACTUARIAL AUDIT PROCESS

Overall, CavMac has been cooperative in sharing individual calculations supporting the calculations reported in the actuarial valuation report. However, there were additional details that CavMac could have provided for specific individuals that would have helped in the replication process. The inactive test lives for the pension valuation provided results for the present value of future benefits and accrued liability broken out by pension benefits, Medicare Part B, and the lump sum death benefit. Additional details would have been helpful for unique cases like the survivor with multiple beneficiaries. The active pension test lives had slightly more detail as the present value of future benefits, accrued liability, and normal cost were broken out by benefits attributed to individual decrements as well, but details were lacking for specific benefits within those decrements. As a consequence of this lack of information, (1) we cannot confirm that CavMac is properly making the calculations, only that our calculations match within a reasonable margin, and (2) the audit process is much more tedious, time-consuming and drawn out than necessary. The test lives provided for the healthcare valuation also lacked details. For example, CavMac provided one single number for the present value of benefits for a retired test life with two dependents that we were not able to match.

We understand that there may be sound business, competitive, or legal reasons for CavMac to have a non-disclosure policy. We also understand that at some other major actuarial firms (some of which do not consult to public pensions) have a similar policy. However, it is important to point out that this policy can make actuarial audits more problematic, lengthy and dubious than normal, as indicated in the previous paragraph. It would probably be helpful if future auditors were aware of the limits on shared information in advance. This issue is not unique to SERS and CavMac. Actuarial firms are more often taking this approach of limiting detailed information that is shared. While most of the more than 20 audits that we have conducted in the last 20 years have not had this issue, many of the ones we have conducted in the last five years do have this issue.

CONCLUSIONS

We found CavMac’s work to be reasonable, consistent, and accurate. We do not believe that any methods, assumptions, or calculations are erroneous to the level of necessary recalculations.

CavMac, the ORSC, and the SERS staff were fully cooperative and responsive, which assisted in the process. Finally, we wish to reaffirm that the work done by CavMac was reasonable, consistent, and accurate.



August 4, 2025

Ms. Marni Hall, CPA
Chief Financial Officer
School Employee Retirement System of Ohio
300 East Broad Street, Suite 100
Columbus, OH 43215

RE: Actuarial Audit Results

Dear Marni,

We received a copy of the Actuarial Audit Report for the School Employees Retirement System of Ohio, dated June 30, 2025, prepared by Pension Trustees Advisors, KMS Actuaries and Bolton Partners. The report includes the findings of their review of our June 30, 2024 actuarial valuation report and our latest experience study report for the five-year period ended June 30, 2020. Cavanaugh Macdonald Consulting (CavMac) fully supports the actuarial audit process. We believe it is prudent to periodically have a second opinion with respect to the actuarial work being performed. An audit is a critical step in maintaining the long-term actuarial soundness of the System, ensuring that programming or calculation errors are minimized, that member data is being appropriately provided and used, and actuarial assumptions and methods are reasonable and comply with Actuarial Standards of Practice. At CavMac, our goal is to continually refine and improve our procedures as well as the communication of our actuarial findings. The suggestions and comments provide us with another actuary's perspective, which helps us in this endeavor.

We are pleased that overall findings conclude that *"Pension Trustee Advisors (PTA), KMS Actuaries (KMS) and Bolton Partners (Bolton), collectively PTA/KMS/Bolton, replicated these June 30, 2024 actuarial valuations conducted by Cavanaugh MacDonald, LLC [sic] (CavMac), SERS' actuary, and the results match within the acceptable thresholds for this type of exercise. This match confirms that CavMac has captured the complexity of SERS accurately and that SERS should have confidence in the actuarial calculations provided to them. In addition, we reviewed CavMac's 2020 Experience Study for the Five-Year Period Ending June 30, 2020 (the 2020 Experience Study) and its recommendations. We found that the assumptions proposed by CavMac and adopted by the Board were reasonable."*

While there are suggestions or recommendations noted in their report, we believe it is important to remember that the overall assessment is that our work has been performed in accordance with actuarial standards and is a reasonable assessment of the financial condition of SERS.



Ms. Marni Hall, CPA

August 4, 2025

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Based on a long career working with many public retirement systems, we have been on both sides of actuarial audits numerous times. The key point of the audit is to identify areas of potential improvement in the actuarial process while recognizing there is considerable room for professional judgement. We believe the audit report strikes a good balance between constructive considerations and respect of individual professional judgement. There were a few suggested considerations included in the audit report and we thank the auditing actuaries for their perspective and input. Our plan is to work closely with staff to review and discuss each of the suggestions and reflect those changes, if any, we believe should be implemented in the 2025 valuation.

We appreciate the quality of work involved in preparing this report. This report has provided some useful information to help us continually work to improve the actuarial work we prepare for SERS.

Sincerely,

Todd B. Green, ASA, EA, FCA, MAAA
President

Alisa Bennett, FSA, EA, FCA, MAAA
President

School Employees Retirement System of Ohio
SERS Summary Admin Expenses
Sep 2025

Financial Row	Amount
Summary Admin Expenses	
Expense	
53100.0 - Staff Salaries Expense	
53100 - Salaries & Wages	\$1,292,924.03
53110 - Salaries & Wages - Overtime	\$4,159.89
53111 - Staff Vacation Leave Expense	\$126,134.95
53112 - Staff Sick Leave Expense	\$47,518.84
53113 - Staff Voluntary Life Insurance Reimbursement	\$119.58
53120 - Staff Incentive Pay	\$1,072,048.64
Total - 53100.0 - Staff Salaries Expense	\$2,542,905.93
53200.0 - Staff Retirement Contribution Expense	
53200 - Staff Employer Contributions - PERS	\$314,224.12
53205 - Staff Employer Paid Member Contributions	\$2,653.84
Total - 53200.0 - Staff Retirement Contribution Expense	\$316,877.96
53300.0 - Staff Benefit Expenses	
53300 - Staff Group Life	\$10,364.33
53310 - Staff Long Term Disability	\$3,723.49
53315 - Staff Short Term Disability	\$3,303.95
53320 - Staff Group Health Claims	\$306,736.03
53321 - Staff Group Health - Admin Fees	\$8,024.61
53322 - Staff Prescription Claims	\$148,310.98
53324 - Staff Group Health - Stop Loss Admin	\$24,964.20
53325 - Staff Group Health - Stop Loss Claims	(\$103,701.83)
53326 - Staff Vision Claims	\$4,657.10
53330 - Staff Group Health - Employee Cost	(\$39,235.20)
53331 - Staff Group Health - Wellness Incentive	\$4,265.00
53332 - Staff Group Health - Tobacco Premiums	(\$560.00)
53340 - Staff Medicare Premium - Employer	\$36,460.11
53380 - Staff Deferred Compensation Match	\$4,935.00
Total - 53300.0 - Staff Benefit Expenses	\$412,247.77
54100 - Actuarial Services	\$45,646.33
54200 - Audit Services	\$50,595.00
54300.0 - Banking Fee Expenses	
54310 - Custodial Fees	\$94,409.98
54320 - Custodial Banking	\$13,143.26
Total - 54300.0 - Banking Fee Expenses	\$107,553.24
54400.0 - Investment Related Expenses	
54410 - Master Recordkeeper Fees	\$175,634.82
54420 - Investment Advisory Admin Fees	\$112,500.00
54430 - Performance/Analytics Fee	\$138,548.54
54460 - Bloomberg Terminal Rentals	\$6,645.00
Total - 54400.0 - Investment Related Expenses	\$433,328.36
54520 - Medical Consultant	\$3,750.00
54600.0 - Technical Expenses	
54610 - Special Counsel	\$39,267.40
54620 - Technical	\$125,797.39
54630 - Other Professional Services	\$12,472.00
Total - 54600.0 - Technical Expenses	\$177,536.79
55100 - Postage	\$2,550.04
55200 - Telecommunications Services	\$5,426.44
55300 - Member/Employer Education	\$295.80
55400.0 - Printing & Publication Expenses	
55400 - Printing Paper	\$3,194.00

Total - 55400.0 - Printing & Publication Expenses	\$3,194.00
56000.0 - Computer Support Service Expenses	
56030 - Software Maintenance	\$347,344.69
56035 - Software Subscriptions	\$72,210.20
56040 - Hardware < \$5,000	\$3,665.96
Total - 56000.0 - Computer Support Service Expenses	\$423,220.85
56100.0 - Office Equipment & Supply Expenses	
56110 - Equipment Repairs & Maintenance	\$10,597.65
56130 - Office Supplies & Expenses	\$343.92
56160 - Records Storage	\$125.00
Total - 56100.0 - Office Equipment & Supply Expenses	\$11,066.57
56200.0 - Staff Training Expenses	
53370 - Staff Tuition	\$2,047.60
56210 - Seminars & Conferences	\$20,232.98
56220 - In House Training	\$1,592.00
Total - 56200.0 - Staff Training Expenses	\$23,872.58
56300.0 - Transportation & Travel Expenses	
56310 - Travel & Transportation	\$15,643.37
56311 - Mileage	\$1,847.72
Total - 56300.0 - Transportation & Travel Expenses	\$17,491.09
56400.0 - Membership & Subscription Expenses	
56410 - Subscriptions	\$10,816.71
56420 - Memberships	\$2,022.32
Total - 56400.0 - Membership & Subscription Expenses	\$12,839.03
56500.0 - Property & Fiduciary Insurance Expense	
56510 - Management Liability Insurance	\$354,262.25
Total - 56500.0 - Property & Fiduciary Insurance Expense	\$354,262.25
56600.0 - Maintenance Expenses	
56630 - Interior Landscaping	\$1,396.37
56640 - Vehicle Expense	\$98.70
Total - 56600.0 - Maintenance Expenses	\$1,495.07
56650.0 - Staff Support Expenses	
56620 - Staff Support	\$5,810.90
56621 - Recruiting Expenses	\$206.84
Total - 56650.0 - Staff Support Expenses	\$6,017.74
56700.0 - School District Board Member Reimbursement Expense	
56710 - Board Member - School Reimb.	\$548.42
Total - 56700.0 - School District Board Member Reimbursement Expense	\$548.42
56900 - Reimbursement of Leased Svcs from OSERS Broad St	(\$25,416.67)
Total - Expense	\$4,927,304.59
Capital Admin Expenses	
57500.0 - Other Expenses	
57340 - Computer Hardware >\$5,000 Capital Expense	\$7,456.87
Total - 57500.0 - Other Expenses	\$7,456.87
Total - Capital Admin Expenses	\$7,456.87
Total Admin Expenses	\$4,934,761.46

School Employees Retirement System of Ohio
SERS Detail Admin Expenses
Sep 2025

Financial Row	Vendor Bill Name	Amount
Detail Admin Expenses		
Expense		
53100.0 - Staff Salaries Expense		
53100 - Salaries & Wages		
	0133 ADP, LLC	\$1,292,924.03
Total - 53100 - Salaries & Wages		\$1,292,924.03
53110 - Salaries & Wages - Overtime		
	0133 ADP, LLC	\$4,159.89
Total - 53110 - Salaries & Wages - Overtime		\$4,159.89
53111 - Staff Vacation Leave Expense		
	0133 ADP, LLC	\$126,134.95
Total - 53111 - Staff Vacation Leave Expense		\$126,134.95
53112 - Staff Sick Leave Expense		
	0133 ADP, LLC	\$47,518.84
Total - 53112 - Staff Sick Leave Expense		\$47,518.84
53113 - Staff Voluntary Life Insurance Reimbursement		
	0133 ADP, LLC	\$119.58
Total - 53113 - Staff Voluntary Life Insurance Reimbursement		\$119.58
53120 - Staff Incentive Pay		
	0133 ADP, LLC	\$1,072,048.64
Total - 53120 - Staff Incentive Pay		\$1,072,048.64
Total - 53100.0 - Staff Salaries Expense		\$2,542,905.93
53200.0 - Staff Retirement Contribution Expense		
53200 - Staff Employer Contributions - PERS		
	0133 ADP, LLC	\$314,224.12
Total - 53200 - Staff Employer Contributions - PERS		\$314,224.12
53205 - Staff Employer Paid Member Contributions		
	0133 ADP, LLC	\$2,653.84
Total - 53205 - Staff Employer Paid Member Contributions		\$2,653.84
Total - 53200.0 - Staff Retirement Contribution Expense		\$316,877.96
53300.0 - Staff Benefit Expenses		
53300 - Staff Group Life		
	0267 American United Life Insurance Company	\$10,364.33
Total - 53300 - Staff Group Life		\$10,364.33
53310 - Staff Long Term Disability		
	0267 American United Life Insurance Company	\$3,723.49
Total - 53310 - Staff Long Term Disability		\$3,723.49
53315 - Staff Short Term Disability		
	0267 American United Life Insurance Company	\$3,303.95
Total - 53315 - Staff Short Term Disability		\$3,303.95
53320 - Staff Group Health Claims		
	3555 Aetna Daily Wires - ESERS	\$306,736.03
Total - 53320 - Staff Group Health Claims		\$306,736.03
53321 - Staff Group Health - Admin Fees		
	3552 Aetna Admin - ESERS	\$8,024.61
Total - 53321 - Staff Group Health - Admin Fees		\$8,024.61
53322 - Staff Prescription Claims		
	5271 SaveonSP, LLC	\$2,470.10
	2811 Express Scripts - ESERS	\$145,840.88
Total - 53322 - Staff Prescription Claims		\$148,310.98
53324 - Staff Group Health - Stop Loss Admin		
	3552 Aetna Admin - ESERS	\$24,964.20
Total - 53324 - Staff Group Health - Stop Loss Admin		\$24,964.20
53325 - Staff Group Health - Stop Loss Claims		
	3555 Aetna Daily Wires - ESERS	(\$103,701.83)
Total - 53325 - Staff Group Health - Stop Loss Claims		(\$103,701.83)

Financial Row	Vendor Bill Name	Amount
Detail Admin Expenses		
Expense		
53326 - Staff Vision Claims		
	0266 VSP - (OH)	\$4,657.10
Total - 53326 - Staff Vision Claims		\$4,657.10
53330 - Staff Group Health - Employee Cost		
	Employee Premiums	(\$39,235.20)
Total - 53330 - Staff Group Health - Employee Cost		(\$39,235.20)
53331 - Staff Group Health - Wellness Incentive		
	0133 ADP, LLC	\$4,265.00
Total - 53331 - Staff Group Health - Wellness Incentive		\$4,265.00
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	\$36,460.11
Total - 53340 - Staff Medicare Premium - Employer		\$36,460.11
53380 - Staff Deferred Compensation Match		
	0133 ADP, LLC	\$4,935.00
Total - 53380 - Staff Deferred Compensation Match		\$4,935.00
Total - 53300.0 - Staff Benefit Expenses		\$412,247.77
54100 - Actuarial Services		
	0040 Ohio Retirement Study Council	\$9,405.00
	3241 CavMac	\$36,241.33
Total - 54100 - Actuarial Services		\$45,646.33
54200 - Audit Services		
	0040 Ohio Retirement Study Council	(\$9,405.00)
	5222 Plante & Moran, PLLC	\$60,000.00
Total - 54200 - Audit Services		\$50,595.00
54300.0 - Banking Fee Expenses		
54310 - Custodial Fees		
	5482 Fifth Third - Investments	\$26,533.03
	0273 BNY Mellon Asset Servicing	\$67,876.95
Total - 54310 - Custodial Fees		\$94,409.98
54320 - Custodial Banking		
	0125 Treasurer of State - Warrants	\$70.98
	0386 Huntington National Bank	\$13,072.28
Total - 54320 - Custodial Banking		\$13,143.26
Total - 54300.0 - Banking Fee Expenses		\$107,553.24
54400.0 - Investment Related Expenses		
54410 - Master Recordkeeper Fees		
	0273 BNY Mellon Asset Servicing	\$101,387.70
	5897 Clearwater Analytics, LLC	\$74,247.12
Total - 54410 - Master Recordkeeper Fees		\$175,634.82
54420 - Investment Advisory Admin Fees		
	0484 Wilshire Advisors, LLC	\$112,500.00
Total - 54420 - Investment Advisory Admin Fees		\$112,500.00
54430 - Performance/Analytics Fee		
	3635 Ohio Secretary of State	\$5.00
	4896 Barra LLC	\$59,611.25
	0273 BNY Mellon Asset Servicing	\$34,401.66
	4974 Bloomberg Index Services	\$15,500.00
	5917 S&P Dow Jones Indices LLC	\$17,500.00
	0743 Frank Russell Company	\$280.63
	5914 Nasdaq Evestment	\$11,250.00
Total - 54430 - Performance/Analytics Fee		\$138,548.54
54460 - Bloomberg Terminal Rentals		
	2700 Bloomberg Finance LP	\$6,645.00
Total - 54460 - Bloomberg Terminal Rentals		\$6,645.00
Total - 54400.0 - Investment Related Expenses		\$433,328.36
54520 - Medical Consultant		
	1021 Glen G Borchers, M.D.	\$3,750.00
Total - 54520 - Medical Consultant		\$3,750.00
54600.0 - Technical Expenses		
54610 - Special Counsel		
	1921 Porter, Wright, Morris,	\$192.50
	0276 Ice Miller LLP	\$932.40
	3361 Seyfarth Shaw LLP	\$38,142.50
Total - 54610 - Special Counsel		\$39,267.40

Financial Row	Vendor Bill Name	Amount
Detail Admin Expenses		
Expense		
54620 - Technical		
	3296 LexisNexis Risk Data Management, Inc	\$477.19
	4139 Shi International Corp.	\$66,382.70
	5215 ComResource	\$2,937.50
	5208 ForeFront Web	\$25,000.00
	0354 Merative US L.P.	\$31,000.00
Total - 54620 - Technical		\$125,797.39
54630 - Other Professional Services		
	5877 Nossaman LLP	\$3,300.00
	5031 Vorys Advisors LLC	\$4,000.00
	5506 CPS HR Consulting	\$292.50
	5957 Dawson	\$2,887.50
	5060 Kimberly Wickert	\$1,071.00
	5423 Contoural, Inc.	\$921.00
Total - 54630 - Other Professional Services		\$12,472.00
Total - 54600.0 - Technical Expenses		\$177,536.79
55100 - Postage		
	0254 Unishippers Association	\$84.52
	0060 Pitney Bowes Inc.	\$2,465.52
Total - 55100 - Postage		\$2,550.04
55200 - Telecommunications Services		
	5555 Everstream Solutions LLC	\$1,255.00
	5543 Spectrum AWS	\$1,230.00
	1605 AT&T - 7258	\$40.10
	5665 Total Communication Solutions	\$591.26
	0277 XO Verizon	\$1,828.42
	0087 Spectrum	\$252.31
	0253 T-Mobile	\$59.95
	4732 Verizon Wireless	\$169.40
Total - 55200 - Telecommunications Services		\$5,426.44
55300 - Member/Employer Education		
	4116 Cameron Vaughan	\$267.41
	5570 Michelle Richards	\$28.39
Total - 55300 - Member/Employer Education		\$295.80
55400.0 - Printing & Publication Expenses		
55400 - Printing Paper		
	0407 Sterling Paper Company	\$3,194.00
Total - 55400 - Printing Paper		\$3,194.00
Total - 55400.0 - Printing & Publication Expenses		\$3,194.00
56000.0 - Computer Support Service Expenses		
56030 - Software Maintenance		
	2263 Dell Marketing LP	\$277,344.69
	4518 Sagitec Solutions, LLC	\$70,000.00
Total - 56030 - Software Maintenance		\$347,344.69
56035 - Software Subscriptions		
	5473 Wellable LLC	\$478.40
	5501 Expedient	\$12,235.58
	5402 JetBrains America, Inc.	\$274.00
	5950 Didisoft	\$2,625.00
	4139 Shi International Corp.	\$49,272.97
	5465 Mailgun Technologies, Inc	\$3,130.38
	0133 ADP, LLC	\$3,544.31
	5938 Telesign	\$596.92
	5409 Amazon Web Services	\$52.64
Total - 56035 - Software Subscriptions		\$72,210.20
56040 - Hardware < \$5,000		
	2263 Dell Marketing LP	\$3,627.00
	0411 Amazon.com	\$38.96
Total - 56040 - Hardware < \$5,000		\$3,665.96
Total - 56000.0 - Computer Support Service Expenses		\$423,220.85
56100.0 - Office Equipment & Supply Expenses		
56110 - Equipment Repairs & Maintenance		
	5332 Canon Financial Services, Inc	\$544.00
	5963 Printers Parts Store	\$78.95
	5962 Heidelberg Fnsng-Baum	\$149.34
	5499 Woodhull	\$55.00
	5542 BPS Technologies	\$3,752.69
	4620 Ricoh USA, Inc	\$2,389.86
	4447 LD Products Inc.	\$79.96
	5340 Digital Print Solutions	\$1,090.00
	4849 US Bank Equipment Finance	\$2,457.85
Total - 56110 - Equipment Repairs & Maintenance		\$10,597.65

Financial Row	Vendor Bill Name	Amount
Detail Admin Expenses		
Expense		
56130 - Office Supplies & Expenses		
	0172 Staples Business Advantage	\$289.67
	0411 Amazon.com	\$48.26
	0564 Kroger	\$5.99
Total - 56130 - Office Supplies & Expenses		\$343.92
56160 - Records Storage		
	0007 Vital Records Holdings, LLC	\$125.00
Total - 56160 - Records Storage		\$125.00
Total - 56100.0 - Office Equipment & Supply Expenses		\$11,066.57
56200.0 - Staff Training Expenses		
53370 - Staff Tuition		
	Staff Tuition Expense	\$2,047.60
Total - 53370 - Staff Tuition		\$2,047.60
56210 - Seminars & Conferences		
	0303 NASRA	\$75.00
	4201 Risk & Insurance Management Society, Inc.	\$825.00
	5362 1105 Media Inc.	\$4,225.00
	0397 Project Management Institute	\$2,159.00
	0473 Public Pension Financial Forum	\$4,250.00
	5964 Colette Barricks	\$135.00
	4847 Pluralsight	\$7,789.98
	1535 Ohio State University	\$225.00
	5531 Mightevent.com	\$549.00
Total - 56210 - Seminars & Conferences		\$20,232.98
56220 - In House Training		
	5611 Steven R Edwards	\$1,000.00
	0133 ADP, LLC	\$592.00
Total - 56220 - In House Training		\$1,592.00
Total - 56200.0 - Staff Training Expenses		\$23,872.58
56300.0 - Transportation & Travel Expenses		
56310 - Travel & Transportation		
	5199 Richard Stensrud	(\$664.59)
	5964 Colette Barricks	\$2,703.48
	5863 Mike South	\$198.42
	1261 Trisha Rider	\$598.97
	5371 Karen Roggenkamp	\$2,010.30
	4588 Farouki Majeed	\$302.96
	4416 Chris Castle	\$515.78
	5638 Cory Lee	\$198.42
	5585 Marni Hall	\$471.65
	5467 Susan Bradley	\$496.60
	0020 Carlisa Holman	\$582.96
	1217 Steve Price	\$757.65
	2320 Phil Sisson	\$763.56
	0240 Suresh Kamat	\$1,130.35
	3694 Drew Thomas	\$76.00
	5635 Christopher Hyland	\$836.24
	5868 Nancy Silvers	\$822.45
	0024 James Rossler	\$131.00
	4824 Frank Weglarz	\$144.96
	0009 Catherine Moss	\$262.00
	0017 Daniel L Wilson	\$131.00
	5418 Matt King	\$131.00
	5889 Jeanine Alexander	\$131.00
	5572 Mike Berger	\$900.87
	5829 Brad Carr	\$1,030.57
	5639 Aimee Russell	\$131.00
	5965 Demopolis Equity Partners	\$35.60
	5595 Kewalin Leonard	\$653.17
	3503 Michelle Miller	\$160.00
Total - 56310 - Travel & Transportation		\$15,643.37
56311 - Mileage		
	1217 Steve Price	\$14.00
	2320 Phil Sisson	\$23.80
	0009 Catherine Moss	\$242.20
	0017 Daniel L Wilson	\$208.60
	4824 Frank Weglarz	\$228.20
	5418 Matt King	\$168.00
	0024 James Rossler	\$198.80
	5946 Rebekah Roe	\$106.26
	5889 Jeanine Alexander	\$275.80
	4476 Rebecca Shera	\$235.20
	5829 Brad Carr	\$31.92
	5639 Aimee Russell	\$114.94
Total - 56311 - Mileage		\$1,847.72
Total - 56300.0 - Transportation & Travel Expenses		\$17,491.09

Financial Row	Vendor Bill Name	Amount
Detail Admin Expenses		
Expense		
56400.0 - Membership & Subscription Expenses		
56410 - Subscriptions		
	2012 Dow Jones & Company, Inc.	\$6,282.43
	1159 Economist	(\$26.18)
	0305 Columbus Dispatch	\$35.00
	4198 Financial Times	\$369.00
	0304 Wall Street Journal	\$84.22
	4547 Constant Contact	\$674.00
	4810 Shutterstock, Inc.	\$29.00
	5511 Toledo Blade	\$12.99
	5865 Cleveland.Com	\$12.50
	5873 Ned Davis Research	\$3,343.75
Total - 56410 - Subscriptions		\$10,816.71
56420 - Memberships		
	2098 Institute of Internal Auditors	\$290.00
	0397 Project Management Institute	\$196.32
	0367 CFA Institute	\$474.00
	5006 ISC2	\$135.00
	0331 AICPA	\$355.00
	2887 PayrollOrg	\$305.00
	0381 Public Relations Society of America	\$267.00
Total - 56420 - Memberships		\$2,022.32
Total - 56400.0 - Membership & Subscription Expenses		\$12,839.03
56500.0 - Property & Fiduciary Insurance Expense		
56510 - Management Liability Insurance		
	5707 CBRE, Inc	\$3,500.00
	4618 ARC Excess & Surplus, LLC.	\$350,762.25
Total - 56510 - Management Liability Insurance		\$354,262.25
Total - 56500.0 - Property & Fiduciary Insurance Expense		\$354,262.25
56600.0 - Maintenance Expenses		
56630 - Interior Landscaping		
	3039 Ambius Inc. (05)	\$1,396.37
Total - 56630 - Interior Landscaping		\$1,396.37
56640 - Vehicle Expense		
	5487 Turkey Hill	\$21.70
	5069 Moo Moo Car Wash	\$30.00
	5663 Exxon Mobile Gas	\$47.00
Total - 56640 - Vehicle Expense		\$98.70
Total - 56600.0 - Maintenance Expenses		\$1,495.07
56650.0 - Staff Support Expenses		
56620 - Staff Support		
	1683 Premier ProduceOne	\$247.20
	0411 Amazon.com	\$662.90
	5841 Graeters	\$25.00
	5551 Freedom A La Cart	\$477.43
	4891 Tim Horton's	\$39.26
	1950 Best Buy	\$113.38
	5003 Menards	\$231.55
	0133 ADP, LLC	\$2,246.00
	5574 Aetna Behavioral Health, LLC	\$282.60
	0259 Continental Cafe, LLC	\$1,101.60
	4750 Inspira Financial	\$336.00
	3990 Acorn Distributors Inc.	\$72.74
	STRS Meal Reimbursements	(\$24.76)
Total - 56620 - Staff Support		\$5,810.90
56621 - Recruiting Expenses		
	5460 Indeed	\$122.42
	5430 ADP Screening & Selection Services	\$84.42
Total - 56621 - Recruiting Expenses		\$206.84
Total - 56650.0 - Staff Support Expenses		\$6,017.74
56700.0 - School District Board Member Reimbursement Expense		
56710 - Board Member - School Reimb.		
	1049 Ashland City School District	\$548.42
Total - 56710 - Board Member - School Reimb.		\$548.42
Total - 56700.0 - School District Board Member Reimbursement Expense		\$548.42
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		\$4,927,304.59
Capital Admin Expenses		
57500.0 - Other Expenses		
57340 - Computer Hardware >\$5,000 Capital Expense		
	5542 BPS Technologies	\$7,456.87
Total - 57340 - Computer Hardware >\$5,000 Capital Expense		\$7,456.87
Total - 57500.0 - Other Expenses		\$7,456.87
Total - Capital Admin Expenses		\$7,456.87
Total Admin Expenses		\$4,934,761.46

School Employees Retirement System of Ohio
Broad Street Detail Admin Expenses
Sep 2025

Financial Row	Vendor Bill Name	Amount
Ordinary Income/Expense		
Income		
41010 - Suite Income - OSERS Broad St		
		\$29,306.92
Total - 41010 - Suite Income - OSERS Broad St		\$29,306.92
41205.0 - Parking Income		
41206 - Parking Income - OSERS Broad St		
		\$3,150.00
Total - 41206 - Parking Income - OSERS Broad St		\$3,150.00
41210 - Parking Income - Other - OSERS Broad St		
		\$20,000.00
Total - 41210 - Parking Income - Other - OSERS Broad St		\$20,000.00
Total - 41205.0 - Parking Income		\$23,150.00
41600 - Miscellaneous Income - OSERS Broad St		
		\$150.00
Total - 41600 - Miscellaneous Income - OSERS Broad St		\$150.00
Total - Income		\$52,606.92
Gross Profit		
		\$52,606.92
Expense		
50110.0 - Property Management & Labor		
50110 - Admin. Service Contracts - OSERS Broad St		
	0041 SERS	\$25,416.67
Total - 50110 - Admin. Service Contracts - OSERS Broad St		\$25,416.67
Total - 50110.0 - Property Management & Labor		\$25,416.67
50200.0 - Administrative Expenses		
50241 - Bank Fees - OSERS Broad St		
	5801 Park National Bank	\$70.40
Total - 50241 - Bank Fees - OSERS Broad St		\$70.40
Total - 50200.0 - Administrative Expenses		\$70.40
50300.0 - Building Operations		
50305 - HVAC Repairs & Maintenance - OSERS Broad St		
	5769 DeBra-Kuempel	\$2,867.00
	5698 Metro Group, Inc.	\$2,721.73
	5937 Boiler Tech Inc	\$3,038.00
Total - 50305 - HVAC Repairs & Maintenance - OSERS Broad St		\$8,626.73
50306 - Electrical Repairs & Maintenance - OSERS Broad St		
	1137 Home Depot	\$129.77
Total - 50306 - Electrical Repairs & Maintenance - OSERS Broad St		\$129.77
50307 - Plumbing Repairs & Maintenance - OSERS Broad St		
	0411 Amazon.com	\$175.95
	5720 Rescue Rooter	\$800.00
Total - 50307 - Plumbing Repairs & Maintenance - OSERS Broad St		\$975.95
50308 - Paint, Wallcovering, Refinish - OSERS Broad St		
	5954 SignWarehouse	\$167.82
	5775 Midwest Floor Restore	\$7,598.00
Total - 50308 - Paint, Wallcovering, Refinish - OSERS Broad St		\$7,765.82
50317 - Janitorial Services - OSERS Broad St		
	0411 Amazon.com	\$374.23
	3990 Acorn Distributors Inc.	\$2,585.98
	5811 Harvard Maintenance, Inc	\$18,460.11
Total - 50317 - Janitorial Services - OSERS Broad St		\$21,420.32
50318 - Lighting - Bulbs, Fixtures - OSERS Broad St		
	5737 Consolidated Electrical Distributors, Inc.	\$133.52
	0391 Grainger	\$965.84
Total - 50318 - Lighting - Bulbs, Fixtures - OSERS Broad St		\$1,099.36
50321 - Generator Repairs & Maintenance - OSERS Broad St		
	5699 Ohio CAT	\$1,343.91
Total - 50321 - Generator Repairs & Maintenance - OSERS Broad St		\$1,343.91

Financial Row	Vendor Bill Name	Amount
Ordinary Income/Expense		
Income		
50325 - Security - OSERS Broad St		
	5879 Joel George	\$1,603.13
	5883 Trenton Kincade	\$793.13
	5955 Ryan Beardsley	\$1,046.26
	5800 Cheston Jones	\$810.00
	5751 Kyle Kincade	\$2,598.75
	5857 Cassandra Eschweiler	\$708.75
	5748 Oliver George	\$202.50
	5856 Shayne McAndrew	\$1,383.76
	5798 Jeffrey Kracht	\$405.00
	5677 Allied Universal Security Services	\$34,438.27
	5749 Remus Borcila	\$270.00
Total - 50325 - Security - OSERS Broad St		\$44,259.55
50327 - Elevator Repairs & Maintenance - OSERS Broad St		
	5690 Fujitec America, Inc.	\$6,653.24
Total - 50327 - Elevator Repairs & Maintenance - OSERS Broad St		\$6,653.24
50328 - Pest Control - OSERS Broad St		
	5689 Terminix International Company, LP	\$143.10
Total - 50328 - Pest Control - OSERS Broad St		\$143.10
50329 - Life Safety - OSERS Broad St		
	5693 T. P. Mechanical Contractors	\$208.00
	0391 Grainger	\$884.72
Total - 50329 - Life Safety - OSERS Broad St		\$1,092.72
50330 - Trash & Refuse - OSERS Broad St		
	5770 Rumpke of Ohio Inc	\$643.00
	5241 Royal Document Destruction	\$256.12
Total - 50330 - Trash & Refuse - OSERS Broad St		\$899.12
50370 - Licenses & Permits - OSERS Broad St		
	5743 Division of Industrial Compliance	\$204.75
Total - 50370 - Licenses & Permits - OSERS Broad St		\$204.75
Total - 50300.0 - Building Operations		\$94,614.34
50400.0 - Utilities		
50405 - Heat & Gas - OSERS Broad St		
	5686 Columbia Gas	\$303.12
Total - 50405 - Heat & Gas - OSERS Broad St		\$303.12
50410 - Electricity - OSERS Broad St		
	5794 American Electric Power - 87617	\$165.70
	5795 American Electric Power - 16108	\$43.72
	5678 American Electric Power - 23018	\$31,371.36
Total - 50410 - Electricity - OSERS Broad St		\$31,580.78
50415 - Water & Sewer - OSERS Broad St		
	5681 Columbus City Treasurer	\$2,576.70
Total - 50415 - Water & Sewer - OSERS Broad St		\$2,576.70
Total - 50400.0 - Utilities		\$34,460.60
50600 - Real Estate Taxes - OSERS Broad St		
	5718 Discovery SID	\$7,760.00
Total - 50600 - Real Estate Taxes - OSERS Broad St		\$7,760.00
51010.0 - Other Fees		
51010 - Special Counsel - OSERS Broad St		
	3514 Bailey Cavalieri, LLC	\$487.50
Total - 51010 - Special Counsel - OSERS Broad St		\$487.50
51013 - Building Remodeling - OSERS Broad St		
	4283 Potbelly Sandwich Works	\$287.60
	5881 ACCI Design Build	\$43,775.65
Total - 51013 - Building Remodeling - OSERS Broad St		\$44,063.25
Total - 51010.0 - Other Fees		\$44,550.75
Total - Expense		\$206,872.76
Net Budgeted Expenses		\$154,265.84
Net Building Occupancy		\$128,849.17

FY2026 Administrative Budget
Board Expense to Budget Reporting
Year-to-Date Through September 30, 2025

Major Category/Sub-Major Category	Line Item	Vendor	FY2026 Budget Approved	Year to Date Expense	Additional Information
PROFESSIONAL SERVICES			\$ 7,044,466	\$ 2,289,788	
ACTUARIAL ADVISORS			\$ 357,700	\$ 110,409	
	Actuarial	Cavanaugh Macdonald	\$ 357,700	\$ 110,409	Actuarial Consultant
AUDITING			\$ 220,000	\$ 70,000	
	Auditing	Plante Moran	\$ 180,000	\$ 70,000	External Auditor
BANKING FEES			\$ 1,343,000	\$ 317,166	
	Custodial Banking		\$ 1,188,000	\$ 290,564	
		Fifth Third	\$ 396,000	\$ 78,532	Domestic Custodian
		BNYM	\$ 792,000	\$ 212,032	International Custodian
	Administrative Banking	Huntington National Bank/ TOS	\$ 155,000	\$ 26,602	Banking Services
INVESTMENT RELATED			\$ 2,694,215	\$ 1,226,022	
	Master Recordkeeper		\$ 1,532,000	\$ 745,618	
		BNYM	\$ 400,000	\$ 306,970	
		Clearwater Analytics	\$ 980,000	\$ 223,323	
		MSCI (Burgiss)	\$ 132,000	\$ 215,325	
	Investment Consulting & Advisory Services		\$ 450,000	\$ 112,500	
		Wilshire	\$ 450,000	\$ 112,500	Investment Consulting
	Performance Analytics Services		\$ 492,416	\$ 318,621	
		Barra-One Risk Mgmt Sys	\$ 238,445	\$ 119,223	Investment Risk Analytics
		BNY Mellon GRS	\$ 137,607	\$ 103,205	Investment Performance Analytics
TECHNICAL			\$ 2,383,426	\$ 554,941	
	Special Counsel		\$ 396,000	\$ 95,574	
	Technical		\$ 1,400,912	\$ 217,338	
		Merative	\$ 124,000	\$ 31,000	Data Warehouse
		Sagitec	\$ 590,912	\$ 83,825	SMART Development Resources
		Board Initiative	\$ 100,000	\$ -	Board Initiatives
	Other Professional Services		\$ 586,514	\$ 242,029	
		Gartner	\$ 105,414	\$ 105,414	Management Consulting
		Managed Security Service Provider (MSSP)	\$ 100,000	\$ 49,854	
OTHER OPERATING EXPENSE			\$ 4,548,745	\$ 1,681,840	
COMPUTER SUPPORT SERVICES			\$ 3,195,613	\$ 1,068,242	
	Software Maintenance		\$ 1,023,833	\$ 578,591	
		Dell	\$ 280,000	\$ 276,418	Microsoft Enterprise Agreement/ True Up
		Sagitec	\$ 420,000	\$ 105,000	SMART Silver Support
		Hyland	\$ 122,640	\$ 121,810	ImageNow
	Software Subscriptions		\$ 1,905,891	\$ 459,864	
		DRaaS	\$ 150,000	\$ 36,707	Expedient
		Dynamo	\$ 146,320	\$ 114,589	Dynamo Software, INC
		Carahsoft	\$ 168,152	\$ 168,123	ServiceNow System
		Zoom	\$ 127,000	\$ -	Telecommunication Services
PROPERTY MANAGEMENT LIABILITY INSURANCE			\$ 518,428	\$ 483,838	
	Management Liability Insurance		\$ 518,428	\$ 483,838	
		Cyber Liability Insurance	\$ 155,976	\$ 124,861	ARC Excess & Surplus, LLC
		Crime Fiduciary D&O Insurance	\$ 362,452	\$ 358,977	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	FY2026 Budget	YTD Expense	Additional Information
			\$ -		
			\$ -		
			\$ -		

OSERS BROAD STREET, LLC					
UNBUDGETED PROJECT ITEMS					
Major Category	Line Item	Project	FY2026 Budget	YTD Expense	

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

FINANCIAL HIGHLIGHTS

As of August 31, 2025 and 2024

(unaudited)

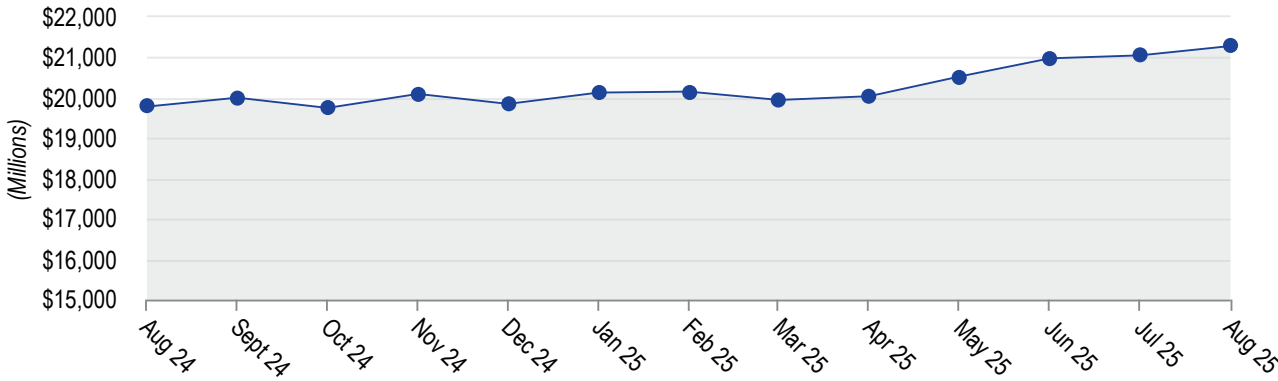
SERS (All Funds)	8/31/25 YTD	8/31/24 YTD	Comparative Difference	% Difference
<u>ADDITIONS</u>				
Employer Contributions	\$101,516,427	\$98,655,608	\$2,860,819	3%
Member Contributions	65,414,831	63,506,134	1,908,697	3
Other Income	20,967,414	34,856,290	(13,888,876)	(40)
Total Investment Income, Net	339,541,326	360,222,611	(20,681,285)	(6)
TOTAL ADDITIONS	527,439,998	557,240,643	(29,800,645)	(5)
<u>DEDUCTIONS</u>				
Retirement, Disability, Survivor & Death Benefits	256,687,960	244,891,858	11,796,102	5
Health Care Expenses	36,235,503	33,074,712	3,160,791	10
Refunds & Transfers	24,462,109	13,643,649	10,818,460	79
Administrative Expenses (excluding Investments)	6,084,308	5,458,411	625,897	11
TOTAL DEDUCTIONS	323,469,880	297,068,630	26,401,250	9
Changes in Net Position	203,970,118	260,172,013	(56,201,895)	(22)
Net Position - Beginning	21,081,732,005	19,524,040,719	1,557,691,286	8
SERS Net Position - Ending	\$21,285,702,123	\$19,784,212,732	\$1,501,489,391	8%

HEALTH CARE FUND

HEALTH CARE ADDITIONS

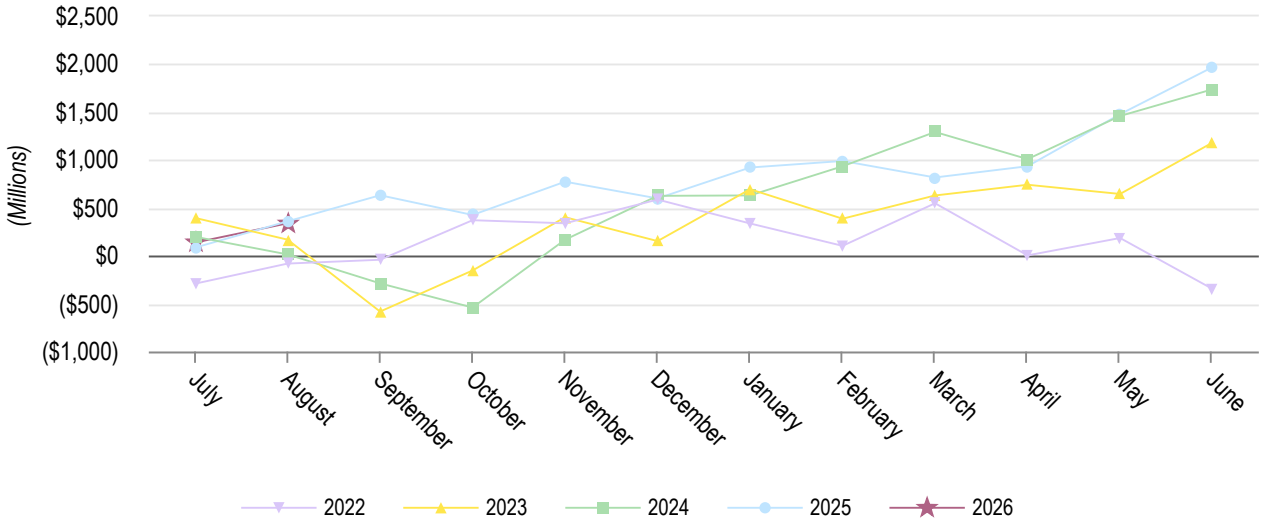
Employer Contributions	\$10,194,606	\$9,999,667	\$194,939	2%
Health Care Premiums	9,457,543	9,489,279	(31,736)	—
Federal Subsidies & Other Receipts	11,508,512	25,366,318	(13,857,806)	(55)
Total Investment Income, Net	13,419,248	12,293,805	1,125,443	9
TOTAL HEALTH CARE ADDITIONS	44,579,909	57,149,069	(12,569,160)	(22)
TOTAL HEALTH CARE DEDUCTIONS	36,810,066	33,615,166	3,194,900	10
Changes in Net Position	7,769,843	23,533,903	(15,764,060)	67
Net Position - Beginning	939,812,471	816,468,867	123,343,604	15
SERS Health Care Fund Net Position - Ending	\$947,582,314	\$840,002,770	\$107,579,544	13%

Total SERS Fund Balance for Previous 12 Months

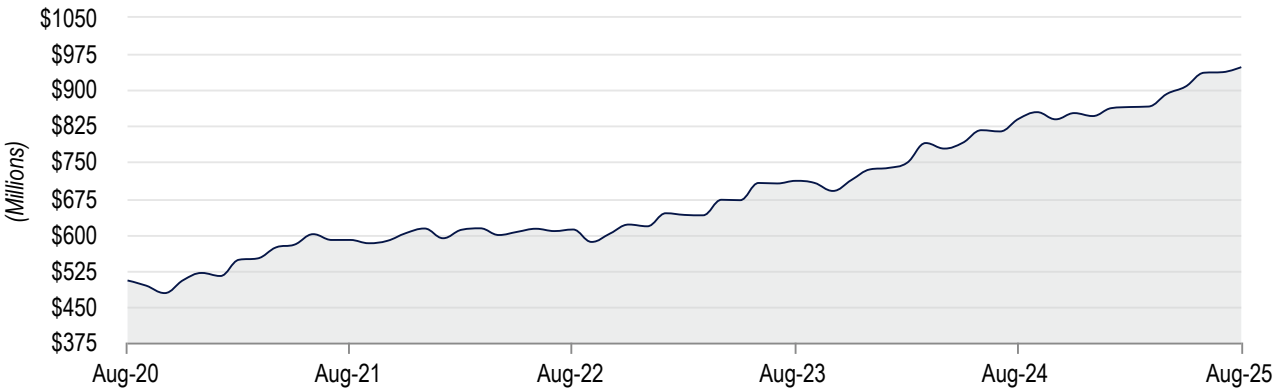


*The Total SERS Fund Balance is based on unaudited, preliminary June 2025 financial statements.

Investment Income (includes realized and unrealized gains & losses)



Health Care Fund Balance Trend



Memo

To: SERS Retirement Board
From: SERS Legal
CC: Richard Stensrud, Karen Roggenkamp, Mike Steiner, Christi Pepe
Date: October 3, 2025
Re: Revised and Restated Health Care Plan and Trust

The proposed revised and restated SERS Health Care Plan and Trust ("HC Plan"), which would be effective October 16, 2025, is based on the current HC Plan that was revised and restated October 1, 2024. The purpose of the proposed revised and restated HC Plan is to add language to designate the HC Plan as a hybrid entity for purposes of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

HIPAA, a federal law intended to strengthen the privacy and security of individuals' health information, applies to "covered entities," as defined under the privacy, security, breach notification, and enforcement rules at 45 C.F.R. Part 160 and Part 164 ("HIPAA Rules"). A single legal entity that conducts both HIPAA-covered and non-covered functions may designate itself as a hybrid entity for HIPAA compliance purposes. SERS is a single legal entity that provides pension benefits (non-covered functions) and offers self-insured health insurance coverage to its retirees, beneficiaries, and their dependents (HIPAA-covered functions). By designating the HC Plan as a hybrid entity, only the parts of SERS that specifically administers the HC Plan will be subject to HIPAA instead of all of SERS.

SERS Legal consulted with outside legal counsel at Calfee to add the language to designate the HC Plan as the covered entity. Staff recommends that the Director – Health Care Services be designated responsible for the HC Plan for purposes of HIPAA.

A redlined version and a clean version of the HC Plan are being provided with this memo.

ADOPTION OF REVISED AND RESTATED HEALTH CARE PLAN AND TRUST

_____ moved and _____ seconded the motion to adopt the revised and restated “SERS Health Care Plan and Trust” effective October 16, 2025, and designate the Director – Health Care Services as responsible for the SERS Health Care Plan and Trust for purposes of HIPAA.

Upon roll call, the vote was as follows:

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

School Employees Retirement System of Ohio

Health Care Plan and Trust

Revised and Restated October ~~1, 2024~~ 16, 2025

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~~4879-6957-8977.4~~

School Employees Retirement System of Ohio

Health Care Plan and Trust

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SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

HEALTH CARE PLAN AND TRUST

PREAMBLE

~~The~~ This document for the Health Care Plan and Trust (Plan) sponsored by the School Employees Retirement System of Ohio Health Care Plan (the "Plan") (SERS) is hereby amended and restated effective as of October 1, 2024, 16, 2025, except as otherwise provided. This document revises and replaces the Plan that was effective October 1, 2024.

~~On behalf~~ WITNESSETH:

WHEREAS, SERS established the Plan in accordance with Section 3309.69 of the school employers, SERS has adopted Ohio Revised Code;

WHEREAS, the Plan is a retiree-only, non-ERISA, non-federal governmental plan providing medical care and other health care coverage for certain eligible retirement, disability, and/or survivor benefit recipients and their eligible dependents as provided in Chapter 3309 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code; and

WHEREAS, SERS desires a plan document to further describe the Plan, to identify the documents under which the Plan is maintained and to document certain elections that are made in accordance with applicable laws; and

WHEREAS, SERS desires that each option of coverage provided by the Plan be a separate Component Health Care Plan of the Plan but that the Component Health Care Plans of the Plan be a single group health plan as defined in this Plan document; and

WHEREAS, the School Employees Retirement Board has authority to amend or change the Plan at any time;

NOW, THEREFORE, the Plan is set forth as follows:

INTRODUCTION

Purpose. The Plan was established pursuant to the Board's authority in Chapter 3309 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code to provide health care insurances and coverage for Eligible Persons and, where applicable, their Eligible Dependents. This document supersedes any prior version of describes health care coverage that is available to be paid from the Health Care Fund in accordance with Chapter 3309 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code

Status of Plan. The Plan is a "non-federal governmental plan" as defined in Section 2791 of the Public Health Service Act, as amended ("PHSA"). The Plan is a "governmental plan" as defined in Section 3(32) of the Employee Retirement Income Security Act of 1974 ("ERISA") and as a "governmental plan" is exempt from Title I of ERISA pursuant to Section 4(b)(1) of ERISA. The Plan is a "retiree only" plan under the Affordable Care Act.

Plan Documentation. Provisions of the Plan are set forth in Chapter 3309 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code which are incorporated by reference into this Plan. ~~In the event that the document.~~ This document has additional provisions ~~of any Applicable Benefit Description or Applicable Contract (both as defined below)~~ conflict with or contradict the provisions of necessary or appropriate for compliance with certain federal laws and the operation of the Plan. In addition to this document, the ~~Plan Administrator~~ Component Health Care Plan Documents forming the Plan, as they may be amended from time to time, are listed in Appendix B attached hereto, are incorporated by reference into this document and constitute the written instrument for the Plan. To the extent that any of the Component Health Care Plan Documents incorporate by reference any additional document, the additional document is also a part of the written instrument for the Plan.

In applying the terms and provisions of the Plan document, an applicable Component Health Care Plan Document with the highest order of precedence as identified in Appendix B (with 1 being the highest order of precedence) shall ~~use its discretion to interpret the terms and purpose of the Plan, including the written terms and~~ be controlling unless otherwise provided in this document. Notwithstanding anything stated in any written instrument otherwise, the Plan shall be administered in accordance with all applicable federal laws and laws of the State of Ohio. Any provision inconsistent with such laws shall be invalid or unenforceable and the remaining provisions ~~of any Applicable Benefit Description or Applicable Contract, so as to resolve any conflict or contradiction~~ shall continue to be fully effective.

~~The employees of SERS are authorized to act for the Board in accordance with the Plan, the policies and rules adopted by the Board, and as directed or approved by the Board.~~

ARTICLE I DEFINITIONS

The following capitalized words and phrases when used in the text of the Plan shall have the meanings set forth below. Words in the masculine gender shall connote the feminine gender as well. Whenever any words are used in the singular form, they shall be construed as though they were used in the plural form in all cases where they would so apply.

Section 1.1 Ancillary Plan means a plan offered to provide auxiliary coverage, such as dental or vision coverage.

Section 1.11—**Section 1.2** **Applicable Benefit Description** means the benefit booklets, certificates of coverage, evidence of coverage, and any other similar document prepared for Participants which describe the Plan benefits, indemnity programs, preferred provider organizations, managed care programs, dental and vision programs, health reimbursement arrangement, and prescription drug programs under which Participants may elect to receive benefits under this Plan for the coverage period of the program.

Section 1.12—**Section 1.3** **Applicable Contract** means an agreement entered into between SERS and an organization in which the organization agrees to provide benefits, or administer the provision of benefits, under this Plan to Covered Persons.

Section 1.3**Section 1.4** **Board** refers to the Board of Trustees of SERS.

Section 1.5 **COBRA** The acronym “COBRA” shall mean provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 that are set forth in PHSA Sections 2201 through 2208, as they may be amended from time to time. Whenever a reference is made to a specific COBRA Section, such reference shall be deemed to include any successor COBRA Section having the same or a similar purpose.

Section 1.4**Section 1.6** **Code** means the Internal Revenue Code as amended from time to time.

Section 1.7 **Component Health Care Plan** means any program or arrangement described in Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code and that is a “health care component” as defined in 45 C.F.R. § 164.103. As of the date of this document, the Component Health Care Plans include the Medical Plans, the Ancillary Plans and the arrangement to reimburse Medicare Part B premiums as described in Section 3309.69 of the Ohio Revised Code and Sections 3309-1-35, 3309-1-64, and 3309-1-65 of the Ohio Administrative Code, which is offered to Eligible Persons or a class of Eligible Persons. The current Component Health Care Plans are listed on Appendix A. Each Component Health Care Plan and the class of Eligible Persons who may participate in a Component Health Care Plan are described in the Component Health Care Plan Documents listed in Appendix B.

Section 1.8 **Component Health Care Plan Document** means a written Component Health Care Plan Document listed in Appendix B which is provided by an insurer or Claims Administrator that describes the amounts and types of coverage provided under a Component Health Care Plan covering Eligible Persons or Eligible Dependents. With respect to each Eligible Person or Dependent, the words shall mean only the written document that describes, as of the applicable date, the coverage of the Component Health Care Plan for which such individual is eligible and has enrolled.

Section 1.5**Section 1.9** **Covered Person** means an Eligible Person and each of such Eligible Person’s Eligible Dependents who are covered under this Plan. No other

individual shall be a Covered Person under this Plan, except as may be specifically provided by the Plan Sponsor.

Section 1.6~~Section 1.10~~ **Effective Date** of this amended and restated Plan means October ~~1, 2024~~16, 2025.

Section 1.17~~Section 1.11~~ **Eligible Dependent** means a person who is described in Section 2.2.

Section 1.18~~Section 1.12~~ **Eligible Person** means a person who is described in Section 2.1.

Section 1.19~~Section 1.13~~ **Employer** means an employer specified in Section 3309.01(A) of the Ohio Revised Code.

Section 1.20~~Section 1.14~~ **Fund** means the Health Care Fund, the separate trust fund established pursuant to Chapter 3309 of the Ohio Revised Code in compliance with Internal Revenue Code Sections 105(e) and 115.

Section 1.15 **HIPAA** The acronym "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as it may be amended from time to time. Whenever a reference is made to a specific HIPAA Section, such reference shall be deemed to include any successor HIPAA Section having the same or a similar purpose.

Section 1.16 **Insurance Contract** means a written agreement for health care or related insurance coverage, including a master group policy, entered into by an insurer and the Board pursuant to Section 3309.69 of the Ohio Revised Code that sets forth the coverage under a Component Health Care Plan, including any Component Health Care Plan Documents describing the coverage to be provided to Eligible Persons and their Eligible Dependents.

Section 1.17 **Medical Plan** means a plan offered to provide medical or prescription drug coverage or any combination thereof.

Section 1.21~~Section 1.18~~ **Medicare** means the program of health care for the aged and disabled established by Title XVIII of the Social Security Act of 1965, as amended.

Section 1.22~~Section 1.19~~ **Participant** means an Eligible Person who is participating in the Plan in accordance with the provisions of Article II and III of this Plan.

Section 1.23~~Section 1.20~~ **Plan** means the School Employees Retirement System of Ohio Health Care Plan, ~~as provided herein and Trust established pursuant to Section 3309.69 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code~~, which is offered by SERS to Eligible Persons and Eligible Dependents. When used in a context with certain laws identified in Article VI however,

only those Component Health Care Plans described as being a group health plan for a law shall be a part of the Plan for purposes for such applicable law. When used with respect to Protected Health Information, the word Plan shall have the meaning set forth in Article VIII.

Section 1.24~~Section 1.21~~ **Plan Administrator** means a vendor selected by the Plan Sponsor to administer benefits under the Plan.

Section 1.25~~Section 1.22~~ **Plan Sponsor** refers to SERS or its delegatee.

Section 1.26~~Section 1.23~~ **Plan Year** means the twelve (12) month period beginning on January 1 and ending on December 31 of each year.

Section 1.24 **PHSA** means the Public Health Service Act, as it may be amended from time to time. Whenever a reference is made to a specific PHSA Section, such reference shall be deemed to include any successor PHSA Section having the same or a similar purpose.

Section 1.25 **Protected Health Information** has the same meaning as provided in 45 C.F.R. Section 160.103, but shall be limited to protected health information created or maintained in the course of the operation or administration of the Plan. Protected Health Information does not include "employment records" within the meaning of 45 C.F.R. Section 160.103.

Section 1.27~~Section 1.26~~ **SERS** means the School Employees Retirement System of Ohio.

~~Section 1.28~~**Section 1.27** **State** means the State of Ohio.

~~Section 1.29~~**Section 1.28** **Trustee** means the Board acting in its fiduciary role as trustee of the Fund.

ARTICLE II ELIGIBILITY

Section 2.11~~Section 2.1~~ **Eligible Persons.** Eligible Persons include those age and service retirants, disability benefit recipients, or beneficiaries receiving a monthly benefit who meet the eligibility requirements set forth in ~~section~~**Section** 3309.69 of the Ohio Revised Code and rules adopted by SERS.

Section 2.12~~Section 2.2~~ **Eligible Dependents.** Eligible Dependents include those individuals who meet the eligibility requirements for dependents set forth in ~~section~~**Section** 3309.69 of the Ohio Revised Code and rules adopted by SERS.

Section 2.13~~Section 2.3~~ **Determinations of Eligibility.** The Plan Sponsor reserves the right to request verification of a dependent child's age or status as a disabled

dependent child upon initial enrollment and from time to time thereafter as the Plan Sponsor or Plan Administrator may require. The Plan Sponsor shall have the right in its sole discretion, to make all determinations involving eligibility, except for the determination of permanently and totally disabled for purposes of determining a dependent's eligibility, which shall be made by the Plan Administrator.

ARTICLE III PARTICIPATION

Section 3.11~~Section 3.1~~ **Participation.** Each Eligible Person (and as applicable each Eligible Dependent) shall begin participation in the Plan as provided in applicable provisions of the Ohio Revised Code and rules adopted by SERS. Upon becoming eligible in accordance with the provisions of Article II, each Eligible Person as described under Section 2.1 may apply for health care coverage for himself or herself (and on behalf ~~to~~ of an Eligible Dependent, as applicable) on forms designated by the Plan Sponsor and/or Plan Administrator. In addition, an Eligible Person who does not enroll in the Plan upon first becoming eligible may be permitted to make a later election under Section 3.2 as provided in rules adopted by SERS.

Section 3.2 **Enrollment After Waiver.** Enrollment After Waiver means the period of time specified by the Plan Sponsor when each Eligible Person (and as applicable each Eligible Dependent) who has not previously enrolled and who has waived coverage in the Plan, or whose coverage was cancelled, shall be given the opportunity to enroll in the Plan. This opportunity shall be given only as authorized in Chapter 3309 of the [Ohio Revised Code](#) or in rules adopted by SERS.

Section 3.3 **Open Enrollment Period.** An election of benefits shall remain in effect for the remainder of the Plan Year. During the Annual Open Enrollment Period established by the Plan Sponsor, each Eligible Person who is enrolled in ~~a Benefit Program~~[the Plan](#) shall be given the opportunity to select among the available coverage options.

Section 3.4 **Cessation of Participation.** Subject to any continuation of coverage rights that may otherwise be available under federal and state law, the participation in the Plan by any Participant (and as applicable any Eligible Dependent) shall terminate as provided in applicable provisions of the Ohio Revised Code and rules adopted by SERS.

Section 3.5 **Individuals With Available Coverage from Another Ohio Public Retirement System.** An individual may not participate in the Plan if they are eligible for coverage from another Ohio public retirement system under the circumstances described in the rules adopted by SERS.

ARTICLE IV CONTRIBUTIONS AND FUNDING

Section 4.11~~Section 4.1~~ **Contribution by Covered Person**. Contributions shall be required for Covered Persons in an amount as determined from time to time by the Board.

Section 4.12~~Section 4.2~~ **Employer Contributions**. The Employer contribution rate shall be established by the Board from time to time pursuant to Chapter 3309 of the Ohio Revised Code and the Board Funding Policy.

~~Section 4.13~~**Section 4.3** **Health Care Fund**.

- (a) The Fund established pursuant to Chapter 3309, Ohio Revised Code is a separate trust fund, established in compliance with Internal Revenue Code Sections 105(e) and 115. It is intended that the income accruing to the Fund shall be excluded from income for tax purposes, as such trust income is derived from the exercise of an essential governmental function as provided for under Section 115(1) of the Code, Revenue Rulings 77-261 and 90-74, and other relevant guidance.
- (b) The Fund is funded by employer contributions to provide medical care as defined in Internal Revenue Code Section 213(d) to Covered Persons as defined herein. Additional funding consists of federal subsidies, investment income, and Covered Person premiums, copays, and deductibles.
- (c) —The Fund is a separate and distinct trust fund administered by the School Employees Retirement System of Ohio (“SERS”) and exists for the sole purpose of providing health benefits directly or through insurance to retired employees and their spouses and dependents of Ohio public school employers. Fund assets shall not be used to satisfy the claims of any creditor of SERS, any Employer, the State, or any other person or entity. At no time shall any part of the Fund be used for, or diverted to, purposes other than for the exclusive benefit of Covered Persons, as provided herein and to provide benefits under the Plan and defray the reasonable expenses of administering the Fund and the Plan. No part of the Fund’s net earnings may inure to the benefit of a private person. No portion of the principal or income of this Fund shall revert to SERS, any Employer, the State, or any other person or entity except in a manner consistent with the irrevocability of contributions under the Code and GASB 74 or 75. In no event will Fund assets be distributed to or revert to any entity that is not a state, a political subdivision of a state, or an entity whose income is excluded from gross income under Code Section 115. Private parties do not participate in or benefit from the operation of the Fund.

- (d) The contributions made by Employers and Covered Persons and all investments, receipts, disbursements, and other transactions thereunder may be maintained in a common account, which contributions shall be used solely for the payment of benefits, expenses and other charges properly allocable to the Fund.
- (e) The Trustee shall disburse amounts from the Fund for the sole purpose of assisting in the payment of Plan benefits for Covered Persons and for reasonable expenses, fees and allocated administrative fees and expenses.
- (f) —Any amounts remaining in the Fund after all benefits under the Plan, fees and expenses have been paid shall be retained for payment of future benefits until all Employer liabilities for such benefits have been satisfied.
- (g) The Trustee may incur reasonable administrative expenses, which shall be payable from the assets of the Fund.
- (h) The Trustee of the Fund shall be the School Employees Retirement Board (“Board”). The administration and management of the Plan and Fund are vested in the Trustee.
 - (1) The Trustee, in administering the Fund, shall have such power and authority (including discretion with respect to the exercise of that power and authority) as may be necessary, advisable, desirable, or convenient to the Trustee, in its discretion as trustee and investment fiduciary subject to the provisions of this Plan and Trust, and consistent with the Revised Code of Ohio, including, without limitation, the following powers and authority: to accept contributions, invest the assets of the Fund, to pay benefits under the Plan, to sue and be sued, plead and be impleaded, contract and be contracted with and to do all things necessary to carry out the Plan and administer the Fund. Without limiting the foregoing, the Trustee may invest and reinvest funds held by the Fund in any investments which are legal investments under Ohio law and shall have the discretion to decide the allocation of funds among such investments. The Trustee may purchase, acquire, hold, lease, sell, and convey real and personal property, and place funds held herein with banks or trust companies which have corporate trust powers, with insurance companies authorized to do business within the State, and do all such other acts as are permitted by law.
 - (2) In addition to the powers stated in subsection (1), the Trustee may from time-to-time delegate to an individual, committee, or organization certain of its fiduciary responsibilities under the Fund.

Any such individual, committee, or organization shall remain a fiduciary until such delegation is revoked by the Trustee, which revocation may be without cause and without advance notice. Such individual, committee, or organization shall have such power and authority with respect to such delegated fiduciary responsibilities as the Trustee has under the Fund.

- (3) The Trustee shall have no duties other than those expressly set forth in this Plan and Trust and those imposed on the Trustee by applicable laws. The Trustee shall not be responsible for any particular federal, state or local income, payroll or other tax consequence to an Employer or any Covered Person and shall not be responsible for any tax reporting obligation relating to payments or disbursements to such persons. The Trustee shall be responsible only for money and property actually received by the Fund. No Trustee member shall have any liability for the acts or omissions of any predecessor or successor in office. The Trustee shall have no liability for (i) the acts or omissions of any investment manager or managers; (ii) the acts or omissions of any insurance company; (iii) the acts or omissions of any investment fund; (iv) the acts or omissions of any custodian; or (v) the acts or omissions of any contractor. Neither the Trustee, nor any of its individual members or their representatives, shall be liable for any error of judgment, mistake, or omission made in good faith, but only for negligence or willful misconduct in the performance of their duties hereunder and only to the extent allowed by applicable state and federal law.

- (i) —This Fund may be amended by the Trustee at any time and in any manner permitted by applicable Ohio law and not inconsistent with GASB 74 and 75 or Code Section 115. Notice of such Amendment shall be promptly provided to the custodian.
- (j) —This trust agreement and the Fund created hereby is irrevocable.
- (k) —The Fund shall have perpetual existence, except if dissolved by the Trustee. Following any such dissolution, the Trustee shall proceed to wind up the affairs of the Trust in an orderly manner and within a reasonable period of time considering relevant circumstances. After paying or making reasonable provision for the payment of all liabilities of the Fund, and upon receipt of such releases, indemnities or like documentation as the Trustee may reasonably deem necessary for the protection of the Trustee, the Trustee shall distribute the remaining property of the Fund, in cash or in kind or partly each, for the sole purpose of assisting in the payment of benefits for Eligible Persons and Eligible Dependents, and for related reasonable expenses, fees and allocated administrative fees and expenses. Upon the

satisfaction of all liabilities under the Fund, any remaining assets shall revert to SERS. In no event will Fund assets be distributed to or revert to any entity that is not a state, a political subdivision of a state, or an entity whose income is excluded from gross income under Code Section 115.

ARTICLE V PLAN COVERAGE

Section 5.1 Coverage The Plan provides health care insurances and coverages through the Component Health Care Plans. Eligible Persons and Eligible Dependents in the Plan shall be entitled solely to such insurance and coverage as are provided and determined under the terms of a Component Health Care Plan as provided in the applicable Component Health Care Plan Documents.

Section 5.2 Funding of Coverage Coverage under the Plan shall be funded by the Health Care Fund. Required Covered Person Contributions and other permissible contributions, and coverage may be provided through Insurance Contracts, self-insured arrangements or through such other methods or combination of methods that the Board may determine.

ARTICLE VI TREATMENT UNDER LAWS

Section 6.1 Plan for Purposes of PHSA. Only those Component Health Care Plans that provide "medical care" as defined in PHSA Section 2791(a)(2) and that are not exempted by the PHSA shall be subject to the PHSA, and all Component Health Care Plans subject to the PHSA shall be a single "group health plan" as defined in PHSA Section 2791(a)(1).

Section 6.2 Plan for Purposes of COBRA. Only those Component Health Care Plans that provide medical care coverage and are not exempted by COBRA shall be subject to COBRA, and all such Component Health Care Plans subject to COBRA be a single "group health plan" as defined in PHSA Section 2208(1). Upon a qualifying event, however, a qualified beneficiary may elect continuation coverage for only the Component Health Care Plan that he or she is actually receiving on the day before a qualifying event.

Section 6.3 Plan for Purposes of HIPAA. Only those Component Health Care Plans that are not exempted from HIPAA shall be subject to the requirements of HIPAA and all Component Health Care Plans subject to the requirements of HIPAA shall be a single "group health plan" as described in PHSA Section 2791(a)(1). For purposes of Title II of HIPAA (the Administrative Simplification provisions including the privacy, security and electronic transactions provisions), only those Component Health Care Plans, or portions thereof, listed on Appendix C as health care components shall be subject to Title II of HIPAA and all such Component Health Care Plan or portions thereof shall be a single "group health plan" as defined in 45 C.F.R. Section 160.103.

To the extent not otherwise documented, the foregoing shall constitute hybrid entity and affiliated covered entity elections pursuant to HIPAA's administrative simplification regulations. The Component Health Care Plans or portions thereof described in this Section shall also be treated as an organized health care arrangement under those regulations.

Section 6.4 Plan for Purposes of Code. All Component Health Care Plans that provide health care coverage shall be a single "group health plan" as defined in Code Section 5000(b)(1). Each Component Health Care Plan that does not provide health care coverage shall be a separate plan for purposes of the Code. A Component Health Care Plan is the same type of coverage for purposes of the Code as if it were offered separately from the Plan.

ARTICLE VII
BENEFITS

ARTICLE V

The benefits available to a Participant shall be only those specified in the Applicable Benefit Description under which the Participant has elected to receive Plan benefits. The provisions of the Applicable Benefit Description are hereby incorporated by reference hereunder and made a part hereof for purposes of determining the benefits provided to or on behalf of a Participant or his/her Eligible Dependents. The rights and conditions with respect to the benefits shall be determined exclusively from such Applicable Benefit Description, except as otherwise indicated in this Plan document. Any co-pay, deductibles, and out-of-pocket expenses, shall be determined exclusively from such Applicable Booklets.

In no event shall any expenses incurred due to on-the-job injuries or illnesses be covered by this Plan.

ARTICLE VIII
PROTECTED HEALTH INFORMATION

Section 8.1 Application of Article. This Article describes the obligations of the Plan under the Administrative Simplification provisions of HIPAA for each Component Health Care Plan that is a "health care component" as defined in 45 C.F.R. § 164.103.

Section 8.2 Disclosure of Protected Health Information by the Plan. The Plan has received a certification by SERS that the Plan document has been amended to incorporate provisions required under 45 C.F.R. § 164.504(f)(2)(ii) and the agreement of SERS to abide by those provisions. Therefore, the Plan (or a health insurance issuer, an HMO or Business Associate with respect to the Plan) may disclose to SERS:

- (a) Protected Health Information pursuant to a valid authorization executed by the individual who is the subject of the Protected Health Information to be disclosed to his or her authorized personal representative (as defined in 45 C.F.R. § 164.502(g));
- (b) Summary Health Information (as defined in 45 C.F.R. § 164.504(a)), for the purpose of:

 - (1) obtaining premium bids from health plans for providing health insurance coverage under the Plan; or
 - (2) modifying, amending, or terminating the Plan;
- (c) Information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled from a Component Health Care Plan, from a health insurance issuer, HMO or offered by the Plan or from a Business

Associate that maintains enrollment information;

- (d) Protected Health Information to carry out the Plan administration functions that SERS performs as described in Section 8.3; and
- (e) Protected Health Information in accordance with any other provisions of HIPAA.

Section 8.3 Permitted and Required Uses and Disclosures of Protected Health Information. If the Plan discloses Protected Health Information to SERS, SERS may use and disclose the Protected Health Information to carry out Payment activities and Health Care Operations (each as defined in 45 C.F.R. § 164.501) to the extent allowable under the Administrative Simplification provisions of HIPAA. Without limiting the foregoing, SERS may use and disclose Protected Health Information for the following administration functions and activities of the Component Health Care Plans:

- (a) auditing the Plan;
- (b) auditing the Plan's health insurance issuers, claims administrators and third-party service providers;
- (c) claims processing;
- (d) assisting individuals with determining what is covered under the Plan or a Component Health Care Plan;
- (e) performing quality assurance;
- (f) investigating and pursuing fraudulent acts against the Plan; and any other payment or health care operations.

Section 8.4 Restrictions on Disclosure of Protected Health Information by the Plan to SERS. If the Plan discloses Protected Health Information to SERS, SERS shall:

- (a) not use or further disclose Protected Health Information other than as permitted or required by the documents for the Plan or as required by law;
- (b) ensure that any agents, including a subcontractor, to whom it provides Protected Health Information received from the Plan agree to the restrictions and conditions that are no less protective and that apply to SERS with respect to such information;
- (c) not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other coverage or benefit Plan of SERS;

- (d) report to the Plan any use or disclosure of Protected Health Information that is inconsistent with the uses and disclosures provided for, of which it becomes aware;
- (e) make available Protected Health Information in accordance with 45 C.F.R. § 164.524;
- (f) make available Protected Health Information for amendment and incorporate any amendments to Protected Health Information in accordance with 45 C.F.R. § 164.526;
- (g) make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528;
- (h) make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Secretary of the Department of Health and Human Services for purposes of determining compliance by the Plan with 45 C.F.R. Part 164, Subpart E;
- (i) if feasible, return or destroy all Protected Health Information received from the Plan that SERS still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- (j) ensure that adequate separation between the Plan and SERS is established in accordance with Section 8.5.

Section 8.5 Firewalls.

- (a) The following employees or classes of employees or other persons under the control of SERS shall be given access to Protected Health Information:
 - (1) Associates in the Member Services Department;
 - (2) Associates in the Information Technology Department; and
 - (3) Such other classes of individuals identified in the Plan's HIPAA policies and procedures.
- (b) The individuals or classes of individuals identified in Section 8.5(a) shall only be permitted access to, and use of, Protected Health Information for the administration functions that SERS performs for the Plan described in

Section 8.3.

- (c) In the event that an individual or member of a class of individuals identified in Section 8.5(a) fails to comply with the provisions of this Section, SERS shall take such action as may be prescribed under the Plan's HIPAA policies and procedures.

Section 8.6 Security of Electronic Protected Health Information. SERS shall:

- (a) implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic Protected Health Information that it creates, receives, maintains or transmits on behalf of the Plan;
- (b) ensure that the adequate separation described in Sections 8.4(j) and 8.5 is supported by reasonable and appropriate security measures;
- (c) ensure that any agent, including a subcontractor, to whom the Plan's electronic Protected Health Information is provided agrees to implement reasonable and appropriate security measures to protect the information; and
- (d) report to the Plan any security incident relating to the Plan's electronic Protected Health Information of which it becomes aware.

Section 8.7 Definitions.

- (a) Solely for purposes of this Article, the term "Plan" includes the Board, SERS employees, Claims Administrators and any other person or entity acting on behalf of the Plan.
- (b) Terms used, but not otherwise defined, in this Article shall have the same meaning as those terms have in 45 C.F.R. §§ 160.103, 162.103, 164.103, 164.304, 164.402, 164.501, 164.504(a) or other relevant provisions of HIPAA.

~~ARTICLE VI~~ARTICLE IX **FEDERAL AND STATE LAW COMPLIANCE**

Notwithstanding anything in this Plan or the Applicable Benefit Description or Applicable Contract to the contrary, the Plan Administrator shall administer the Plan in accordance with all applicable federal and state laws.

~~ARTICLE VII~~ARTICLE X
COORDINATION WITH MEDICARE

Section 7.1~~Program~~Section 10.1 **Plan Coverage is Secondary to Medicare.** To the extent allowable under applicable law, coverage under the Plan for an Eligible Person or Eligible Dependent who is eligible to be covered under Medicare shall be secondary to coverage of such Eligible Person or Eligible Dependent under Medicare. In such a case, the benefit payable under this Plan will be reduced by the greater of (i) the amount actually allowed and paid by Medicare, or (ii) the Medicare allowable amount if the Eligible Person or Eligible Dependent were enrolled in Medicare Part A and Part B.

Section 7.2Section 10.2 **Eligibility for Medicare.** An Eligible Person or Eligible Dependent is considered eligible for Medicare for the purposes of the Plan during any such period such Eligible Person or Eligible Dependent has coverage under Medicare or, while otherwise qualifying for coverage under Medicare, does not have such coverage solely because they have refused, discontinued, or failed to make any necessary application or payment for Medicare coverage.

Section 7.3Section 10.3 **Coordination.** To the extent an Eligible Person who is a SERS retiree is eligible for Medicare and the coverage for the Eligible Person is not secondary to Medicare, coverage under this Plan shall be primary.

~~ARTICLE VIII~~ARTICLE XI
COORDINATION WITH OTHER PLANS AND BENEFITS

Section 8.1Section 11.1 **Applicability.** This Plan shall be coordinated with all other plans under which an individual is covered for benefits, so that the total benefits available under both plans shall not exceed one hundred percent (100%) of the amount the individual was legally obligated to pay. The coordination rules shall be established by the Applicable Benefit Description or the Applicable Contract.

Section 8.2Section 11.2 **Right to Receive and Release Needed Information.** Certain facts are needed to apply these coordination of benefit rules. The Plan Administrator has the right to decide which facts it needs. It may get needed facts from or give them to any other organization or person. The Plan Administrator need not tell or get the consent of any person to do this. Each person claiming benefits under This Plan must give the Plan Administrator any facts the Plan Administrator or its designee needs to pay the claim.

Section 8.3Section 11.3 **Facility of Payment.** A payment made under another plan may include an amount which should have been paid under This Plan. If it does, the Plan Administrator may pay that amount to the organization which made that payment. That amount shall then be treated as though it were a benefit paid under this Plan. The Plan Administrator shall not have to pay that amount again. The term "payment made" includes

providing benefits in the form of services, in which case “payment made” means reasonable cash value of the benefits provided in the form of services.

Section 8.4[Section 11.4](#) **Right of Recovery**. If the amount of the payments made by the Plan Administrator is more than it should have paid under these coordination of benefit rules, it may recover the excess from one or more of:

- (a) the persons it has paid or for whom it has paid;
- (b) insurance companies; or
- (c) —other organizations.

The “amount of the payments made” includes the reasonable cash value of any benefits provided in the form of services.

~~ARTICLE IX~~[ARTICLE XII](#) **CLAIMS PROCEDURE**

Section 9.1[Section 12.1](#) **Claims Review Procedure**. The claim filing and review procedures of each Applicable Benefit Description and Applicable Contract shall apply with respect to the particular coverages therein described.

In addition, appeals of any claims denials for benefits under this Plan shall be subject to any administrative procedures which may be adopted by the Plan Administrator regarding such claims appeals. No claims determination by the Plan Administrator in favor of any Participant shall create a basis for retroactive adjustment for any other Participant. All rules, regulations, determinations, constructions and interpretations made by the Plan Administrator in accordance with the provisions of this Article shall be conclusive and binding on all persons to the maximum extent permitted by law.

Section 9.2[Section 12.2](#) **Exhaustion of Remedies**. If a claimant fails to file a request for claims review in accordance with the procedures described in Section 10.1, such claimant shall have no rights to a review of the denial of his/her claim and shall have no right to bring action in any court, and the denial of the claim shall become final and binding on all persons for all purposes.

~~ARTICLE X~~[ARTICLE XIII](#) **ADMINISTRATION**

Section 10.1[Section 13.1](#) **Duties of the Plan Sponsor**. Subject to the authority contractually reserved to a health maintenance organization or insurance company that insures a Benefit ~~Program~~[Plan](#), the Plan Sponsor shall have the exclusive authority and responsibility:

- (a) To construe and interpret the Plan, and to resolve ambiguities, inconsistencies and omissions in accordance with the intent of the Plan;
- (b) To find facts and to grant or deny claims relating to enrollment and eligibility in accordance with the Plan;
- (c) —In conjunction with the Plan Administrator, to prescribe procedures and forms to be followed by Participants in filing applications for benefits and for furnishing evidence necessary to establish their rights to benefits under the Plan;
- (d) In conjunction with the Plan Administrator, to prepare and distribute, in such manner as it determines to be appropriate, information explaining the Plan and the medical benefits covered under the Plan;
- (e) In conjunction with the Plan Administrator, to obtain from Participants and others such information as it shall deem to be necessary for the proper administration of the Plan;
- (f) —In conjunction with the Plan Administrator, to take all steps to properly administer the Plan in accordance with its terms and the requirements of applicable law;
- (g) To execute any certificate, contract, instrument or other written direction on behalf of the Plan with respect to the administration of this Plan;
- (h) To appoint such accountants, counsel, specialists, third party administrators and other persons as it deems necessary or appropriate in connection with the administration of this Plan. In this regard, the Plan Sponsor may enter into contracts with such parties if the Plan Sponsor determines such contracts are desirable in connection with the administration of the Plan; and
- (i) —To establish rules for the administration and operation of the Plan.

Section 10.2 **Section 13.2 Duties of the Plan Administrator**. Subject to the authority contractually reserved to a health maintenance organization or insurance company that insures a Benefit ~~Program~~Plan, the Plan Administrator shall have exclusive authority and responsibility:

- (a) —To determine the amount, manner and time of payment of any benefits under the Plan and to make benefit payments directly to Participants and/or their assignees entitled to benefits hereunder;

- (b) _____ To find facts and to grant or deny claims relating to the payment or nonpayment of benefits in accordance with the Plan;
- (c) _____ To enter into contracts with health care providers and provider networks to offer discount arrangements with respect to medical benefits offered under this Plan;
- (d) _____ In conjunction with the Plan Sponsor, to prescribe procedures and forms to be followed by Participants in filing applications for benefits and for furnishing evidence necessary to establish their rights to benefits under the Plan;
- (e) _____ In conjunction with the Plan Sponsor, to prepare and distribute, in such manner as it determines to be appropriate, information explaining the Plan and the medical benefits covered under this Plan;
- (f) _____ In conjunction with Plan Sponsor, to obtain from Participants and others such information as it shall deem to be necessary for the proper administration of the Plan;
- (g) _____ In conjunction with the Plan Sponsor, to take all steps to properly administer the Plan in accordance with its terms and the requirements of applicable law.

Section 10.3**Section 13.3 Authority of the Plan Administrator**. All procedures with respect to any of the duties and responsibilities described in Section ~~10.13~~13.2 shall be promulgated by the Plan Administrator, and all such procedures and rules shall be conclusive and binding on all persons to the maximum extent permitted by law.

All decisions of the Plan Administrator with respect to the Plan's administration, including, but not limited to, interpretations of the Plan, benefit determinations, claims decisions ~~relating to eligibility or enrollment~~, and questions concerning the administration and application of the Plan, shall be made by the Plan Administrator in its sole discretion, and all such determinations and decisions shall be conclusive and binding on all persons to the maximum extent permitted by law.

Section 10.4**Section 13.4 Recordkeeping**. The Plan Sponsor shall keep full and complete records of the administration of the Plan, and shall prepare such reports and such information concerning the Plan and the administration thereof as may be required under the Code and the regulations promulgated thereunder.

Section ~~10.13~~13.5 Expenses. All expenses incurred by the Plan Sponsor for the administration of the Plan shall be paid by the Plan. Such expenses shall include any expenses incident to the functioning of the Plan, including, but not limited to, attorney

fees, accounting and clerical charges, actuarial fees and other costs of administering the Plan.

Section 10.6[Section 13.6](#) **Delegation of Responsibilities.** The Plan Sponsor shall have the authority to delegate from time to time, by a written instrument, all or any part of its responsibilities under this Plan to such person or persons as it may deem advisable, and in the same manner to revoke any such delegation of responsibility. Any action of a person in the exercise of such delegated responsibility shall have the same force and effect for all purposes hereunder as if such action had been taken by the Plan Sponsor. The Plan Sponsor shall not be liable for any acts or omissions of any such person, who shall periodically report to the Plan Administrator concerning the discharge of the delegated responsibilities.

[The employees of SERS are authorized to act for the Board in accordance with the Plan, the policies and rules adopted by the Board, as directed or approved by the Board, and in accordance with applicable federal and state law.](#)

Section 10.7[Section 13.7](#) **Right to Receive and Release Necessary Information.** The Plan Sponsor and the Plan Administrator may release or obtain any information necessary for the application, implementation and determination of this Plan or other plans without the consent of, or notice to, any person, to the extent permitted by law including but not limited to HIPAA and any applicable state law. Such information may be released to or obtained from any insurance company, organization, or person. Any individual claiming any benefit or right under this Plan shall release to the Plan Sponsor or Plan Administrator such information as the Plan Sponsor or Plan Administrator, in its sole and absolute discretion, determines to be necessary to implement this provision.

~~ARTICLE XI~~[ARTICLE XIV](#) **SUBROGATION**

The Covered Person must agree to reimburse the Plan for any benefits it has paid and for which such Covered Person is not eligible under the terms of the Plan. This payment is due and payable immediately upon notification by the Plan Administrator. The Plan Administrator has the sole right to determine whether any overpayments, wrong payments, or any excess payments made under this Plan are an indebtedness which may be recovered by the Plan by deducting it from any future benefits under the Plan, or any other coverage provided by the Plan. The Plan's acceptance of dues or payment of benefits under this Plan does not waive its rights to enforce these provisions in the future.

To the extent the Plan provides or pays benefits, and to the extent the selected coverage provides for subrogation, the Covered Person must agree that the Plan shall have a first lien on any settlement proceeds, and such Covered Person shall reimburse and pay the Plan, on a first-priority basis, from any money recovered by suit, settlement, judgment or otherwise from any third party or his or her insurer or from any carrier providing uninsured/under insured motorist coverage. The Covered Person must reimburse the

Plan on a first-priority basis regardless of whether a lawsuit is actually filed or not and, if settled, regardless of how the settlement is structured or which items of damages are included in the settlement, and regardless of whether or not such Covered Person is made whole or is fully compensated for any injuries.

The Covered Person is required to hold in trust for the Plan any money (up to the amount of Benefits paid by the Plan) recovered as described above. Such Covered Person is required to cooperate and furnish information and assistance which the Plan may require to obtain this reimbursement, including signing legal documents.

The failure of any Covered Person to comply with this Section may result in termination of coverage under the Plan and/or legal action to enforce collection.

Nothing in this Section shall be construed as limiting in any way the right of an injured Covered Person to claim and receive Benefits under this Plan and also proceed against the third party causing or liable for the injury for which such benefits are paid.

~~ARTICLE XII~~ARTICLE XV ASSIGNMENT OF BENEFITS

Except as otherwise provided in an Applicable Benefit Description, and to the extent permitted by law, no benefit payable at any time under the Plan shall be assignable or transferable, or subject to any lien, in whole or in part, either directly or by operation of law, or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy, or in any other manner, and no benefit payable under the Plan shall be liable for, or subject to, any obligation or liability of any Covered Person. If any Covered Person entitled to a benefit under the Plan shall attempt to or shall alienate, sell, transfer, assign, pledge or otherwise encumber such benefit or any part thereof, or if by reason of his/her bankruptcy or other event happening at any time, such benefit would devolve upon anyone else or would not be enjoyed by him/her, then the Plan Administrator, in its discretion, may terminate the Covered Person's interest in any such benefit and hold or apply it to or for the Covered benefit or the benefit of his/her beneficiary in such manner as the Plan Administrator may deem proper.

~~ARTICLE XIII~~ARTICLE XVI QUALIFIED MEDICAL CHILD SUPPORT ORDERS

The Plan shall provide benefits in accordance with the applicable requirements of a qualified medical child support order, as required by the federal or state law, received by the Plan. The Plan Sponsor shall establish written procedures in accordance with federal or state law to determine whether a medical child support order received by the Plan is a qualified child support order under ~~the~~ federal or state law.

ARTICLE XVII

~~ARTICLE XIV~~ **RIGHT TO TERMINATE AND AMEND**

~~SERS reserves the right at any time and from time to time, without notice, to terminate, modify, alter, or amend, in whole or in part, any or all of the provisions of the Plan, including the level of contributions required from Participants. SERS may also make any modifications or amendments to the Plan retroactively that are necessary or appropriate to qualify or maintain the Plan as a plan meeting the requirements of an applicable section of the Code.~~

Section 17.1 Amendment. SERS may amend the Plan and any Component Health Care Plan in the manner as provided by this Section.

- (a) SERS, by written action of the Board may, at any time but only to the extent permitted by law, amend, modify, merge, transfer a portion of the assets or liabilities of, the Plan, any Component Health Care Plan or any other component of the Plan, prospectively or retroactively, without prior notice to, or the consent of, any other party, including but not limited to any member of SERS, Eligible Person or Eligible Dependent. Any such amendment shall be binding upon all parties, including but not limited to any member of SERS, Eligible Person, or Eligible Dependent.
- (b) SERS may take such actions as described in Section 17.1(a) with respect to any Component Health Care Plan unless a different procedure is set forth in the Insurance Contract or the document for the Component Health Care Plan.
- (c) The right to amend, modify, merge or terminate the Plan, as exercised under Section 17.1(a), shall be a power reserved to SERS as settlor and sponsor of the Plan, and no action taken pursuant to that right shall be subject to review or appeal by any person claiming a right under the Plan. SERS makes no promise regarding the maintenance or continuation of the Plan, any Component Health Care Plan, or any type of coverage including no promise regarding any specific level of coverage.
- (d) The Plan is authorized by Chapter 3309 of the Ohio Revised Code which may be amended at any time by the Ohio General Assembly. By such an amendment, the Ohio General Assembly may amend the Plan at any time.

Section 17.2 Termination.

- (a) The Board, to the extent permitted by law, may terminate the Plan, any Component Health Care Plan or any other component of the Plan,

prospectively or retroactively, without prior notice to, or the consent of, any other party, including but not limited to any Eligible Benefit Recipient, Eligible Dependent, or member of SERS. Any such termination shall be binding upon all parties, including but not limited to any Eligible Person, Eligible Dependent, and member of SERS.

(b) The Plan is authorized by Chapter 3309 of the Ohio Revised Code which may be amended or repealed at any time by the Ohio General Assembly. By such amendment or repeal, the Ohio General Assembly may terminate the Plan at any time.

(c) Unless otherwise specified in a termination amendment, as of the effective date of the termination of the Plan, all participation in and coverage under the Plan shall cease. However, the other provisions of the Plan, including those regarding administration, review of claims and amendment and termination, shall continue in force after such termination date until all the affairs of the Plan are completely resolved and concluded. All assets of the Fund shall be used to pay claims of Eligible Person and Eligible Dependents for claims incurred prior to termination or to pay reasonable expenses of administration of the Plan. In the event that there are assets remaining after the payment of all such coverage and expenses, such assets shall be paid as set forth in Sections 3309-1-35 and 3309-1-64 of the Administrative Code.

Section 17.3 Drafting Intent. If, due to any error, omission, inconsistency, misunderstanding or oversight in the drafting or preparation of this document or any amendment, any provision of this document that does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent as determined by SERS in its sole and exclusive judgment, the provision shall be interpreted in a fashion consistent with its intent as determined by SERS in its sole discretion. This document may be amended retroactively to reflect the intended meaning of the provision in question. This Section 17.3 may not be invoked by any other person to permit, or to require, the Plan to be so interpreted or to require any amendment to this document.

~~ARTICLE XV~~**ARTICLE XVIII** **GENERAL PROVISIONS**

Section 15.1~~Section 18.1~~ **Participant's Responsibility.** Each Participant shall provide the Plan Administrator and Plan Sponsor with such information and documentation as may be requested upon his/her initial eligibility to participate herein and from time to time thereafter for purposes of operating and administering the Plan in accordance with its provisions. Failure to timely provide such information and documentation shall constitute sufficient basis upon which the Plan Administrator or Plan Sponsor may, in its sole and

absolute discretion, delay or deny participation in, or benefits under, the Plan and take, or cause to be taken, such other action as the Plan Administrator or Plan Sponsor, in its sole and absolute discretion, determines necessary or appropriate for purposes of operating and administering the Plan. Each Participant shall be responsible for providing the Plan Administrator and Plan Sponsor with his/her current address. Any notices required or permitted to be given hereunder shall be deemed given if directed to such address and mailed by regular United States mail. The Plan Administrator and Plan Sponsor shall not have any obligation or duty to locate a Participant.

Section 15.2[Section 18.2 Payment to Representative](#). Except as otherwise provided in the Applicable Booklet, in the event that a guardian, conservator, committee or other legal representative has been duly appointed for a Covered Person to any payment under the Plan, any such payment may be made to the legal representative making claim therefore, and such payment so made shall be in complete discharge of the liabilities of the Plan therefore and the obligations of the Plan Administrator and Plan Sponsor under the Plan.

Section 15.3[Section 18.3 Forms of Communication](#). If a written election or consent is not specifically required by the Code or other applicable law, the Plan Administrator or Plan Sponsor may prescribe or permit a verbal, electronic, or telephonic instruction in lieu of or in addition to a written form. The Plan Administrator or Plan Sponsor shall not incur any liability acting upon any notice, request, signed letter, telegram, or other paper or document, or verbal, telephonic, or electronic transmission believed by the Plan Administrator or Plan Sponsor to be genuine or to be executed or sent by an authorized person.

Section 15.4[Section 18.4 Interpretation](#). In resolving any conflict between provisions of this Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that (i) causes the Plan to comply with all applicable requirements of the Code, including Code Section 105(e), and (ii) causes the Plan to comply with other applicable federal law and with Ohio laws shall prevail over other interpretation.

Section 15.5[Section 18.5 Governing Law](#). The Plan shall be governed by and construed in accordance with the laws of the State of Ohio or the United States, to the extent such laws are applicable to the Plan.

Section 15.6[Section 18.6 Misrepresentation](#). Any material misrepresentation on the part of the Covered Person in making application for coverage, or reclassification of coverage, or in applying for and/or for obtaining benefits under the [Program Plan](#), shall render the coverage null and void ab initio.

Section 15.7[Section 18.7 Fraudulent Claims](#). If any person files a fraudulent claim for benefits under the Plan, the Plan Sponsor, in its sole discretion, may cause such person and all members of his/her immediate family to forfeit all rights to participate in the Plan.

Section 15.8**Section 18.8 Receipt and Release**. Any payments to any Covered Person shall, to the extent thereof, be in full satisfaction of the claim of such Covered Person being paid thereby and the Plan may condition payment thereof on the delivery by the Covered Person of the duly executed receipt and release in such form as may be determined by the Plan.

Section 15.9**Section 18.9 Right of Recovery**. If the Plan Administrator makes any payment that according to the terms of the Plan should not have been made, it may recover that incorrect payment, whether or not it was made due to the Plan's, Plan Sponsor's or Plan Administrator's own error, from the person to whom it was made or from any other appropriate party. If any such incorrect payment is made directly to a Covered Person, the Plan or the Plan Administrator may deduct it when making future payments directly to that Covered Person.

Section 15.10**Section 18.10 Limitation of Rights and Obligations**. Neither the establishment nor maintenance of the Plan nor any amendment thereof, nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

- (a) _____ as conferring upon any Covered Person, beneficiary or any other person a right or claim against the Plan, Plan Sponsor, or the Plan Administrator, except to the extent that such right or claim shall be specifically expressed and provided in the Plan or provided under the Act;
- (b) _____ as creating any responsibility or liability of the Plan, Plan Sponsor, or Plan Administrator for the validity or effect of the Plan; or
- (c) _____ as a contract or agreement between the Plan, Plan Sponsor, or Plan Administrator and any Covered Person or other person.

Section 15.11**Section 18.11 Notice**. Any notice given under the Plan shall be sufficient if given to the Plan Administrator, when addressed to it at its office; or if given to the Plan Sponsor, when addressed to its office; or if given to a Covered Person, when addressed to the Eligible Person at his or her address as it appears on the records of the Plan Administrator or Plan Sponsor,

Section 15.12**Section 18.12 Legal Counsel**. The Plan and/or its designee, may from time-to-time consult with counsel, who may be counsel for the Plan, and shall be fully protected in acting upon the advice of such counsel.

Section 15.13**Section 18.13 Evidence of Action**. Any action by the Plan Sponsor pursuant to any of the provisions of the Plan shall be evidenced by resolution of its governing body, and the Plan Administrator shall be fully protected in acting in accordance with such resolution so certified to it.

Section 15.14[Section 18.14 Legal Actions](#). If the Plan is made a party to any legal action regarding the Plan, except for a breach of fiduciary responsibility of such person or persons, any and all costs and expenses, including reasonable attorneys' fees, incurred by the Plan in connection with such proceeding shall be paid from the assets of the Plan.

Section 15.15[Section 18.15 Reliance](#). The Plan Administrator or Plan Sponsor shall not incur any liability in acting upon any notice, request, signed letter, telegram, or other paper or document believed by it to be genuine or to be executed or sent by an authorized person.

Section 15.16[Section 18.16 Disclaimer of Liability](#). Nothing contained herein shall confer upon a Covered Person any claim, right, or cause of action, either at law or at equity, against the Plan, Plan Administrator, or Plan Sponsor, for the acts or omissions of any health care provider from whom a Covered Person receives care, services, or supplies under the Plan.

Section 15.17[Section 18.17 Entire ProgramPlan](#). This document, the Applicable Benefit Descriptions, the Applicable Contracts, and the governing statutes and administrative rules shall constitute the only legally governing documents for the Plan. All statements made by the Plan, Plan Sponsor, or Plan Administrator shall be deemed representations and not warranties and do not alter the terms and conditions of the Plan.

Section 15.18[Section 18.18 Severability of Provisions](#). If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Plan shall be construed and enforced as if such provision had not been included.

[James Rossler](#)
[Chair, Board of Trustees of SERS](#)

[Date](#)

APPENDIX A
COMPONENT HEALTH CARE PLANS

Name

Each benefit package through Aetna

Each benefit package through Aultcare

Each Prescription Drug Plan through Express Scripts, Inc.

Each benefit package through UMR

Each benefit package through Delta Dental

Each benefit package through Vision Service Plan (VSP)

APPENDIX B
COMPONENT HEALTH CARE PLAN DOCUMENTS

<u>Order of Precedence</u>	<u>Vendor</u>	<u>Documents</u>
<u>1</u>	<u>Aetna</u>	<u>Evidence of Coverage and Schedule of Copayments/Coinsurance and Booklet and Schedule of Benefits</u>
<u>1</u>	<u>Aultcare</u>	<u>Evidence of Coverage and Schedule of Copayments/Coinsurance and Booklet and Schedule of Benefits</u>
<u>1</u>	<u>Express Scripts, Inc</u>	<u>Evidence of Coverage (PDP) and Prescription Drug Plan Description</u>
<u>1</u>	<u>UMR</u>	<u>Plan Schedule</u>
<u>1</u>	<u>Vision Service Plan</u>	<u>Schedule of Benefits</u>
<u>1</u>	<u>Delta Dental</u>	<u>Certificate of Coverage</u>

APPENDIX C
COMPONENT HEALTH CARE PLANS SUBJECT TO THE
HIPAA PRIVACY AND SECURITY RULES

For purposes of compliance with HIPAA's privacy and security provisions, the Plan is a "hybrid entity" within the meaning of 45 C.F.R. 164.103. The Component Health Care Plans that are "health care components" include:

Each benefit package through Aetna

Each benefit package through Aultcare

Each Prescription Drug Plan through Express Scripts, Inc.

Wraparound HRA through UMR

Each benefit package through Delta Dental

Each benefit package through Vision Service Plan (VSP)

Any other Component Health Care Plan that would be a "covered entity" (as defined in 45 C.F.R. § 160.103) if it were a separate legal entity.

In addition, the health care components of the Plan identified above, the insurance carriers for the health care components are an "affiliated covered entity" within the meaning of 45 C.F.R. § 164.105(b).

School Employees Retirement System of Ohio

Health Care Plan and Trust

Revised and Restated October 16, 2025

**School Employees Retirement System of Ohio
Health Care Plan and Trust**

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SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

HEALTH CARE PLAN AND TRUST

This document for the Health Care Plan and Trust (Plan) sponsored by the School Employees Retirement System of Ohio (SERS) is effective as of October 16, 2025, except as otherwise provided. This document revises and replaces the Plan that was effective October 1, 2024.

WITNESSETH:

WHEREAS, SERS established the Plan in accordance with Section 3309.69 of the Ohio Revised Code;

WHEREAS, the Plan is a retiree-only, non-ERISA, non-federal governmental plan providing medical care and other health care coverage for certain eligible retirement, disability, and/or survivor benefit recipients and their eligible dependents as provided in Chapter 3309 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code; and

WHEREAS, SERS desires a plan document to further describe the Plan, to identify the documents under which the Plan is maintained and to document certain elections that are made in accordance with applicable laws; and

WHEREAS, SERS desires that each option of coverage provided by the Plan be a separate Component Health Care Plan of the Plan but that the Component Health Care Plans of the Plan be a single group health plan as defined in this document; and

WHEREAS, the School Employees Retirement Board has authority to amend or change the Plan at any time;

NOW, THEREFORE, the Plan is set forth as follows:

INTRODUCTION

Purpose. The Plan was established pursuant to the Board's authority in Chapter 3309 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code to provide health care insurances and coverage for Eligible Persons and, where applicable, their Eligible Dependents. This document describes health care coverage that is available to be paid from the Health Care Fund in accordance with Chapter 3309 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code

Status of Plan. The Plan is a "non-federal governmental plan" as defined in Section 2791 of the Public Health Service Act, as amended ("PHSA"). The Plan is a "governmental plan" as defined in Section 3(32) of the Employee Retirement Income Security Act of 1974 ("ERISA") and as a "governmental plan" is exempt from Title I of

ERISA pursuant to Section 4(b)(1) of ERISA. The Plan is a "retiree only" plan under the Affordable Care Act.

Plan Documentation. Provisions of the Plan are set forth in Chapter 3309 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code which are incorporated by reference into this document. This document has additional provisions necessary or appropriate for compliance with certain federal laws and the operation of the Plan. In addition to this document, the Component Health Care Plan Documents forming the Plan, as they may be amended from time to time, are listed in Appendix B attached hereto, are incorporated by reference into this document and constitute the written instrument for the Plan. To the extent that any of the Component Health Care Plan Documents incorporate by reference any additional document, the additional document is also a part of the written instrument for the Plan.

In applying the terms and provisions of the Plan document, an applicable Component Health Care Plan Document with the highest order of precedence as identified in Appendix B (with 1 being the highest order of precedence) shall be controlling unless otherwise provided in this document. Notwithstanding anything stated in any written instrument otherwise, the Plan shall be administered in accordance with all applicable federal laws and laws of the State of Ohio. Any provision inconsistent with such laws shall be invalid or unenforceable and the remaining provisions shall continue to be fully effective.

ARTICLE I DEFINITIONS

The following capitalized words and phrases when used in the text of the Plan shall have the meanings set forth below. Words in the masculine gender shall connote the feminine gender as well. Whenever any words are used in the singular form, they shall be construed as though they were used in the plural form in all cases where they would so apply.

Section 1.1 **Ancillary Plan** means a plan offered to provide auxiliary coverage, such as dental or vision coverage.

Section 1.2 **Applicable Benefit Description** means the benefit booklets, certificates of coverage, evidence of coverage, and any other similar document prepared for Participants which describe the Plan benefits, indemnity programs, preferred provider organizations, managed care programs, dental and vision programs, health reimbursement arrangement, and prescription drug programs under which Participants may elect to receive benefits under this Plan for the coverage period of the program.

Section 1.3 **Applicable Contract** means an agreement entered into between SERS and an organization in which the organization agrees to provide benefits, or administer the provision of benefits, under this Plan to Covered Persons.

Section 1.4 **Board** refers to the Board of Trustees of SERS.

Section 1.5 **COBRA** The acronym "COBRA" shall mean provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 that are set forth in PHSA Sections 2201 through 2208, as they may be amended from time to time. Whenever a reference is made to a specific COBRA Section, such reference shall be deemed to include any successor COBRA Section having the same or a similar purpose.

Section 1.6 **Code** means the Internal Revenue Code as amended from time to time.

Section 1.7 **Component Health Care Plan** means any program or arrangement described in Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code and that is a "health care component" as defined in 45 C.F.R. § 164.103. As of the date of this document, the Component Health Care Plans include the Medical Plans, the Ancillary Plans and the arrangement to reimburse Medicare Part B premiums as described in Section 3309.69 of the Ohio Revised Code and Sections 3309-1-35, 3309-1-64, and 3309-1-65 of the Ohio Administrative Code, which is offered to Eligible Persons or a class of Eligible Persons. The current Component Health Care Plans are listed on Appendix A. Each Component Health Care Plan and the class of Eligible Persons who may participate in a Component Health Care Plan are described in the Component Health Care Plan Documents listed in Appendix B.

Section 1.8 **Component Health Care Plan Document** means a written Component Health Care Plan Document listed in Appendix B which is provided by an insurer or Claims Administrator that describes the amounts and types of coverage provided under a Component Health Care Plan covering Eligible Persons or Eligible Dependents. With respect to each Eligible Person or Dependent, the words shall mean only the written document that describes, as of the applicable date, the coverage of the Component Health Care Plan for which such individual is eligible and has enrolled.

Section 1.9 **Covered Person** means an Eligible Person and each of such Eligible Person's Eligible Dependents who are covered under this Plan. No other individual shall be a Covered Person under this Plan, except as may be specifically provided by the Plan Sponsor.

Section 1.10 **Effective Date** of this amended and restated Plan means October 16, 2025.

Section 1.11 **Eligible Dependent** means a person who is described in Section 2.2.

Section 1.12 **Eligible Person** means a person who is described in Section 2.1.

Section 1.13 **Employer** means an employer specified in Section 3309.01(A) of the Ohio Revised Code.

Section 1.14 **Fund** means the Health Care Fund, the separate trust fund established pursuant to Chapter 3309 of the Ohio Revised Code in compliance with Internal Revenue Code Sections 105(e) and 115.

Section 1.15 **HIPAA** The acronym "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as it may be amended from time to time. Whenever a reference is made to a specific HIPAA Section, such reference shall be deemed to include any successor HIPAA Section having the same or a similar purpose.

Section 1.16 **Insurance Contract** means a written agreement for health care or related insurance coverage, including a master group policy, entered into by an insurer and the Board pursuant to Section 3309.69 of the Ohio Revised Code that sets forth the coverage under a Component Health Care Plan, including any Component Health Care Plan Documents describing the coverage to be provided to Eligible Persons and their Eligible Dependents.

Section 1.17 **Medical Plan** means a plan offered to provide medical or prescription drug coverage or any combination thereof.

Section 1.18 **Medicare** means the program of health care for the aged and disabled established by Title XVIII of the Social Security Act of 1965, as amended.

Section 1.19 **Participant** means an Eligible Person who is participating in the Plan in accordance with the provisions of Article II and III of this Plan.

Section 1.20 **Plan** means the School Employees Retirement System of Ohio Health Care Plan and Trust established pursuant to Section 3309.69 of the Ohio Revised Code and Sections 3309-1-35 and 3309-1-64 of the Ohio Administrative Code, which is offered by SERS to Eligible Persons and Eligible Dependents. When used in a context with certain laws identified in Article VI however, only those Component Health Care Plans described as being a group health plan for a law shall be a part of the Plan for purposes for such applicable law. When used with respect to Protected Health Information, the word Plan shall have the meaning set forth in Article VIII.

Section 1.21 **Plan Administrator** means a vendor selected by the Plan Sponsor to administer benefits under the Plan.

Section 1.22 **Plan Sponsor** refers to SERS or its delegatee.

Section 1.23 **Plan Year** means the twelve (12) month period beginning on January 1 and ending on December 31 of each year.

Section 1.24 **PHSA** means the Public Health Service Act, as it may be amended from time to time. Whenever a reference is made to a specific PHSA Section, such reference

shall be deemed to include any successor PHSA Section having the same or a similar purpose.

Section 1.25 **Protected Health Information** has the same meaning as provided in 45 C.F.R. Section 160.103, but shall be limited to protected health information created or maintained during the operation or administration of the Plan. Protected Health Information does not include "employment records" within the meaning of 45 C.F.R. Section 160.103.

Section 1.26 **SERS** means the School Employees Retirement System of Ohio.

Section 1.27 **State** means the State of Ohio.

Section 1.28 **Trustee** means the Board acting in its fiduciary role as trustee of the Fund.

ARTICLE II ELIGIBILITY

Section 2.1 **Eligible Persons**. Eligible Persons include those age and service retirants, disability benefit recipients, or beneficiaries receiving a monthly benefit who meet the eligibility requirements set forth in Section 3309.69 of the Ohio Revised Code and rules adopted by SERS.

Section 2.2 **Eligible Dependents**. Eligible Dependents include those individuals who meet the eligibility requirements for dependents set forth in Section 3309.69 of the Ohio Revised Code and rules adopted by SERS.

Section 2.3 **Determinations of Eligibility**. The Plan Sponsor reserves the right to request verification of a dependent child's age or status as a disabled dependent child upon initial enrollment and from time to time thereafter as the Plan Sponsor or Plan Administrator may require. The Plan Sponsor shall have the right in its sole discretion, to make all determinations involving eligibility, except for the determination of permanently and totally disabled for purposes of determining a dependent's eligibility, which shall be made by the Plan Administrator.

ARTICLE III PARTICIPATION

Section 3.1 **Participation**. Each Eligible Person (and as applicable each Eligible Dependent) shall begin participation in the Plan as provided in applicable provisions of the Ohio Revised Code and rules adopted by SERS. Upon becoming eligible in accordance with the provisions of Article II, each Eligible Person as described under Section 2.1 may apply for health care coverage for himself or herself (and on behalf of an Eligible Dependent, as applicable) on forms designated by the Plan Sponsor and/or Plan

Administrator. In addition, an Eligible Person who does not enroll in the Plan upon first becoming eligible may be permitted to make a later election under Section 3.2 as provided in rules adopted by SERS.

Section 3.2 Enrollment After Waiver. Enrollment After Waiver means the period specified by the Plan Sponsor when each Eligible Person (and as applicable each Eligible Dependent) who has not previously enrolled and who has waived coverage in the Plan, or whose coverage was cancelled, shall be given the opportunity to enroll in the Plan. This opportunity shall be given only as authorized in Chapter 3309 of the Ohio Revised Code or in rules adopted by SERS.

Section 3.3 Open Enrollment Period. An election of benefits shall remain in effect for the remainder of the Plan Year. During the Annual Open Enrollment Period established by the Plan Sponsor, each Eligible Person who is enrolled in the Plan shall be given the opportunity to select among the available coverage options.

Section 3.4 Cessation of Participation. Subject to any continuation of coverage rights that may otherwise be available under federal and state law, the participation in the Plan by any Participant (and as applicable any Eligible Dependent) shall terminate as provided in applicable provisions of the Ohio Revised Code and rules adopted by SERS.

Section 3.5 Individuals With Available Coverage from Another Ohio Public Retirement System. An individual may not participate in the Plan if they are eligible for coverage from another Ohio public retirement system under the circumstances described in the rules adopted by SERS.

ARTICLE IV CONTRIBUTIONS AND FUNDING

Section 4.1 Contribution by Covered Person. Contributions shall be required for Covered Persons in an amount as determined from time to time by the Board.

Section 4.2 Employer Contributions. The Employer contribution rate shall be established by the Board from time to time pursuant to Chapter 3309 of the Ohio Revised Code and the Board Funding Policy.

Section 4.3 Health Care Fund.

- (a) The Fund established pursuant to Chapter 3309, Ohio Revised Code is a separate trust fund, established in compliance with Internal Revenue Code Sections 105(e) and 115. It is intended that the income accruing to the Fund shall be excluded from income for tax purposes, as such trust income is derived from the exercise of an essential governmental function as provided for under Section 115(1) of the Code, Revenue Rulings 77-261 and 90-74, and other relevant guidance.

- (b) The Fund is funded by employer contributions to provide medical care as defined in Internal Revenue Code Section 213(d) to Covered Persons as defined herein. Additional funding consists of federal subsidies, investment income, and Covered Person premiums, copays, and deductibles.
- (c) The Fund is a separate and distinct trust fund administered by the School Employees Retirement System of Ohio ("SERS") and exists for the sole purpose of providing health benefits directly or through insurance to retired employees and their spouses and dependents of Ohio public school employers. Fund assets shall not be used to satisfy the claims of any creditor of SERS, any Employer, the State, or any other person or entity. At no time shall any part of the Fund be used for, or diverted to, purposes other than for the exclusive benefit of Covered Persons, as provided herein and to provide benefits under the Plan and defray the reasonable expenses of administering the Fund and the Plan. No part of the Fund's net earnings may inure to the benefit of a private person. No portion of the principal or income of this Fund shall revert to SERS, any Employer, the State, or any other person or entity except in a manner consistent with the irrevocability of contributions under the Code and GASB 74 or 75. In no event will Fund assets be distributed to or revert to any entity that is not a state, a political subdivision of a state, or an entity whose income is excluded from gross income under Code Section 115. Private parties do not participate in or benefit from the operation of the Fund.
- (d) The contributions made by Employers and Covered Persons and all investments, receipts, disbursements, and other transactions thereunder may be maintained in a common account, which contributions shall be used solely for the payment of benefits, expenses and other charges properly allocable to the Fund.
- (e) The Trustee shall disburse amounts from the Fund for the sole purpose of assisting in the payment of Plan benefits for Covered Persons and for reasonable expenses, fees and allocated administrative fees and expenses.
- (f) Any amounts remaining in the Fund after all benefits under the Plan, fees and expenses have been paid shall be retained for payment of future benefits until all Employer liabilities for such benefits have been satisfied.
- (g) The Trustee may incur reasonable administrative expenses, which shall be payable from the assets of the Fund.
- (h) The Trustee of the Fund shall be the School Employees Retirement Board ("Board"). The administration and management of the Plan and Fund are vested in the Trustee.

- (1) The Trustee, in administering the Fund, shall have such power and authority (including discretion with respect to the exercise of that power and authority) as may be necessary, advisable, desirable, or convenient to the Trustee, in its discretion as trustee and investment fiduciary subject to the provisions of this Plan and Trust, and consistent with the Revised Code of Ohio, including, without limitation, the following powers and authority: to accept contributions, invest the assets of the Fund, to pay benefits under the Plan, to sue and be sued, plead and be impleaded, contract and be contracted with and to do all things necessary to carry out the Plan and administer the Fund. Without limiting the foregoing, the Trustee may invest and reinvest funds held by the Fund in any investments which are legal investments under Ohio law and shall have the discretion to decide the allocation of funds among such investments. The Trustee may purchase, acquire, hold, lease, sell, and convey real and personal property, and place funds held herein with banks or trust companies which have corporate trust powers, with insurance companies authorized to do business within the State, and do all such other acts as are permitted by law.
- (2) In addition to the powers stated in subsection (1), the Trustee may from time-to-time delegate to an individual, committee, or organization certain of its fiduciary responsibilities under the Fund. Any such individual, committee, or organization shall remain a fiduciary until such delegation is revoked by the Trustee, which revocation may be without cause and without advance notice. Such individual, committee, or organization shall have such power and authority with respect to such delegated fiduciary responsibilities as the Trustee has under the Fund.
- (3) The Trustee shall have no duties other than those expressly set forth in this Plan and Trust and those imposed on the Trustee by applicable laws. The Trustee shall not be responsible for any federal, state or local income, payroll or other tax consequence to an Employer or any Covered Person and shall not be responsible for any tax reporting obligation relating to payments or disbursements to such persons. The Trustee shall be responsible only for money and property received by the Fund. No Trustee member shall have any liability for the acts or omissions of any predecessor or successor in office. The Trustee shall have no liability for (i) the acts or omissions of any investment manager or managers; (ii) the acts or omissions of any insurance company; (iii) the acts or omissions of any investment fund; (iv) the acts or omissions of any custodian; or (v) the acts or omissions of any contractor. Neither the Trustee, nor any

of its individual members or their representatives, shall be liable for any error of judgment, mistake, or omission made in good faith, but only for negligence or willful misconduct in the performance of their duties hereunder and only to the extent allowed by applicable state and federal law.

- (i) This Fund may be amended by the Trustee at any time and in any manner permitted by applicable Ohio law and not inconsistent with GASB 74 and 75 or Code Section 115. Notice of such Amendment shall be promptly provided to the custodian.
- (j) This trust agreement and the Fund created hereby is irrevocable.
- (k) The Fund shall have perpetual existence, except if dissolved by the Trustee. Following any such dissolution, the Trustee shall proceed to wind up the affairs of the Trust in an orderly manner and within a reasonable period considering relevant circumstances. After paying or making reasonable provision for the payment of all liabilities of the Fund, and upon receipt of such releases, indemnities or like documentation as the Trustee may reasonably deem necessary for the protection of the Trustee, the Trustee shall distribute the remaining property of the Fund, in cash or in kind or partly each, for the sole purpose of assisting in the payment of benefits for Eligible Persons and Eligible Dependents, and for related reasonable expenses, fees and allocated administrative fees and expenses. Upon the satisfaction of all liabilities under the Fund, any remaining assets shall revert to SERS. In no event will Fund assets be distributed to or revert to any entity that is not a state, a political subdivision of a state, or an entity whose income is excluded from gross income under Code Section 115.

ARTICLE V PLAN COVERAGE

Section 5.1 Coverage The Plan provides health care insurances and coverages through the Component Health Care Plans. Eligible Persons and Eligible Dependents in the Plan shall be entitled solely to such insurance and coverage as are provided and determined under the terms of a Component Health Care Plan as provided in the applicable Component Health Care Plan Documents.

Section 5.2 Funding of Coverage Coverage under the Plan shall be funded by the Health Care Fund, Required Covered Person Contributions and other permissible contributions, and coverage may be provided through Insurance Contracts, self-insured arrangements or through such other methods or combination of methods that the Board may determine.

ARTICLE VI TREATMENT UNDER LAWS

Section 6.1 Plan for Purposes of PHSA. Only those Component Health Care Plans that provide "medical care" as defined in PHSA Section 2791(a)(2) and that are not exempted by the PHSA shall be subject to the PHSA, and all Component Health Care Plans subject to the PHSA shall be a single "group health plan" as defined in PHSA Section 2791(a)(1).

Section 6.2 Plan for Purposes of COBRA. Only those Component Health Care Plans that provide medical care coverage and are not exempted by COBRA shall be subject to COBRA, and all such Component Health Care Plans subject to COBRA be a single "group health plan" as defined in PHSA Section 2208(1). Upon a qualifying event, however, a qualified beneficiary may elect continuation coverage for only the Component Health Care Plan that he or she is receiving on the day before a qualifying event.

Section 6.3 Plan for Purposes of HIPAA. Only those Component Health Care Plans that are not exempted from HIPAA shall be subject to the requirements of HIPAA and all Component Health Care Plans subject to the requirements of HIPAA shall be a single "group health plan" as described in PHSA Section 2791(a)(1). For purposes of Title II of HIPAA (the Administrative Simplification provisions including the privacy, security and electronic transactions provisions), only those Component Health Care Plans, or portions thereof, listed on Appendix C as health care components shall be subject to Title II of HIPAA and all such Component Health Care Plan or portions thereof shall be a single "group health plan" as defined in 45 C.F.R. Section 160.103. To the extent not otherwise documented, the foregoing shall constitute hybrid entity and affiliated covered entity elections pursuant to HIPAA's administrative simplification regulations. The Component Health Care Plans or portions thereof described in this Section shall also be treated as an organized health care arrangement under those regulations.

Section 6.4 Plan for Purposes of Code. All Component Health Care Plans that provide health care coverage shall be a single "group health plan" as defined in Code Section 5000(b)(1). Each Component Health Care Plan that does not provide health care coverage shall be a separate plan for purposes of the Code. A Component Health Care Plan is the same type of coverage for purposes of the Code as if it were offered separately from the Plan.

ARTICLE VII BENEFITS

The benefits available to a Participant shall be only those specified in the Applicable Benefit Description under which the Participant has elected to receive Plan benefits. The provisions of the Applicable Benefit Description are hereby incorporated by reference hereunder and made a part hereof for purposes of determining the benefits provided to or on behalf of a Participant or his/her Eligible Dependents. The rights and conditions with respect to the benefits shall be determined exclusively from such Applicable Benefit Description, except as otherwise indicated in this Plan document. Any co-pay, deductibles, and out-of-pocket expenses, shall be determined exclusively from such Applicable Booklets.

In no event shall any expenses incurred due to on-the-job injuries or illnesses be covered by this Plan.

ARTICLE VIII PROTECTED HEALTH INFORMATION

Section 8.1 Application of Article. This Article describes the obligations of the Plan under the Administrative Simplification provisions of HIPAA for each Component Health Care Plan that is a "health care component" as defined in 45 C.F.R. § 164.103.

Section 8.2 Disclosure of Protected Health Information by the Plan. The Plan has received a certification by SERS that the Plan document has been amended to incorporate provisions required under 45 C.F.R. § 164.504(f)(2)(ii) and the agreement of SERS to abide by those provisions. Therefore, the Plan (or a health insurance issuer, an HMO or Business Associate with respect to the Plan) may disclose to SERS:

- (a) Protected Health Information pursuant to a valid authorization executed by the individual who is the subject of the Protected Health Information to be disclosed to his or her authorized personal representative (as defined in 45 C.F.R. § 164.502(g));
- (b) Summary Health Information (as defined in 45 C.F.R. § 164.504(a)), for the purpose of:
 - (1) obtaining premium bids from health plans for providing health insurance coverage under the Plan; or
 - (2) modifying, amending, or terminating the Plan;
- (c) Information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled from a Component Health Care Plan, from a health insurance issuer, HMO or offered by the Plan or from a Business

Associate that maintains enrollment information;

- (d) Protected Health Information to carry out the Plan administration functions that SERS performs as described in Section 8.3; and
- (e) Protected Health Information in accordance with any other provisions of HIPAA.

Section 8.3 Permitted and Required Uses and Disclosures of Protected Health Information.

If the Plan discloses Protected Health Information to SERS, SERS may use and disclose the Protected Health Information to carry out Payment activities and Health Care Operations (each as defined in 45 C.F.R. § 164.501) to the extent allowable under the Administrative Simplification provisions of HIPAA. Without limiting the foregoing, SERS may use and disclose Protected Health Information for the following administration functions and activities of the Component Health Care Plans:

- (a) auditing the Plan;
- (b) auditing the Plan's health insurance issuers, claims administrators and third-party service providers;
- (c) claims processing;
- (d) assisting individuals with determining what is covered under the Plan or a Component Health Care Plan;
- (e) performing quality assurance;
- (f) investigating and pursuing fraudulent acts against the Plan; and any other payment or health care operations.

Section 8.4 Restrictions on Disclosure of Protected Health Information by the Plan to SERS.

If the Plan discloses Protected Health Information to SERS, SERS shall:

- (a) not use or further disclose Protected Health Information other than as permitted or required by the documents for the Plan or as required by law;
- (b) ensure that any agents, including a subcontractor, to whom it provides Protected Health Information received from the Plan agree to the restrictions and conditions that are no less protective and that apply to SERS with respect to such information;
- (c) not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other coverage or benefit Plan of SERS;

- (d) report to the Plan any use or disclosure of Protected Health Information that is inconsistent with the uses and disclosures provided for, of which it becomes aware;
- (e) make available Protected Health Information in accordance with 45 C.F.R. § 164.524;
- (f) make available Protected Health Information for amendment and incorporate any amendments to Protected Health Information in accordance with 45 C.F.R. § 164.526;
- (g) make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528;
- (h) make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Secretary of the Department of Health and Human Services for purposes of determining compliance by the Plan with 45 C.F.R. Part 164, Subpart E;
- (i) if feasible, return or destroy all Protected Health Information received from the Plan that SERS still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- (j) ensure that adequate separation between the Plan and SERS is established in accordance with Section 8.5.

Section 8.5 Firewalls.

- (a) The following employees or classes of employees or other persons under the control of SERS shall be given access to Protected Health Information:
 - (1) Associates in the Member Services Department;
 - (2) Associates in the Information Technology Department; and
 - (3) Such other classes of individuals identified in the Plan's HIPAA policies and procedures.
- (b) The individuals or classes of individuals identified in Section 8.5(a) shall only be permitted access to, and use of, Protected Health Information for the administration functions that SERS performs for the Plan described in

Section 8.3.

- (c) If an individual or member of a class of individuals identified in Section 8.5(a) fails to comply with the provisions of this Section, SERS shall take such action as may be prescribed under the Plan's HIPAA policies and procedures.

Section 8.6 Security of Electronic Protected Health Information. SERS shall:

- (a) implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic Protected Health Information that it creates, receives, maintains or transmits on behalf of the Plan;
- (b) ensure that the adequate separation described in Sections 8.4(j) and 8.5 is supported by reasonable and appropriate security measures;
- (c) ensure that any agent, including a subcontractor, to whom the Plan's electronic Protected Health Information is provided agrees to implement reasonable and appropriate security measures to protect the information; and
- (d) report to the Plan any security incident relating to the Plan's electronic Protected Health Information of which it becomes aware.

Section 8.7 Definitions.

- (a) Solely for purposes of this Article, the term "Plan" includes the Board, SERS employees, Claims Administrators and any other person or entity acting on behalf of the Plan.
- (b) Terms used, but not otherwise defined, in this Article shall have the same meaning as those terms have in 45 C.F.R. §§ 160.103, 162.103, 164.103, 164.304, 164.402, 164.501, 164.504(a) or other relevant provisions of HIPAA.

**ARTICLE IX
FEDERAL AND STATE LAW COMPLIANCE**

Notwithstanding anything in this Plan or the Applicable Benefit Description or Applicable Contract to the contrary, the Plan Administrator shall administer the Plan in accordance with all applicable federal and state laws.

ARTICLE X COORDINATION WITH MEDICARE

Section 10.1 Plan Coverage is Secondary to Medicare. To the extent allowable under applicable law, coverage under the Plan for an Eligible Person or Eligible Dependent who is eligible to be covered under Medicare shall be secondary to coverage of such Eligible Person or Eligible Dependent under Medicare. In such a case, the benefit payable under this Plan will be reduced by the greater of (i) the amount allowed and paid by Medicare, or (ii) the Medicare allowable amount if the Eligible Person or Eligible Dependent were enrolled in Medicare Part A and Part B.

Section 10.2 Eligibility for Medicare. An Eligible Person or Eligible Dependent is considered eligible for Medicare for the purposes of the Plan during any such period such Eligible Person or Eligible Dependent has coverage under Medicare or, while otherwise qualifying for coverage under Medicare, does not have such coverage solely because they have refused, discontinued, or failed to make any necessary application or payment for Medicare coverage.

Section 10.3 Coordination. To the extent an Eligible Person who is a SERS retiree is eligible for Medicare and the coverage for the Eligible Person is not secondary to Medicare, coverage under this Plan shall be primary.

ARTICLE XI COORDINATION WITH OTHER PLANS AND BENEFITS

Section 11.1 Applicability. This Plan shall be coordinated with all other plans under which an individual is covered for benefits, so that the total benefits available under both plans shall not exceed one hundred percent (100%) of the amount the individual was legally obligated to pay. The coordination rules shall be established by the Applicable Benefit Description or the Applicable Contract.

Section 11.2 Right to Receive and Release Needed Information. Certain facts are needed to apply these coordination of benefit rules. The Plan Administrator has the right to decide which facts it needs. It may get needed facts from or give them to any other organization or person. The Plan Administrator need not tell or get the consent of any person to do this. Each person claiming benefits under This Plan must give the Plan Administrator any facts the Plan Administrator or its designee needs to pay the claim.

Section 11.3 Facility of Payment. A payment made under another plan may include an amount which should have been paid under This Plan. If it does, the Plan Administrator may pay that amount to the organization which made that payment. That amount shall then be treated as though it were a benefit paid under this Plan. The Plan Administrator shall not have to pay that amount again. The term "payment made" includes providing benefits in the form of services, in which case "payment made" means reasonable cash value of the benefits provided in the form of services.

Section 11.4 Right of Recovery. If the amount of the payments made by the Plan Administrator is more than it should have paid under these coordination of benefit rules, it may recover the excess from one or more of:

- (a) the persons it has paid or for whom it has paid;
- (b) insurance companies; or
- (c) other organizations.

The “amount of the payments made” includes the reasonable cash value of any benefits provided in the form of services.

ARTICLE XII CLAIMS PROCEDURE

Section 12.1 Claims Review Procedure. The claim filing and review procedures of each Applicable Benefit Description and Applicable Contract shall apply with respect to the coverages therein described.

In addition, appeals of any claims denials for benefits under this Plan shall be subject to any administrative procedures which may be adopted by the Plan Administrator regarding such claims appeals. No claims determination by the Plan Administrator in favor of any Participant shall create a basis for retroactive adjustment for any other Participant. All rules, regulations, determinations, constructions and interpretations made by the Plan Administrator in accordance with the provisions of this Article shall be conclusive and binding on all persons to the maximum extent permitted by law.

Section 12.2 Exhaustion of Remedies. If a claimant fails to file a request for claims review in accordance with the procedures described in Section 10.1, such claimant shall have no rights to a review of the denial of his/her claim and shall have no right to bring action in any court, and the denial of the claim shall become final and binding on all persons for all purposes.

ARTICLE XIII ADMINISTRATION

Section 13.1 Duties of the Plan Sponsor. Subject to the authority contractually reserved to a health maintenance organization or insurance company that insures a Benefit Plan, the Plan Sponsor shall have the exclusive authority and responsibility:

- (a) To construe and interpret the Plan, and to resolve ambiguities, inconsistencies and omissions in accordance with the intent of the Plan;
- (b) To find facts and to grant or deny claims relating to enrollment and eligibility in accordance with the Plan;

- (c) In conjunction with the Plan Administrator, to prescribe procedures and forms to be followed by Participants in filing applications for benefits and for furnishing evidence necessary to establish their rights to benefits under the Plan;
- (d) In conjunction with the Plan Administrator, to prepare and distribute, in such manner as it determines to be appropriate, information explaining the Plan and the medical benefits covered under the Plan;
- (e) In conjunction with the Plan Administrator, to obtain from Participants and others such information as it shall deem to be necessary for the proper administration of the Plan;
- (f) In conjunction with the Plan Administrator, to take all steps to properly administer the Plan in accordance with its terms and the requirements of applicable law;
- (g) To execute any certificate, contract, instrument or other written direction on behalf of the Plan with respect to the administration of this Plan;
- (h) To appoint such accountants, counsel, specialists, third party administrators and other persons as it deems necessary or appropriate in connection with the administration of this Plan. In this regard, the Plan Sponsor may enter contracts with such parties if the Plan Sponsor determines such contracts are desirable in connection with the administration of the Plan; and
- (i) To establish rules for the administration and operation of the Plan.

Section 13.2 Duties of the Plan Administrator. Subject to the authority contractually reserved to a health maintenance organization or insurance company that insures a Benefit Plan, the Plan Administrator shall have exclusive authority and responsibility:

- (a) To determine the amount, manner and time of payment of any benefits under the Plan and to make benefit payments directly to Participants and/or their assignees entitled to benefits hereunder;
- (b) To find facts and to grant or deny claims relating to the payment or nonpayment of benefits in accordance with the Plan;
- (c) To enter contracts with health care providers and provider networks to offer discount arrangements with respect to medical benefits offered under this Plan;
- (d) In conjunction with the Plan Sponsor, to prescribe procedures and forms to be followed by Participants in filing applications for benefits and for

furnishing evidence necessary to establish their rights to benefits under the Plan;

- (e) In conjunction with the Plan Sponsor, to prepare and distribute, in such manner as it determines to be appropriate, information explaining the Plan and the medical benefits covered under this Plan;
- (f) In conjunction with Plan Sponsor, to obtain from Participants and others such information as it shall deem to be necessary for the proper administration of the Plan;
- (g) In conjunction with the Plan Sponsor, to take all steps to properly administer the Plan in accordance with its terms and the requirements of applicable law.

Section 13.3 Authority of the Plan Administrator. All procedures with respect to any of the duties and responsibilities described in Section 13.2 shall be promulgated by the Plan Administrator, and all such procedures and rules shall be conclusive and binding on all persons to the maximum extent permitted by law.

All decisions of the Plan Administrator with respect to the Plan's administration, including, but not limited to, interpretations of the Plan, benefit determinations, claims decisions, and questions concerning the administration and application of the Plan, shall be made by the Plan Administrator in its sole discretion, and all such determinations and decisions shall be conclusive and binding on all persons to the maximum extent permitted by law.

Section 13.4 Recordkeeping. The Plan Sponsor shall keep full and complete records of the administration of the Plan, and shall prepare such reports and such information concerning the Plan and the administration thereof as may be required under the Code and the regulations promulgated thereunder.

Section 13.5 Expenses. All expenses incurred by the Plan Sponsor for the administration of the Plan shall be paid by the Plan. Such expenses shall include any expenses incident to the functioning of the Plan, including, but not limited to, attorney fees, accounting and clerical charges, actuarial fees and other costs of administering the Plan.

Section 13.6 Delegation of Responsibilities. The Plan Sponsor shall have the authority to delegate from time to time, by a written instrument, all or any part of its responsibilities under this Plan to such person or persons as it may deem advisable, and in the same manner to revoke any such delegation of responsibility. Any action of a person in the exercise of such delegated responsibility shall have the same force and effect for all purposes hereunder as if such action had been taken by the Plan Sponsor. The Plan Sponsor shall not be liable for any acts or omissions of any such person, who

shall periodically report to the Plan Administrator concerning the discharge of the delegated responsibilities.

The employees of SERS are authorized to act for the Board in accordance with the Plan, the policies and rules adopted by the Board, as directed or approved by the Board, and in accordance with applicable federal and state law.

Section 13.7 Right to Receive and Release Necessary Information. The Plan Sponsor and the Plan Administrator may release or obtain any information necessary for the application, implementation and determination of this Plan or other plans without the consent of, or notice to, any person, to the extent permitted by law including but not limited to HIPAA and any applicable state law. Such information may be released to or obtained from any insurance company, organization, or person. Any individual claiming any benefit or right under this Plan shall release to the Plan Sponsor or Plan Administrator such information as the Plan Sponsor or Plan Administrator, in its sole and absolute discretion, determines to be necessary to implement this provision.

ARTICLE XIV SUBROGATION

The Covered Person must agree to reimburse the Plan for any benefits it has paid and for which such Covered Person is not eligible under the terms of the Plan. This payment is due and payable immediately upon notification by the Plan Administrator. The Plan Administrator has the sole right to determine whether any overpayments, wrong payments, or any excess payments made under this Plan are an indebtedness which may be recovered by the Plan by deducting it from any future benefits under the Plan, or any other coverage provided by the Plan. The Plan's acceptance of dues or payment of benefits under this Plan does not waive its rights to enforce these provisions in the future.

To the extent the Plan provides or pays benefits, and to the extent the selected coverage provides for subrogation, the Covered Person must agree that the Plan shall have a first lien on any settlement proceeds, and such Covered Person shall reimburse and pay the Plan, on a first-priority basis, from any money recovered by suit, settlement, judgment or otherwise from any third party or his or her insurer or from any carrier providing uninsured/under insured motorist coverage. The Covered Person must reimburse the Plan on a first-priority basis regardless of whether a lawsuit is filed or not and, if settled, regardless of how the settlement is structured or which items of damages are included in the settlement, and regardless of whether or not such Covered Person is made whole or is fully compensated for any injuries.

The Covered Person is required to hold in trust for the Plan any money (up to the amount of Benefits paid by the Plan) recovered as described above. Such Covered Person is required to cooperate and furnish information and assistance which the Plan may require to obtain this reimbursement, including signing legal documents.

The failure of any Covered Person to comply with this Section may result in termination of coverage under the Plan and/or legal action to enforce collection.

Nothing in this Section shall be construed as limiting in any way the right of an injured Covered Person to claim and receive Benefits under this Plan and also proceed against the third party causing or liable for the injury for which such benefits are paid.

ARTICLE XV ASSIGNMENT OF BENEFITS

Except as otherwise provided in an Applicable Benefit Description, and to the extent permitted by law, no benefit payable at any time under the Plan shall be assignable or transferable, or subject to any lien, in whole or in part, either directly or by operation of law, or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy, or in any other manner, and no benefit payable under the Plan shall be liable for, or subject to, any obligation or liability of any Covered Person. If any Covered Person entitled to a benefit under the Plan shall attempt to or shall alienate, sell, transfer, assign, pledge or otherwise encumber such benefit or any part thereof, or if by reason of his/her bankruptcy or other event happening at any time, such benefit would devolve upon anyone else or would not be enjoyed by him/her, then the Plan Administrator, in its discretion, may terminate the Covered Person's interest in any such benefit and hold or apply it to or for the Covered benefit or the benefit of his/her beneficiary in such manner as the Plan Administrator may deem proper.

ARTICLE XVI QUALIFIED MEDICAL CHILD SUPPORT ORDERS

The Plan shall provide benefits in accordance with the applicable requirements of a qualified medical child support order, as required by the federal or state law, received by the Plan. The Plan Sponsor shall establish written procedures in accordance with federal or state law to determine whether a medical child support order received by the Plan is a qualified child support order under federal or state law.

ARTICLE XVII RIGHT TO TERMINATE AND AMEND

Section 17.1 Amendment. SERS may amend the Plan and any Component Health Care Plan in the manner as provided by this Section.

- (a) SERS, by written action of the Board may, at any time but only to the extent permitted by law, amend, modify, merge, transfer a portion of the assets or liabilities of, the Plan, any Component Health Care Plan or any other component of the Plan, prospectively or retroactively, without prior notice to, or the consent of, any other party, including but not limited to any member of SERS, Eligible Person or Eligible Dependent. Any such

amendment shall be binding upon all parties, including but not limited to any member of SERS, Eligible Person, or Eligible Dependent.

- (b) SERS may take such actions as described in Section 17.1(a) with respect to any Component Health Care Plan unless a different procedure is set forth in the Insurance Contract or the document for the Component Health Care Plan.
- (c) The right to amend, modify, merge or terminate the Plan, as exercised under Section 17.1(a), shall be a power reserved to SERS as settlor and sponsor of the Plan, and no action taken pursuant to that right shall be subject to review or appeal by any person claiming a right under the Plan. SERS makes no promise regarding the maintenance or continuation of the Plan, any Component Health Care Plan, or any type of coverage including no promise regarding any specific level of coverage.
- (d) The Plan is authorized by Chapter 3309 of the Ohio Revised Code which may be amended at any time by the Ohio General Assembly. By such an amendment, the Ohio General Assembly may amend the Plan at any time.

Section 17.2 Termination.

- (a) The Board, to the extent permitted by law, may terminate the Plan, any Component Health Care Plan or any other component of the Plan, prospectively or retroactively, without prior notice to, or the consent of, any other party, including but not limited to any Eligible Benefit Recipient, Eligible Dependent, or member of SERS. Any such termination shall be binding upon all parties, including but not limited to any Eligible Person, Eligible Dependent, and member of SERS.
- (b) The Plan is authorized by Chapter 3309 of the Ohio Revised Code which may be amended or repealed at any time by the Ohio General Assembly. By such amendment or repeal, the Ohio General Assembly may terminate the Plan at any time.
- (c) Unless otherwise specified in a termination amendment, as of the effective date of the termination of the Plan, all participation in and coverage under the Plan shall cease. However, the other provisions of the Plan, including those regarding administration, review of claims and amendment and termination, shall continue in force after such termination date until all the affairs of the Plan are completely resolved and concluded. All assets of the Fund shall be used to pay claims of Eligible Person and Eligible Dependents for claims incurred prior to termination or to pay reasonable expenses of administration of the Plan. In the event that there are assets

remaining after the payment of all such coverage and expenses, such assets shall be paid as set forth in Sections 3309-1-35 and 3309-1-64 of the Administrative Code.

Section 17.3 Drafting Intent. If, due to any error, omission, inconsistency, misunderstanding or oversight in the drafting or preparation of this document or any amendment, any provision of this document that does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent as determined by SERS in its sole and exclusive judgment, the provision shall be interpreted in a fashion consistent with its intent as determined by SERS in its sole discretion. This document may be amended retroactively to reflect the intended meaning of the provision in question. This Section 17.3 may not be invoked by any other person to permit, or to require, the Plan to be so interpreted or to require any amendment to this document.

ARTICLE XVIII GENERAL PROVISIONS

Section 18.1 Participant's Responsibility. Each Participant shall provide the Plan Administrator and Plan Sponsor with such information and documentation as may be requested upon his/her initial eligibility to participate herein and from time to time thereafter for purposes of operating and administering the Plan in accordance with its provisions. Failure to timely provide such information and documentation shall constitute sufficient basis upon which the Plan Administrator or Plan Sponsor may, in its sole and absolute discretion, delay or deny participation in, or benefits under, the Plan and take, or cause to be taken, such other action as the Plan Administrator or Plan Sponsor, in its sole and absolute discretion, determines necessary or appropriate for purposes of operating and administering the Plan. Each Participant shall be responsible for providing the Plan Administrator and Plan Sponsor with his/her current address. Any notices required or permitted to be given hereunder shall be deemed given if directed to such address and mailed by regular United States mail. The Plan Administrator and Plan Sponsor shall not have any obligation or duty to locate a Participant.

Section 18.2 Payment to Representative. Except as otherwise provided in the Applicable Booklet, in the event that a guardian, conservator, committee or other legal representative has been duly appointed for a Covered Person to any payment under the Plan, any such payment may be made to the legal representative making claim therefore, and such payment so made shall be in complete discharge of the liabilities of the Plan therefore and the obligations of the Plan Administrator and Plan Sponsor under the Plan.

Section 18.3 Forms of Communication. If a written election or consent is not specifically required by the Code or other applicable law, the Plan Administrator or Plan Sponsor may prescribe or permit a verbal, electronic, or telephonic instruction in lieu of or in addition to a written form. The Plan Administrator or Plan Sponsor shall not incur any liability acting upon any notice, request, signed letter, telegram, or other paper or document, or verbal,

telephonic, or electronic transmission believed by the Plan Administrator or Plan Sponsor to be genuine or to be executed or sent by an authorized person.

Section 18.4 Interpretation. In resolving any conflict between provisions of this Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that (i) causes the Plan to comply with all applicable requirements of the Code, including Code Section 105(e), and (ii) causes the Plan to comply with other applicable federal law and with Ohio laws shall prevail over other interpretation.

Section 18.5 Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Ohio or the United States, to the extent such laws are applicable to the Plan.

Section 18.6 Misrepresentation. Any material misrepresentation on the part of the Covered Person in making application for coverage, or reclassification of coverage, or in applying for and/or for obtaining benefits under the Plan, shall render the coverage null and void ab initio.

Section 18.7 Fraudulent Claims. If any person files a fraudulent claim for benefits under the Plan, the Plan Sponsor, in its sole discretion, may cause such person and all members of his/her immediate family to forfeit all rights to participate in the Plan.

Section 18.8 Receipt and Release. Any payments to any Covered Person shall, to the extent thereof, be in full satisfaction of the claim of such Covered Person being paid thereby and the Plan may condition payment thereof on the delivery by the Covered Person of the duly executed receipt and release in such form as may be determined by the Plan.

Section 18.9 Right of Recovery. If the Plan Administrator makes any payment that according to the terms of the Plan should not have been made, it may recover that incorrect payment, whether or not it was made due to the Plan's, Plan Sponsor's or Plan Administrator's own error, from the person to whom it was made or from any other appropriate party. If any such incorrect payment is made directly to a Covered Person, the Plan or the Plan Administrator may deduct it when making future payments directly to that Covered Person.

Section 18.10 Limitation of Rights and Obligations. Neither the establishment nor maintenance of the Plan nor any amendment thereof, nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

- (a) as conferring upon any Covered Person, beneficiary or any other person a right or claim against the Plan, Plan Sponsor, or the Plan Administrator, except to the extent that such right or claim shall be specifically expressed and provided in the Plan or provided under the Act;

- (b) as creating any responsibility or liability of the Plan, Plan Sponsor, or Plan Administrator for the validity or effect of the Plan; or
- (c) as a contract or agreement between the Plan, Plan Sponsor, or Plan Administrator and any Covered Person or other person.

Section 18.11 Notice. Any notice given under the Plan shall be sufficient if given to the Plan Administrator, when addressed to it at its office; or if given to the Plan Sponsor, when addressed to its office; or if given to a Covered Person, when addressed to the Eligible Person at his or her address as it appears on the records of the Plan Administrator or Plan Sponsor,

Section 18.12 Legal Counsel. The Plan and/or its designee may from time-to-time consult with counsel, who may be counsel for the Plan, and shall be fully protected in acting upon the advice of such counsel.

Section 18.13 Evidence of Action. Any action by the Plan Sponsor pursuant to any of the provisions of the Plan shall be evidenced by resolution of its governing body, and the Plan Administrator shall be fully protected in acting in accordance with such resolution so certified to it.

Section 18.14 Legal Actions. If the Plan is made a party to any legal action regarding the Plan, except for a breach of fiduciary responsibility of such person or persons, any and all costs and expenses, including reasonable attorneys' fees, incurred by the Plan in connection with such proceeding shall be paid from the assets of the Plan.

Section 18.15 Reliance. The Plan Administrator or Plan Sponsor shall not incur any liability in acting upon any notice, request, signed letter, telegram, or other paper or document believed by it to be genuine or to be executed or sent by an authorized person.

Section 18.16 Disclaimer of Liability. Nothing contained herein shall confer upon a Covered Person any claim, right, or cause of action, either at law or at equity, against the Plan, Plan Administrator, or Plan Sponsor, for the acts or omissions of any health care provider from whom a Covered Person receives care, services, or supplies under the Plan.

Section 18.17 Entire Plan. This document, the Applicable Benefit Descriptions, the Applicable Contracts, and the governing statutes and administrative rules shall constitute the only legally governing documents for the Plan. All statements made by the Plan, Plan Sponsor, or Plan Administrator shall be deemed representations and not warranties and do not alter the terms and conditions of the Plan.

Section 18.18 Severability of Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other

provision hereof, and this Plan shall be construed and enforced as if such provision had not been included.

James Rossler
Chair, Board of Trustees of SERS

Date

APPENDIX A
COMPONENT HEALTH CARE PLANS

Name

Each benefit package through Aetna

Each benefit package through Aultcare

Each Prescription Drug Plan through Express Scripts, Inc.

Each benefit package through UMR

Each benefit package through Delta Dental

Each benefit package through Vision Service Plan (VSP)

APPENDIX B
COMPONENT HEALTH CARE PLAN DOCUMENTS

Order of Precedence	Vendor	Documents
1	Aetna	Evidence of Coverage and Schedule of Copayments/Coinsurance and Booklet and Schedule of Benefits
1	Aultcare	Evidence of Coverage and Schedule of Copayments/Coinsurance and Booklet and Schedule of Benefits
1	Express Scripts, Inc	Evidence of Coverage (PDP) and Prescription Drug Plan Description
1	UMR	Plan Schedule
1	Vision Service Plan	Schedule of Benefits
1	Delta Dental	Certificate of Coverage

APPENDIX C
COMPONENT HEALTH CARE PLANS SUBJECT TO THE
HIPAA PRIVACY AND SECURITY RULES

For purposes of compliance with HIPAA's privacy and security provisions, the Plan is a "hybrid entity" within the meaning of 45 C.F.R. 164.103. The Component Health Care Plans that are "health care components" include:

- Each benefit package through Aetna
- Each benefit package through Aultcare
- Each Prescription Drug Plan through Express Scripts, Inc.
- Wraparound HRA through UMR
- Each benefit package through Delta Dental
- Each benefit package through Vision Service Plan (VSP)
- Any other Component Health Care Plan that would be a "covered entity" (as defined in 45 C.F.R. § 160.103) if it were a separate legal entity.

In addition, the health care components of the Plan identified above, the insurance carriers for the health care components are an "affiliated covered entity" within the meaning of 45 C.F.R. § 164.105(b).

Memo

To: Retirement Board
From: SERS Legal
cc: Richard Stensrud
Date: October 3, 2025
Re: Administrative Rules

Three categories of resolutions on Administrative Rules are on the October Board Agenda.

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

- **3309-1-64 Dental and vision coverage.**

Because approximately fifty per cent of the existing text of this rule is being stricken and replaced with a comparable amount of new text, the rule is being rescinded and a new rule proposed.

II. Approval to file with JCARR the following proposed new administrative rule:

- **3309-1-64 Dental and vision coverage.**

This rule address dental and vision eligibility and coverage. The proposed amendments include updated references to the proposed amended health care rule, 3309-1-35. Other amendments include provisions regarding the overpayment/underpayment of premiums for dental and vision coverage and SERS' ability to recover amounts owed due to underpaid premiums. This language now mirrors the overpayment/underpayment section in the health care rule, 3309-1-35.

III. Approval to file with JCARR the following proposed amended rules:

- **3309-1-09 Federal taxation.**

This rule contains provisions relevant to SERS' compliance with federal tax law. Last December amendments were made to this rule in response to the changes in the SECURE 2.0 Act, which changed the applicable age for required minimum distributions and new language that clarified that SERS will only force a required minimum distribution when it has accurate contact information for the member or retiree.

In these proposed amendments, a reference to the federal law establishing the "applicable age" will be used instead of using the specific age. This is necessary because the applicable age has been changing frequently, so the rule will always be in compliance with federal law. [Section 3309-1-09(A)(1) formerly (B)(2)(b)].

The method of applying the actuarial assumptions, the limits, the definition of compensation, and how adjustments are made for early retirement as required by sections 415(b)(2)(E) and 417(e)(3) of the Internal Revenue Code has been added to the rule. [Section 3309-1-09(D)].

"Surviving spouse" has been added to the language that clarified that SERS will only force a required minimum distribution when it has accurate contact information for the member or retiree. [Section 3309-1-09(C)].

Other language has been updated to reflect the current tax laws. Due to the complexity of SECURE 2.0, SERS Legal worked with outside tax counsel on the SECURE 2.0 amendments.

- **3309-1-10 Mandatory direct deposit.**

This rule sets forth the requirement that all SERS retirement allowances and benefits must be paid by direct deposit. In order to facilitate this, SERS must receive all required financial information from the recipient. There are three proposed amendments. Two of the proposed amendments intend to decrease fraud by enabling SERS to verify account details and exercise discretion when accepting direct deposit instructions. The third proposed amendment relates to instances when an individual requests an exemption from the direct deposit requirement. If SERS approves the exemption and is charged fees as a result, the individual may be responsible for such fees.

- **3309-1-35 Health care.**

This rule outlines SERS health care eligibility, enrollment, coverage and cancellation of such coverage. The proposed amendments include revising language and reorganizing sections of the rule to improve clarity. The counseling requirement is now outlined in a separate provision that details which individuals must complete counseling, timelines for such completion and other necessary steps in order to enroll in SERS health care coverage. Additionally, the termination of eligibility for health care coverage is addressed in a new separate provision. The current rule outlines who is eligible for a premium subsidy and an amendment has been proposed to define the term "premium subsidy."

Additional proposed amendments include clarifying provisions regarding enrollment, waiver and cancellation of coverage. One proposed amendment addresses enrollment after involuntary cancellation of other health care plans. An age and service retiree's or disability benefit recipient's eligible spouse or child may enroll in SERS health care coverage within thirty-one days of involuntary cancellation of their health care coverage under another plan, which now includes Medicaid or Medicare premium assistance plans. An additional proposed amendment makes clear that a non-Medicare eligible spouse must sign a written waiver request along with the benefit recipient in order to waive the spouse's SERS health care coverage. The last proposed amendment refers to if a dependent is enrolled in SERS health care coverage, and the member, disability benefit recipient or age and service retiree passes away, the dependent must submit a new application to continue their coverage within ninety days, or the coverage will be cancelled.

- **3309-1-65 Medicare part B reimbursement account.**

This rule outlines the eligibility, contribution limits and utilization requirements for SERS' Medicare part B reimbursement account. The proposed amendment updates a citation to the proposed amended health care rule, 3309-1-35.

Please call Jennifer Jones at 614-222-5810 or Britani Galloway at 614-222-5924 if you have any questions before the meeting.

FILING OF PROPOSED RESCINDED ADMINISTRATIVE RULE

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed rescinded rule: 3309-1-64 Dental and vision coverage.

_____ moved and _____ seconded that proposed rescinded rule 3309-1-64 be filed with JCARR as discussed.

3309-1-64 Dental and vision coverage.

(A) Definitions

- (1) "Benefit recipient," "Member," "Age and service retirant," "Disability benefit recipient," and "Dependent" shall have the meanings set forth in paragraph (A) of rule 3309-1-35 of the Administrative Code.
- (2) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment for the recipient or the recipient's eligible dependents.

(B) Eligibility

A person is eligible for dental or vision coverage under this rule so long as the person meets the eligibility requirements in section 3309.69 of the Revised Code and paragraph (B)(1) of rule 3309-1-35 of the Administrative Code for the retirement system's health care coverage.

(C) Enrollment

- (1) An eligible benefit recipient may only enroll in a dental or vision plan as follows:
 - (a) At the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefit pursuant to section 3309.45 of the Revised Code;
 - (b) At the time the benefit recipient reinstates previously waived or cancelled health care coverage as provided in paragraph (I) of rule 3309-1-35 of the Administrative Code;
 - (c) Within thirty-one days after involuntary termination of another dental or vision plan; or,
 - (d) During the retirement system's open enrollment period.
- (2) An eligible dependent of an age and service retirant or disability benefit recipient may only enroll in a dental or vision plan as follows:
 - (a) At the time the age and service retirant or disability benefit recipient enrolls in the plan;

(b) During the retirement system's open enrollment period so long as the age and service retirant or disability benefit recipient is also enrolled in the plan; or

(c) Within thirty-one days after involuntary termination of another medical, dental, or vision plan, so long as the age and service retirant or disability benefit recipient is also enrolled in the plan.

(D) A person's dental or vision coverage shall be cancelled when:

(1) The person ceases to qualify as one of the persons listed in paragraph (B)(1) of rule 3309-1-35 of the Administrative Code;

(2) The coverage of a dependent is cancelled when the coverage of a benefit recipient is cancelled;

(3) The person's coverage is cancelled for default as provided in paragraph (F) of this rule;

(4) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45, division (F) of section 3309.39, division (D) of section 3309.41, or division (D) of section 3309.392 of the Revised Code; or

(5) The benefit recipient elects to cancel the coverage during the open enrollment period.

(E) Effective date of coverage

(1) When a benefit recipient elects to enroll in dental or vision coverage during an open enrollment period, the effective date of coverage shall be the first day of the calendar year following the open enrollment period.

(2) When a benefit recipient elects to enroll in dental or vision coverage upon receipt of a benefit, the effective date of coverage shall be as follows:

(a) For a disability benefit recipient or dependent of a disability benefit recipient, the coverage shall be effective on the first day of the month following approval of the benefit or the benefit effective date, whichever is later.

(b) For an age and service retirant or dependent of an age and service retirant, the coverage shall be effective on the first day of the month following the date that the retirement application is filed with the retirement system or the benefit effective date, whichever is later.

(c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retirant, the coverage shall be effective on the effective date of the benefit if the appropriate

application is received within three months of the date of the member's or retirant's death, or the first day of the month following the date that the appropriate application is received if not received within three months of the date of the member's or retirant's death.

(F) Premiums

- (1) Payment of premiums shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.
- (2) Premium payments billed to a benefit recipient shall be deemed in default after the unpaid premiums for coverage under this rule and health care coverage under rule 3309-1-35 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums. The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage. The benefit recipient shall be ineligible for reinstatement of coverage until payment for the total amount in default is received.

HISTORY: 4/30/23, 6/5/20, 5/3/19, 1/1/14

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.69
Review Date: 2/1/28

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Daniel Wilson	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Rebekah Roe	_____	_____	_____

Aimee Russell
Frank Weglarz
James Rossler

_____	_____	_____
_____	_____	_____
_____	_____	_____

FILING OF PROPOSED NEW ADMINISTRATIVE RULE

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed new administrative rule: 3309-1-64 Dental and vision coverage.

_____ moved and _____ seconded that proposed new rule 3309-1-64 be filed with JCARR as discussed.

3309-1-64 Dental and vision coverage.

(A) Definitions

- (1) "Benefit recipient," "Member," "Age and service retirant," "Disability benefit recipient," and "Dependent" shall have the meanings set forth in paragraph (A) of rule 3309-1-35 of the Administrative Code.
- (2) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment in SERS dental and vision coverage for the recipient or the recipient's eligible dependents.

(B) Eligibility

A person is eligible for dental or vision coverage under this rule so long as the person meets the eligibility requirements in section 3309.69 of the Revised Code and paragraph (B)(1) of rule 3309-1-35 of the Administrative Code for the retirement system's health care coverage.

(C) Enrollment

- (1) An eligible benefit recipient may only enroll in a dental or vision plan as follows:
 - (a) At the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefit pursuant to section 3309.45 of the Revised Code;
 - (b) At the time the benefit recipient reinstates previously waived or cancelled health care coverage as provided in paragraph (J) of rule 3309-1-35 of the Administrative Code;
 - (c) Within thirty-one days after involuntary termination of their own or a spouse's dental or vision plan; or,
 - (d) During the retirement system's open enrollment period.
- (2) An eligible dependent of an age and service retirant or disability benefit recipient may only enroll in a dental or vision plan as follows:
 - (a) At the time the age and service retirant or disability benefit recipient

enrolls in the dental and vision plan;

(b) During the retirement system's open enrollment period so long as the age and service retiree or disability benefit recipient is also enrolled in the dental and vision plan; or

(c) Within thirty-one days after involuntary termination of another medical, dental, or vision plan, so long as the age and service retiree or disability benefit recipient is also enrolled or requesting enrollment in the SERS dental or vision plan.

(D) Effective date of coverage

(1) When a benefit recipient elects to enroll in dental or vision coverage during an open enrollment period, the effective date of coverage shall be the first day of the calendar year following the open enrollment period.

(2) When a benefit recipient elects to enroll in dental or vision coverage upon receipt of a benefit, the effective date of coverage shall be as follows:

(a) For a disability benefit recipient or dependent of a disability benefit recipient, the coverage shall be effective on the first day of the month following approval of the benefit or the benefit effective date, whichever is later.

(b) For an age and service retiree or dependent of an age and service retiree, the coverage shall be effective on the first day of the month following the date that the retirement application is filed with the retirement system or the benefit effective date, whichever is later.

(c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retiree, the coverage shall be effective on the effective date of the benefit if the appropriate application is received within three months of the death of the member, disability benefit recipient or age and service retiree, or the first day of the month following the date that the appropriate application is received if not received within three months of the death of the member, disability benefit recipient or age and service retiree.

(E) Cancellation of dental and vision coverage

(1) A person's dental or vision coverage shall be cancelled under the following circumstances:

(a) The person ceases to qualify as one of the persons listed in paragraph (B)(1) of rule 3309-1-35 of the Administrative Code;

(b) The dental and vision coverage of a dependent is cancelled when the dental and vision coverage of a benefit recipient is cancelled;

- (c) The person's dental and vision coverage is cancelled for default as provided in paragraph (F) of this rule;
- (d) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45, division (F) of section 3309.39, division (D) of section 3309.41, or division (D) of section 3309.392 of the Revised Code;
- (e) The benefit recipient elects to cancel the coverage during the open enrollment period; or
- (f) The enrolled eligible dependent of a deceased member, deceased disability benefit recipient or deceased age and service retiree fails to submit the appropriate application to continue dental and vision coverage to the system within three months of the death of the member, disability benefit recipient or age and service retiree.

(F) Premiums

- (1) Payment of premiums for dental and vision coverage shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.
- (2) If the retirement system determines that any premium has been calculated incorrectly, the system will recalculate the premium to the correct amount. The recalculated premium will begin on the next payment date.
 - (a) If the recalculation results in a decreased premium, the retirement system shall pay the recipient the cumulative difference between the original calculation and the recalculation in a one-time lump-sum.
 - (b) If the recalculation results in an increased premium, the recipient shall pay to the retirement system the cumulative difference between the original calculation and the recalculation.
 - (c) The following standards shall apply if the recipient was not the source of the information or records that caused the incorrect calculation and did not commit fraud, misrepresentation, or other misconduct resulting in the incorrect calculation.
 - (i) For any amounts owed to the system under paragraph (F) of this rule, the retirement system will waive collection of:
 - (a) The first two hundred dollars, and
 - (b) Any portion of the amount due that accrued more than two years before the date of the determination made in paragraph (F)(2) of

this rule.

(ii) In seeking payment under paragraph (F)(2)(b) of this rule, the system shall deduct up to ten percent of the gross amount of any periodic benefit due to the person until the payment due has been paid in full.

(3)

(a) Premium payments billed to a benefit recipient under paragraph (F)(1) of this rule shall be deemed in default after the unpaid premiums for dental and vision coverage under this rule and health care coverage under rule 3309-1-35 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums.

(b) Premium payments billed to a benefit recipient under paragraph (F)(2)(b) of this rule shall be deemed in default if the benefit recipient does not agree to a payment plan or if the benefit recipient misses scheduled payments under a payment plan in a total cumulative amount of at least three months of billed premiums.

(c) The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If dental and vision coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage. The benefit recipient shall be ineligible for reinstatement of coverage until payment for the total amount in default is received.

Upon roll call, the vote was as follows:

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

FILING OF PROPOSED AMENDED ADMINISTRATIVE RULE

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rule: 3309-1-09 Federal taxation.

_____ moved and _____ seconded that proposed amended rule 3309-1-09 be filed with JCARR as discussed.

3309-1-09 Federal taxation.

(A) For purposes of this rule:

(1) "Applicable age" is defined as the age of the member as provided in Internal Revenue Code (401)(a)(9)(C)(v), as amended.

(2) "benefit" "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)(a)~~ The calendar year in which the member attains the applicable age; or

~~(ii)(b)~~ 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: is defined as the age of the member as provided in Internal Revenue Code (401)(a)(9)(C)(v), as amended.~~

~~(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 (if the member was born after December 31, 1950, but before January 1, 1960); or~~

~~(iv) Age seventy-five (if 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 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, provided such election is consistent with applicable Treasury Regulations.
- (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, or member's surviving spouse, but the member, ~~or~~ retirant, or member's surviving spouse does not respond after notification of the requirement to begin distributions, 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.

(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. Under Section 3309.36 of the Revised Code, and solely for purposes of testing compliance with section 415(b) of the Internal Revenue Code, member contributions paid to and retirement benefits paid from the retirement system shall be limited to such extent necessary to conform to the requirements of section 415 of the Internal Revenue Code for a qualified pension plan.~~
- (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.~~

For purposes of testing compliance with section 415(b) of the Internal Revenue Code only, for a benefit paid in a form to which section 417(e)(3) of the Internal Revenue Code does not apply (generally, a monthly benefit), the actuarially equivalent straight life annuity benefit shall be the greater of:

(a) The annual amount of the straight life annuity (if any) payable to the member under the plan commencing at the same annuity starting date as the form of benefit to the member, or

(b) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the member, computed using a 5% interest assumption (or the applicable statutory interest assumption) and the applicable mortality tables described in section 417(e)(3)(B) of the Internal Revenue Code.

(3) For purposes of testing compliance with section 415(b) of the Internal Revenue Code only, for a benefit paid in a form to which section 417(e)(3) of the Internal Revenue Code applies (generally, a lump sum benefit), the actuarially equivalent straight life annuity benefit shall be the greatest of:

(a) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the plan for actuarial experience;

(b) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a 5.5 percent interest assumption (or the applicable statutory interest assumption) and the applicable mortality tables described in section 417(e)(3)(B) of the Internal Revenue Code; or

(c) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the applicable interest rate for the distribution under Treasury Regulation section 1.417(e)-1(d)(3) (using the rate in effect for the first day of the plan year with a one-year stabilization period and the applicable mortality tables described in section 417(e)(3)(B) of the Internal Revenue Code, divided by 1.05.

(4) "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 described 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~~ 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, retiree, 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: 4/7/25, 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

Upon roll call, the vote was as follows:

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

FILING OF PROPOSED AMENDED ADMINISTRATIVE RULE

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rule: 3309-1-10 Mandatory direct deposit.

_____ moved and _____ seconded that proposed amended rule 3309-1-10 be filed with JCARR as discussed.

3309-1-10 Mandatory direct deposit.

- (A) For purposes of this rule, "direct deposit" means an electronic fund transfer directly to an individual's account at a financial institution.
- (B) All retirement allowances and benefits payable under Chapter 3309_ of the Revised Code shall be paid by direct deposit.
- (C) Individuals shall provide to the retirement system valid direct deposit account and routing numbers, the name and contact information of the financial institution, and such other information as may be required by the retirement system. The retirement system may withhold payment until the individual provides the information described in this paragraph. [The retirement system may independently verify any information provided by the individual and acceptance of direct deposit instructions shall be at the retirement system's discretion.](#)
- (D) If an individual resides outside the United States or experiences other circumstances such that compliance with this rule is impracticable, the individual may submit a written request for exemption from direct deposit and the retirement system staff shall approve or deny the request. [The individual may bear fees charged to the retirement system as a result of an exemption.](#)

HISTORY: 7/1/22, 4/20/17, 1/1/13

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.03, 3309.341, 3309.344, 3309.35, 3309.36, 3309.3712, 3309.381, 3309.40, 3309.401, 3309.42, 3309.43, 3309.44, 3309.45, 3309.46, 3309.47, 3309.50, 3309.671
Review Date: 2/1/27

Upon roll call, the vote was as follows:

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

FILING OF PROPOSED AMENDED ADMINISTRATIVE RULE

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rule: 3309-1-35 Health care.

_____ moved and _____ seconded that proposed amended rule 3309-1-35 be filed with JCARR as discussed.

3309-1-35 Health care.

(A) Definitions

As used in this rule:

- (1) "Benefit recipient" means an age and service retirant, disability benefit recipient, or a beneficiary as defined in section 3309.01 of the Revised Code, who is receiving monthly benefits due to the death of a member, age and service retirant or disability benefit recipient.
- (2) "Member" has the same meaning as in section 3309.01 of the Revised Code.
- (3) "Age and service retirant" means a former member who is receiving a retirement allowance pursuant to section 3309.34, 3309.35, 3309.36 or 3309.381 of the Revised Code. A former member with an effective retirement date after June 13, 1986 must have accrued ten years of qualified service credit.
- (4) "Disability benefit recipient" means a member who is receiving a benefit or allowance pursuant to section 3309.35, 3309.39, 3309.40 or 3309.401 of the Revised Code.
- (5) "Dependent" means an individual who is either of the following:
 - (a) A spouse of an age and service retirant, disability benefit recipient, or member,
 - (b) A biological, adopted or step-child of an age and service retirant, disability benefit recipient, member, deceased age and service retirant, deceased disability benefit recipient, or deceased member or other child in a parent-child relationship in which the age and service retirant, disability benefit recipient, member, deceased age and service retirant, deceased disability benefit recipient, or deceased member has or had custody of the child, so long as the child:
 - (i) Is under age twenty-six, or
 - (ii) Regardless of age is permanently and totally disabled, provided that the disability existed prior to the age and service retirant's, disability benefit recipient's, or member's death and prior to the child reaching age twenty-six. For purposes of this paragraph "permanently and totally disabled" means the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than twelve months.
- (6) "Health care coverage" means any of the following group plans offered by the system:

- (a) A medical and prescription drug plan;
 - (b) Limited wraparound coverage, which provides limited benefits that wrap around an individual health insurance plan; or
 - (c) An excepted benefit health reimbursement arrangement, which provides reimbursement of medical expenses incurred under an individual health insurance plan.
- (7) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment for health care coverage for the recipient or the recipient's eligible dependents.
- (8) "Premium subsidy" means a monthly amount paid by the system on the benefit recipient's or recipient's dependent's behalf in order to reduce the health care coverage premium amount.
- ~~(8)~~(9) "Employer" and "public employer" have the same meaning as in section 3309.01 of the Revised Code.
- ~~(9)~~(10) "Marketplace counselor" means an individual licensed to determine eligibility for, and enroll individuals in, a marketplace plan.
- ~~(10)~~(11) "Marketplace plan" means an individual health plan available through either a state or federal health insurance marketplace.
- ~~(11)~~(12) "Qualified service credit" means a member's total service credit excluding credit obtained after January 29, 1981 pursuant to sections 3309.021, 3309.301, and 3309.33 of the Revised Code. Credit obtained pursuant to section 145.201 of the Revised Code is excluded for those members who establish eligibility for SERS health care coverage on or after July 1, 2025.

(B) Eligibility

- (1) A person is eligible for health care coverage under the school employees retirement system's health care plan so long as the person qualifies as one of the following:
- (a) An age and service retiree or the retiree's dependent,
 - (b) A disability benefit recipient or the recipient's dependent,
 - (c) The dependent of a deceased member, deceased age and service retiree, or deceased disability benefit recipient, if the dependent is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code, or
 - (d) The dependent child of a deceased member, deceased disability benefit recipient, or deceased age and service retiree if the spouse is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code and the spouse elects to be covered.
- ~~(2) Eligibility for SERS health care coverage shall terminate when the person ceases to qualify as one of the persons listed in paragraph (B)(1) of this rule, except that a dependent described in paragraph (A)(5)(b)(i) of this rule shall cease to qualify on the first day of the calendar year following the dependent's twenty-sixth birthday.~~
- ~~(3) Except for a dependent described in paragraph (A)(5)(b) of this rule, eligibility for SERS~~

~~health care coverage shall terminate when the person is not enrolled in medicare part B and on or after January 1, 2016 commences employment that provides access to a medical plan with prescription coverage through the employer, or if employees of that employer in comparable positions have access to a medical plan available through the employer, provided the medical plan with prescription drug coverage available through the employer is equivalent to the medical plan with prescription coverage at the cost available to fulltime employees as defined by the employer. For purposes of this paragraph, employer means a public or private employer.~~

- ~~(4) On or after January 1, 2021, eligibility for SERS health care coverage shall terminate when a person listed in paragraph (B)(1) of this rule becomes eligible for medicaid and is ineligible for medicare. For purposes of this rule, a benefit recipient and their dependent(s) shall be presumed to be eligible for medicaid if their gross monthly SERS benefit is less than the percentage of the federal poverty level used by the Ohio department of medicaid to determine medicaid eligibility under agency 5160 and division 5160:1 of the Administrative Code. Upon request, a benefit recipient presumed to be eligible for medicaid must provide SERS with satisfactory proof of ineligibility for medicaid in their state of residence within ninety days from the date of SERS' request.~~
- ~~(5) Eligibility for SERS health care coverage shall terminate when a person eligible for medicare part B fails to:~~
 - ~~(a) Enroll in medicare part B during the person's initial enrollment period or special enrollment period under 42 U.S.C. 1395p that includes a date on or after January 1, 2019. If the failure to enroll occurred on or after January 1, 2019 and prior to January 1, 2022, the person must enroll in medicare part B during the general enrollment period ending March 31, 2022; or~~
 - ~~(b) Enroll in medicare part B during the general enrollment period available under 42 U.S.C. 1395p immediately following a loss of medicare part B coverage that began on or after January 1, 2019. If the loss of medicare part B coverage began on or after January 1, 2019 and prior to January 1, 2022, the person must enroll in medicare part B during the general enrollment period ending March 31, 2022.~~
- ~~(6) Eligibility for SERS health care coverage shall terminate when a benefit recipient who is not eligible for medicare, and whose initial SERS health care eligibility date or reinstatement to SERS health care coverage under paragraph (I) of this rule is on or after June 1, 2023, fails to complete counseling with a SERS approved marketplace counselor to review marketplace plan options.~~
 - ~~(a) A benefit recipient whose initial SERS health care eligibility date is on or after June 1, 2023 shall complete counseling before the later of the following:
 - ~~(i) December thirty-first of the calendar year of initial health care eligibility; or~~
 - ~~(ii) Within three months of initial health care eligibility.~~~~
 - ~~(b) A benefit recipient requesting reinstatement to SERS health care coverage under paragraph (I) of this rule on or after June 1, 2023 shall complete counseling before the later of the following:
 - ~~(i) December thirty-first of the calendar year of the qualifying event entitling the benefit recipient to reinstatement; or~~~~

- ~~(ii) Within three months of the request for reinstatement.~~
- ~~(c) The benefit recipient shall provide the marketplace counselor with all information required to determine the cost of available marketplace plans. The marketplace counselor shall notify SERS when such counseling has been completed.~~
- ~~(d) A benefit recipient who fails to complete counseling in accordance with this rule shall be deemed to have waived SERS health care coverage until the individual becomes eligible for reinstatement as permitted under paragraph (I) of this rule.~~
- ~~(e) Counseling shall not be required if the marketplace counselor is unable to determine available marketplace plans based on the benefit recipient's address or other demographic information. The marketplace counselor will notify SERS when a marketplace plan cannot be determined based on the circumstances.~~
- ~~(f) Counseling required under this paragraph must be completed before the benefit recipient can enroll in health care coverage.~~

(C) Counseling

- (1) An age and service retiree or disability benefit recipient who is not eligible for Medicare shall complete counseling with a SERS approved marketplace counselor to review marketplace plan options before they are eligible to enroll in health care coverage. Those who do not complete counseling as specified by this rule shall be deemed to have waived SERS health care coverage and cannot enroll in SERS health care coverage until they meet the reinstatement requirements as outlined in paragraph (J) of this rule.
- (2) An age and service retiree or disability benefit recipient, who is not eligible for Medicare and whose initial SERS health care coverage eligibility date is on or after June 1, 2023, shall complete counseling with a SERS approved marketplace counselor to review marketplace plan options before the later of the following:
 - (a) December thirty-first of the calendar year of initial health care coverage eligibility; or
 - (b) Within three months of initial health care coverage eligibility.
- (3) An age and service retiree or disability benefit recipient, who is not eligible for Medicare and whose reinstatement to SERS health care coverage is established under paragraph (J) of this rule on or after June 1, 2023, shall complete counseling with a SERS approved marketplace counselor to review marketplace plan options before the later of the following:
 - (a) December thirty-first of the calendar year of the qualifying event entitling the benefit recipient to reinstatement; or
 - (b) Within three months of the request for reinstatement.
- (4) The age and service retiree or disability benefit recipient shall provide the marketplace counselor with all information required to determine the cost of available marketplace plans. The marketplace counselor shall notify SERS when such counseling has been completed.
- (5) Counseling shall not be required to establish eligibility prior to enrollment if the marketplace counselor is unable to determine available marketplace plans based on the age and service retiree's or disability benefit recipient's address or other demographic information. The

marketplace counselor shall notify SERS when a marketplace plan cannot be determined based on the circumstances.

(D) Termination of Eligibility

(1) Eligibility for SERS health care coverage shall terminate under the following circumstances:

(a) When the person ceases to qualify as one of the persons listed in paragraph (B)(1) of this rule, except that a dependent described in paragraph (A)(5)(b)(i) of this rule shall cease to qualify on the first day of the calendar year following the dependent's twenty-sixth birthday.

(b) Except for a dependent described in paragraph (A)(5)(b) of this rule, eligibility for SERS health care coverage shall terminate when the person is not enrolled in medicare part B and on or after January 1, 2016 commences employment that provides access to a medical plan with prescription coverage through the employer, or if employees of that employer in comparable positions have access to a medical plan available through the employer, provided the medical plan with prescription drug coverage available through the employer is equivalent to the medical plan with prescription coverage at the cost available to fulltime employees as defined by the employer. For purposes of this paragraph, "employer" means a public or private employer.

(c) When a person listed in paragraph (B)(1) of this rule on or after January 1, 2021, becomes eligible for medicaid and ineligible for medicare.

(i) For purposes of this rule, a benefit recipient and their dependent(s) shall be presumed to be eligible for medicaid if their gross monthly SERS benefit is less than the percentage of the federal poverty level used by the Ohio department of medicaid to determine medicaid eligibility under agency 5160 and division 5160:1 of the Administrative Code.

(ii) Upon request, a benefit recipient presumed to be eligible for medicaid must provide SERS with satisfactory proof of ineligibility for medicaid in their state of residence within ninety days from the date of SERS' request.

(d) When a person eligible for medicare part B fails to:

(i) Enroll in medicare part B during the person's initial enrollment period or special enrollment period under 42 U.S.C. 1395p that includes a date on or after January 1, 2019; or

(ii) Enroll in medicare part B during the general enrollment period available under 42 U.S.C. 1395p immediately following a loss of medicare part B coverage that began on or after January 1, 2019.

(iii) Maintain enrollment in medicare part D.

(e) When an age and service retirant or disability benefit recipient, who is not eligible for medicare and whose initial SERS health care coverage eligibility date or reinstatement to SERS health care coverage under paragraph (J) of this rule is on or after June 1, 2023, fails to complete counseling as required under paragraph (C) of this rule.

 (E) Enrollment

- (1) Except as otherwise provided in this rule, an eligible benefit recipient may enroll in school employees retirement system's health care coverage only at the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefits pursuant to section 3309.45 of the Revised Code.
- (2) An eligible [dependent](#) spouse of an age and service retiree or disability benefit recipient may only be enrolled in the system's health care coverage at the following times:
 - (a) At the time the [age and service](#) retiree or disability benefit recipient enrolls in school employees retirement system's health care coverage.
 - (b) Within thirty-one days of the eligible spouse's:
 - (i) Marriage to the [age and service](#) retiree or disability benefit recipient; or
 - (ii) Involuntary cancellation of health care coverage under another plan, including a [medicaid, medicare premium assistance](#), medicare advantage ~~plan~~, or medicare part D plan.
 - (c) Within ninety days of [the eligible spouse, age and service retiree or disability benefit recipient](#) becoming eligible for medicare.
- (3) An eligible dependent child of an age and service retiree, disability benefit recipient, or deceased member may be enrolled in the system's health care coverage at the following times:
 - (a) At the time the [age and service](#) retiree, disability benefit recipient, or surviving spouse enrolls in school employees retirement system's health care coverage.
 - (b) Within thirty-one days of the eligible dependent child's:
 - (i) Birth, adoption, or custody order; or
 - (ii) Involuntary cancellation of health care coverage under another plan, including a [medicaid, medicare premium assistance](#), medicare advantage ~~plan~~, or medicare part D plan.
 - (c) Within ninety days of becoming eligible for medicare.

~~(D)~~ [\(F\)](#) Cancellation of health care coverage

- (1) Health care coverage of a person shall be cancelled ~~when~~ [under the following circumstances](#):
 - (a) The person's eligibility terminates as provided in paragraph ~~(B)(2)~~ [\(D\)](#) of this rule;
 - ~~(b) The person's eligibility terminates as provided in paragraph (B)(3) of this rule;~~
 - ~~(c) The person's eligibility terminates as provided in paragraph (B)(4) of this rule;~~
 - ~~(d) The person's eligibility terminates as provided in paragraph (B)(5) of this rule;~~
 - ~~(e)~~ [\(b\)](#) The person's health care coverage is cancelled for default as provided in paragraph ~~(F)~~ [\(H\)](#) of this rule;
 - ~~(f)~~ [\(c\)](#) The person's health care coverage is waived as provided in paragraph ~~(G)~~ [\(I\)](#) of this

rule;

~~(g) The person's health care coverage is cancelled due to the person's enrollment in a medicare advantage plan or medicare part D plan as provided in paragraph (H) of this rule;~~

(d) The person enrolls in a medicare advantage or medicare part D plan that is not offered by the system;

~~(h)~~ (e) The health care coverage of a dependent is cancelled when the health care coverage of a benefit recipient is cancelled; ~~or~~

~~(f)~~ (f) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45 of the Revised Code, division (F) of section 3309.39 of the Revised Code, or division (D) of section 3309.41 of the Revised Code, ~~or division (D) of section 3309.392 of the Revised Code;~~

(g) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (D) of section 3309.392 of the Revised Code; or

(h) The enrolled eligible dependent of a deceased member, deceased disability benefit recipient or deceased age and service retirant fails to submit the appropriate application to continue health care coverage to the system within three months of the death of the member, disability benefit recipient or age and service retirant.

~~(E)~~ (G) Effective date of coverage

(1) Except as provided in paragraph ~~(E)~~(G)(2) of this rule, the effective date of health care coverage for persons eligible for health care coverage as set forth in paragraph (B) of this rule shall be as follows:

(a) For a disability benefit recipient or dependent of a disability benefit recipient, health care coverage shall be effective on the first of the month following the determination and recommendation of disability to the retirement board or on the benefit effective date, whichever is later.

(b) For an age and service retirant or dependent of an age and service retirant, health care coverage shall be effective on the first of the month following the date that the retirement application is filed with the retirement system or on the benefit effective date, whichever is later.

(c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retirant, health care coverage shall be effective on the effective date of the benefit if the appropriate application to continue health care coverage is received by the system within three months of the ~~date~~death of the member, ~~s~~ disability benefit recipient or age and service retirant's ~~death~~, or the first of the month following the date that the appropriate application is received if not received within three months of the ~~date~~ death of the member's, disability benefit recipient or age and service retirant's ~~death~~.

(2) The effective date of coverage for a person described in ~~paragraph~~paragraphs ~~(B)(6)~~(C)(2)

and (C)(3) of this rule shall be the later of the following:

- (a) The date provided under paragraph ~~(E)~~(G)(1) of this rule; or
- (b) The first of the month following completion of counseling.

(3) A benefit recipient may elect to defer SERS health care coverage until their first available marketplace plan effective date.

~~(F)~~ (H) Premiums

- (1) Payment of premiums for health care coverage shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.
- (2) If the retirement system determines that any premium has been calculated incorrectly, the system will recalculate the premium to the correct amount. The recalculated premium will begin on the next payment date.
 - (a) If the recalculation results in a decreased premium, the retirement system shall pay the recipient the cumulative difference between the original calculation and the recalculation in a one-time lump-sum.
 - (b) If the recalculation results in an increased premium, the recipient shall pay to the retirement system the cumulative difference between the original calculation and the recalculation.
 - (c) The following standards shall apply if the recipient was not the source of the information or records that caused the incorrect calculation and did not commit fraud, misrepresentation, or other misconduct resulting in the incorrect calculation.
 - (i) For any amounts owed to the system under paragraph ~~(F)~~(H)(2)(b) of this rule, the retirement system will waive collection of:
 - (a) The first two hundred dollars, and
 - (b) Any portion of the amount due that accrued more than two years before the date of the determination made in paragraph ~~(F)~~(H)(2) of this rule.
 - (ii) In seeking payment under paragraph ~~(F)~~(H)(2)(b) of this rule, the system shall ~~not~~ deduct ~~more than~~ up to ten percent ~~from of~~ the gross amount of any periodic benefit due the person until the payment due has been paid in full.
- (3)
 - (a) Premium payments billed under paragraph ~~(F)~~(H)(1) of this rule shall be deemed in default after the unpaid premiums for coverage under this rule and supplemental health care coverage under rule 3309-1-64 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums.
 - (b) Premium payments billed under paragraph ~~(F)~~(H)(2)(b) shall be deemed in default if the benefit recipient does not agree to a payment plan or if the benefit recipient misses scheduled payments under a payment plan in a total cumulative amount of at least

three months of billed premiums.

- (c) The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage.
- (4) After payment for the total amount in default is received, health care coverage cancelled for default can be reinstated as provided in paragraph ~~(H)~~(J) of this rule, or upon submission of ~~an application~~ a written request for reinstatement supported by medical evidence acceptable to SERS that demonstrates that the default was caused by the benefit recipient's physical or mental incapacity. "Medical evidence" means documentation provided by a licensed physician of the existence of the mental or physical incapacity causing the default. Health care coverage reinstated after cancellation for default shall be effective on the first of the month following the date that the ~~application~~ written request for reinstatement is approved.
- (5) A person enrolled in SERS health care coverage may be eligible to qualify for a premium subsidy. A person enrolled in SERS' health care ~~plan~~ coverage cannot receive a premium subsidy unless that person is:
 - (a) A dependent child.
 - (b) An age and service retirant who:
 - (i) Has an effective retirement date before August 1, 1989; or
 - (ii) Has an effective retirement date on or after August 1, 1989 and before August 1, 2008 who had earned fifteen years of service credit; or
 - (iii) Has an effective retirement date on or after August 1, 2008 who had earned twenty years of qualified service credit and who;
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.
 - (c) A disability benefit recipient, except as provided in paragraph ~~(F)~~(H)(5)(d) of this rule who:
 - (i) Has an effective benefit date before August 1, 2008; or
 - (ii) Has an effective benefit date on or after August 1, 2008 who:
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding separation from SERS service.

- (d) A disability benefit recipient who is not enrolled in medicare part B on or after January 1, 2024, who:
- (i) Has an effective benefit date before August 1, 1989; or
 - (ii) Has an effective benefit date on or after August 1, 1989 and before August 1, 2008 who had earned fifteen years of service credit; or
 - (iii) Has an effective benefit date on or after August 1, 2008 who had earned twenty years of qualified service credit and who;
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding separation from SERS service.
- (e) A spouse:
- (i) A spouse or surviving spouse of an age and service retirant or disability benefit recipient with an effective retirement date or benefit date before August 1, 2008 who had earned twenty-five years of qualified service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code;
 - (ii) A spouse or surviving spouse of an age and service retirant or disability benefit recipient with an effective retirement date or benefit date on or after August 1, 2008 who had earned twenty-five years of service credit;
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.
 - (iii) A surviving spouse of a deceased member who had earned twenty-five years of qualified service credit, with an effective benefit date before August 1, 2008; or
 - (iv) A surviving spouse of a deceased member who had earned twenty-five years of qualified service credit, with an effective benefit date on or after August 1, 2008, and the member;
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of death or separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding the member's death or separation from SERS service.
- (f) For purposes of determining eligibility for a subsidy under paragraph (F)(H)(5) of this rule, when the last contributing service of an age and service retirant, disability benefit recipient, or member was as an employee as defined by division (B)(2) of section 3309.01 of the Revised Code, the health care plan participation requirement shall be if

the individual would have been eligible for the public employer's health care plan if the individual were an employee as defined by division (B)(1) of section 3309.01 of the Revised Code.

- (g) Any other individual ~~covered under a~~ enrolled in SERS health care ~~plan~~ coverage shall be eligible for a premium subsidy under the standard set forth for spouses.
- (h) In all cases of doubt, the retirement board shall determine whether a person enrolled in ~~a~~ SERS health care ~~plan~~ coverage is eligible for a premium subsidy, and its decision shall be final.

~~(G)~~ (I) Waiver

- (1) A benefit recipient may voluntarily waive health care coverage by completing and submitting a SERS waiver form to SERS.
- (2) The health care coverage of a benefit recipient's dependent may be voluntarily waived as follows:
 - (a) For a currently enrolled non-medicare eligible dependents ~~child~~, the benefit recipient may voluntarily waive ~~their~~ the dependent child's coverage by completing and submitting a signed written request to SERS on ~~their~~ the dependent child's behalf.
 - (b) For a currently enrolled non-medicare eligible dependent spouse, the benefit recipient may voluntarily waive the dependent spouse's coverage by completing and submitting a written request to SERS, signed by the benefit recipient and dependent spouse.
 - ~~(b)~~ (c) For a currently enrolled medicare eligible ~~dependents~~ dependent, the dependent may voluntarily waive their coverage by completing and submitting a signed written request to SERS.

~~(H) Medicare advantage or medicare part D~~

~~SERS shall cancel the health care coverage of a benefit recipient or dependent who enrolls in a medicare advantage or medicare part D plan that is not offered by the system.~~

~~(I)~~ (J) Reinstatement to SERS health care coverage

- (1) An eligible benefit recipient, or eligible dependent of a benefit recipient with health care coverage, whose coverage has been previously waived or cancelled, may be reinstated to SERS health care coverage by ~~filing~~ submitting a health care enrollment application as follows:
 - (a) ~~The application is received no~~ No later than ninety days after becoming eligible for medicare. Health care coverage shall be effective the later of the first day of the month after becoming medicare eligible or receipt of the enrollment application by the system;
 - (b) ~~The application is received no~~ No later than thirty-one days after involuntary cancellation of coverage under medicaid. Health care coverage shall be effective the later of the first day of the month after cancellation of coverage or receipt of proof of cancellation and the enrollment application by the system; or
 - (c) ~~The application is received no~~ No later than thirty-one days after involuntary

cancellation of coverage under another plan, [medicare premium assistance](#), medicare advantage ~~plan~~, or medicare part D plan with proof of such cancellation. Health care coverage shall be effective the later of the first day of the month after cancellation of the other plan or receipt of proof of cancellation and the enrollment [request or](#) application by the system.

- (2) An eligible person whose coverage was cancelled pursuant to ~~paragraph~~ [paragraphs](#) ~~(D)(1)(h)~~ [\(F\)\(1\)\(f\)](#) and [\(F\)\(1\)\(g\)](#) of this rule shall be reinstated to SERS health care ~~plan~~ [coverage](#) when the required documents have been received and benefit payments are unsuspended.
- (3) An eligible person whose [previous eligibility was terminated pursuant to \(D\)\(1\)\(b\) and health care](#) coverage was cancelled pursuant to paragraph ~~(D)(1)(b)~~ [\(F\)\(1\)\(a\)](#) of this rule may be reinstated to SERS health care ~~plan~~ [coverage](#) when they no longer have access to the medical plan of an employer by ~~filing~~ [submitting](#) a health care enrollment application within thirty-one days of the employment ending.

~~(J)~~ [\(K\)](#) Medicare part B

~~(1) A person who is enrolled in SERS' health care shall enroll in medicare part B at the person's first eligibility date for medicare part B. A person who fails to enroll in or maintain medicare part B coverage shall be ineligible for SERS health care coverage in accordance with paragraph (B)(5) of this rule.~~

~~(2)~~

- ~~(a)~~ [\(1\)](#) The board shall determine the monthly amount paid to reimburse an eligible benefit recipient for medicare part B coverage. The amount paid shall be no less than forty-five dollars and fifty cents, except that the board shall make no payment that exceeds the amount paid by the recipient for the coverage.
- ~~(b)~~ [\(2\)](#) As used in paragraph ~~(J)~~ [\(K\)](#) of this rule, an "eligible benefit recipient" means:
 - ~~(i)~~ [\(a\)](#) An eligible person who was a benefit recipient and was eligible for medicare part B coverage before January 7, 2013, or
 - ~~(ii)~~ [\(b\)](#) An eligible person who is a benefit recipient, is eligible for medicare part B coverage, and is enrolled in SERS' health care.
- (3) The effective date of the medicare part B reimbursement to be paid by the board shall be as follows:
 - (a) For eligible benefit recipients who were a benefit recipient and were eligible for medicare B coverage before January 7, 2013 the later of:
 - (i) January 1, 1977; or
 - (ii) The first of the month following the date that the school employees retirement system received satisfactory proof of coverage.
 - (b) For eligible benefit recipients not covered under paragraph ~~(J)~~ [\(K\)](#)(3)(a) of this rule, the later of:
 - (i) The first month following the date that the school employees retirement system

received satisfactory proof of coverage, or

(ii) The effective date of SERS health care [coverage](#).

(4) The board shall not:

- (a) Pay more than one monthly medicare part B reimbursement when a benefit recipient is receiving more than one monthly benefit from this system; nor
- (b) Pay a medicare part B reimbursement to a benefit recipient who is eligible for reimbursement from any other source.

HISTORY: 12/15/24, 1/1/24, 6/1/23, 9/30/21, 6/5/20, 1/2/20, 5/3/19, 10/13/16, 8/13/15, 12/4/14, 7/12/14, 1/1/14, 3/8/13, 1/7/13 (Emer.), 9/30/12, 8/14/11, 9/26/10, 7/1/10 (Emer.), 6/11/10, 8/10/09, 5/22/09 (Emer.), 1/8/09, 8/8/08, 12/24/07, 9/28/07 (Emer.), 3/1/07, 1/2/04, 6/13/03, 11/9/98, 8/10/98, 1/2/93, 7/20/89, 3/20/80, 1/1/77

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.69
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>
Daniel Wilson	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Rebekah Roe	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
James Rossler	_____	_____	_____

FILING OF PROPOSED AMENDED ADMINISTRATIVE RULE

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rule: 3309-1-65 Medicare part B reimbursement account.

_____ moved and _____ seconded that proposed amended rule 3309-1-65 be filed with JCARR as discussed.

3309-1-65 Medicare part B reimbursement account.

- (A) As used in this rule, "eligible benefit recipient" has the same meaning as in paragraph ~~(J)~~~~(K)~~(2)~~(b)~~ of rule 3309-1-35 of the Administrative Code.
- (B) The school employees retirement board has previously established a separate account within the funds described in section 3309.60 of the Revised Code for the purpose of reimbursing eligible benefit recipients for a portion of the cost of medicare part B coverage paid by the eligible benefit recipient, as authorized under section 3309.69 of the Revised Code, and in accordance with rule 3309-1-35 of the Administrative Code. The medicare part B reimbursement account shall be a separate account established pursuant to section 401(h) of the Internal Revenue Code, 26 U.S.C. 401(h). The assets in the medicare part B reimbursement account shall be accounted for separately from the other assets of the school employees retirement system, but may be commingled with the other assets of the system for investment purposes. Investment earnings and expenses shall be allocated on a reasonable basis.
- (C) Each year the board designates the amount of contributions that are to be allocated to the medicare part B reimbursement account for any year. The contributions are funded by employer contributions under section 3309.49 of the Revised Code and are subordinate to the contributions for payment of retirement allowance and other benefits provided under Chapter 3309. of the Revised Code. At no time shall contributions to the medicare part B reimbursement account, when added to contributions for any life insurance benefits provided on behalf of eligible benefit recipients, be in excess of twenty-five per cent of the total aggregate actual contributions made to the school employees retirement system, excluding contributions to fund past service credit. In any event, all contributions to the medicare part B reimbursement account shall be reasonable and ascertainable.
- (D) The assets of the medicare part B reimbursement account are only used to pay reimbursement of medicare part B premiums paid by eligible benefit recipients and authorized under section 3309.69 of the Revised Code and in accordance with rule 3309-1-35 of the Administrative Code.
- (E) If any rights of an individual who is eligible to receive medicare part B reimbursement authorized under section 3309.69 of the Revised Code and paid from the medicare part B reimbursement account are forfeited as provided in rule 3309-1-35 of the Revised Code, an amount equal to the amount of such

forfeiture shall be applied as soon as administratively possible to reduce employer contributions allocated to the medicare part B reimbursement account.

- (F) At no time prior to the satisfaction of all liabilities under this rule shall any assets in the medicare part B reimbursement account be used for, or diverted to, any purpose other than as provided in paragraph (D) of this rule and for the payment of administrative expenses relating to the medicare part B reimbursement account. Assets in the medicare part B reimbursement account may not be used for retirement, disability, or survivor benefits, or for any other purpose for which the other funds of the system are used.
- (G) If the school employees retirement board discontinues medicare part B reimbursement authorized under section 3309.69 of the Revised Code, or upon satisfaction of all liabilities under this rule, any assets in the medicare part B reimbursement account, if any, that are not used as provided in this rule shall be returned to the employers, as required by 26 U.S.C. 401(h)(5).
- (H) It is the intent of the school employees retirement board in adopting this rule to reflect its continuing compliance in all respects with sections 401(a) and 401(h) of the Internal Revenue Code, 26 U.S.C. 401, and regulations interpreting those sections. In applying this rule, the board will apply the interpretation that achieves compliance with those sections and preserves the qualified status of the system as a governmental plan under sections 401(a) and 414(d) of the Internal Revenue Code, 26 U.S.C. 401 and 414.
- (I) This rule is intended to reflect past and current policies, practices and procedures of the system with respect to the funding and payment of medicare part B reimbursements and does not confer any new rights to or create any vested interest in receiving medicare part B reimbursement for members, retirees, survivors, beneficiaries, or their dependents.

HISTORY: 1/15/16, 10/30/15 (Emer.)

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.03, 3309.60, and 3309.69
Review Date: 1/31/30

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Daniel Wilson	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
Matthew King	_____	_____	_____

Catherine Moss
Rebekah Roe
Aimee Russell
Frank Weglarz
James Rossler

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**SERS
TECHNOLOGY
COMMITTEE
REPORT**

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

Daniel Wilson	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Rebekah Roe	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
James Rossler	_____	_____	_____

CONVENED IN EXECUTIVE SESSION AT _____ A.M./P.M.

RETURNED TO OPEN SESSION AT _____ A.M. / P.M.

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

AUDIT COMMITTEE MEETINGS

December 17, 2025 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

December 18, 2025 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

December 18, 2025 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

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.**

CALENDAR DATES FOR SERS BOARD AND COMMITTEE MEETINGS FOR 2026 **

AUDIT COMMITTEE MEETINGS

March 18, 2026 – 2:30 p.m. (Weds.)
June 17, 2026 – 2:30 p.m. (Weds.)
September 16, 2026 - 2:30 p.m. (Weds.)
December 16, 2026 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

March 19, 2026 – 7:30 a.m. (Thurs.)
June 18, 2026 – 7:30 a.m. (Thurs.)
July 16, 2026 – 7:30 a.m. (Thurs.) **** Special Meeting ****
September 17, 2026 – 7:30 a.m. (Thurs.)
December 17, 2026 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

March 19, 2026 – 12:30 p.m. (Thurs.)
June 18, 2026 – 12:30 p.m. (Thurs.)
September 17, 2026 – 12:30 p.m. (Thurs.)
December 17, 2026 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

February 19 – 20, 2026 – 8:30 a.m. (Thurs. and Fri.)
March 19 – 20, 2026 - 8:30 a.m. (Thurs. and Fri.)
April 16 – 17, 2026 – 8:30 a.m. (Thurs. and Fri.)
May 21 – 22, 2026 – 8:30 a.m. (Thurs. and Fri.)
June 18, 2026 – 8:30 a.m. (Thurs.)
July 16 – 17, 2026 – 8:30 a.m. (Thurs. and Fri.)
September 17 – 18, 2026 – 8:30 a.m. (Thurs. and Fri.) **** Board Picture Day ****
October 15 – 16, 2026 – 8:30 a.m. (Thurs. and Fri.)
November 19 – 20, 2026 – 8:30 a.m. (Thurs. and Fri.)
December 17 – 18, 2026 – 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.

6.

7.

8.

9.

10.

ADJOURNMENT(R)

_____ moved that the SERS Retirement board adjourn to meet on Thursday, November 20, 2025, for the next regularly scheduled meeting.

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

James Rossler – Chair

Richard Stensrud - Secretary