School Employees
Retirement System of Ohio

Serving the People Who Serve Our Schools®

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2025

Prepared by SERS Finance Department
Richard Stensrud, Executive Director
300 E. Broad St., Suite 100, Columbus, Ohio 43215-3746
www.ohsers.org

Serving the People Who Serve Our Schools®

Mission

To provide our membership with valuable lifetime pension benefit programs and services

Vision

Through the continuous pursuit of excellence and innovative solutions, we will partner with our stakeholders so that our membership will understand and achieve security in retirement

Values

- Focus on Service
- Be Accountable
- Support Collaboration
- Respect Differences and Practice Inclusion
- Remain Resourceful and Embrace Change

Core Beliefs

- We are here to serve.
- We are open and honest.
- We are professional.
- We are dedicated.
- We are enthusiastic.
- We are high performers.
- We are valuable partners.
- We are member advocates.
- We are innovators.
- **WE ARE SERS.**

Introductory Section (unaudited)

Financial Section

Investment Section (unaudited)

Investment Section (unaudited) continued

Actuarial Section (unaudited)

Statistical Section (unaudited)

Plan Summary (unaudited)

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INTRODUCTORY SECTION

(unaudited)

> **SERS' primary objective is to assure that at the time benefits commence, sufficient funds will be available to provide retirement, disability, and survivor benefits for its members**
>
> – Richard Stensrud, *Executive Director*

165,280
Members

83,327
Retirees & Beneficiaries

39,010
Total Covered Lives (Health)

1,085
Contracted Employers

For every dollar in employer contributions invested in SERS' retirement benefits last year, $2.40 was returned to local economies.

Matthew King
Chair, Employee-Member
Term Expires 6/30/2028

Catherine P. Moss
Vice-Chair, Retiree-Member
Term Expires 6/30/2028

Jeanine Alexander *
Employee-Member
Term Expires 6/30/2025

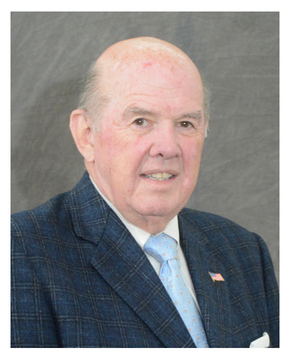
Jeffrey T. DeLeone
Appointed Member
Term Expires 12/31/2028

James H. Haller
Employee-Member
Term Expires 6/30/2025

James A. Rossler Jr.
Appointed Member
Term Expires 4/9/2029

Aimee Russell
Employee-Member
Term Expires 6/30/2027

Frank A. Weglarz
Retiree-Member
Term Expires 6/30/2025



Daniel L. Wilson
Appointed Member
Term Expires 9/27/2024 **

* Jeanine Alexander was chosen to fill the open seat from Barbra Phillips resignation in July 2024. Ms. Alexander's term began November 2024.

** Daniel Wilson has a term carry over under provision 3309.05(B) of Ohio Revised Code.

Richard Stensrud
Executive Director

Karen Roggenkamp
Deputy Executive Director

Colette Barricks
Chief Risk Officer

Jeff Davis *
Chief Audit Officer

Marni Hall
Chief Financial Officer

Farouki Majeed
Chief Investment Officer

Joseph Marotta
General Counsel

John Grumney
Director - Member Services

Mike McManaway
Assistant Director - Building Services

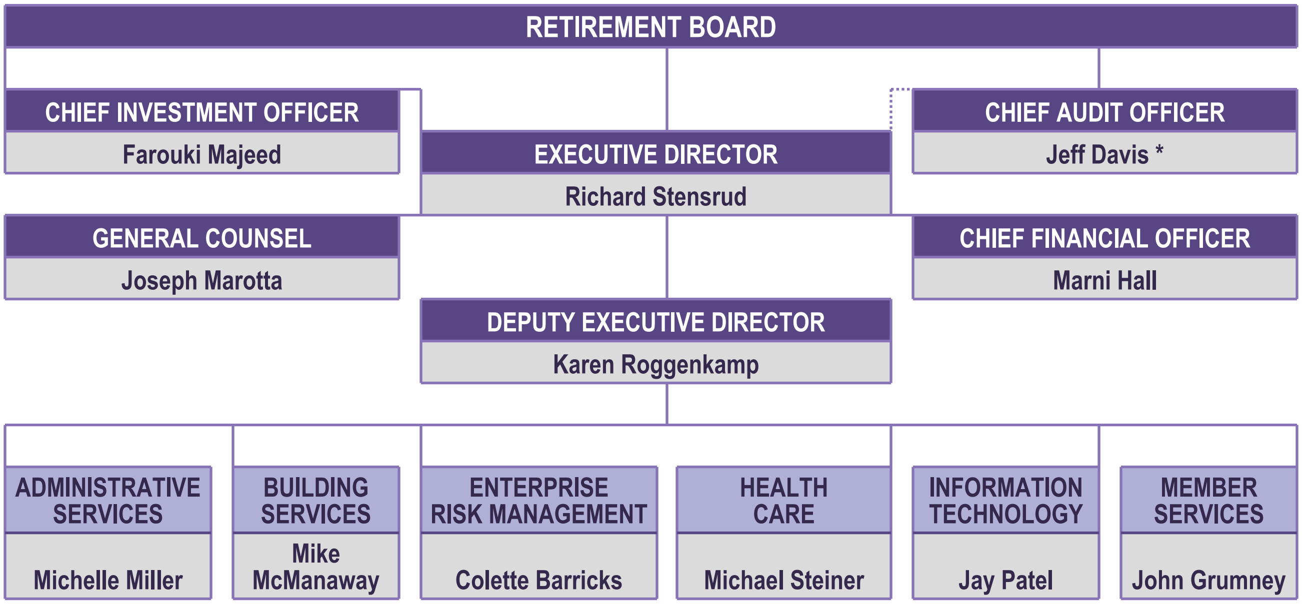
Michelle Miller
Director - Administrative Services

Jay Patel
Chief Technology Officer

Michael Steiner
Director - Health Care Services

* Jeff Davis retired as Chief Audit Officer in July 2025. Steve Ritzer became Chief Audit Officer in July 2025.

Organizational Chart and Advisors to the Retirement Board



* Jeff Davis retired as Chief Audit Officer in July 2025. Steve Ritzer became Chief Audit Officer in July 2025.

Advisors to the Retirement Board

Investment Consultant	**Wilshire Associates, Inc.** Santa Monica, California
Actuary	**CavMac** Kennesaw, Georgia
Medical Advisor	**Dr. Glen Borchers** Columbus, Ohio

Independent Auditor
(under contract with the Auditor of State)

Plante & Moran, PLLC
Toledo, Ohio

Investment Consultants and Investment Managers and Brokers' Fees - see pages 77 - 78

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

School Employees Retirement System of Ohio

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill
Executive Director/CEO

PPCC

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2025

Presented to

Ohio School Employees' Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Robert A. Wylie
Program Administrator

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

RICHARD STENSRUD
Executive Director

KAREN ROGGENKAMP
Deputy Executive Director

December 9, 2025

Dear SERS Members and Members of the Retirement Board:

On behalf of all management and staff, we are pleased to submit the *Annual Comprehensive Financial Report* of School Employees Retirement System of Ohio (SERS) for the fiscal year ended June 30, 2025. We are responsible for the accuracy of the contents, and the completeness and fairness of the presentation, including disclosures. A narrative overview and analysis to accompany the basic financial statements is presented as Management's Discussion and Analysis (MD&A); it can be found immediately following the report of the independent auditor in the Financial Section. This letter of transmittal is designed to complement the MD&A.

Established in 1937 by an act of the Ohio General Assembly, SERS provides pensions and benefits to public and charter school employees who are not required to possess a certificate issued pursuant to sections 3319.22 to 3319.31 of the Ohio Revised Code in order to perform their duties. By statute, benefit plans include retirement for age and service, disability benefits, and survivor benefits that are paid upon the death of a member before retirement. A post-retirement health care program also is provided, although it is not required by law.

A system of internal accounting controls ensures the security of member and employer contributions and provides reasonable, but not absolute, assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. Our independent external auditors have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America. They have full and unrestricted access to you to discuss their audit and related findings concerning the integrity of financial reporting and adequacy of internal controls.

MAJOR INITIATIVES AND HIGHLIGHTS

Customer Service Remains a Priority This fiscal year, staff completed a project that speeds up the refund process for former SERS members and reemployed retirees, and another that eliminates confusion about future benefits on Annual Statements.

The changes to Account Login now allow members and retirees to view the status of their refund, disability retirement, and service retirement applications, and cancel a refund application online. In addition, members and retirees will now receive additional confirmation letters whenever email address and phone number changes are made to online portal accounts. This has helped reduce the call volume for the Member Support Team and hold time for SERS' members and retirees who have other business needs.

Similarly, staff began work on the online refund project. Upon completion, estimated for the beginning of FY2026, members will be able to refund their account using the online account login feature if their account balance is less than $5,000. SERS is implementing a robust security tool to help ensure the safety of member data.

The second project involved finding a way to estimate future employee contributions based on a member's current contributions and earliest retirement eligibility.

Following the implementation of the Contribution Based Benefit Cap (CBBC) in August, staff identified an issue that caused some service retirement estimates to erroneously trigger a CBBC warning. This is because estimates did not include future contribution estimates. To correct this, staff from Member Services, Communications, and IT collaborated to find a way to include projected contributions in the calculation process to provide more accurate statements and estimates.

Outreach and Collaboration SERS' Employer Services Team maintains regular communications with the financial professionals at all 1,085 employers (school districts, community schools, educational service centers, and community colleges) as they are key partners in managing the retirement benefits of SERS members. One of the most important duties of employers is to make sure the correct amount of employee (10%) and employer (14%) contributions are paid to SERS each month. Knowing what types of income are subject to SERS contributions is vital.

In November, the Board approved an update to SERS' definition of compensation.

The new compensation rule, effective July 1, 2025, is better aligned with the current compensation practices in Ohio's schools and sets forth a more modernized definition of SERS-covered compensation. It included 16 types of compensation and excluded 8 others. Employer Services was tasked with communicating those changes to employers in advance of the effective date. Information was delivered through:

- Five *Employer Hotline* electronic newsletters
- Two *Employer Bulletin* electronic newsletters
- A new *Compensation Chart: What's New and What's Not Changing* handout
- Seven 20-minute *Sound Bite: New Compensation Rule* webinars
- An hour-long *Employer Education: SERS-covered Compensation* webinar
- Three *Board Highlights* electronic newsletters
- Two website stories

SERS' Employer Services staff also collaborates with colleagues from other pension systems around the country to share what they do in Ohio and learn best practices being used at other retirement systems. In FY2025, SERS' manager of the Employer Services team participated in an educational session at the Public Pension Financial Forum (P2F2) Annual Conference with a representative from the Teachers Retirement System of Texas on the topics of employer communications and certifying retirements.

While the retirement certification process was similar in both systems, SERS' use of an Employer Panel was unique. The panel consisted of 12 employer representatives as a way to gather information about issues that need attention.

Both participants discussed the ways in which their pension system reaches out to employers via mail, in person, and online using webinars and other virtual training tools. SERS hosts one or two one-hour long webinars each month on employer reporting topics, offers a 20-minute *Sound Bite* webinar once per month on timely topics, and delivers electronic newsletters three or four times a year or as needed to highlight urgent action items for employers and provide due-date reminders.

Practicing Good Stewardship Being good stewards of the retirement contributions we receive from members and employers is part of our fiduciary duty. Some ways we do that are obvious, like making good investment choices, while others are not flashy but equally important, like maximizing available rental space in our headquarters building and keeping member data safe. We accomplished all three this fiscal year.

SERS received recognition from the American Investment Council (AIC) for its success in private equity investing. SERS was recognized as having the second highest net-of-fees, 10-year returns in private equity in the nation. Our 17.20% return over the last 10 years surpassed the median return of all U.S. pension systems by 3.7%.

In FY2025, SERS also reduced its staff footprint inside the headquarters building in Columbus by 10,000 square feet. Office space was reconfigured to allow an entire floor of the building to be available for rental. Now, SERS' staff occupies 66% of space, while the other 34% is available for leasing. Leasing income from office and parking space offsets SERS' operating expenses.

Finally, SERS continues to implement best practices to help keep member data secure from fraud and identity theft. Following the completion of an Identity Fraud and Verification Assessment in which SERS' processes were determined to be effective, SERS' Enterprise Risk and Information Security staff continue to monitor SERS' digital assets as evolving fraud risks and technological advancements present new challenges. SERS integrated identity verification software into its Account Login features, which helps verify the person creating an account is who they say they are, helps verify the identity of returning customers, and alerts staff to any malicious activity.

The Essence of Good Governance SERS' success is dependent upon good governance practices, the expertise of our staff and Board, and a constant focus on our mission of providing SERS' members with valuable lifetime pension benefit programs and services.

In September 2024, Congress began sending signals that momentum on repealing the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Social Security penalties was building. Members of Congress filed a discharge petition in the House of Representatives after H.R. 82, the Social Security Fairness Act of 2023, received the support of 218 sponsors needed to bring the legislation to a vote. In November, the bill passed the House with a vote of 327-75. Sen. Sherrod Brown sponsored S. 597, the Senate companion bill, and Sen. JD Vance was one of its 62 cosponsors.

At that point, SERS activated its grassroots legislative tool on its website to request that the Senate vote to repeal these penalties before Congress recessed for the year. Through this tool, constituents sent more than 4,500 letters to their senators, including more than 1,300 letters each to Sen. Sherrod Brown and Sen. JD Vance.

On December 21, 2024, the Senate motion passed with a vote of 73-27. President Joe Biden signed the legislation on January 5, 2025, which officially repealed the WEP and GPO Social Security penalties for public workers. The success of this repeal reflects 42 years of advocacy by public retirees who were impacted by the WEP and GPO.

On April 9, 2025, SERS' Board adopted a Remote Meeting Attendance Policy required by the passage of HB 257 that was signed by the governor in January. Under this policy, Board members may remotely participate in up to two of the 10 monthly meetings and one quarterly committee meeting if they are unable to travel to Columbus. A majority of the Board or Board Committee members must attend in person for a meeting to take place.

In FY2025, SERS completed year one of the FY2025-FY2029 Strategic Plan. Significant achievements included: completing the ORSC's 10-year actuarial audit with no major findings, creating a disability survey for members who recently completed the application process, developing a "Value of SERS Benefits" outreach plan that will be delivered in all communication platforms in FY2026, and rebranding educational webinars and including more information about the importance of personal savings in a secure retirement.

SERS also made significant progress in year three of its 5-year Technology Roadmap by achieving these key milestones: adding a static chat bot to www.ohsers.org that provides answers to frequently asked questions, adding 90TB of cloud and on-premises digital storage capacity for data backups, and replacing the appliance that runs all of SERS' critical computer systems with no impact to daily production. These upgrades will ensure that the computer system can meet business requirements for at least the next five years.

SERS' risk management group also successfully qualified for inclusion in the Department of Homeland Security's Cyber Hygiene Service program that includes continuous monitoring of SERS' network and access to diagnostic and mitigation technology. This free program helps to strengthen information security and allows network administrators to know that status of their networks at any time. The team also patched thousands of hardware/software vulnerabilities and implemented continuous monitoring for 3rd party breaches that could affect SERS.

Keeping Health Care Affordable Even though health care is not a guaranteed benefit for retirees, SERS' Board and Staff recognize that affordable health care is a necessity for a secure retirement. Maintaining a well-funded health care program is the key to attaining that goal.

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

In keeping with the Board's commitment to direct more employer contributions toward funding pensions following the Great Financial Crisis, a $35 monthly premium surcharge was implemented to help stabilize the Health Care Fund. Since then, the Board took further actions to increase the sustainability of the Health Care Fund. These actions, along with good investment returns and increased federal subsidies, enabled the Health Care Fund attain a 39-year solvency period as of June 30, 2025.

As this is more than double the solvency goal set in 2009, the Board approved a staff recommendation to reduce the premium surcharge to $15 beginning in 2026. This reduction will increase the value of the Medicare Advantage plan for enrollees and potentially increase participation.

The Health Care Fund has been self-sustaining, with no share of employer contributions since 2019.

Because health care is federally regulated, SERS' health care and government relations staff constantly monitor legislative activity that could affect plan design, affordability, or funding.

In November, staff attended the Public Sector Health Care Roundtable in Washington, D.C. The conference provided members and guests a unique opportunity to hear presentations by high-level government officials and key experts from Congress, the Administration, academics, benefit consultants, plan administrators, advocates and industry leaders in an intimate dialogue-oriented setting.

In March, SERS staff attended the annual NASRA/NIRS joint conference. In addition to attending panels and presentations, staff met with several Ohio legislators to educate congressional staff about ways to reduce drug prices.

INVESTMENTS

SERS' investment portfolio is diversified by asset class, investment approach, and individual investments within each asset class to reduce overall portfolio risk and volatility. At year end, SERS' investment portfolio was $20.7 billion. The time weighted investment return was 11.2% (net), for the fiscal year exceeding the policy benchmark by 1.1%. The actuarial rate of return was 7.00%. Net investment income was $2.1 billion compared to net investment income of $1.7 billion in FY2024. The SERS Investment Committee structure was fully operational and represents a leading practice in investment operations. For more information on SERS' portfolio performance and investment strategy and policy, please turn to the Investment Section of this report.

SERS' investment staff, with support from Wilshire Associates, Inc., the Board investment consultant, continually monitor the asset allocation and recommends to the Board asset allocation changes as needed. No changes were made to the asset allocations for FY2025. The FY2025 allocation is 40% for global equities 18% for global fixed income, 14% for global private equity, 13% for global real estate, 7% for global infrastructure, 5% for global private credit, and 3% for cash equivalents.

FUNDING

SERS' primary objective is to assure that at the time benefits commence, sufficient funds will be available to provide retirement, disability, and survivor benefits for its members. In addition, SERS is committed to sustaining contribution rates that remain level from generation to generation.

SERS' benefits are separated to comply with various sections of the Internal Revenue Code (IRC), and then reported and valued for funding purposes in accordance with relevant GASB statements. For FY2025, the funded ratios for the three benefits mandated by statutes (basic benefits) increased, as designed by the funding policy. The funding level for basic benefits increased from 78.99% over a 20-year period to 79.00% over a 19-year period. The funding level for discretionary health care benefits decreased from 61.6% to 54.5% over a 30-year period. The Health Care Fund is projected to remain solvent through 2064, a 39-year solvency period as of June 30, 2025. Historical information related to progress on meeting the funding objective can be found in the Required Supplementary Information in the Financial Section of this report.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SERS for its *Annual Comprehensive Financial Report* (ACFR) for the fiscal year ended June 30, 2024. This was the 40th consecutive year that SERS has received this prestigious award. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA gave SERS an Award for Outstanding Achievement in Popular Annual Financial Reporting for its *Summary Annual Financial Report* (SAFR) for the fiscal year ended June 30, 2024. SERS first issued the SAFR for fiscal year ended June 30, 2013 and has received this award for 12 consecutive years. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for one year only. We believe that our current SAFR continues to meet the Award for Outstanding Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Public Pension Coordinating Council (PPCC) awarded to SERS the Public Pension Standards Award for 2025. Developed by the PPCC to promote excellence in meeting professional standards for plan funding and administration among state and local public retirement systems, the Public Pension Standards are the benchmark for measuring current practices of defined benefit plans. The PPCC is a coalition of three national associations that represent public retirement systems and administrators: the National Association of State Retirement Administrators, the National Council on Teacher Retirement, and the National Conference on Public Employee Retirement Systems.

This report represents the collaboration of SERS' staff and advisors. Our sincere appreciation is extended to all those who contributed to the completion of this report. This report is intended to provide complete and reliable information as a basis for management decisions, for compliance with legal requirements, and as a measurement of the responsible stewardship of SERS' assets.

In closing, we recognize that our strength is a reflection of the quality of our staff. We value their efforts that enable us to maintain effective internal controls while at the same time deliver high quality service to our members, retirees, and employers.

Respectfully submitted,

Richard Stensrud	Marni Hall, CPA
Executive Director	*Chief Financial Officer*

SERS and its members can be significantly affected by legislation enacted by the Ohio General Assembly and Congress. SERS closely monitors legislative and regulatory activities, and when appropriate, provides testimony or otherwise educates Ohio legislators, congressional representatives, and regulatory agencies on the impact of those proposals.

State Legislation

From the 135th General Assembly:

S.B. 6 To Amend Sections 145.11, 742.11, 3307.15, 3309.15, 3345.16, 4123.44, 4123.442, and 5505.06 and to enact section 3345.161 of the Revised Code. (Signed by Governor, effective 3/20/2025) Amends sections of the Revised Code regarding environmental, social, and corporate governance policies with respect to the state retirement systems, Bureau of Workers' Compensation, and state institutions of higher education. SERS provided written interested party testimony to the Senate Finance committee. SERS is in compliance with the Senate bill.

H.B. 257 To amend sections 715.693, 924.12, 3307.091, 5505.04, and 5543.06 and to enact sections 121.221, 145.071, 742.071, and 3309.091 of the Revised Code. (Signed by Governor, effective 4/9/2025) This would allow SERS trustees to participate remotely in board meetings with certain restrictions. SERS provided in-person testimony to the Senate Government Oversight committee in support of H.B. 257. Under the new law, SERS has created a remote participation policy for trustees.

From the 136th General Assembly:

S.B. 69 To declare the General Assembly's intent to enact legislation to reform the law governing the state's public retirement systems. (2/12/2025 Referred to Financial Institutions, Insurance and Technology Committee) This bill declares the General Assembly's intent to make necessary changes to the law to ensure the health and sustainability of the state's public retirement systems.

H.B. 96 Make State Operating Appropriations for FY 2026-27 (Signed by Governor, effective 6/30/2025) This bill makes 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. Several provisions that were part of the deliberations that potentially impacted SERS included:

- an amendment added by House treating SERS and other public retirement systems like state agencies for purposes of “return to office”. (Removed in conference committee.)
- a provision requested by Department of Taxation requiring systems to withhold school district income tax from retiree benefit payments if requested by the benefit recipient. (Amended by Senate to extend the implementation date to 1/1/2027.)
- an amendment added in the Senate that would exempt certain 3rd party vendors from SERS membership. (Removed by conference committee.)
- an amendment added in the Senate to prohibit fringe benefit pick-up of SERS contributions for school treasurers. (Vetoed by Governor.)

Federal Legislation

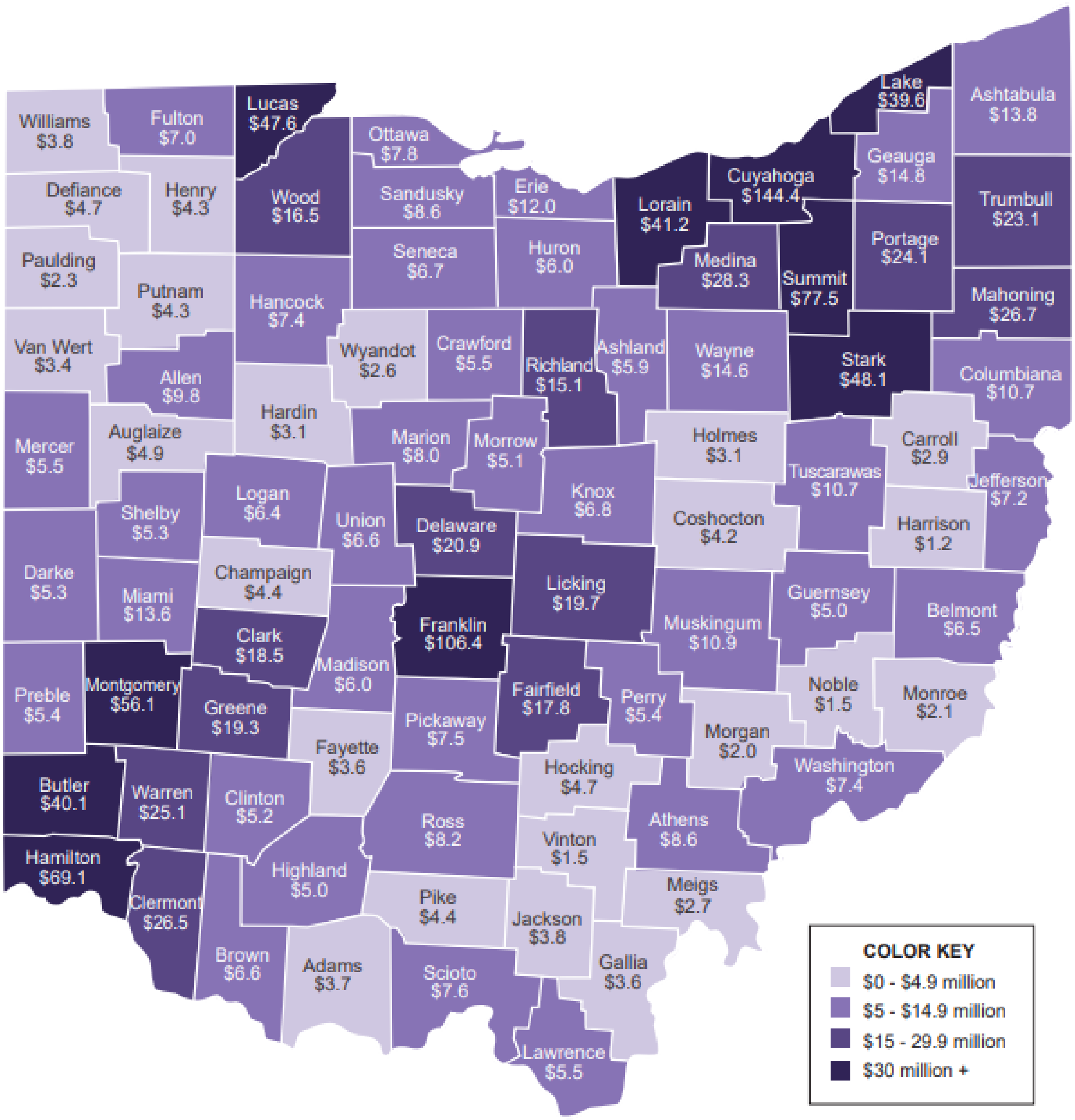
From the 118th Congress:

H.R. 82 Social Security Fairness Act of 2023 (1/5/2025, Became Public Law No. 118-273) This bill would repeal the Government Pension Offset (GPO) and Windfall Elimination Provisions (WEP). Companion bill to S. 597. For decades GPO and WEP had reduced or eliminated the Social Security benefits of over 2.8 million people who receive a pension based on work that was not covered by Social Security (a “non-covered pension”) because they did not pay Social Security taxes. Starting February 25, 2025, Social Security Administration (SSA) began adjusting monthly benefit payments to people whose benefits have been affected by the WEP and GPO. Social Security benefits payable from January 2024 were also retroactively adjusted. As of July 7, 2025, SSA completed sending over 3.1 million payments nationwide, totaling $17 billion in retroactive benefits, to beneficiaries eligible under the Act.

Pension Benefits by County FY2025 *($ in millions)*

Public pensions positively impact Ohio's economy. Of the 83,327 individuals receiving pension benefits from SERS, nearly 91% live in Ohio.

In FY2025 alone, benefit payments of approximately $1.35 billion were distributed among Ohio's 88 counties, positively impacting the state's economy. For every dollar in employer contributions invested in SERS' retirement benefits last year, $2.40 was returned to local economies.



FINANCIAL SECTION

$21.08 BILLION
Net Position

$1.46 BILLION
Annual Pension Benefit Payments

79% FUNDED
As of June 30, 2025
(Basic Pension Benefits)

11.2%
Net
Rate of Return

Plante & Moran, PLLC
3434 Granite Circle
Toledo, OH 43617
Tel: 419.843.6000
Fax: 419.843.6099
plantemoran.com

Independent Auditor's Report

To the Retirement Board
School Employees Retirement System of Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of School Employees Retirement System of Ohio (SERS) as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise SERS' basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SERS as of June 30, 2025 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of SERS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SERS' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Retirement Board
School Employees Retirement System of Ohio

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of SERS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SERS' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SERS' basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory, investment, actuarial, statistical, and plan summary sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Retirement Board
School Employees Retirement System of Ohio

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025 on our consideration of SERS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SERS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SERS' internal control over financial reporting and compliance.

Plante & Moran, PLLC

December 5, 2025

Introduction

This section presents Management's Discussion and Analysis of the School Employees Retirement System of Ohio's financial performance for fiscal year ended June 30, 2025. This information is based on SERS' financial statements, which begin on page 24. We encourage readers to consider the information presented here in conjunction with the information in our Letter of Transmittal, which begins on page 6 in the Introductory Section of this report. In addition to historical information, Management's Discussion and Analysis includes forward-looking statements that involve certain risks and uncertainties. Actual results, performance, and achievements may differ from those expressed or implied in such forward-looking statements, due to a wide range of factors, including changes in the securities markets, general economic conditions, and legislative changes, as well as other factors.

FINANCIAL HIGHLIGHTS

- SERS' total assets at June 30, 2025, were $21.4 billion, an increase of $1.8 billion, or 8.9%, compared to FY2024 assets. The change in total assets is primarily attributable to the FY2025 time weighted net investment return of 11.2%.
- Deferred outflows from SERS' staff participation in OPERS decreased from FY2024 to FY2025. Deferred outflows from pensions decreased $4.8 million and deferred outflows from other postemployment benefits (OPEB) decreased $2.0 million. The deferred outflows decrease resulted from OPERS' investments experiencing a gain in FY2024.
- SERS' total liabilities at June 30, 2025, were $326.6 million, an increase of $188.6 million, or 136.7%, compared to FY2024 liabilities. The change is primarily attributed to an increase in investments payable, which fluctuate due to the timing of investment purchases.
- Deferred inflows decreased from FY2024 to FY2025 from SERS' staff participation in OPERS. Deferred inflows from pensions decreased by $2.9 million and deferred inflows from OPEB decreased by $1.3 million. Deferred inflows from GASB Statement No. 87, *Leases*, or tenant leases, increased by $1.3 million. The decrease in deferred inflows from pensions and OPEB is due to the difference between the OPERS projected 6.9% investment rate of return and OPERS' actual FY2024 investment gain of 9.1%.
- Total additions to plan net position were $3.3 billion, comprised of contributions of $1.1 billion, $0.1 billion of other income, and net investment income of $2.1 billion. Contributions increased 5.0% when compared to FY2024 and is based on reported payroll amounts. Net investment income increased $0.3 billion in FY2025 due to market performance. Investments experienced an 11.2% time weighted net return in FY2025 compared to a 9.7% net gain in FY2024.
- Total deductions from plan net position for FY2025 totaled $1.7 billion, an increase of 3.8% from FY2024 deductions and include benefit, refund and transfer payments of $1.7 billion and administrative expenses of $36.2 million. Included in administrative expenses are personnel, professional, communication, computer support, facility expenses, and depreciation.
- The net increase in plan net position was $1.6 billion compared to a net increase of $1.3 billion in FY2024. The majority of the variance is due to net investment earnings in FY2025.

CONDENSED SUMMARY OF TOTAL FIDUCIARY NET POSITION *($ in millions)*

			Change	
ASSETS	2025	2024	Amount	Percent
Cash	$291.3	$441.3	($150.0)	(34.0%)
Receivables	310.0	172.9	137.1	79.3
Investments	20,756.6	18,989.4	1,767.2	9.3
Capital Assets, Net	46.0	48.2	(2.2)	(4.6)
Prepaid & Other Assets	3.2	2.2	1.0	45.5
Total Assets	21,407.1	19,654.0	1,753.1	8.9
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows	4.2	11.0	(6.8)	(61.8)
LIABILITIES				
Benefits & Accounts Payable	42.8	41.9	0.9	2.1
Other Liabilities	283.8	96.1	187.7	195.3
Total Liabilities	326.6	138.0	188.6	136.7
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows	3.0	5.9	(2.9)	(49.2)
Fiduciary Net Position	**$21,081.7**	**$19,521.1**	**$1,560.6**	**8.0%**

CONDENSED SUMMARY OF CHANGES IN TOTAL FIDUCIARY NET POSITION *($ in millions)*

			Change	
ADDITIONS	2025	2024	Amount	Percent
Contributions	$1,124.0	$1,070.2	$53.8	5.0%
Other Income	98.8	115.6	(16.8)	(14.5)
Net Investment Income	2,071.4	1,739.6	331.8	19.1
Total Additions	3,294.2	2,925.4	368.8	12.6
DEDUCTIONS				
Benefits	1,593.0	1,540.1	52.9	3.4
Refunds & Transfers	104.0	96.5	7.5	7.8
Admin. Expenses	36.2	33.4	2.8	8.4
Total Deductions	1,733.2	1,670.0	63.2	3.8
Net Increase	1,561.0	1,255.4	305.6	24.3
Balance, Beginning of Year *	19,520.7	18,265.7	1,255.0	6.9
Balance, End of Year	**$21,081.7**	**$19,521.1**	**$1,560.6**	**8.0%**

* FY2024 balance was restated to reflect GASB 101 implementation.

OVERVIEW OF FINANCIAL STATEMENTS

SERS' financial statements are prepared in accordance with generally accepted accounting principles in the United States of America. Management's Discussion and Analysis is intended to serve as an introduction to SERS' financial statements, which are prepared using the accrual basis of accounting. Following Management's Discussion and Analysis are the basic financial statements. Reviewing these statements, along with the accompanying notes, gives the reader a better understanding of SERS' financial position.

The Statement of Fiduciary Net Position is a point-in-time snapshot of SERS' assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at fiscal year-end. Net position represents the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources.

The Statement of Changes in Fiduciary Net Position presents the additions and deductions for the fiscal year. Major sources of additions are contributions and investment income. Major sources of deductions are benefits, refunds, and administrative expenses.

The Notes to Financial Statements supply additional information that is essential for a full understanding of the data provided in the financial statements. The notes describe the history and purpose of the plans; present information about accounting policies; and disclose material risks, subsequent events, and contingent liabilities, if any, that may significantly impact SERS' financial position.

In addition to the financial statements and notes, the following supplementary information is also provided:

- Required supplementary information that presents SERS' employer proportion of collective net pension liability based on statutory requirements, including employer contributions and notes;
- Required supplementary information that presents SERS' employer proportion of collective OPEB liability based on statutory requirements, including employer contributions and notes;
- Required supplementary information that presents SERS' proportionate share of the Ohio Public Employees Retirement System (OPERS) net pension liability;
- Required supplementary information that presents SERS' proportionate share of the OPERS net OPEB liability (asset); and
- Optional supplementary schedules that present information related to administrative expenses, investment-related expenses, and non-investment related consulting fees.

The financial statements, notes, and Required Supplementary Information (RSI) are presented in compliance with generally accepted accounting principles.

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB 68), the net pension liability equals SERS' proportionate share of OPERS' unfunded actuarial accrued liability. However, SERS is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee member contribution rates are capped by state statute. A change in these caps requires action of both houses of the general assembly and approval by the governor. Benefit provisions also are determined by state statute. In Ohio, public employers are not legally bound to pay off the unfunded liabilities of the public pension systems. The pension systems are solely responsible for the prudent fiscal administration of their plans.

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), the net OPEB liability (asset) equals SERS' proportionate share of the OPERS unfunded liability (asset). However, SERS is not responsible for certain key factors affecting the balance of this liability (asset). OPERS' Board of Directors determines on an annual basis the percentage of total employer contributions to be allocated to health care. The portion of Traditional Pension Plan employer contributions was 0% for calendar year 2024. The portion of Combined Plan employer contributions allocated to health care was 2% for calendar year 2024. In Ohio, health care is a discretionary benefit; it is not guaranteed by statute. Public employers are also not legally bound to pay off the OPEB liabilities of the public pension systems. The pension systems are solely responsible for the prudent fiscal administration of their plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability (asset). Changes in pension benefits, OPEB benefits, contribution rates, and return on investments affect the balance of the net pension liability and the net OPEB liability (asset), but are outside the control of SERS. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, state statute does not assign/identify the responsible party for the unfunded portion.

FINANCIAL ANALYSIS

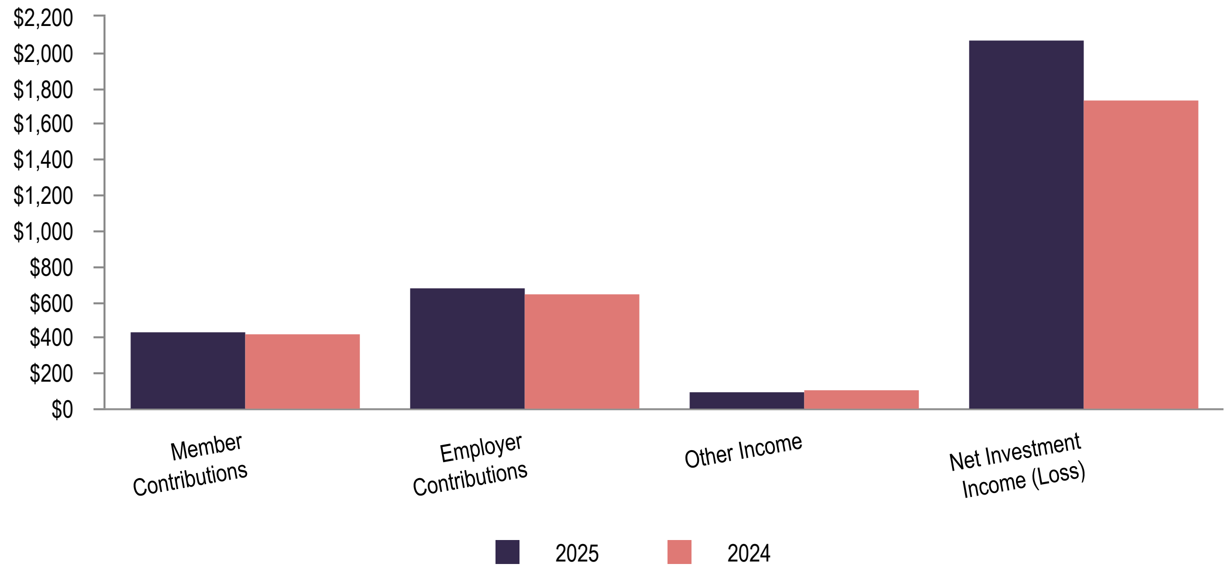
A statewide defined benefit public pension plan, such as SERS, has a long-term perspective on financial activities. SERS' primary responsibility is to assure that sufficient funds will be available to provide retirement, disability, and survivor benefits, Medicare Part B premium reimbursements, and lump sum death benefits. Laws governing SERS' financing intend the contribution rates to remain approximately level from generation to generation.

A Condensed Summary of Total Fiduciary Net Position and a Condensed Summary of Changes in Total Fiduciary Net Position as of June 30, 2025 and 2024, are shown on page 17.

SERS is comprised of five separate funds – the Pension Trust Fund, the Medicare B Fund, the Death Benefit Fund, the Qualified Excess Benefit Arrangement (QEBA) Fund, and the Health Care Fund. Pension benefits are funded through a combination of member and employer contributions and investment income. Medicare Part B premium reimbursements and death benefits are funded through employer contributions and investment income. The QEBA, a separate plan under Internal Revenue Code §415, is funded by contributions from the retiree's last employer. Funding for the Health Care Fund comes from employer surcharge, retiree premium payments, federal subsidies, other receipts, and investment income. The graph, "Comparative Additions by Source to Total Plan Fiduciary Net Position FY2025 and FY2024", depicts the amount that each source added to the system's assets.

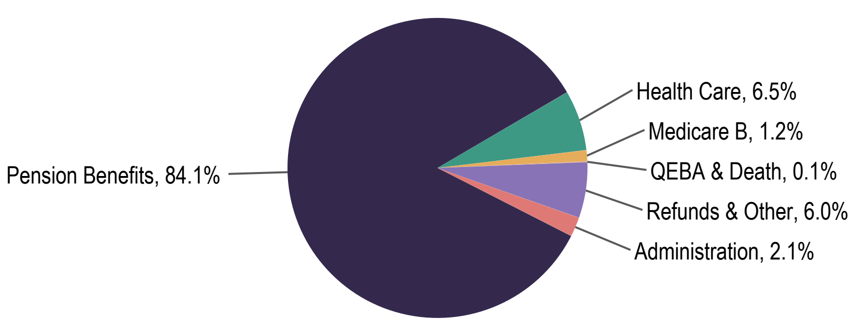
Comparative Additions by Source to Total Plan Fiduciary Net Position FY2025 and FY2024

($ in millions)



Expenses were incurred primarily for the purpose for which SERS was created: the payment of benefits to non-teaching Ohio public school, community school, and community college employees. Included in the deductions from fiduciary net position were benefit payments, refunds of contributions due to member terminations or deaths, net transfers to other Ohio retirement systems to provide benefits for those members who had membership in more than one system, and administrative expenses.

Deductions from Total Plan Fiduciary Net Position FY2025

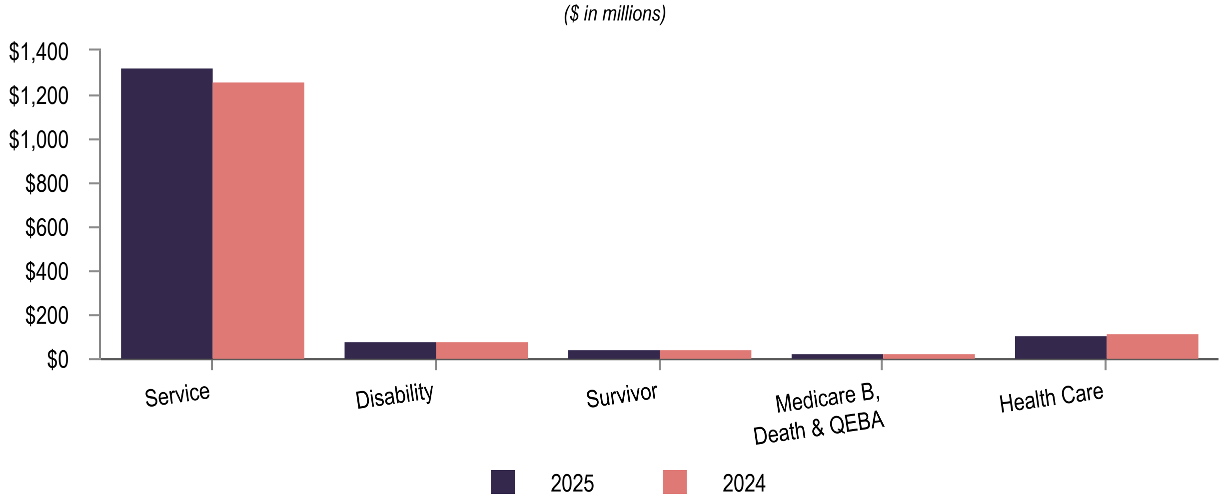


SERS' fiduciary net position increased by $1.6 billion during FY2025, compared to a net increase of $1.3 billion in FY2024.

- For financial statement purposes, member contributions consist of 10% of reported payroll, and member purchases of restored and optional service credits. Employer contributions include 14% of reported payroll, the employer's share of optional and compulsory purchased service credit, early retirement incentives, and the health care surcharge which is capped at 1.5% of statewide payroll. Employer contributions in excess of those required to support the Pension, Medicare B, and Death Benefit Funds may be allocated to the Health Care Fund.
- Member and employer contributions, excluding the health care surcharge, increased 5.1% in FY2025 from FY2024 and is based on increased member wages. The number of active members in FY2025 increased by 1,930, or 1.2%, compared to FY2024 for a total of 165,280 members.
- Employer contributions to the Health Care Fund are derived from two sources. The first source is an allocation of the employers' 14% contribution after pension benefits are funded. Because of SERS' funding policy, a maximum of 0.50% of the employer contribution was available for the Board to allocate to the Health Care Fund in FY2025; however, the Board voted to allocate 100% of the employer contribution to fund pension benefits during FY2025. The second source is a health care surcharge for members who earn less than an actuarially determined minimum salary, which is established annually by the Board based on the actuary's recommendation. Regardless of the minimum compensation amount, legislated limits on SERS' surcharge revenue restrict the actual surcharge to 1.5% of statewide payroll, and no employer pays more than 2.0% of the district's payroll. The surcharge increased from $61.0 million in FY2024 to $63.6 million in FY2025.
- Along with employer contributions and investment income, additions to the Health Care Fund include health care premiums paid by benefit participants. Enrollment and total premiums decreased 0.5% and 2.4%, respectively, from FY2024 to FY2025.
- Other sources of additions to the Health Care Fund include net reimbursements from the federal program for Medicare Part D qualified prescription drug plans (PDP) and our primary Medicare Advantage provider, and risk sharing refunds. Total additions from these programs in FY2025 were $41.2 million versus additions of $57.5 million in FY2024.
- Investment income is allocated to all funds, presented net of investment fees, and is comprised of interest, dividends, and realized and unrealized investment gains and losses. Investment expense is comprised of external manager, custody, and master record keeper fees, and internal investment and accounting expenses. SERS' investment portfolio, with the exception of cash and short-term investments, is managed by external investment managers. SERS had net investment income of $2.1 billion in FY2025 compared to a gain of $1.7 billion in FY2024. Income from interest and dividends increased by $127.4 million to $586.1 million and investment expenses, including investment management fees and investment administrative expenses, increased $2.2 million, or 1.9%, in FY2025.
- Total payments to service, disability, and survivor benefit recipients increased $64.3 million, or 4.5% during FY2025. Service retirement payments increased 5.1%, disability payments decreased 1.5%, and survivor benefits payments increased 0.6%. A 2.5% simple cost-of-living adjustment (COLA) was adopted for CY2024 and CY2025, which applied to FY2025.

Comparative Benefit Payments FY2025 and FY2024

($ in millions)



- Total refunds paid increased 0.7% from FY2024 to FY2025. The increase is due to the number of refund applications received, which was 19,130 in FY2025 compared to 15,819 in FY2024. A lump sum of member contributions is only distributed to members who have terminated public employment, applied for a refund, and waited for expiration of the 90-day waiting period that begins with their last day of service. SERS' members cannot take partial distributions. Reemployed retirees who are eligible for an annuity may elect a lump sum distribution, which includes the member's contributions, a portion of the employer's contributions, and interest.

- If a member has been employed in a job covered by the State Teachers Retirement System of Ohio (STRS) or the Ohio Public Employees Retirement System (OPERS) defined-benefit plans, as well as in a job covered by SERS, the member may receive a retirement benefit independently from each system, if eligible, or combine the service credit and accounts in all systems to receive one benefit at retirement. The system that holds the greatest service credit will calculate and pay the benefit; the member's full contributions and a share of the employer contributions and interest are transferred to the paying system. Net transfers to other Ohio systems increased $6.8 million in FY2025 when compared to FY2024. Independently, transfers to other Ohio systems from SERS increased 9.4% in FY2025 and transfers from other Ohio systems to SERS increased 23.8% in FY2025.
- SERS pays a $1,000 death benefit to the designated beneficiary of service and disability retirees. Death benefit payments increased 2.9% in FY2025.
- SERS reimburses a portion, $45.50, of the Medicare Part B monthly premium to retirees eligible for SERS' health care program who provide proof of enrollment in Medicare Part B. The reimbursement amount, established by statute, has not changed since 2001; therefore, changes in expense are driven by eligible retirees' enrollment in Medicare Part B or termination of the benefit. Medicare Part B expenses remained substantially the same in FY2025 when compared to FY2024. The eligibility of new retirees to receive Medicare Part B reimbursement is tied to enrollment in one of SERS' health care plans.
- Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and enrolled in a fully-insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care expenses, net of prescription rebates and reinsurance reimbursements from Centers for Medicare & Medicaid Services, decreased by $11.4 million, or 9.3%, to $111.2 million. Goals for the non-Medicare program are to provide access to quality coverage at an affordable cost. SERS has offered a Marketplace Wraparound HRA since 2017, which has offered a more affordable option. Health care is a benefit that is permitted, not mandated, by statute. SERS' funding policy is to maintain the Health Care Fund with a 20-year solvency period to ensure that the fluctuations in the cost of health care do not cause an interruption in the program. If the health care surcharge, which is capped at 1.5% of statewide employer payroll, is received and all other actuarial assumptions are met, the Health Care Fund is projected to remain solvent through 2064, or a 39-year solvency period, as of June 30, 2025.

ACTUARIAL

The annual actuarial valuation measures the total liability for all benefits earned to date. The accrued liability is a present value estimate of all the benefits that have been earned to date but not yet paid. The actuarial accrued liability (AAL) for the four funds changed as follows:

ACTUARIAL ACCRUED LIABILITY *($ in millions)*

Fund	FY2025	FY2024	Increase/ (Decrease)	% Change
Pension	$24,164	$23,396	$768	3.3%
Medicare B	377	382	(5)	(1.3)
Death	43	43	—	—
Health Care	1,724	1,325	399	30.1

The unfunded actuarial accrued liability (UAAL) is the present value of the future benefits payable that are not covered by the actuarial value of assets as of the valuation date. The funded ratio reflects the percentage of the accrued liability covered by the actuarial value of assets. A decrease in the UAL indicates progress toward funding. The unfunded liability and the funded ratio changed as follows:

UNFUNDED ACTUARIAL ACCRUED LIABILITY *($ in millions)*

Fund	FY2025	FY2024	Increase/ (Decrease)	% Change	Funded Ratio FY2025	Funded Ratio FY2024
Pension	$5,098	$4,914	$184	3.7%	78.9%	79.0%
Medicare B	56	83	(27)	(32.5)	85.2	78.3
Death	7	9	(2)	(22.2)	82.6	79.1
Health Care	784	509	275	54.0	54.5	61.6

To completely understand the funding status of SERS, it is important to analyze actuarial data in combination with financial data. The actuarial data provided in the two previous tables are presented using an actuarial or funding basis. The funding basis uses an actuarial value of assets that smooths market gains and losses over a closed four-year period subject to a 20% market corridor. This differs from an accounting basis (utilized in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* and GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*) that calculates the funding status using the fair value of assets.

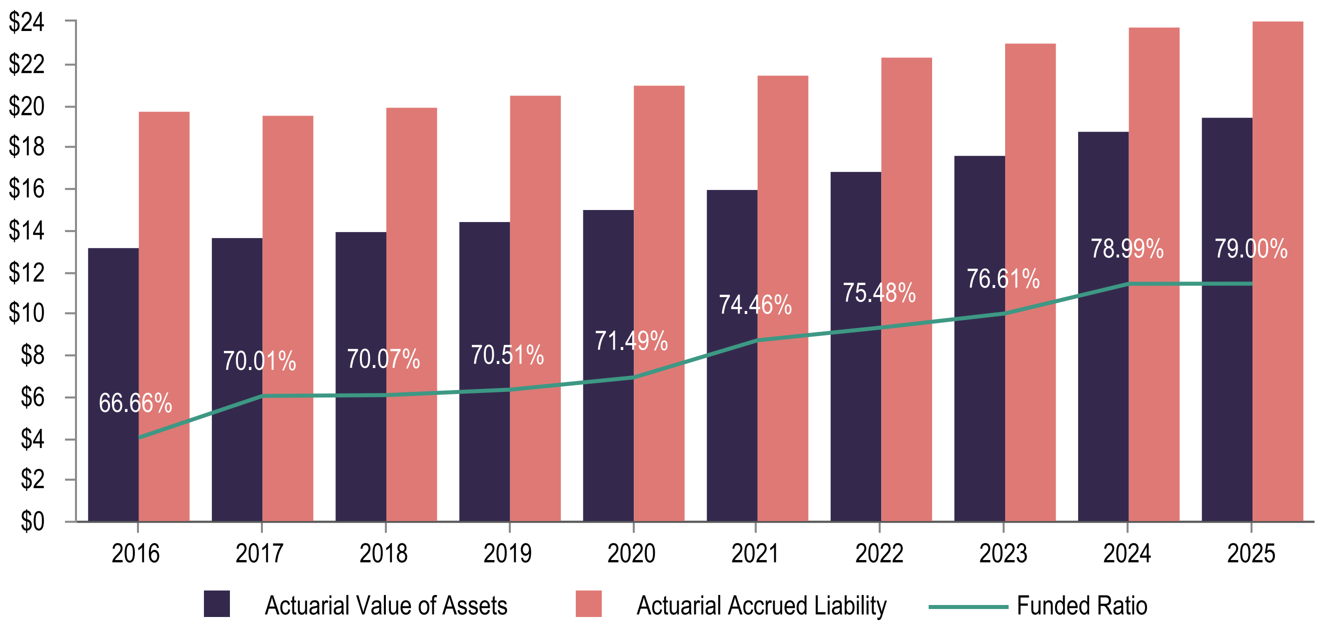
As a result of actuarial smoothing, the fair value of assets may be more than or less than the actuarial or funding value of assets at a given point in time. In periods of protracted market decline, the fair value of assets will usually be less than the actuarial or funding value of assets. In contrast, during periods of protracted market gains, the fair value of assets will generally be greater than the actuarial or funding value of assets.

To ensure the funding value of assets and the fair value of assets remain within reasonable proximity of each other, SERS uses a 20% market corridor in conjunction with its four-year smoothing. This policy ensures that the funding value of assets is neither lower than 80%, nor higher than 120% of the fair value of the assets. At the end of FY2024, the funding value was higher than the fair value by $110.8 million. At the end of FY2025, the fair value of assets was higher than the funding value by $719.4 million.

As of June 30, 2025, the date of the latest actuarial valuation, the funded ratio for basic pension benefits, which include pension, Medicare B, and death benefits, was 79.00%. In general, this means that for every dollar of future pension liability, SERS had accumulated approximately $0.79 to meet that obligation. The funded ratio for basic pension increased from June 30, 2024 by 0.01%. The June 30, 2025 actuarial report indicates that if all actuarial assumptions are met, SERS would accumulate sufficient assets to pay all pension liabilities for active members and retirees within 19 years compared to 20 years at June 30, 2024.

Basic Pension Benefit Funding *($ in billions)*

Last 10 fiscal years



CONDITIONS EXPECTED TO AFFECT FINANCIAL POSITION OR RESULTS OF OPERATIONS

SERS' primary objective is to assure that at the time benefits commence, sufficient funds will be available to provide retirement, disability, and survivor benefits for its members. In addition, SERS is committed to sustaining contribution rates that remain level from generation to generation.

SERS, with the assistance of its actuary, annually evaluates pension sustainability by reviewing all the variables in the current pension model. This includes investment returns, contribution levels, contribution rates, service credit rates, minimum age requirements, along with a variety of other variables. Legislation was passed in FY2023 to reduce the risk of benefit inflation and SERS implemented a Compensation Based Benefit Cap (CBBC) effective August 1, 2024. The CBBC ensures that members' career contributions support their pension benefits.

A new administrative rule on the definition of compensation was approved by the Board and is effective July 1, 2025. This definition aligns with the current compensation practices in Ohio's public schools. The rule removes attendance and wellness incentives, employee recruitment incentives, severance payments, and payments not made under an employment agreement. The rule clarifies overtime payments and collective bargaining agreement payments are compensation and should be reported to SERS with member and employer contributions withheld, and clarifies how to report back pay and self-employment compensation under service agreements.

A five-year actuarial experience study was performed in the spring of FY2021. Results from this study provided the Board with useful insight on adjustments to actuarial assumptions used in valuations. As a result of the study, new actuarial assumptions were adopted by the Board for the June 30, 2021 actuarial valuations for Pension and Health Care. While assumptions are reviewed annually, they are typically updated during the five-year actuarial experience study cycle unless there is a compelling reason to adjust assumptions mid-cycle.

Markets are expected to remain volatile over the next several years. The Strategic Investment Plan has been designed to add value relative to the benchmark returns and to manage risks. High interest rates and slowing growth pose significant risks to expected returns.

REQUEST FOR INFORMATION

This financial report is designed to provide the Retirement Board, our membership, employers, and investment managers with a general overview of SERS' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to:

School Employees Retirement System of Ohio
Finance Department
300 East Broad Street, Suite 100
Columbus, Ohio 43215-3746

STATEMENT OF FIDUCIARY NET POSITION AS OF JUNE 30, 2025

	Pension Trust Fund	Medicare B Fund	Death Benefit Fund	QEBA Fund	Health Care Fund	TOTAL
ASSETS						
Operating and Investment Cash	$195,560,052	$6,963,351	$350,964	$165,648	$88,219,097	$291,259,112
Receivables						
Contributions						
Employer	9,750,282	7,107,700	786,911	—	63,669,236	81,314,129
Member	2,117,651	—	—	—	—	2,117,651
Investments Receivable	204,066,931	3,332,606	373,603	—	8,253,861	216,027,001
Other Receivables	3,785,591	—	—	—	6,738,805	10,524,396
Total Receivables	219,720,455	10,440,306	1,160,514	—	78,661,902	309,983,177
Investments						
US Equity	5,577,979,359	91,093,691	10,212,093	—	225,611,604	5,904,896,747
Non-US Equity	2,910,673,771	47,534,062	5,328,824	—	117,727,538	3,081,264,195
Private Equity	2,952,370,339	48,215,007	5,405,162	—	119,414,032	3,125,404,540
Fixed Income	3,873,116,104	63,251,658	7,090,851	—	156,655,283	4,100,113,896
Real Assets	3,389,843,949	55,359,365	6,206,083	—	137,108,455	3,588,517,852
Short-term Cash Equivalents	874,420,794	14,280,121	1,600,878	—	35,367,553	925,669,346
Total Investments	19,578,404,316	319,733,904	35,843,891	—	791,884,465	20,725,866,576
Securities Lending Collateral at Fair Value	29,092,660	475,111	53,262	—	1,176,706	30,797,739
Capital Assets						
Land	3,315,670	—	—	—	—	3,315,670
Property & Equipment, at Cost	95,437,027	—	—	—	—	95,437,027
Accumulated Depreciation and Amortization	(52,787,401)	—	—	—	—	(52,787,401)
Property & Equipment, Book Value	45,965,296	—	—	—	—	45,965,296
Prepaid and Other Assets	3,189,933	—	—	—	—	3,189,933
TOTAL ASSETS	20,071,932,712	337,612,672	37,408,631	165,648	959,942,170	21,407,061,833
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - Pension	4,157,849	—	—	—	—	4,157,849
Deferred Outflows - OPEB	93,928	—	—	—	—	93,928
LIABILITIES						
Accounts Payable & Accrued Expenses	30,856,691	—	—	—	9,286,063	40,142,754
Benefits Payable	2,662,778	—	—	—	—	2,662,778
Investments Payable	239,036,425	3,903,691	437,625	—	9,668,267	253,046,008
Obligations under Securities Lending	29,059,608	474,571	53,202	—	1,175,369	30,762,750
TOTAL LIABILITIES	301,615,502	4,378,262	490,827	—	20,129,699	326,614,290
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	24,831	—	—	—	—	24,831
Deferred Inflows - OPEB	444,345	—	—	—	—	444,345
Deferred Inflows - Leases	2,498,139	—	—	—	—	2,498,139
FIDUCIARY NET POSITION RESTRICTED FOR PENSION	$19,771,601,672	$333,234,410	$36,917,804	$165,648	$—	$20,141,919,534
FIDUCIARY NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	$—	$—	$—	$—	$939,812,471	$939,812,471
FIDUCIARY NET POSITION RESTRICTED FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS	**$19,771,601,672**	**$333,234,410**	**$36,917,804**	**$165,648**	**$939,812,471**	**$21,081,732,005**

See accompanying notes to the basic financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Pension Trust Fund	Medicare B Fund	Death Benefit Fund	QEBA Fund	Health Care Fund	TOTAL
ADDITIONS						
Contributions						
Employer	$589,507,670	$26,407,162	$1,896,172	$184,000	$63,568,312	$681,563,316
Member	442,429,203	—	—	—	—	442,429,203
Other Income						
Health Care Premiums	—	—	—	—	56,662,168	56,662,168
Federal Subsidies & Other Health Care Receipts	—	—	—	—	41,152,667	41,152,667
Miscellaneous Income	964,246	—	—	—	—	964,246
	1,032,901,119	26,407,162	1,896,172	184,000	161,383,147	1,222,771,600
Income from Investment Activity						
Net Appreciation in Fair Value	1,516,939,580	23,721,957	2,788,465	—	59,177,229	1,602,627,231
Interest and Dividends	554,743,858	8,686,000	1,019,893	219	21,696,564	586,146,534
Investment Management Fees	(102,505,992)	(1,602,992)	(188,429)	—	(3,998,854)	(108,296,267)
Direct Investment Administrative Expenses	(8,882,076)	(138,456)	(16,347)	—	(343,550)	(9,380,429)
Net Income from Investment Activity	1,960,295,370	30,666,509	3,603,582	219	76,531,389	2,071,097,069
Income from Securities Lending Activity						
Gross Income	950,156	14,859	1,747	—	37,066	1,003,828
Rebate Expense	(527,361)	(8,247)	(969)	—	(20,573)	(557,150)
Securities Lending Management Fees	(86,779)	(1,357)	(160)	—	(3,385)	(91,681)
Net Income from Securities Lending Activity	336,016	5,255	618	—	13,108	354,997
Total Investment Income, Net	1,960,631,386	30,671,764	3,604,200	219	76,544,497	2,071,452,066
TOTAL ADDITIONS	2,993,532,505	57,078,926	5,500,372	184,219	237,927,644	3,294,223,666
DEDUCTIONS						
Benefits						
Retirement	1,330,814,382	19,822,848	—	163,561	—	1,350,800,791
Disability	84,077,263	999,271	—	—	—	85,076,534
Survivor	43,024,758	563,700	—	—	—	43,588,458
Death	—	—	2,371,034	—	—	2,371,034
Health Care Expenses	—	—	—	—	111,186,249	111,186,249
	1,457,916,403	21,385,819	2,371,034	163,561	111,186,249	1,593,023,066
Refunds and Lump Sum Payments	94,777,422	—	—	—	—	94,777,422
Net Transfers to Other Ohio Systems	9,244,489	—	—	—	—	9,244,489
Administrative Expenses	32,684,188	6,848	67,445	4,702	3,397,791	36,160,974
	136,706,099	6,848	67,445	4,702	3,397,791	140,182,885
TOTAL DEDUCTIONS	1,594,622,502	21,392,667	2,438,479	168,263	114,584,040	1,733,205,951
Net Increase	1,398,910,003	35,686,259	3,061,893	15,956	123,343,604	1,561,017,715
FIDUCIARY NET POSITION RESTRICTED FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS						
Fiduciary Net Position, Beginning of Year *	18,372,691,669	297,548,151	33,855,911	149,692	816,468,867	19,520,714,290
Fiduciary Net Position Restricted For Pension	$19,771,601,672	$333,234,410	$36,917,804	$165,648	$—	$20,141,919,534
Fiduciary Net Position Restricted For Other Postemployment Benefits	$—	$—	$—	$—	$939,812,471	$939,812,471
Fiduciary Net Position, End of Year	**$19,771,601,672**	**$333,234,410**	**$36,917,804**	**$165,648**	**$939,812,471**	**$21,081,732,005**

* FY2024 balance was restated to reflect GASB 101 implementation.

See accompanying notes to the basic financial statements.

1. Summary of Significant Accounting Policies

Basis of Accounting The financial statements of the School Employees Retirement System of Ohio (SERS) are prepared using the economic resources measurement focus and accrual basis of accounting. Member and employer contributions are recognized in the period in which the contributions are due based on statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Use of Estimates In preparing financial statements in conformity with governmental accounting principles generally accepted in the United States of America, SERS' management makes estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions. Certain SERS investment assets, in particular Global Real Estate, Global Infrastructure, Global Private Equity, and Opportunistic and Tactical investments, use estimates in reporting fair value in the financial statements. These estimates are subject to uncertainty in the near term, which could result in changes in the values reported for those assets in the Statement of Fiduciary Net Position.

Allocation of Expenses to Plans Direct expenses are charged to the fund for which they are incurred. All indirect expenses are paid by the Pension Trust Fund and are reimbursed by the Medicare B, Death Benefit, and Health Care funds in proportion to their use of the assets.

Investments Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the ex-dividend date. Other investment income is recognized when earned.

Investments are reported at fair value. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. Fixed income securities, real estate investment trusts (REITs), derivative instruments, and common and preferred stocks are valued based on published market prices and quotations from national security exchanges and securities pricing services. International stocks are then adjusted to reflect the current exchange rate of the underlying currency. Investments for which no national exchanges or pricing services exist, such as private equity assets, are valued at fair value by the investment partnership based on the valuation methodology outlined in the partnership agreement. Real estate may be valued by the manager or independent appraisers. SERS participates in external money markets with a stable $1 net asset value per share and are valued at amortized cost, which approximates fair value.

Commingled assets that are not traded on a national exchange are valued by the commingled manager. SERS performs due diligence reviews of the investment pricing, process, and infrastructure of private equity, commingled, and real estate investments to assure that the asset values provided by the managers are reasonable. These investments are valued using net asset values supplied by the commingled manager.

Net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value. Investment expenses consist of external expenses directly related to SERS' investment operations, as well as the internal administrative expenses associated with SERS' investment program.

The monies held by the Pension Trust, Medicare B, Death Benefit, and Health Care funds are pooled for the purpose of the investment of those funds. Each fund holds units of the investment pool, which are adjusted on a monthly basis. The value of one unit of the pool on June 30, 2025, was $4,283.74. The unit holdings and net value of each of the funds at the close of the fiscal year were:

INVESTMENT POOL AS OF JUNE 30, 2025

	Units	Value
Pension Trust Fund	4,572,097	$19,585,661,614
Medicare B Fund	74,667	319,852,422
Death Benefits Fund	8,371	35,857,178
Health Care Fund	184,927	792,178,000
Total	**4,840,062**	**$20,733,549,214**

Office Building, Equipment, and Fixtures (Non-Investment Assets) The cost of equipment and fixtures in excess of $5,000 and with a useful life greater than one year is capitalized at cost when acquired. Improvements that increase the useful life of the property are capitalized. Maintenance and repairs are charged to expense as incurred. Software costs in excess of $25,000 are capitalized. Intangible assets, such as internally-developed software, are capitalized in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets.* Depreciation and amortization have been provided using the straight-line method over the following useful lives:

Description	Estimated Lives
Building	40 years
Capital Improvements	20 years
Furniture, Equipment, and Software	3-7 years
Internally-developed Software	17 years

Reserves Ohio Revised Code Section 3309.60 establishes various reserves to account for future and current benefit payments. These are:

- **Employees' Savings Fund** Accumulated members' contributions are held in trust pending refund or transfer to another account other than the Guarantee Fund or Expense Fund.
- **Employers' Trust Fund** Accumulated employer contributions are held for future benefit payments.
- **Annuity and Pension Reserve Fund** This reserve contains the monies set aside to pay all annuities and pensions. Money is transferred to this fund from the Employees' Savings Fund, Employers' Trust Fund, and Guarantee Fund at the time of retirement.
- **Survivors' Benefit Fund** Monies in this account are set aside to finance payments to beneficiaries of deceased members. Money is transferred to this fund from the Employees' Savings Fund, Employers' Trust Fund, and Guarantee Fund in an amount to fund all liabilities at the end of each year.
- **Guarantee Fund** Income derived from the investment pool and any gifts or bequests are accumulated in this fund. The balance in this fund is transferred to other reserves to aid in the funding of future benefit payments and administrative expenses.
- **Expense Fund** This fund provides for the payment of annual administrative expenses with the necessary money allocated to it from the Guarantee Fund. This is a pass through fund, therefore it maintains a zero balance.

RESERVE BALANCES AS OF JUNE 30, 2025

	Reserve Amount Totals
Employees' Savings Fund	$3,975,413,165
Employers' Trust Fund	1,620,451,429
Annuity and Pension Reserve Fund	15,095,809,456
Survivors' Benefit Fund	390,057,955
Guarantee Fund	—
Expense Fund	—
Total	**$21,081,732,005**

2. Description of the System

Organization SERS is a statewide, cost-sharing, multiple-employer defined benefit public pension plan. Established by state law in 1937, SERS provides retirement, disability, and survivor benefits to non-teaching employees of Ohio's public K-12 school districts, vocational, technical, and community schools, community colleges, and the University of Akron.

The Retirement Board is responsible for the general administration and management of the System. The Board comprises nine members: four elected employee members; two elected retiree members; and three appointed investment expert members. One investment expert is appointed by the Governor, a second one by the State Treasurer, and a third one jointly by the Speaker of the House and President of the Senate.

Several separate funds comprise the Retirement System, which exist under one pension plan and one Other Post Employment Benefit (OPEB) plan. The funds include the Pension Trust Fund, the Medicare B Fund, the Death Benefit Fund, and the Qualified Excess Benefit Arrangement (QEBA) Fund. The Pension Trust Fund holds the funds to pay the basic retirement, disability, and survivor benefits authorized under state law, Ohio Revised Code (ORC) Chapter 3309. The Medicare B Fund reimburses a portion of the Medicare Part B premiums paid by eligible benefit recipients as permitted under ORC Section 3309.69. The current reimbursement is $45.50 per month. The Death Benefit Fund pays $1,000 to a designated beneficiary of a deceased retiree or disability benefit recipient as allowed under ORC Section 3309.50. The QEBA Fund pays benefits as allowed by federal tax law to retirees whose SERS benefits exceed Internal Revenue Code (IRC) 415(b) limits. A fifth fund, the Health Care Fund, provides money for payment of health care expenses under SERS' health care coverage for retirees and other benefit recipients.

Pension Benefits Following the passage of S.B. 341, SERS' pension reform legislation, new age and service requirements for retirement became effective January 7, 2013. For members who retired on or after August 1, 2017, the requirements are:

- age 67 with 10 years of service credit, or age 57 with 30 years of service credit, to retire with full benefits; or
- age 62 with 10 years of service credit, or age 60 with 25 years of service credit, to retire early with actuarially-reduced benefits.

To protect the benefits of longtime members, SERS included an exemption provision and a buy-up option that gave members the opportunity to retire under the previous age and service credit requirements after August 1, 2017.

The exemption provision allowed members, who attained 25 years of service on or before August 1, 2017, to retire under the previous age and service credit eligibility requirements.

These age and service requirements were:

- any age with 30 years of service credit to retire with full benefits; or
- age 60 with 5 years of service credit, or age 55 with 25 years of service credit to retire with actuarially-reduced benefits.

The buy-up option allowed members with fewer than 25 years of service credit as of August 1, 2017, to retire under the previous retirement eligibility requirements if they paid the actuarial difference between the benefit they would have received under the new requirements and the benefit they would have received under the previous requirements. Members who wanted to buy-up must have completed their payment on or before August 1, 2017.

The current formula used in calculating an annual retirement benefit is as follows: number of years of service credit up to 30 years x 2.2% of the member's final average salary (FAS) + number of years of service credit over 30 years x 2.5% of FAS. For SERS, FAS equals the average of the highest three years of salary. If the member does not meet the age and service requirements to retire with full benefits, the annual benefit is reduced to cover a longer period of retirement.

If a member has been employed in a job covered by the State Teachers Retirement System of Ohio (STRS) or the Ohio Public Employees Retirement System (OPERS) as well as in a job covered by SERS, at retirement the member may receive a retirement benefit independently from each of the systems, if eligible, or may combine the service credit and accounts in all the systems to receive one benefit. The system with the greatest service credit will be the system that will calculate and pay the benefit. While the salaries in one year will be added together, if the member has service credit in each system for the same year, the member cannot be credited with more than one year of service credit.

If a retiree from OPERS, SERS, STRS, Ohio Police & Fire, or Ohio State Highway Patrol is employed in a SERS-covered position, then member and employer contributions are required for the new position. The retiree accrues a new benefit in the form of an annuity based on the contributions paid by the retiree and the employer payable at age 65 or termination of employment, whichever is later. This is separate from the original SERS benefit. There are no other benefits available and the retiree does not accrue any additional service credit for the period of reemployment. Prior to age 65 and after termination of employment, a reemployed retiree may request a refund of the member contributions for the reemployed period.

EMPLOYER AND EMPLOYEE MEMBERSHIP DATA (as of June 30, 2025)	
Employer Members	
Local	371
City	191
Educational Service Center	52
Village	49
Higher Education	15
Vocational/Technical	49
Community Schools	336
Other	22
Total	**1,085**
Employee Members and Retirees	
Retirees and Beneficiaries Currently Receiving Benefits	83,327
Inactive Employee Members Entitled to But Not Yet Receiving Benefits	6,682
Total	**90,009**
Active Employee Members	
Vested Active Employee Members	42,040
Non-vested Active Employee Members	123,240
Total	**165,280**

3. Contributions

State retirement law requires contributions by covered employee members and their employers, and limits the maximum rate of contributions. The Retirement Board sets contribution rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. During FY2025, members and their employers were required to contribute 10% and 14%, respectively, of active member payroll.

Employer (excluding surcharge discussed below) and member contributions were $618.0 million and $442.4 million, respectively, in FY2025. The contribution amounts also included contributions for purchased service credit.

The Retirement Board, acting with the advice of the actuary, allocates the current employer contribution rate among the funds of the System. For FY2025, the allocation of the employer contribution rate to pension plan benefits was established as the rate necessary to cover normal cost and amortize the unfunded actuarial accrued liability. The 14% contribution rate paid by employers was allocated to the funds as follows:

Pension Trust Fund	13.37%
Medicare B Fund	0.59%
Death Benefit Fund	0.04%
Health Care Fund	0.00%

The portion of the employer contribution not required to actuarially fund the pension plan (Pension Trust Fund, Medicare B Fund, and Death Benefit Fund) may be available for the Health Care Fund, depending on funded ratios. The funded ratio for the basic pension benefits in FY2025 was 79.00%, which was above the 70% funded ratio that would permit an allocation to the Health Care Fund. The amount of employer contributions directed to the Health Care Fund in FY2025 was zero in order to direct more contributions toward paying down pension liabilities. A health care surcharge on employers was collected for employee members earning less than an actuarially determined minimum compensation amount, and was pro-rated according to service credit earned during the year. Statutes provide that no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of total statewide SERS-covered payroll for the health care surcharge. For FY2025, the minimum compensation level was established at $30,000. The surcharge accrued for FY2025 and included in employer contributions in the Statement of Changes in Fiduciary Net Position is $63.6 million.

4. Funding Policy

Statute sets a contribution cap of 24% of payroll; 14% from employers and 10% from employee members. Employer contributions in excess of those required to support the basic benefits may be allocated to retiree health care funding. If the funded ratio is less than 70%, the entire 14% employers' contribution shall be allocated to SERS' basic benefits. If the funded ratio is 70% but less than 80%, at least 13.50% of the employers' contribution shall be allocated to SERS' basic benefits, with the remainder (if any) allocated to the Health Care Fund. If the funded ratio is 80% but less than 90%, at least 13.25% of the employers' contribution shall be allocated to SERS' basic benefits, with the remainder (if any) allocated to the Health Care Fund. If the funded ratio is 90% or greater, the Health Care Fund may receive any portion of the employers' contribution that is not needed to fund SERS' basic benefits.

5. Fair Value Measurement

SERS' investments are measured at fair value within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement established a three-tier, hierarchical reporting framework which ranks the level of market price observations used in measuring fair value. The hierarchy is based on the valuation inputs used to measure the fair value of the investment and gives the highest ranking to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest ranking to unobservable inputs (Level 3). Inputs refer to the assumptions that market participants would use in valuing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and/or the risk inherent in the inputs to the valuation technique. The categorization of the investments within the hierarchy is based upon the valuation transparency of the instrument and should not be perceived as the particular investment's risk. The three-tier hierarchy is summarized as follows:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations reflect practices where significant inputs are unobservable.

Investments in certain entities that calculate a net asset value (NAV) per share (or its equivalent) sometimes do not have a readily determinable fair value. For these investments, governmental accounting standards permit establishment of fair value using a practical expedient based on the NAV per share (or its equivalent).

The table on page 31 presents the fair value hierarchy of SERS' investment portfolio as of June 30, 2025.

Equity, US Corporate Obligations, US Government, and derivative instruments classified in Level 1 are valued using prices quoted in active markets for those securities.

Bond Mutual Funds classified in Level 2 include investments in money market-type securities that are reported at either fair value or at cost plus accrued interest, which approximates market or fair value.

Debt and derivative instruments classified in Level 2 are valued using either a bid evaluation or a matrix based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Index linked debt securities are valued by multiplying the external market price by the applicable day's Index Ratio. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Equity and equity derivative instruments classified in Level 2 are securities whose values are derived daily from associated traded securities.

Debt, equities, and investment derivative instruments classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

The fair values of investments in certain commingled funds, hedge funds and private funds are based on the investments' net asset value provided by the investee. Investments that are measured at fair value using the net asset value as practical expedient are not classified in the fair value hierarchy.

INVESTMENTS AND SHORT-TERM HOLDINGS MEASURED AT FAIR VALUE *($ in thousands)*

		Fair Value Measurements Using		
Investments by Fair Value Level	**6/30/2025**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Debt Securities				
Certificates of Deposit	$9,831	$—	$9,831	$—
Foreign Obligations	288,542	(20,520)	309,037	25
Mortgage and Asset Backed	181,692	—	181,692	—
Municipal Obligations	15,163	—	15,163	—
US Corporate Obligations	448,903	—	442,145	6,758
US Government & Agency Obligations	1,121,339	562,809	558,530	—
Total Debt Securities	2,065,470	542,289	1,516,398	6,783
Equity Securities				
Foreign Common & Preferred Stock	1,980,369	1,979,173	—	1,196
US Common & Preferred Stock	4,426,621	4,408,982	17,639	—
Total Equity Securities	6,406,990	6,388,155	17,639	1,196
Total Investments by Fair Value Level	**$8,472,460**	**$6,930,444**	**$1,534,037**	**$7,979**
Investments Measured at the net asset value (NAV)				
Commingled Bond Funds	$342,596			
Commingled Equity Funds	2,575,230			
Hedge Funds	479,386			
Private Credit Funds	1,191,337			
Private Equity Funds	3,125,405			
Private Real Estate Funds	3,588,518			
Total Investments Measured at the NAV	11,302,472			
Total Investments Measured at Fair Value	**$19,774,932**			
Investment Derivative Instruments				
Foreign Fixed Derivatives	$153	$—	$153	
US Equity Derivatives	2,160	2,160	—	
US Fixed Derivatives	1,843	1,843	—	
Total Investment Derivative Instruments	**$4,156**	**$4,003**	**$153**	

Reconciliation of Investments to Statement of Fiduciary Net Position	
Investments Measured at Fair Value	$19,774,932,725
Investment Derivative Instruments	4,156,443
Money Markets at Amortized Cost	925,669,346
Foreign Obligations	21,108,062
Investments (Statement of Fiduciary Net Position)	**$20,725,866,576**

Money markets at amortized cost include investments of $841,224,750 in Fidelity Investments Money Market Government Portfolios - Institutional Class and $84,444,596 in BlackRock Liquidity Funds Fed Funds - Institutional Shares, both of which invest in short-term, high credit quality money market instruments, including direct obligations of the U.S. Treasury and repurchase agreements backed by Treasury obligations. Both Funds offer daily liquidity with no restrictions, fees, or gating.

INVESTMENTS MEASURED AT THE NET ASSET VALUE *($ in thousands)*

Investments by Fair Value Level	6/30/2025	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Commingled Bond Funds[1]	342,596		Monthly	1-10 Days
Commingled International Equity Funds[1]	2,575,230		Daily, Semi-Monthly, Monthly	1-120 Days
Hedge Funds				
Event Driven[2]	756		Monthly, Quarterly	45-90 Days
Relative Value[3]	327,909		Quarterly	60-90 Days
Tactical Trading[4]	150,721		Quarterly	30 Days
Private Credit Funds[5]	1,191,337	1,437,510	Not Eligible	Not Eligible
Private Equity Funds[5]	3,125,405	1,414,202	Not Eligible	Not Eligible
Private Real Estate Funds[5]	3,588,518	852,638	Not Eligible	Not Eligible
Total Investments Measured at the NAV	**$11,302,472**			

[1] *Commingled Bond Funds, Equity Funds and Real Estate Investment Trust Funds* Consists of three bond funds, thirteen equity funds, and one real estate investment trust fund that are considered to be commingled in nature. These investments are used to gain exposure in bonds, international equity, and real estate through a pooled investment vehicle. Each is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

[2] *Event Driven Hedge Funds* Consisting of four funds, this strategy seeks to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. These investments are valued at NAV per share. Due to contractual lock-up restrictions, approximately 20% of the value of these investments are eligible for redemption in the next six months. The remaining 80% of these investments remains restricted through the next year. SERS is currently in the process of liquidating these investments.

[3] *Relative Value Hedge Funds* Consisting of seven funds, this strategy's main focus is to benefit from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing or selling these instruments. These investments are valued at NAV per share. 100% of these investments are eligible for redemption in the next six months.

[4] *Tactical Trading Hedge Funds* The primary focus of the seven funds within this group is to invest across multiple strategies based upon the outcomes of economic and technical analyses, with the goal of long-term benefit. These investments are valued at NAV per share. 100% of these investments are eligible for redemption in the next six months.

[5] *Private Credit, Private Equity, and Private Real Estate Funds* SERS' Private Credit portfolio consists of 24 private partnerships providing exposure to distressed debt. SERS' Private Equity portfolio consists of 123 funds, investing primarily in Buyout Funds, with some exposure to Distressed Funds, Special Situations, Structured Debt, and Venture Capital. The Real Estate portfolio, comprised of 48 funds, invests mainly in U.S. commercial real estate. The fair values of these funds are measured at net asset value, and are not eligible for redemption. Distributions are received as underlying investments when the funds are liquidated, which on average can occur over the span of five to ten years.

6. Cash Deposits and Investments

Custodial Credit Risk, Deposits Custodial credit risk for deposits is the risk that in the event of a bank failure, SERS' deposits may not be returned. In accordance with state law, the Board of Deposit designates SERS' depository bank, and the Treasurer of State serves as custodian and contracts depository services for all of SERS' deposits. Therefore, SERS does not have a policy for deposit custodial credit risk.

At June 30, 2025, the carrying amounts of SERS' operating and investment cash deposits totaled $291,259,112, and the corresponding bank balances totaled $269,171,615. Of the bank balances, the Federal Deposit Insurance Corporation insured $1,873,080. In accordance with state law, bank balances of $267,298,535 were collateralized at 129% with securities held in the name of SERS' pledging financial institutions. There were no remaining bank deposits uninsured and uncollateralized.

Custodial Credit Risk, Investments Custodial credit risk for investments is the risk if the securities are uninsured, are not registered in the name of the SERS, and are held by either the counterparty or the counterparty's trust department or agent. As of June 30, 2025, approximately $11.3 billion of SERS' assets are not held by the custodians or registered in the SERS name.

Credit Risk Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. ORC 3309.15 and the Board's *Statement of Investment Policy* direct that the funds of SERS will be invested following the prudent person standard. This fiduciary standard dictates that the Board consider the probable safety of investments, avoid speculative investments, and invest as persons of prudence, discretion, and intelligence would manage their own affairs. The Board accomplishes this through a combination of internal and external investment professionals.

Concentration of Credit Risk Concentration of credit risk is the risk of loss attributed to the magnitude of a plan's investment in a single issuer. SERS does not hold investments representing 5% or more of plan investment portfolio in any one issuer.

Interest Rate Risk Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SERS does not have a policy for managing interest rate risk.

At June 30, 2025, SERS held interest-only strips that had a total fair value of $9,578,952. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. SERS also held principal-only strips that had a total fair value of $695,128. These principal-only strips are sensitive to interest rate increases that may result in decreasing mortgage prepayments, thus increasing the average maturity of this investment.

Foreign Currency Risk Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. SERS' exposure to foreign currency risk derives from its positions in foreign currency and foreign currency denominated investments.

FAIR VALUE SUBJECT TO COUNTERPARTY CREDIT RISK *($ in thousands)*

	S&P Credit Quality Rating	Fair Value
Foreign Fixed Derivatives	A	($18)
	A-	191
	AA-	12
	BBB+	(32)
Total		**$153**

* Futures and Options contracts are transacted via clearinghouse and are not subject to counterparty risk.

FAIR VALUE SUBJECT TO INTEREST RATE RISK *($ in thousands)*

Investment	Fair Value	Option Adjusted Duration *(in years)*
Certificates of Deposit	$9,831	2.69
Foreign Obligations[1]	309,651	4.80
Mortgage and Asset Backed	181,692	2.42
Municipal Obligations	15,163	7.64
US Corporate Obligations	448,903	0.72
US Government & Agency Obligations	1,121,339	6.67
Total	**$2,086,579**	**4.73**

[1] Excludes Pending FX

FAIR VALUE SUBJECT TO ISSUER CREDIT RISK *($ in thousands)*

	Fair Value Based Upon S&P Credit Quality Rating									
	AAA	AA	A	BBB	BB	B	CCC	D	Not Rated	Total
Certificates of Deposit	$—	$—	$7,887	$1,944	$—	$—	$—	$—	$—	$9,831
Foreign Obligations[1]	8,416	12,086	39,337	127,186	38,277	9,815	4,254	166	70,114	309,651
Mortgage and Asset Backed	39,348	23,567	12,052	9,702	855	619	231	—	95,318	181,692
Municipal Obligations	—	5,909	6,109	—	—	—	—	—	3,145	15,163
US Corporate Obligations	3,625	11,296	120,045	272,445	27,142	5,660	3,142	—	5,548	448,903
US Government & Agency Obligations	3,188	1,097,599	—	—	—	—	—	—	20,552	1,121,339
Total	**$54,577**	**$1,150,457**	**$185,430**	**$411,277**	**$66,274**	**$16,094**	**$7,627**	**$166**	**$194,677**	**$2,086,579**

[1] Excludes Pending FX

FAIR VALUE SUBJECT TO FOREIGN CURRENCY RISK *($ in thousands)*

Type	Currency	Foreign Common & Preferred Stock	Foreign Obligations	Foreign Fixed Derivatives	Commingled Equity Funds	Private Equity Funds	Private Real Estate Funds
Argentine Pesos	$—	$—	$442	$—	$—	$—	$—
Australian Dollar	20	26,166	—	—	—	—	—
Brazilian Real	235	5,032	4,011	(47)	—	—	—
British Pound Sterling	892	176,377	2,790	—	3,284	88,675	17,037
Canadian Dollar	336	84,047	—	—	—	—	—
Chilean Peso	—	291	623	—	—	—	—
Chinese Yuan Renminbi	1,220	117,742	563	(8)	—	—	—
Colombian Peso	61	107	753	(2)	—	—	—
Czech Koruna	52	303	—	3	—	—	—
Danish Krone	89	31,489	—	—	—	—	—
Dominican Peso	—	—	675	—	—	—	—
Egyptian Pound	—	—	956	—	—	—	—
Euro	14,112	534,851	10,780	15	—	316,656	51,091
Hong Kong Dollar	889	161,426	—	—	—	—	—
Hungarian Forint	88	2,462	—	(8)	—	—	—
Indian Rupee	275	27,067	2,335	—	—	—	—
Indonesian Rupiah	123	2,366	4,372	—	—	—	—
Israeli Shekel	32	8,300	—	—	—	—	—
Japanese Yen	1,434	208,295	—	—	—	—	—
Kuwaiti Dinar	—	645	—	—	—	—	—
Malaysian Ringgit	62	1,984	5,345	—	380	—	—
Mexican Peso	157	2,678	3,385	25	—	—	—
New Zealand Dollar	40	517	—	—	—	—	—
Nigerian Naira	—	—	464	—	—	—	—
Norwegian Krone	127	6,855	—	—	—	—	—
Paraguayan Guarani	—	—	306	—	—	—	—
Peruvian Sol	—	—	4,174	—	—	—	—
Philippines Peso	—	1,671	911	—	—	—	—
Polish Zloty	88	11,853	4,679	(4)	—	—	—
Qatari Riyal	—	252	—	—	—	—	—
Romanian Leu	1	—	1,783	—	—	—	—
Saudi Riyal	13	3,499	—	—	—	—	—
Singapore Dollar	252	15,687	—	—	—	—	—
South African Rand	201	4,517	10,730	9	—	—	—
South Korean Won	49	76,463	—	1	—	—	—
Swedish Krona	226	30,633	—	—	—	—	—
Swiss Franc	11	90,794	—	—	—	—	—
Taiwan Dollar	400	66,522	—	—	—	—	—
Thailand Baht	—	4,401	4,426	—	—	—	—
Turkish Lira	96	1,576	3,233	—	—	—	—
United Arab Emirates Dirham	—	3,473	—	—	—	—	—
Uruguayan Peso	—	—	1,228	—	—	—	—
Vietnamese Dong	—	494	—	—	—	—	—
Total	**$21,581**	**$1,710,835**	**$68,964**	**($16)**	**$3,664**	**$405,331**	**$68,128**

Derivative Instruments Derivative instruments are investment instruments whose cash flows or fair values are derived from the value of some other asset or index. SERS uses a variety of derivative instruments primarily to maximize yields and offset volatility due to interest rate and currency fluctuations. SERS is exposed to various types of credit, market, and legal risks related to these investments. The investment staff continually monitors these types of investments.

Foreign exchange forward currency contracts are legal agreements between two parties to purchase and sell a foreign currency, for a price specified at the contract date, with delivery and settlement in the future. SERS enters into these contracts to hedge the foreign currency movements of assets held in the underlying funds. The contracts do not subject SERS to risk due to exchange rate movements since gains and losses on the contracts offset gains and losses on the transactions being hedged. SERS could be at risk for replacing these contracts at current market rates, should the counterparty default. SERS seeks to control this risk through contracting only with counterparties that meet certain credit guidelines.

A futures contract is a contract to buy or sell units of an index or financial instrument on a specified future date at a price agreed upon when the contract is originated. SERS uses equity and fixed income futures during the fiscal year to rebalance its asset allocation and overlay its cash exposure in the US and Non-US equity portfolios. Only the most liquid futures are used by SERS to overlay the temporary and transactional cash held, and to rebalance asset allocations between asset classes.

Swaps represent an agreement between two or more parties to exchange a sequence of cash flows during a predetermined timeframe. SERS utilizes swaps to manage interest rate fluctuations, default by a borrower, and to gain market exposure without having to actually own the asset.

FAIR VALUE OF FORWARD CURRENCY
($ in thousands)

Forward Currency Purchases	$8,858,960
Forward Currency Sales	8,837,852
Unrealized gain (loss)	(21,108)

SWAP CONTRACTS
($ in thousands)

Type	Notional Value	Fair Value
Credit Default	$9,530	$208
Interest Rate	48,940	(30)
Zero Coupon	60,193	(25)

FUTURES CONTRACTS
($ in thousands)

Type	Notional Value	Contract Value
Equity Features		
US Stock Index Futures - Long	$133,202	$4,234
US Stock Index Futures - Short	(80,673)	(2,126)
Fixed Income / Cash Equivalent Futures		
International Equity Index Futures - Long	3,145	52
US Treasury Futures - Long	331,427	3,215
US Treasury Futures - Short	(63,373)	(1,372)
Total Futures (Net)	**$323,728**	**$4,003**

Securities Lending SERS participates in a securities lending program that directly holds equity and fixed income investments using Goldman Sachs Agency Lending (GSAL) as a third-party lending agent. Securities are loaned to independent broker/dealers in exchange for cash collateral equal to approximately 102% of the fair value of domestic securities on loan and 105% of the fair value of international securities on loan, with a simultaneous agreement to return the collateral for the same securities in the future. At the same time, SERS records a liability for the collateral held in the securities lending program. The total net gain on the securities lending program was $354,997 during FY2025.

At June 30, 2025, SERS had no credit risk exposure on the securities lending collateral because the collateral exceeded the value of the securities loaned. SERS also had no credit risk exposure on the securities lending collateral reinvested as the reinvested value exceeded the collateral value.

Under the terms of the lending agreement, SERS is fully indemnified against losses that might occur in the program due to the failure of a broker to return a security that was borrowed where the collateral is inadequate to replace the security. SERS is also indemnified should the borrower fail to pay distributions of earnings on the securities lent.

Securities on loan can be recalled on demand by SERS or returned by the borrower at any time. There is no matching of the securities lent with the invested cash collateral. The lending agent mitigates risk by focusing on intrinsic value lending, and BNY Mellon reinvests the cash collateral in accordance with contractual investment guidelines that are designed to ensure the safety of principal and obtain a moderate rate of return. Earnings generated from the collateral investments, less the amount of rebates paid to the dealers, result in the gross earnings from lending activities, which is then split on an 85%/15% basis with GSAL. SERS is at risk to contribute additional funds should the earnings from the invested SERS collateral not be sufficient to pay the negotiated dealer rebate. At June 30, 2025, the GSAL collateral portfolio had an average weighted maturity of three days. SERS receives pro-rated income from participation in the securities lending program of a commingled investment. SERS has no direct responsibility for this program and the collateral held by this securities lending program is not held in SERS' name. Total net direct proceeds from the commingled investment during FY2025 were $3,900.

SECURITIES LENDING *($ in thousands)*

	Fair Value of Securities on Loan	Collateral Value (Cash)	Collateral Reinvest Value
Cash Equivalents (Repurchase Agreement)	$—	$—	$30,798
Foreign Stocks	19,269	20,389	—
US Common & Preferred Stock	5,493	5,637	—
US Corporate Obligations	4,513	4,737	—
Total	**$29,275**	**$30,763**	**$30,798**

7. Capital Assets (Non-Investment Assets)

CAPITAL ASSETS ACTIVITY (for the year ended June 30, 2025)

Cost:	Land	Office Building & Improvements	Furniture & Equipment	Internally-Developed Software	Total Capital Assets
Balances, June 30, 2024	$3,315,670	$54,477,082	$4,498,548	$34,979,428	$97,270,728
Additions	—	614,688	881,206	—	1,495,894
Disposals	—	—	(13,925)	—	(13,925)
Balances, June 30, 2025	3,315,670	55,091,770	5,365,829	34,979,428	98,752,697
Accumulated Depreciation:					
Balances, June 30, 2024	—	30,403,180	4,101,186	14,587,447	49,091,813
Additions	—	1,448,931	202,968	2,057,614	3,709,513
Disposals	—	—	(13,925)	—	(13,925)
Balances, June 30, 2025	—	31,852,111	4,290,229	16,645,061	52,787,401
Net Capital Assets, June 30, 2025	**$3,315,670**	**$23,239,659**	**$1,075,600**	**$18,334,367**	**$45,965,296**

8. Net Pension Liability and Actuarial Information – Defined Benefit Plan

The components of the net pension liability as of June 30, 2025:

PLAN FUNDS	
Total Pension Liability (a)	$24,584,159,753
Fiduciary Net Position (b)	20,141,753,886
Net Pension Liability (Surplus) (a) - (b)	$4,442,405,867
Fiduciary Net Position as a Percent of Total Pension Liability (b) / (a)	81.93%

The total pension liability is determined by SERS' actuaries in accordance with GASB 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in the *Statement of Investment Policy*. ORC 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2025 are summarized in the following table:

ASSET CLASS	TARGET ALLOCATION	LONG-TERM EXPECTED REAL RATE OF RETURN (GEOMETRIC)
Cash	3.00%	1.12%
US Equity	22.00	4.64
Non-US Equity Developed	12.00	4.79
Non-US Equity Emerging	6.00	5.34
Fixed Income / Global Bonds	18.00	2.60
Private Equity	14.00	7.02
Real Estate	13.00	3.85
Infrastructure	7.00	4.96
Private Debt / Private Credit	5.00	5.51

Total pension liability was calculated using the discount rate of 7.00%. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 19-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate of FY2025 was 14%. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return, 7.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for FY2025 was 10.87%.

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

NET PENSION LIABILITY SENSITIVITY TO CHANGES IN DISCOUNT RATE	
1% Decrease (6.00%)	$7,233,576,626
Current Discount Rate (7.00%)	$4,442,405,867
1% Increase (8.00%)	$2,093,214,316

The annual actuarial valuation performed as of June 30, 2025 (the measurement date) was used as the basis for determining the total pension liability, using the following key methods and assumptions applied to all periods included in the measurement date.

KEY METHODS AND ASSUMPTIONS USED IN VALUATION OF TOTAL PENSION LIABILITY	
Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Experience Study Date	Period of 5 years ended June 30, 2020
Investment Rate of Return	7.00%, net of investment expenses, including inflation
Cost of Living Increases (COLA) or "Ad Hoc" COLA	2.00% on anniversary of retirement date; on and after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement.
Future Salary Increases, Including Inflation	3.25% - 13.58%
Inflation	2.40%
Mortality Assumptions	SERVICE RETIREMENT: PUB-2010 General Employee Amount-Weighted Below-Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally. DISABLED RETIREMENT: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally. CONTINGENT SURVIVOR: PUB-2010 General Amount-Weighted Below-Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

9. Pension Plans and OPEB for Employees of SERS

All SERS Ohio employees are required to participate in a contributory retirement plan administered by Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer public employee retirement system that administers two pension plans that include the Traditional Pension Plan, a defined benefit plan, and the Member-Directed Plan, a defined contribution plan. Participation in these plans is a choice members make at the time their employment commences. Prior to January 1, 2024, OPERS offered a separate hybrid defined benefit/defined contribution pension plan referred to as the Combined Plan. In October 2023, House Bill 33 allowed the consolidation of the Combined Plan into the Traditional Pension Plan. The Combined Plan is tracked as a separate division of the Traditional Pension Plan and no changes were made to the benefit design.

In 2012, the Ohio Legislature passed Senate Bill 343 to modify the components of the Traditional Pension Plan and legacy Combined Plan. In the legislation, members were categorized into three transition groups with varying provisions of the law applicable to each group.

Retirement benefits are specific to each group and members must meet the eligibility requirements based on their age and years of service, within the group. The key components to OPERS' pension plan changes are:

- Age and service requirements for retirement increased.
- Final average salary calculation for one group increased from three years to five years.
- Calculation used to determine the benefit amount for service retirement was modified.
- COLA is based on the average percentage change in the Consumer Price Index, with a 3% cap.
- Calculation used for an early retirement benefit is determined by OPERS' actuary.

Details about OPERS' plan changes and when they become effective can be found on its website at www.opers.org.

The member and employer contribution rates are 10.0% and 14.0% of covered payroll, respectively. The required employer contributions for the current year and the two preceding years are shown in the following table.

SERS REQUIRED EMPLOYER CONTRIBUTIONS TO OPERS

Year Ended June 30	Annual Required Contribution	Percent Contributed
2023	$2,455,208	100%
2024	$2,503,468	100%
2025	$2,656,416	100%

GASB Statement No. 68 requires SERS to record a net pension liability based on its proportionate share of OPERS' total net pension liability. SERS' proportionate share of the net pension liability for OPERS' Traditional Plan is $21.8 million and is included in Accounts Payable & Accrued Expenses of the Statement of Fiduciary Net Position. The net pension asset for OPERS' Combined Plan rolled into the Traditional Pension Plan net pension liability after consolidation. SERS' proportionate share of OPERS' deferred outflows and deferred inflows of resources related to pensions and pension expense are recorded in the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for the fiscal year ended June 30, 2025.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefits and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPERS also provides postemployment health care coverage which is considered an OPEB as described in GASB Statement No. 75 and requires SERS to record a net OPEB liability (or asset) based on its proportionate share of OPERS' total net OPEB liability. SERS' proportionate share of the net OPEB asset for OPERS is $2.3 million and is included in Prepaid & Other Assets of the Statement of Fiduciary Net Position. OPERS has the discretion to direct a portion of employer contributions to fund retiree health care. The Revised Code provides statutory authority for employer contributions. The portion of the Traditional Pension Plan (excluding the Combined Plan division) employer contributions allocated to postemployment health care was 0% for calendar year 2024. The division of the Combined Plan, within the Traditional Pension Plan, employer contributions allocated to postemployment health care was 2% for calendar year 2024. The portion of the defined contribution plan, or Member-Directed Plan, employer contributions allocated to postemployment health care was 4% for calendar 2024.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the OPEB fiduciary net position of OPERS and additions to/deductions from the OPEB fiduciary net position of OPERS have been determined on the same basis as they are reported by OPERS. For this purpose, health care benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Historical trend information showing the progress of OPERS in accumulating sufficient assets to pay pension and OPEB benefits when due is presented in the OPERS *Annual Comprehensive Financial Report*. OPERS issues a publicly available financial report for the plans. The report may be found on its website at www.opers.org.

10. Compensated Absences

As of June 30, 2025, the recognized liability for compensated absences due to leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means included in Accounts Payable and Accrued Expenses is $4,122,395 and includes a net increase of $407,145 when compared to June 30, 2024. Unused vacation leave of all employees, unused sick leave of SERS' employees who are eligible to retire within five years up to a limit of 960 hours, 10% of unused sick leave of SERS' employees who are not eligible to retire within five years but are expected to retire from SERS, and an estimate of unused sick leave eligible for cash-in within the next fiscal year are accrued and included in the liability for compensated absences. If an employee accumulated unused sick time in excess of 960 hours as of June 30, 2018, then compensation of 50% of the excess hours of their unused sick time balance as of June 30, 2018, will be paid and expensed in July 2025. Unused sick leave pay is forfeited upon resignation or termination. Employees who retire or separate employment from SERS are entitled to full compensation for all earned unused vacation. If an employee dies after five years of service, the beneficiaries are entitled to receive the same unused vacation and sick leave benefits as an employee who retires.

11. Self-insured Health Care for Employees of SERS

SERS is self-insured for employee benefits for dental, medical, and hospitalization. A third-party administrator manages the program. SERS holds a stop-loss policy of $250,000 per employee per year. SERS also accrues incurred claims from the current fiscal year that have not yet been billed in the current fiscal year. The amount accrued in FY2025 was $310,000.

12. Federal Income Tax Status

The SERS Pension Trust Fund is a qualified plan under Internal Revenue Code (IRC) Section 401(a) and is therefore exempt from federal income taxes. The Medicare B Fund is established pursuant to IRC Section 401(h). The Death Benefit Fund is an insurance fund and is in compliance with IRC Section 101(a). The QEBA Fund is a qualified entity, created in accordance with IRC Section 415(b). The Health Care Fund is structured to meet the requirements of IRC Section 105(e).

13. Risk Management

SERS is exposed to various risks of loss, including theft or destruction of assets, general liability, employee injuries, and legal challenges to fiduciary decisions. SERS self-insures some risks through deductibles and retention, and purchases insurance for the remainder. There has been no reduction in coverage, and no claims have exceeded purchased limits.

14. Leases

At the end of FY2025, SERS was the lessor of three third-party lease contracts noted in the following table. SERS recognized $358,161 in lease revenue and $26,173 in interest revenue during the fiscal year related to lease payments. As of June 30, 2025, SERS' lease receivable (included in other receivables) for lease payments was $2,745,557. Also, SERS has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow - leases was $2,498,139.

LEASES (as of June 30, 2025)

Lessee Name	Current Lease Start Date	Lease Term (months)	Lease Revenue	Interest Revenue	Lease Receivable Balance	Deferred Inflow Balance
ClearPath	07/01/2023	18	$42,155	$501	$—	$—
Law Offices of Craig Scott & Company	02/01/2022	84	54,152	4,392	193,257	182,633
Poling & Associates Co., L.P.A.	04/01/2022	119	147,927	20,341	952,150	715,356
Zambito Executive Search, LLC (ZSG)	04/01/2025	126	113,927	939	1,600,150	1,600,150
Totals			**$358,161**	**$26,173**	**$2,745,557**	**$2,498,139**

15. Contingent Liabilities

There are no contingent liabilities.

16. Net Other Postemployment Benefits (OPEB) Liability and Actuarial Information - Defined Benefit Plan

Plan Administration SERS administers the School Employees Retirement System of Ohio Health Care Plan – a cost-sharing, multiple-employer, defined benefit OPEB plan that provides various levels of health care to retired and disabled members, surviving beneficiaries, and eligible dependents of non-teaching personnel of Ohio schools, the University of Akron, ten community colleges, and four technical colleges. The Board administers the program in accordance with Chapter 3309 of the Ohio Revised Code.

Plan Membership At June 30, 2025, SERS' Health Care Plan's membership consisted of the following:

PLAN MEMBERSHIP	
Currently Receiving Benefits:	
Retirees, or Their Beneficiaries	33,968
Inactive Members Entitled to But Not Yet Receiving Benefits	6,682
Active Members	165,280
Total	**205,930**

Benefits Provided SERS' Health Care program provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute.

Contributions The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

Investment Policy The Health Care Fund follows the same investment policy as the Pension Plan, as defined in the *Statement of Investment Policy*. ORC 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS.

Discount Rate (SEIR) The discount rate used to measure the total OPEB liability at June 30, 2025, was 5.62%. The discount rate used to measure total OPEB liability prior to June 30, 2025, was 4.88%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be depleted in 2053 by SERS' actuaries. The Bond Buyer General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2024 and the June 30, 2025 total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 5.20% at June 30, 2025 and 3.93% at June 30, 2024.

Rate of Return The long-term expected rate of return is reviewed as part of the regular experience studies prepared every five years for SERS. The most recent five-year experience study was performed for the period covering fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Periods of Projected Benefit Payments Future benefit payments for solvency on all current plan members were projected to 2125.

Assumed Asset Allocation The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025 are summarized as follows:

ASSET CLASS	TARGET ALLOCATION	LONG-TERM EXPECTED REAL RATE OF RETURN (GEOMETRIC)
Cash	3.00%	1.12%
US Equity	22.00	4.64
Non-US Equity Developed	12.00	4.79
Non-US Equity Emerging	6.00	5.34
Fixed Income / Global Bonds	18.00	2.60
Private Equity	14.00	7.02
Real Estate	13.00	3.85
Infrastructure	7.00	4.96
Private Debt / Private Credit	5.00	5.51

Net OPEB Liability of SERS The components of the net OPEB liability of SERS at June 30, 2025, were as follows:

PLAN FUNDS	
Total OPEB Liability (a)	$2,124,373,356
Plan Fiduciary Net Position (b)	939,812,471
SERS' Net OPEB Liability (a) - (b)	$1,184,560,885
Plan Fiduciary Net Position as a Percent of Total OPEB Liability (b) / (a)	44.24%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rate The following table presents the net OPEB liability of SERS, as well as what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.62%) and higher (6.62%) than the current discount rate of 5.62%.

NET OPEB LIABILITY	
1% Decrease (4.62%)	$1,563,556,533
Current Discount Rate (5.62%)	$1,184,560,885
1% Increase (6.62%)	$882,336,366

The following table presents the OPEB liability of SERS, as well as what SERS' net OPEB liability would be based on health care cost trend rates that are 1% lower (5.75% decreasing to 3.40%) and 1% higher (7.75% decreasing to 5.40%) than the current rate.

NET OPEB LIABILITY		
1% Decrease (5.75% decreasing to 3.40%)	Health Care Cost Trend Rates (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
$832,444,924	$1,184,560,885	$1,643,972,656

Actuarial Assumptions The total OPEB liability was determined by an actuarial valuation as of June 30, 2025. The actuarial assumptions used in the valuation were based on results from the most recent actuarial experience study, which covered the five-year period ending June 30, 2020. The experience study report was dated April 2021.

The annual actuarial valuation performed as of June 30, 2025 (the measurement date) was used as the basis for determining the total OPEB liability, using the following actuarial assumptions applied to all periods included in the measurement date. Roll forward procedures were not used.

ACTUARIAL ASSUMPTIONS USED IN VALUATION OF TOTAL OPEB LIABILITY	
Long-term Rate of Return, Net of Investment Expenses, Including Price Inflation	7.00%
Price Inflation	2.40%
Wage Increases, Including Price Inflation	3.25% - 13.58%
Municipal Bond Index Rate	
Prior Measurement Date	3.93%
Measurement Date	5.20%
Year Fiduciary Net Position is Projected to be Depleted (OPEB Plan)	2053
Single Equivalent Interest Rate (SEIR), Net of Investment Expenses, Including Price Inflation	
Prior Measurement Date	4.88%
Measurement Date	5.62%
Medical Trend Assumption	6.75% - 4.40%
Base Mortality	
HEALTHY RETIREES - PUB-2010 General Employee Amount-Weighted Below-Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.	
DISABLED RETIREES - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.	
CONTINGENT SURVIVORS - PUB-2010 General Amount-Weighted Below-Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.	
ACTIVES - PUB-2010 General Amount-Weighted Below-Median Employee mortality table.	
Mortality Projection	
Mortality rates are projected using a fully generational projection with Scale MP-2020.	

17. Certain Risk Disclosures

As of the date of issuance of these financial statements, SERS management has evaluated the presence of any concentrations or constraints, as defined by GASB Statement No. 102, *Certain Risk Disclosures*. Based on this evaluation, SERS management has determined that there are no concentrations or constraints that meet all of the following criteria:

- The concentration or constraint was known to the government prior to the issuance of the financial statements;
- It makes the reporting unit vulnerable to a risk of a substantial impact; and
- An event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to occur within 12 months of the issuance date of the financial statements.

Accordingly, no disclosures are required under GASB Statement No. 102 for the current reporting period.

18. Change in Accounting Principle and Restatement of Fiduciary Net Position

For the year ended June 30, 2024, SERS implemented GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non cash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

For the implementation, the ending fiduciary net position has been restated as follows.

	Pension Trust Fund	Medicare B Fund	Death Fund	QEBA Fund	Health Care Fund	TOTAL
Fiduciary Net Position, June 30, 2024, as previously stated	$18,373,116,272	$297,548,151	$33,855,911	$149,692	$816,468,867	$19,521,138,893
Adjustments:						
Change in Accounting Principle - GASB 101	(424,603)					(424,603)
Fiduciary Net Position Restricted For Pension and Other Postemployment Benefits, as restated	$18,372,691,669	$297,548,151	$33,855,911	$149,692	$816,468,867	$19,520,714,290

19. Upcoming Accounting Pronouncements

SERS reviews all new GASB pronouncements when issued and evaluates their impact to financial statements and reporting. There was no material impact to SERS' financial statements resulting from implementation of GASB pronouncements for the fiscal year ended June 30, 2025.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements.* The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The objective of the Statement is to enhance the effectiveness of financial reporting by providing information that is essential for decision making and assessing accountability. Areas impacted include Management's Discussion and Analysis, unusual or infrequent items, statement of changes in fiduciary net position, and required supplementary information. The requirements of this Statement will be implemented during the fiscal year ending June 30, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to disclose essential information about certain types of capital assets, and require intangible assets recognized in accordance with Statement No. 87, *Leases*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and Statement No. 96, *Subscription-Based Information Technology Arrangements,* to be disclosed separate of other major classes of intangible assets. The requirements of this Statement will be implemented during the fiscal year ending June 30, 2026.

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SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY

	2025	2024	2023	2022
Total pension liability				
Service cost	$520,707,976	$493,992,218	$460,216,525	$434,605,440
Interest	1,611,908,857	1,562,917,608	1,514,327,908	1,457,466,508
Benefit changes	—	—	—	—
Difference between expected and actual experience	177,081,661	153,857,539	177,650,685	330,257,785
Changes of assumptions	40,039,456	38,877,482	37,078,750	36,995,852
Benefit payments	(1,490,917,745)	(1,419,770,783)	(1,378,757,376)	(1,335,404,562)
Refunds of contributions	(94,777,422)	(94,073,791)	(97,668,607)	(82,209,215)
Net change in total pension liability	764,042,783	735,800,273	712,847,885	841,711,808
Total pension liability – beginning	23,820,116,970	23,084,316,697	22,371,468,812	21,529,757,004
Total pension liability – ending (a)	$24,584,159,753	$23,820,116,970	$23,084,316,697	$22,371,468,812
Plan fiduciary net position				
Contributions – employer	$617,811,004	$587,628,406	$556,661,200	$524,356,285
Contributions – member	442,429,203	421,433,681	398,907,335	375,838,354
Net investment income	1,994,907,350	1,680,840,130	1,147,508,467	(338,351,099)
Benefit payments	(1,490,917,745)	(1,419,770,783)	(1,378,757,376)	(1,335,404,562)
Administrative expense	(32,758,481)	(30,381,502)	(30,540,558)	(21,585,745)
Refunds of contributions	(94,777,422)	(94,073,791)	(97,668,607)	(82,209,215)
Other	964,246	42,727	—	—
Net change in plan fiduciary net position	1,437,658,155	1,145,718,868	596,110,461	(877,355,982)
Plan fiduciary net position – beginning	18,704,095,731 *	17,558,801,466	16,962,691,005	17,840,046,987
Plan fiduciary net position – ending (b)	20,141,753,886	18,704,520,334 *	17,558,801,466	16,962,691,005
Net pension liability – ending (a) – (b)	**$4,442,405,867**	**$5,115,596,636**	**$5,525,515,231**	**$5,408,777,807**

* Beginning Fiduciary Net Position was restated in FY2018 due to the implementation of GASB 75, in FY2020 due to the implementation of GASB 87, and in FY2025 due to the implementation of GASB 101.

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
$373,675,302	$369,976,273	$355,452,912	$368,167,321	$335,918,449	$344,059,634
1,525,995,298	1,488,777,887	1,449,726,066	1,420,093,605	1,436,626,290	1,385,878,598
—	—	—	(357,618,668)	(998,484,758)	—
(155,871,041)	1,562,953	60,411,674	286,313,613	275,031,424	50,307,199
126,558,803	—	—	—	—	668,216,579
(1,302,035,913)	(1,280,910,125)	(1,260,400,360)	(1,248,097,556)	(1,170,689,006)	(1,110,694,355)
(72,374,764)	(72,849,117)	(75,639,810)	(59,575,036)	(60,692,833)	(70,340,495)
495,947,685	506,557,871	529,550,482	409,283,279	(182,290,434)	1,267,427,160
21,033,809,319	20,527,251,448	19,997,700,966	19,588,417,687	19,770,708,121	18,503,280,961
$21,529,757,004	$21,033,809,319	$20,527,251,448	$19,997,700,966	$19,588,417,687	$19,770,708,121
$483,851,685	$491,557,790	$464,683,489	$435,103,620	$467,796,738	$436,421,681
346,781,820	352,343,063	345,212,684	324,842,074	336,627,658	314,325,716
3,976,995,866	413,108,397	831,584,377	1,242,021,081	1,613,368,560	106,543,126
(1,302,035,913)	(1,280,910,125)	(1,260,400,360)	(1,248,097,556)	(1,170,689,006)	(1,110,694,355)
(12,770,334)	(28,002,623)	(31,880,024)	(26,993,893)	(24,403,350)	(21,808,880)
(72,374,764)	(72,849,117)	(75,639,810)	(59,575,036)	(60,692,833)	(70,340,495)
—	—	—	—	—	—
3,420,448,360	(124,752,615)	273,560,356	667,300,290	1,162,007,767	(345,553,207)
14,419,598,627	14,544,351,242 *	14,270,515,748	13,603,215,458 *	12,451,630,823	12,797,184,030
17,840,046,987	14,419,598,627	14,544,076,104 *	14,270,515,748	13,613,638,590 *	12,451,630,823
$3,689,710,017	**$6,614,210,692**	**$5,983,175,344**	**$5,727,185,218**	**$5,974,779,097**	**$7,319,077,298**

SCHEDULE OF THE NET PENSION LIABILITY *($ in millions)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability	$24,584	$23,820	$23,084	$22,372	$21,530	$21,034	$20,527	$19,998	$19,588	$19,771
Plan fiduciary net position	20,142	18,705	17,559	16,963	17,840	14,420	14,544	14,271	13,614	12,452
Net pension liability	$4,442	$5,115	$5,526	$5,409	$3,690	$6,614	$5,983	$5,727	$5,974	$7,319
Ratio of plan fiduciary net position to total pension liability	81.93%	78.52%	76.06%	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%
Covered payroll	$4,402	$4,189	$3,965	$3,734	$3,449	$3,478	$3,463	$3,332	$3,303	$2,932
Net pension liability as a percentage of covered payroll	100.93%	122.11%	139.37%	144.84%	106.97%	190.20%	172.80%	171.86%	180.90%	249.61%

See accompanying notes to the required supplementary information.

SCHEDULE OF EMPLOYER CONTRIBUTIONS *($ in millions)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined employer contribution	$617.8	$587.6	$556.7	$524.4	$483.9	$491.6	$464.7	$435.1	$467.8	$436.4
Actual employer contributions	617.8	587.6	556.7	524.4	483.9	491.6	464.7	435.1	467.8	436.4
Annual contribution deficiency (excess)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Covered payroll	$4,401.6	$4,189.4	$3,964.7	$3,734.3	$3,449.3	$3,477.6	$3,462.5	$3,332.4	$3,302.8	$2,932.2
Actual contributions as a percentage of covered payroll	14.04%	14.03%	14.04%	14.04%	14.03%	14.14%	13.42%	13.06%	14.16%	14.88%

See accompanying notes to the required supplementary information.

SCHEDULE OF INVESTMENT RETURNS

Year ended June 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money weighted rate of return, net of investment expense	10.87%	9.31%	6.90%	(1.93%)	28.18%	2.91%	5.96%	9.37%	13.27%	0.81%

See accompanying notes to the required supplementary information.

Notes to Required Supplementary Pension Information June 30, 2025

Changes of Benefit Terms

- No changes of benefit terms were implemented in FY2025.

2018

- With the authority granted to the Board under S.B. 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

2017

- The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.50% with a floor of 0.0% beginning January 1, 2018. In addition, with the authority granted to the Board under H.B. 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019, and 2020.

Changes of Assumptions in the following June 30th actuarial valuations

2025

- Cost-of-Living-Adjustment was increased from 2.00% to 2.50% for calendar year 2026.

2024

- Cost-of-Living-Adjustment was increased from 2.00% to 2.50% for calendar year 2025.

2023

- Cost-of-Living-Adjustment was increased from 2.00% to 2.50% for calendar year 2024.

2022

- Cost-of-Living-Adjustment was increased from 2.00% to 2.50% for calendar year 2023.

2021

- Assumed rate of inflation was reduced from 3.00% to 2.40%.
- Payroll growth assumption was reduced from 3.50% to 1.75%.
- Assumed real wage growth was increased from 0.50% to 0.85%.
- Cost-of-Living-Adjustment was reduced from 2.50% to 2.00% for calendar year 2022.
- The discount rate was reduced from 7.50% to 7.00%
- Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience.
- Mortality rates among active members, service retirees and beneficiaries, and disabled members were updated.

2016

- Assumed rate of inflation was reduced from 3.25% to 3.00%.
- Payroll Growth Assumption was reduced from 4.00% to 3.50%.
- Assumed real wage growth was reduced from 0.75% to 0.50%.
- Rates of withdrawal, retirement, and disability were updated to reflect recent experience.
- Mortality rates among active members, service retirees and beneficiaries, and disabled members were updated.

Additional Actuarial Information

The following actuarial methods and assumptions (from the June 30, 2024 actuarial valuation) were used to determine the Actuarially Determined Contribution reported for FY2025 in the Schedule of Employer Contributions:

Actuarial cost method:	Entry age normal
Amortization method:	Level percent of payroll, closed
Asset valuation method:	4-year smoothed market
Inflation:	2.40%
Salary increase, including price inflation:	3.25% - 13.58%
Investment rate of return:	7.00%, net of System expenses, including inflation

Mortality:

DEATH AFTER RETIREMENT: These assumptions are used to measure the probabilities of each benefit payment being made after retirement.

SERVICE RETIREMENT: PUB-2010 General Employee Amount-Weighted Below-Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

DISABLED RETIREMENT: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

CONTINGENT SURVIVOR: PUB-2010 General Amount-Weighted Below-Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY[1]

	2025	2024	2023	2022
Total OPEB liability				
Service Cost	$114,149,729	$145,181,415	$123,416,320	$170,026,723
Interest	88,215,866	99,148,377	80,830,711	55,840,796
Benefit changes	—	—	(19,096,028)	—
Difference between expected and actual experience	413,435,957	(588,786,757)	(231,260,850)	(211,615,083)
Changes of assumptions	(271,868,318)	(110,300,041)	453,635,839	(425,649,309)
Benefit payments[2]	(54,524,081)	(64,509,663)	(68,879,971)	(65,930,429)
Net change in total OPEB liability	289,409,153	(519,266,669)	338,646,021	(477,327,302)
Total OPEB liability - beginning	1,834,964,203	2,354,230,872	2,015,584,851	2,492,912,153
Total OPEB liability - ending (a)	$2,124,373,356	$1,834,964,203	$2,354,230,872	$2,015,584,851
Plan fiduciary net position				
Contributions - employer	$63,568,312	$60,953,779	$57,483,842	$53,766,548
Contributions - non-employer	41,152,667	57,471,722	73,815,170	34,516,422
Net investment income	76,544,497	58,744,114	35,445,488	(8,096,503)
Benefit payments[2]	(54,524,081)	(64,509,663)	(68,879,971)	(65,930,429)
Administrative expense	(3,397,791)	(2,976,646)	(2,653,377)	(3,011,817)
Net change in plan fiduciary net position	123,343,604	109,683,306	95,211,152	11,244,221
Plan fiduciary net position - beginning	816,468,867	706,785,561	611,574,409	600,330,188
Plan fiduciary net position - ending (b)	939,812,471	816,468,867	706,785,561	611,574,409
Net OPEB liability - ending (a) - (b)	$1,184,560,885	$1,018,495,336	$1,647,445,311	$1,404,010,442

[1] Additional years will be added to the schedule as they become available.

[2] Benefit payments are net of retiree contributions.

See accompanying notes to the required supplementary information.

SCHEDULE OF THE NET OPEB LIABILITY[1] *($ in millions)*

	2025	2024	2023	2022
Total OPEB liability	$2,124.4	$1,835.0	$2,354.2	$2,015.6
Plan fiduciary net position	939.8	816.5	706.8	611.6
Net OPEB liability	$1,184.6	$1,018.5	$1,647.4	$1,404.0
Ratio of plan fiduciary net position to total OPEB liability	44.24%	44.50%	30.02%	30.34%
Covered payroll	$4,401.6	$4,189.4	$3,964.7	$3,734.3
Net OPEB liability as a percentage of covered payroll	26.91%	24.31%	41.55%	37.60%

[1] Additional years will be added to the schedule as they become available.

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017
$159,635,250	$164,641,764	$160,601,083	$155,385,800	$178,649,865
69,007,716	94,783,974	117,411,967	109,982,145	101,409,264
—	—	—	—	—
(67,242,883)	(772,465,329)	(653,300,118)	53,656,583	—
(260,284,207)	260,375,382	217,194,383	(102,900,217)	(295,667,088)
(64,142,473)	(69,997,414)	(73,206,711)	(72,071,363)	(86,257,389)
(163,026,597)	(322,661,623)	(231,299,396)	144,052,948	(101,865,348)
2,655,938,750	2,978,600,373	3,209,899,769	3,065,846,821	3,167,712,169
$2,492,912,153	$2,655,938,750	$2,978,600,373	$3,209,899,769	$3,065,846,821
$53,533,333	$48,187,050	$65,877,673	$63,539,354	$47,672,886
20,059,596	32,349,114	16,067,175	36,517,382	17,341,005
111,580,200	11,139,059	22,009,627	28,167,652	35,730,747
(64,142,473)	(69,997,414)	(73,206,711)	(72,071,363)	(86,257,389)
(3,311,946)	(2,877,010)	(2,566,722)	(2,632,948)	(2,582,204)
117,718,710	18,800,799	28,181,042	53,520,077	11,905,045
482,611,478	463,810,679	435,629,637	382,109,560	370,204,515
600,330,188	482,611,478	463,810,679	435,629,637	382,109,560
$1,892,581,965	$2,173,327,272	$2,514,789,694	$2,774,270,132	$2,683,737,261

2021	2020	2019	2018	2017
$2,492.9	$2,655.9	$2,978.6	$3,209.9	$3,065.8
600.3	482.6	463.8	435.6	382.1
$1,892.6	$2,173.3	$2,514.8	$2,774.3	$2,683.7
24.08%	18.17%	15.57%	13.57%	12.46%
$3,449.3	$3,477.6	$3,462.5	$3,332.4	$3,303.1
54.87%	62.50%	72.63%	83.25%	81.25%

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB *($ in millions)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined employer contribution	$88.0	$111.0	$99.5	$91.9	$126.6	$161.0	$190.1	$189.4	$178.0	$161.6
Actual employer contributions	63.6	61.0	57.5	53.8	53.5	48.2	65.9	63.5	47.7	44.9
Annual contribution deficiency (excess)	$24.4	$50.0	$42.0	$38.1	$73.1	$112.8	$124.2	$125.9	$130.3	$116.7
Covered payroll	$4,401.6	$4,189.4	$3,964.7	$3,734.3	$3,449.3	$3,477.6	$3,462.5	$3,332.4	$3,303.1	$2,932.2
Actual contributions as a percentage of covered payroll	1.44%	1.45%	1.45%	1.44%	1.55%	1.39%	1.90%	1.91%	1.44%	1.53%

See accompanying notes to the required supplementary information.

SCHEDULE OF INVESTMENT RETURNS – OPEB[1]

Year ended June 30	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money weighted rate of return, net of investment expense	9.50%	5.51%	5.93%	(1.40%)	24.85%	2.54%	5.41%	8.05%	11.59%

[1] Additional years will be added to the schedule as they become available.

See accompanying notes to the required supplementary information.

Notes to Required Supplementary Health Care Information June 30, 2025

Changes of Benefit and Funding Terms

- No changes of benefit and funding terms were implemented in FY2025.

Changes of Assumptions in the following June 30th actuarial valuations

2025

- Discount rate changed from 4.88% to 5.62%.
- Health care trend rate updated from 7.00% - 4.40% to 6.75% - 4.40%.

2024

- Discount rate changed from 4.27% to 4.88%.
- Health care trend rate updated from 6.75% - 4.40% to 7.00% - 4.40%.

2023

- Discount rate changed from 4.08% to 4.27%.
- Health care trend rate updated from 7.00% - 4.40% to 6.75% - 4.40%.
- Assumption for percentage of pre-Medicare eligible retirees who choose the Wraparound plan was increased from 10% to 20%.
- Health care trend assumption on retiree premiums was updated to not apply the trend to the $35 surcharge.
- Assumption was added to assume that 15% of pre-65 retirees who waive health care will elect coverage upon Medicare eligibility.
- Morbidity factors were updated based on the Society of Actuaries' June 2013 research report, Health Care Costs—From Birth to Death by Dale Yamamoto, and from the Actuarial Standards of Practice (ASOP) 6 practice note developed by the American Academy of Actuaries.

2022

- Discount rate changed from 2.27% to 4.08%.
- Health care trend rate updated to 7.00% - 4.40%.

2021

- Discount rate changed from 2.63% to 2.27%.
- Investment rate of return was reduced from 7.50% to 7.00%.
- Assumed rate of inflation was reduced from 3.00% to 2.40%.
- Payroll Growth Assumption was reduced from 3.50% to 1.75%.
- Assumed real wage growth was increased from 0.50% to 0.85%.
- Health care trend rates were updated to Pre-Medicare: 6.75% - 4.40% and Medicare: 5.125% - 4.40%.
- Rates of withdrawal, retirement, and disability were updated to reflect recent experience.
- Rates of health care participation for future retirees and spouses were updated to reflect recent experience.
- Mortality rates among active members, service retirees and beneficiaries, and disabled members were updated. Mortality rates are projected using a fully generational projection with Scale MP-2020.

2020

- Discount rate changed from 3.22% to 2.63%.

2019

- Discount rate changed from 3.70% to 3.22%.
- Health care trend rates were updated to Pre-Medicare: 7.00% - 4.75% and Medicare: 5.25% - 4.75%.

2018

- Discount rate changed from 3.63% to 3.70%.
- Health care trend rates were updated to Pre-Medicare: 7.25% - 4.75% and Medicare: 5.375% - 4.75%.

2017

- Discount rate changed from 2.98% to 3.63%.

2016

- Assumed rate of inflation was reduced from 3.25% to 3.00%.
- Payroll Growth Assumption was reduced from 4.00% to 3.50%.
- Assumed real wage growth was reduced from 0.75% to 0.50%.
- Rates of withdrawal, retirement, and disability were updated to reflect recent experience.
- Mortality rates among active members, service retirees and beneficiaries, and disabled members were updated.

Additional Actuarial Information

The following actuarial methods and assumptions (from the June 30, 2024 actuarial valuation) were used to determine the Actuarially Determined Contribution reported for FY2025 in the Schedule of Employer Contributions – OPEB:

Actuarial cost method:	Entry age normal
Amortization method:	Level percent of payroll, open
Asset valuation method:	Market value
Inflation:	2.40%
Salary increase, including price inflation:	3.25% - 13.58%
Investment rate of return:	7.00%, net of System expenses, including inflation
Medical trend assumptions:	7.00% - 4.40%

Mortality:

DEATH AFTER RETIREMENT: These assumptions are used to measure the probabilities of each benefit payment being made after retirement.

SERVICE RETIREMENT: PUB-2010 General Employee Amount-Weighted Below-Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

DISABLED RETIREMENT: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

CONTINGENT SURVIVOR: PUB-2010 General Amount-Weighted Below-Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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SCHEDULES OF SERS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Ohio Public Employees Retirement Plan - Traditional Pension Plan[1,2]

Last 10 Fiscal Years *	2025	2024	2023	2022	2021
SERS' proportion of the net pension liability (asset)	0.0887982%	0.0878858%	0.0883558%	0.0921448%	0.0909161%
SERS' proportionate share of the net pension liability (asset)	$21,769,362	$23,008,862	$26,100,343	$8,016,966	$13,462,691
SERS' covered payroll	15,870,891	14,466,114	13,696,163	13,372,990	12,805,035
SERS' proportionate share of the net pension liability (asset) as a % of its covered payroll	137%	159%	191%	60%	105%
Plan fiduciary net position as a % of the total pension liability	80.99%	79.01%	75.74%	92.62%	86.88%

* The amounts presented were determined as of 12/31 of the prior calendar year.

1 The OPERS Combined Plan was consolidated into the Traditional Pension Plan in 2024. Historical data has not been restated; therefore, 2023 and prior reflect the Traditional Pension Plan only, without the Combined Plan division.

2 Includes Traditional Pension Plan and defined benefit portions of the Combined Plan division beginning 2024. This includes money purchase annuities for re-employed retirees, additional annuities under the Traditional Pension Plan, and annuitized defined contribution accounts of the Combined Plan division.

Ohio Public Employees Retirement Plan - Combined Pension Plan[1]

Last 10 Fiscal Years *	2025	2024	2023	2022	2021
SERS' proportion of the net pension liability (asset)		0.1680692%	0.1834134%	0.2096088%	0.1994927%
SERS' proportionate share of the net pension liability (asset)		($516,614)	($432,287)	($825,869)	($575,863)
SERS' covered payroll		661,501	790,227	955,597	879,164
SERS' proportionate share of the net pension liability (asset) as a % of its covered payroll		(78%)	(55%)	(86%)	(66%)
Plan fiduciary net position as a % of the total pension liability		144.55%	137.14%	169.88%	157.67%

* The amounts presented were determined as of 12/31 of the prior calendar year.

1 The OPERS Combined Plan was consolidated into the Traditional Pension Plan in 2024. Historical data has not been restated.

2020	2019	2018	2017	2016
0.0923731%	0.0958985%	0.0973540%	0.0956142%	0.0937745%
$18,258,172	$26,288,404	$15,272,959	$21,712,365	$16,242,931
12,996,795	12,963,846	11,946,483	10,594,473	10,003,875
140%	203%	128%	205%	162%
82.17%	74.70%	84.66%	77.25%	81.08%

2020	2019	2018	2017	2016
0.1942455%	0.0217249%	0.2256010%	0.2277590%	0.2364605%
($405,048)	($242,933)	($307,116)	($126,764)	($115,067)
864,692	929,157	857,951	759,911	737,594
(47%)	(26%)	(36%)	(17%)	(16%)
145.28%	126.64%	137.28%	116.55%	116.90%

SCHEDULES OF CONTRIBUTIONS

Ohio Public Employees Retirement Plan - Traditional Pension Plan[1]

Last 10 Fiscal Years *	2025	2024	2023	2022	2021
Contractually required contribution	$2,300,194	$2,077,308	$2,026,566	$1,868,582	$1,805,747
Contributions in relation to the contractually required contribution	2,300,194	2,077,308	2,026,566	1,868,582	1,805,747
Contribution deficiency (excess)	—	—	—	—	—
SERS' covered payroll	$16,429,958	$14,837,914	$14,475,473	$13,347,012	$12,898,191
Contributions as a % of covered payroll	14%	14%	14%	14%	14%

* The amounts presented were determined as of 6/30 of the fiscal year.

[1] The OPERS Combined Plan was consolidated into the Traditional Pension Plan in 2024. Historical data has not been restated; therefore, 2023 and prior reflect the Traditional Pension Plan only, without the Combined Plan division.

Ohio Public Employees Retirement Plan - Combined Pension Plan[1]

Last 10 Fiscal Years *	2025	2024	2023	2022	2021
Contractually required contribution		$107,845	$131,770	$130,617	$121,992
Contributions in relation to the contractually required contribution		107,845	131,770	130,617	121,992
Contribution deficiency (excess)		—	—	—	—
SERS' covered payroll		$770,322	$941,211	$932,981	$871,375
Contributions as a % of covered payroll		14%	14%	14%	14%

* The amounts presented were determined as of 6/30 of the fiscal year.

[1] The OPERS Combined Plan was consolidated into the Traditional Pension Plan in 2024. Historical data has not been restated.

2020	2019	2018	2017	2016
$1,825,245	$1,781,661	$1,616,321	$1,517,599	$1,457,881
1,825,245	1,781,661	1,616,321	1,517,599	1,457,881
—	—	—	—	—
$13,037,464	$12,726,150	$11,545,152	$10,839,992	$10,413,435
14%	14%	14%	14%	14%

2020	2019	2018	2017	2016
$126,307	$127,825	$116,006	$110,430	$109,964
126,307	127,825	116,006	110,430	109,964
—	—	—	—	—
$902,194	$913,034	$828,612	$788,786	$785,457
14%	14%	14%	14%	14%

SCHEDULE OF SERS' PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

Ohio Public Employees Retirement Plan					
Last 10 Fiscal Years *	**2025**	**2024**	**2023**	**2022**	**2021**
SERS' proportion of the net OPEB liability (asset)	0.0982808%	0.0985947%	0.0993089%	0.1040415%	0.1007839%
SERS' proportionate share of the net OPEB liability (asset)	($2,303,932)	($889,841)	$626,161	($3,258,739)	($1,795,546)
SERS' covered payroll	693,268	616,593	567,283	541,604	445,100
SERS' proportionate share of the net OPEB liability (asset) as a % of its covered payroll	(332%)	(144%)	110%	(602%)	(403%)
Plan fiduciary net position as a % of the total OPEB liability	121.51%	107.76%	94.79%	128.23%	115.57%

* The amounts presented were determined as of 12/31 of the prior calendar year. GASB 75 was implemented in 2018. Additional years will be added to the schedule as they become available.

SCHEDULE OF OPEB CONTRIBUTIONS

Ohio Public Employees Retirement Plan					
Last 10 Fiscal Years *	**2025**	**2024**	**2023**	**2022**	**2021**
Contractually required contribution	$97,058	$86,323	$79,420	$75,825	$62,314
Contributions in relation to the contractually required contribution	97,058	86,323	79,420	75,825	62,314
Contribution deficiency (excess)	—	—	—	—	—
SERS' covered payroll	$692,673	$623,203	$592,478	$497,986	$432,124
Contributions as a % of covered payroll	14%	14%	14%	14%	14%

* The amounts presented were determined as of 6/30 of the fiscal year. GASB 75 was implemented in 2018. Additional years will be added to the schedule as they become available.

2020	2019	2018	2017
0.1014843%	0.0104825%	0.1060842%	0.1047274%
$14,017,613	$13,666,743	$11,519,966	$10,577,819
420,175	375,863	1,338,357	2,243,369
3,336%	3,636%	861%	472%
47.80%	46.33%	54.14%	54.05%

2020	2019	2018	2017
$58,824	$125,775	$262,029	$295,539
58,824	125,775	262,029	295,539
—	—	—	—
$398,914	$898,395	$1,871,633	$2,110,993
14%	14%	14%	14%

SCHEDULE OF ADMINISTRATIVE EXPENSES for the year ended June 30, 2025

	General Administrative Expenses
Personnel Services	
Salaries	$15,991,097
Retirement Contributions	2,596,024
Insurance	4,716,863
Total Personnel Services	23,303,984
Professional Services	
Actuarial Advisors	379,114
Audit Services	207,382
Custodial Banking	142,362
Investment Related Consulting	60,213
Medical	45,000
Technical	1,755,331
Total Professional Services	2,589,402
Communications	
Postage	640,580
Telecommunications Services	70,811
Member / Employer Education	23,674
Printing and Publication	128,657
Total Communications	863,722
Other Services	
Computer Support Services	2,357,959
Office Equipment and Supplies	142,490
Training	135,343
Transportation and Travel	107,245
Memberships and Subscriptions	113,772
Property and Fiduciary Insurance	512,467
Facilities Expense	1,355,621
Maintenance	28,468
Staff Support	86,951
Ohio Retirement Study Council	61,112
Miscellaneous	792,926
Total Other Services	5,694,354
Total Administrative Expenses before Depreciation	32,451,462
Depreciation	3,709,512
Total Administrative Expenses	**$36,160,974**

See accompanying independent auditor's report.

SCHEDULE OF INVESTMENT EXPENSES for the year ended June 30, 2025

Description of Expenses	Net Assets Under Management	Direct Fees
Global Equities	$9,009,041,658	$21,577,788
Global Private Equity	2,683,763,216	28,107,647
Global Fixed Income	2,726,186,120	6,848,759
Global Real Estate	2,133,213,519	16,751,383
Global Infrastructure	1,480,048,858	10,069,572
Global Private Credit	1,210,697,103	15,334,167
Opportunistic and Tactical	660,001,206	6,473,763
Cash Equivalents	830,562,545	3,133,188
Total Investment Management Fees		$108,296,267
Custody Service Fees		1,058,605
Master Recordkeeper Fees		1,386,407
Investment Consulting and Performance/Analytics Fees		1,213,060
Other Investment Administrative Expenses		5,722,357
Total Direct Investment Administrative Expenses		9,380,429
Total Investment Expenses		**$117,676,696**

SCHEDULE OF PAYMENTS TO CONSULTANTS

SERS paid the following non-investment related consulting fees in FY2025:

Actuarial Advisors	$379,114
Audit Services	207,382
Legal Counsel	369,354
Medical Consultant	45,000
Information Technology Consultants	861,333
Health Care Consultants	173,752
Other Consultants	553,467
Total	**$2,589,402**

See accompanying independent auditor's report.

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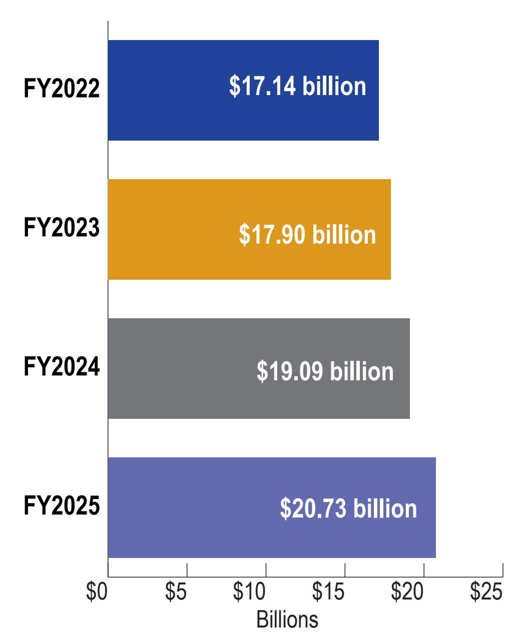
INVESTMENT SECTION

(unaudited)

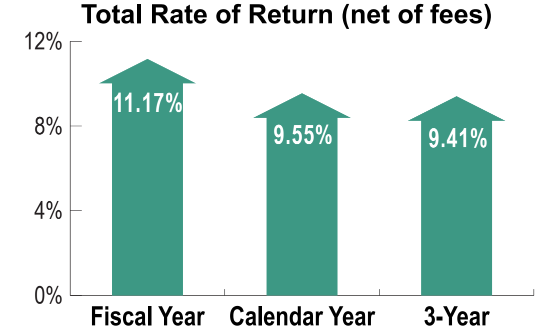
Investment Highlights

For fiscal year end June 30, 2025, SERS' gross investment rate of return was 11.97% with $20.73 billion in assets. The Fund's net return was 11.17% and outperformed the policy benchmark by 1.05%. SERS maintains a diversified investment portfolio including global equities, global private equity, global fixed income, global private credit, global real estate, global infrastructure, and short-term securities.

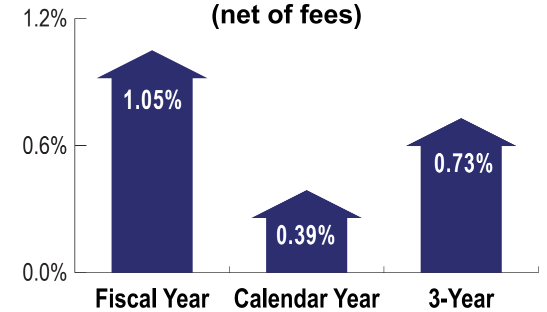
Total Investment Fund Balance



Total Rate of Return (net of fees)



Total Fund Excess Return vs Benchmark (net of fees)



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RICHARD STENSRUD
Executive Director

KAREN ROGGENKAMP
Deputy Executive Director

December 1, 2025

Retirement Board, Members, Retirees, and Beneficiaries of the Retirement System:

On behalf of the SERS Investment Department, I respectfully submit the Investment Section of the *Annual Comprehensive Financial Report* for the year ended June 30, 2025. Information in this section was compiled by SERS' Investment and Finance Staff and BNY Mellon Global Risk Solutions. Investment results are based upon a time-weighted rate of return methodology, and assets are shown at fair value.

US economic growth in CY2024 was healthy at 2.8%; however, it softened to an average of 1.3% in the first half of CY2025 due primarily to a decline in federal spending and a deceleration of consumer spending. Fed funds rate was cut by 100 bps in 2024 but has remained at a restrictive level of 4.3-4.5%. Both headline inflation (CPI) and core inflation (excluding food and energy) declined from their June 2024 levels to their troughs of 2.3% and 2.8%, respectively, in April 2025 but ticked up to 2.7% and 3.1%, respectively, in July 2025, remaining above the Fed's 2% target. The labor market has shown signs of softening, with 1.6 million jobs added in FY2025 compared to 2.6 million in FY2024 and 3.8 million in FY2023. The unemployment rate changed little to 4.2% in July 2025, compared to 4.1% in June 2024. The equity markets posted strong returns in FY2025. US equity gained 15.3% while Non-US developed markets were up 18.7%, and emerging markets were up 15.3% for the respective market indices. Bond returns, represented by the US fixed income Bloomberg US Universal Bond Index, gained 6.5% in FY2025 compared to a moderate return of 3.5% in FY2024 and a negative 4bps in FY2023 as rates trended down.

SERS' Total Fund generated a return of 11.2% net of fees in FY2025, exceeding the policy benchmark by 1.1%. The strong total return was helped by net of fees returns of 17.0% in Global Equities, 11.7% in Opportunistic and Tactical, and 10.2% in Global Infrastructure. The positive excess return was contributed by asset allocation tilts and strong excess returns of several asset class portfolios. Overweight in Global Equities and Opportunistic and Tactical, as well as underweight in Fixed Income relative to their targets, added value. Compared to the respective asset class benchmarks, Opportunistic and Tactical and Private Equity each outperformed by 3.6%, followed by Global Infrastructure by 2.4%, Global Equities by 0.9%, and Fixed Income by 0.8%. The Total Fund five-year return of 10.6% net of fees exceeded the policy benchmark by 1.6%, while the ten-year return of 8.6% net of fees exceeded the benchmark by 1.0%. Implementation of the investment program has added value to the fund over one-, three-, five-, ten-, and twenty-year periods relative to the Total Fund benchmark. Total fund returns exceeded the actuarial rate of 7.0% for one-, three-, five-, ten-, and twenty-year periods. SERS returns ranked in the first quartile (25%) for one-year, and top decile (10%) for five- and ten-years in the public fund peer universe on a gross of fee basis.

Staff will remain focused on implementing the portfolio to add value relative to benchmark returns net of fees and to manage risk. Restrictive interest rates, rich valuation in both the equity and credit markets, and slowing economic growth pose significant risks to expected returns. SERS' portfolio has been well diversified; hence, it is expected to be less impacted by an increase in market volatility.

I wish to thank the Investment staff for their dedication and accomplishments this year, and I appreciate the support of the Board and the Executive team. We look forward to working with the Board and the Executive team in the coming year to serve our members with excellence.

Respectfully,

Farouki Majeed
Chief Investment Officer

Chapter 3309 of the Ohio Revised Code and the Board-adopted Investment Policy govern investment activity at the School Employees Retirement System of Ohio (SERS). The Board is responsible for managing the assets of the Fund effectively, prudently, and for the exclusive benefit of SERS' members and beneficiaries.

INVESTMENT POLICY

The Board approves the *Statement of Investment Policy*. The purpose of the policy is to set forth SERS' investment philosophy and objectives. The policy establishes investment policies and describes the organization and division of responsibilities necessary to implement the Board's philosophy and objectives prudently; and establishes a framework for making investment decisions, monitoring investment activity, and promoting effective communication between the Board, Staff, and other involved parties.

INVESTMENT OBJECTIVES

The primary objective of the investment portfolio is to achieve investment returns exceeding the return of our Policy Benchmark within prudent risk parameters. Over the long term, it is expected that investment returns also should meet or exceed the Board-approved actuarial assumed rate of 7.00%.

INVESTMENT STRATEGIES

Asset Allocation FY2025 SERS' strategic asset allocation targets and its corresponding benchmarks were as follows:

Asset Class	FY2025 Policy	Benchmark Measure
Global Equities	40%	MSCI All Country World Index (ACWI) (Net Dividends)
Global Private Equity	14%	Burgiss All Private Equity (BAPE) (one quarter in arrears)
Global Fixed Income	18%	Bloomberg US Universal Bond Index
Global Private Credit	5%	90-day Treasury Bill Rate +4.5% (one quarter in arrears)
Global Real Estate	13%	NCREIF Property Index (one quarter in arrears)
Global Infrastructure	7%	Quarterly (4 qtrs.) smoothed CPI +1.2% per quarter
Cash Equivalents	3%	FTSE 30-day Treasury Bill Index
Strategy		**Benchmark Measure**
Opportunistic and Tactical Investments	0%	Bloomberg US Aggregate Bond Index +2.0%
Total	**100%**	

Leverage SERS' Board has approved the use of leverage up to 10% of total fund value through the use of equity/bond derivatives when conditions are favorable. Currently, this has not been implemented.

Diversification Broad diversification within an investment portfolio is used to control the level of risk and volatility within the portfolio over the long term. SERS has adopted a broadly diversified asset allocation policy, and the strategies used within each asset class have also been diversified.

Besides the broad diversification of assets and strategies within SERS' portfolio, SERS also employs a diverse group of investment managers with the goal of outperforming the respective benchmark while managing relative risks.

Wilshire Associates, Inc., SERS' general investment consultant, assists the Board on matters of investment policy and asset allocation recommendations. Wilshire also reports to the Board on quarterly performance reviews of the Fund and each portfolio.

Proxy Voting In 2012, the Board adopted SERS' Corporate Governance Principles. The Board authorizes the Proxy Review Committee, which consists of staff members from Executive and Investments, to vote proxies according to SERS Proxy Voting Guidelines. This committee implements a process for voting proxies as described in the Proxy Voting Policy and Procedures document. Staff hires a proxy voting advisor, Institutional Shareholder Services (ISS), to vote proxies according to SERS' custom vote policy and provide advice on corporate governance-related matters.

Sustainability and Corporate Governance Good governance of markets and entities comprising the markets improves outcomes for investors. SERS' Board and Staff will exercise corporate ownership responsibly and with the best fiduciary interest of members and stakeholders. SERS' Board and Staff must be attentive to important environmental, social, and governance issues that affect markets and promote its interests in a responsible manner in the best fiduciary interest of members and stakeholders.

Global Equities

For FY2025, the Global Equities portfolio returned 17.0% net of fees, outperforming the MSCI AC World index return by 0.9% due to strong outperformance of the Global and Emerging Markets portfolios, which surpassed their respective benchmark by 4.0% and 3.7%, respectively. Maintaining a slight Non-US overweight was also additive to the portfolio's performance. The US and Non-US Developed portfolios lagged their benchmark by 0.2% and 0.8%, respectively. In FY2025, Non-US Developed markets led global equities with an 18.7% net of fees return, helped by an 8.2% US dollar depreciation. US and Emerging markets each returned 15.3%, lagging Non-US Developed markets by 3.4%. In FY2025, two US small cap managers and two style index funds were terminated to reduce the small cap overweight and minimize style bias in the US portfolio. A single-country Emerging Market strategy was also terminated to reduce country-specific risk. Finally, a global manager was hired, expanding the Global portfolio, which added value to equities. Global Equity allocation was 43.5% as of June 30, 2025, above the 40% target.

Global Private Equity

The past few years have been the private equity industry's most challenging period since the global financial crisis. Macro conditions and policy decisions will weigh heavily on momentum and uncertainty continues to keep the private equity market on edge. Much uncertainty remains around inflation and interest rates, and private equity investors are seeking clarity on tariffs and other macro issues. Economic uncertainty combined with elevated purchase valuations and a steady flow of dry powder once again underscores the importance of identifying and backing high quality private equity managers that remain disciplined in their process, due diligence, and selection criteria throughout investment cycles. The long-term outlook for private equity remains positive. Top quartile private equity managers find ways to overcome problems, generate returns for their limited partner, and drive value creation in portfolio companies. SERS' Global Private Equity portfolio generated a return of 10.0% net of fees for FY2025, beating the benchmark return of 6.4% by 3.6%. Private Equity allocation of 12.9% is below the new target of 14%, as staff continue to look for opportunities to deploy capital.

Global Fixed Income

The Global Fixed Income portfolio achieved a return of 7.3% net of fees in FY2025, outperforming the Bloomberg US Universal Index benchmark return of 6.5% by 0.8%. This outperformance was attributed to a yield advantage of 0.3%, declining interest rates, and allocations to outperforming sectors. The Federal Reserve cut interest rates by 1.0% in the fall of 2024, positively impacted the portfolio. Emerging market debt was the top-performing sector with an 11.9% return for the 50/50 local/USD blended index, benefiting from a weakening US dollar, higher yields, and ongoing interest rate cuts by emerging economies. High yield bonds returned 10.3% due to attractive yields and tighter credit spreads. Investment-grade bonds experienced continued spread compression, reflecting strong fundamentals and minimal impact from tariffs through June 2025. Asset-backed securities returned 6.3%, supported by the strong US consumer market. The residential mortgage sector performed in-line with the benchmark with a 6.5% return, driven by high mortgage rates, limited supply, and continued demand for new housing. Conversely, US Treasuries were the lowest performing sector at 5.3% with rising inflation and a slowing job market clouding the outlook for US interest rates. Looking ahead, fixed income yields remain attractive, while credit spreads have become very tight. With healthy corporate fundamentals, strong corporate balance sheets, and continued consumer strength credit spreads can remain at these levels for an extended period. If so, portfolio yield will be the primary driver of returns. The fixed income allocation is 13.2% and remained below the target of 18% throughout the fiscal year.

Global Private Credit

The Global Private Credit portfolio generated a return of 8.8% net of fees during FY2025 compared to the benchmark return of 9.7%. The portfolio slightly underperformed the policy benchmark during the fiscal year but generated an attractive cash yield for the Total Fund. The private credit market was estimated to be $1.7 trillion in assets under management at the end of CY2024 and is projected to exceed $2.8 trillion in the coming years. In CY2024, fundraising activity slowed due to economic uncertainties and higher interest rates. Many investors paused making new investments within the private credit market given the uncertainty of corporate earnings growth and the ability of companies to service debt obligations. However, the outlook for the private credit market remains positive, with significant growth anticipated due to the alternative financing needs of many companies. During FY2025, a total of $100 million was deployed, and SERS' Global Private Credit portfolio ended the fiscal year above the 5% target allocation.

Global Real Estate

The Global Real Estate allocation ended FY2025 at 10.3%, which is below the target allocation of 13% but within its policy range of 10-15%. Global Real Estate portfolio returned 0.7% net of fees, underperforming the NCREIF Property Index of 2.7% by 2.0% in FY2025. Income return is estimated at 3.6% gross of fees. Real Estate returns were negatively impacted by mark downs of property values due to deteriorating fundamentals in some sectors (notably Office) and higher interest rates. Staff has redeemed nearly $500 million from Real

Estate funds to reduce the allocation towards the lower end of the range and improve the property type allocations. Going forward, market fundamentals are expected to support multi-family and select niche property types like senior housing and single-family rentals. Real Estate returns are expected to trend positively in the coming years, with income playing a critical role, as asset values stabilize from improving fundamentals.

Global Infrastructure

The Global Infrastructure allocation ended FY2025 at 7.1%, which is in line with the target allocation of 7.0% and within its policy range of 5-10%. Global Infrastructure portfolio returned 10.2% net of fees, outperforming the policy benchmark by 2.4% in FY2025. During FY2025, Staff committed approximately $600 million to new infrastructure funds and co-investments to increase the allocation towards the high end of the range. Continuing to demonstrate resilience, infrastructure assets—particularly utilities, midstream energy, data centers, and airports—performed well in FY2025. Core infrastructure is expected to generate gross internal rate of return of 8-10% in coming years, with a significant portion coming from income return.

Cash Equivalents

The Cash Equivalents portfolio consists primarily of short-term cash and the gains and losses of the overlay program. Short-term cash is a source of liquidity for the Total Fund. For FY2025, short-term cash returned 4.6% net of fees, underperforming the FTSE 30-day Treasury Bill Index by 0.2%. The return on cash decreased by 0.7% in FY2025 as the Federal Reserve cut interest rates by 1.0% during the fall of 2024. Short-Term cash underperformed the index as the US Treasury Bill outperformed prime and government money market funds primarily due to the high demand for Treasury Bills pushed down the realized yield investors could ultimately earn.

As of June 30, 2025, the weight of cash equivalents was 4.0% of the Total Fund.

Opportunistic and Tactical Investments

The Opportunistic and Tactical portfolio returned 11.7% net of fees, outperforming the benchmark return of 8.1%. The Opportunistic portfolio is comprised of non-traditional investment opportunities that do not fit within SERS' strategic asset classes. Opportunistic investments are defined as tactical or non-traditional investment opportunities. Such investments may involve capitalizing on short-term market dislocations, other unique situations, or innovative strategies such as tactical allocation. The Opportunistic portfolio has a 0.0% policy target allocation with a maximum allocation of 5.0%, giving staff flexibility to invest only when market conditions present attractive opportunities. SERS made three new opportunistic investments in FY2025, committing a total of $152 million. New investments include a fund that makes private subordinated debt and equity investments in European companies, a fund that focuses on stressed trading and distressed-for-control investments, and a fund that invests opportunistically across the entire mortgage and consumer-related credit complex. Staff also made an additional investment of $10 million in an existing long/short equity strategy focused on the energy sector as well as an additional investment of $20 million in an existing gold exchange-traded fund.

Overlay Program

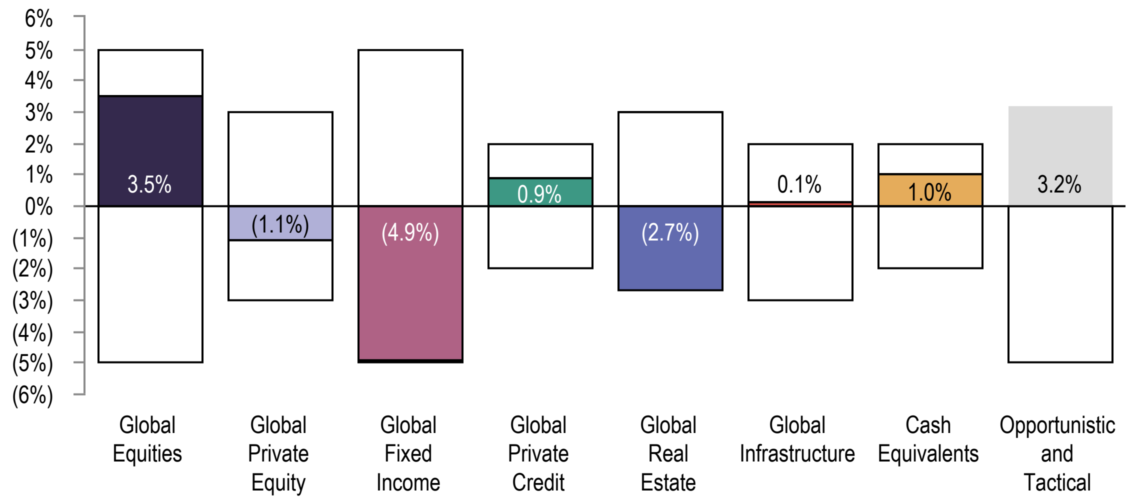
The overlay program, comprised of the enhanced asset allocation and active currency strategies, aims to add value by taking active long/short positions in the broad asset classes and foreign currency pairs with tightly controlled risk. The strategies do not require full cash funding except for the margin requirements since they are implemented through futures and forward contracts. For FY2025, the overlay program had losses driven by the active currency strategy that reduced the Total Fund net of fees return by 0.2%.

Investment Summary as of June 30, 2025

	Value	% of Value	Policy	Range
Global Equities[1]	$9,009,041,658	43.5%	40.0%	35% - 45%
Global Private Equity	2,683,763,216	12.9	14.0	11 - 17
Global Fixed Income[1]	2,726,186,120	13.1	18.0	13 - 23
Global Private Credit	1,210,697,103	5.9	5.0	3 - 7
Global Real Estate	2,133,213,519	10.3	13.0	10 - 15
Global Infrastructure	1,480,048,858	7.1	7.0	5 - 10
Cash Equivalents	830,562,545	4.0	3.0	1 - 5
Opportunistic and Tactical	660,001,206	3.2	0.0	0 - 5
Total Portfolio	**$20,733,514,225**	**100.0%**	**100.0%**	

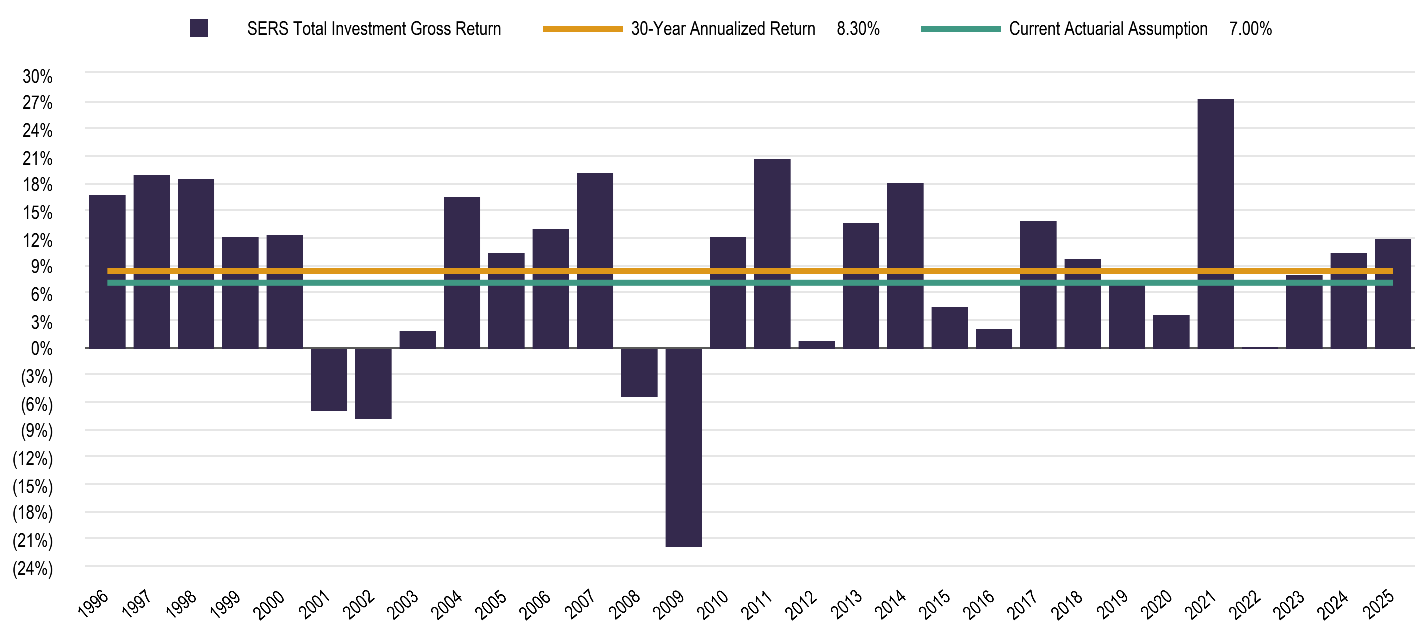
[1] Inclusive of overlay rebalancing positions, global equities fair value allocation was 43.1% and global fixed income fair value allocation was 13.4%.

Asset Allocation vs. Policy

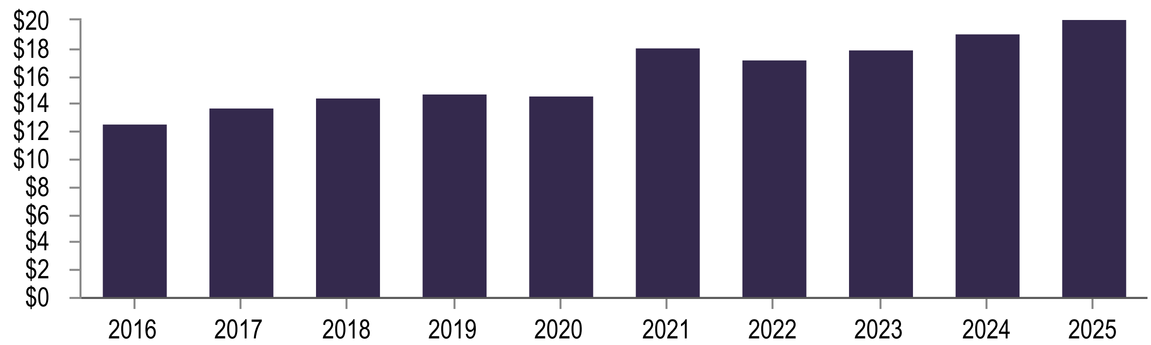


Note: Boxes represent permissible ranges around target weights.

SERS Total Investment Return (Gross of Fees)



Total Investment Fund *($ in billions)*



Schedule of Investment Results for the years ended June 30 (Gross of Fees)

				Annualized Rates of Return		
	2025	**2024**	**2023**	**3 Years**	**5 Years**	**10 Years**
Global Equities						
SERS	17.3%	20.4%	15.9%	17.9%	14.4%	10.6%
Custom Global Equities Benchmark(1)	16.2	19.4	16.5	17.4	13.6	9.8
Global Private Equity						
SERS(2)	12.3	12.9	4.2	9.7	21.7	18.0
Custom Global Private Equity Benchmark(3)	6.4	5.3	(4.0)	2.6	15.2	12.3
Global Fixed Income						
SERS	7.6	4.5	1.0	4.3	1.1	3.0
Custom Global Fixed Income Benchmark(4)	6.5	2.6	(0.9)	2.7	(0.6)	1.8
Global Real Estate						
SERS(5)	1.6	(8.5)	(0.7)	(2.6)	5.1	7.3
Custom Global Real Estate Benchmark(6)	2.7	(7.1)	1.6	(2.1)	3.3	5.4
Global Infrastructure						
SERS(7)	11.4	6.3	9.3	9.0	11.4	N/A
Custom Global Infrastructure Benchmark(8)	7.8	0.7	(1.6)	2.2	6.0	N/A
Opportunistic and Tactical Investments						
SERS(9)	12.8	8.7	3.8	8.4	11.8	8.4
Custom Opportunistic and Tactical Benchmark(10)	8.1	4.6	1.1	4.6	1.3	3.7
Global Private Credit						
SERS(11)	10.3	13.4	7.7	10.4	12.2	N/A
3-month T-Bill Rate +4.50%(12)	9.7	10.0	8.3	9.3	7.5	N/A
Cash Equivalents						
SERS	0.5	(11.6)	4.3	(2.5)	2.1	2.3
FTSE 30-day T-Bill Index	4.8	5.6	3.7	4.7	2.8	2.0
Total Fund (Gross of Fees)						
SERS	12.0	10.5	8.1	10.2	11.3	9.3
Policy Benchmark(13)	10.1	8.8	7.1	8.7	9.0	7.6
Total Fund (Net of Fees)						
SERS	11.2	9.7	7.4	9.4	10.6	8.6
Policy Benchmark(13)	10.1	8.8	7.1	8.7	9.0	7.6

Source: BNY Mellon Global Risk Solutions

Investment results provided by BNY Mellon Global Risk Solutions are based upon a time-weighted rate of return methodology. Fair value adjustments made to global private equity, global real estate, global infrastructure, opportunistic and tactical, and global private credit as of June 30 will be reflected in the investment returns in the next financial statement.

Notes to Investment Results

(1) Custom Global Equities Benchmark:
- (a) Effective July 1, 2022
  - 100.00% MSCI All Country World Net Total Return Index
- (b) Effective January 1, 2021
  - 55.00% Russell 3000 Index
  - 30.00% MSCI ACWI ex-US (net dividends) Index
  - 15.00% MSCI Emerging Markets Net Total Return Index
- (c) Prior to January 1, 2021
  - 50.00% Russell 3000 Index
  - 50.00% MSCI ACWI ex-US (net dividends) Index

(2) Global Private Equity returns are reported one quarter in arrears.

(3) Custom Global Private Equity Benchmark:
- (a) Effective January 1, 2014 Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)

(4) Custom Global Fixed Income Benchmark:
- (a) Effective July 1, 2024 Bloomberg US Universal Bond Index
- (b) Effective July 1, 2020 Bloomberg US Aggregate Bond Index
- (c) Prior to July 1, 2020 Barclays Capital US Aggregate Bond Index

(5) Global Real Estate
- (a) Partnership returns are reported one quarter in arrears. Public real estate returns are reported in the current quarter.
- (b) Prior to January 1, 2024 was reported in Global Real Assets

(6) Global Real Estate Benchmark:
- (a) Effective July 1, 2010 NCREIF Property Index (one quarter in arrears)

(7) Global Infrastructure
- (a) Partnership returns are reported one quarter in arrears. Public infrastructure returns are reported in the current quarter.
- (b) Prior to January 1, 2024 was reported in Global Real Assets

(8) Global Infrastructure Benchmark:
- (a) Effective January 1, 2024 Quarterly (4 qtrs.) smoothed CPI +1.2% per quarter
- (b) Prior to January 1, 2024 NCREIF Property Index (one quarter in arrears)

(9) Opportunistic and Tactical inception date occurred in June 2013.

(10) Opportunistic and Tactical Benchmark:
- (a) Effective July 1, 2020 Bloomberg US Aggregate Bond Index +2.0%
- (b) Prior to July 1, 2020 SERS Policy BM

(11) Global Private Credit investments inception date occurred in July 2020.

(12) Global Private Credit Benchmark:
- (a) Effective July 1, 2023 90-day T-Bill Rate +4.5% (one quarter in arrears)
- (b) Effective February 1, 2022 90-day T-Bill Rate +4.5%
- (c) Prior to February 1, 2022 3-month LIBOR +4.50%

(13) SERS Policy Benchmark weightings for the past 10 years:
- (a) Effective July 1, 2024
  - 40.00% MSCI All Country World Net Total Return Index
  - 18.00% Bloomberg US Universal Bond Index
  - 13.00% NCREIF Property Index (one quarter in arrears)
  - 7.00% Quarterly (4 qtrs.) smoothed CPI +1.2% per quarter
  - 14.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 5.00% 90-day T-Bill +4.50% (one quarter in arrears)
  - 3.00% FTSE 30-day T-Bill Index
- (b) Effective January 1, 2024
  - 41.00% MSCI All Country World Net Total Return Index
  - 18.00% Bloomberg US Aggregate Bond Index
  - 13.00% NCREIF Property Index (one quarter in arrears)
  - 7.00% Quarterly (4 qtrs.) smoothed CPI +1.2% per quarter
  - 13.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 5.00% 90-day T-Bill +4.50% (one quarter in arrears)
  - 3.00% FTSE 30-day T-Bill Index
- (c) Effective October 1, 2023
  - 41.00% MSCI All Country World Net Total Return Index
  - 18.00% Bloomberg US Aggregate Bond Index
  - 20.00% NCREIF Property Index (one quarter in arrears)
  - 13.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 5.00% 90-day T-Bill +4.50% (one quarter in arrears)
  - 3.00% FTSE 30-day T-Bill Index
- (d) Effective July 1, 2023
  - 40.00% MSCI All Country World Net Total Return Index
  - 18.00% Bloomberg US Aggregate Bond Index
  - 20.00% NCREIF Property Index (one quarter in arrears)
  - 14.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 5.00% 90-day T-Bill +4.50% (one quarter in arrears)
  - 3.00% FTSE 30-day T-Bill Index
- (e) Effective July 1, 2022
  - 45.00% MSCI All Country World Net Total Return Index
  - 19.00% Bloomberg US Aggregate Bond Index
  - 17.00% NCREIF Property Index (one quarter in arrears)
  - 12.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 5.00% 90-day T-Bill +4.50%
  - 2.00% FTSE 30-day T-Bill Index
- (f) Effective February 1, 2022
  - 24.75% Russell 3000 Index
  - 13.50% MSCI ACWI ex-US (net dividends) Index
  - 6.75% MSCI Emerging Markets ex-US (net dividends) Index
  - 19.00% Bloomberg US Aggregate Bond Index
  - 17.00% NCREIF Property Index (one quarter in arrears)
  - 12.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 5.00% 90-Day T-Bill +4.50%
  - 2.00% Citigroup 30-Day T-Bill Index
- (g) Effective July 1, 2021
  - 24.75% Russell 3000 Index
  - 13.50% MSCI ACWI ex-US (net dividends) Index
  - 6.75% MSCI Emerging Markets ex-US (net dividends) Index
  - 19.00% Bloomberg US Aggregate Bond Index
  - 17.00% NCREIF Property Index (one quarter in arrears)
  - 12.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 5.00% 3-Month LIBOR +4.50%
  - 2.00% Citigroup 30-Day T-Bill Index
- (h) Effective January 1, 2021
  - 24.75% Russell 3000 Index
  - 13.50% MSCI ACWI ex-US (net dividends) Index
  - 6.75% MSCI Emerging Markets ex-US (net dividends) Index
  - 19.00% Bloomberg US Aggregate Bond Index
  - 16.00% NCREIF Property Index (one quarter in arrears)
  - 11.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 4.00% HFRI Fund of Funds Composite Index +1.0%
  - 3.00% 3-Month LIBOR +4.50%
  - 2.00% Citigroup 30-Day T-Bill Index
- (i) Effective July 1, 2020
  - 22.50% Russell 3000 Index
  - 22.50% MSCI ACWI ex-US (net dividends) Index
  - 19.00% Bloomberg US Aggregate Bond Index
  - 16.00% NCREIF Property Index (one quarter in arrears)
  - 11.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 4.00% HFRI Fund of Funds Composite Index +1.0%
  - 3.00% 3-Month LIBOR +4.50%
  - 2.00% Citigroup 30-Day T-Bill Index
- (j) Effective January 1, 2016
  - 22.50% Russell 3000 Index
  - 22.50% MSCI ACWI ex-US (net dividends) Index
  - 19.00% Barclays Capital US Aggregate Bond Index
  - 15.00% NCREIF Property Index (one quarter in arrears)
  - 10.00% Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
  - 10.00% HFRI Fund of Funds Composite Index +1.0%
  - 1.00% Citigroup 30-Day T-Bill Index

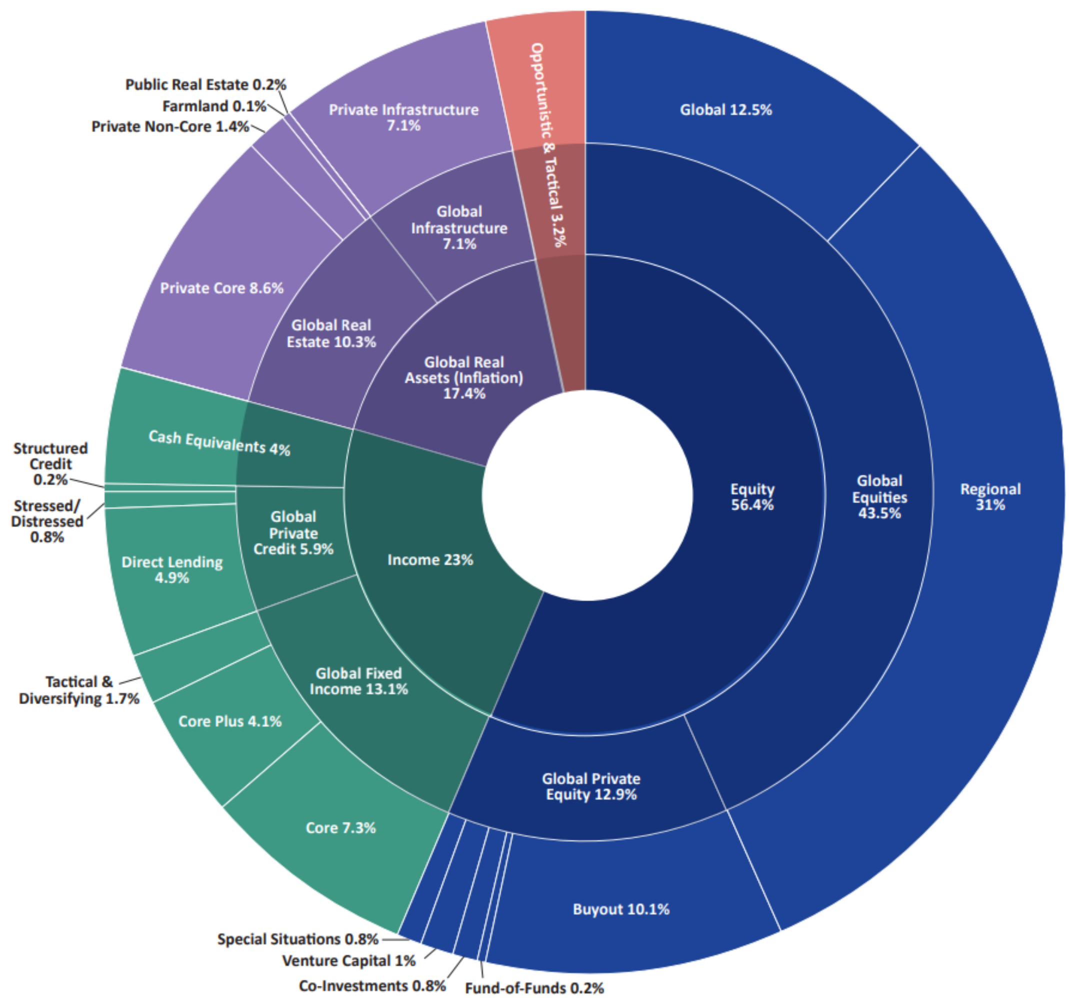
SERS Detailed Asset Allocation

EQUITY	56.4%
Global Equities	**43.5%**
Global	12.5%
Regional	31.0%
Global Private Equity	**12.9%**
Buyout	10.1%
Fund-of Funds	0.2%
Co-Investments	0.8%
Venture Capital	1.0%
Special Situations	0.8%

OPPORTUNISTIC AND TACTICAL	3.2%
Opportunistic and Tactical	3.2%

INCOME	23.0%
Global Fixed Income	**13.1%**
Core	7.3%
Core Plus	4.1%
Tactical and Diversifying	1.7%
Global Private Credit	**5.9%**
Direct Lending	4.9%
Stressed/Distressed	0.8%
Structured Credit	0.2%
Cash Equivalents	**4.0%**

GLOBAL REAL ASSETS (INFLATION)	17.4%
Global Real Estate	**10.3%**
Private Core	8.6%
Private Non-Core	1.4%
Farmland	0.1%
Public Real Estate	0.2%
Global Infrastructure	**7.1%**
Private Infrastructure	7.1%



Largest Public Equity Holdings as of June 30, 2025

	Description	Country	Shares	Fair Value
1	Microsoft Corp.	United States	668,687.2	$332,611,703
2	NVIDIA Corp.	United States	1,766,208.47	279,043,276
3	Apple Inc.	United States	1,207,179.89	247,677,099
4	Meta Platforms, Inc.	United States	254,659.43	187,961,577
5	Amazon.com, Inc.	United States	808,585.57	177,395,587
6	Taiwan Semiconductor MFG Co.	Taiwan	2,909,606.99	105,579,330
7	Netflix Inc.	United States	60,762.51	81,368,897
8	Broadcom Ltd.	United States	270,324.14	74,514,848
9	Alphabet, Inc. Class A	United States	376,380.12	66,329,469
10	Berkshire Hathaway Class B	United States	131,593.15	63,924,002

All monetary values stated in US dollars.
A complete listing of holdings is available upon request.

Largest Public Fixed Income Holdings as of June 30, 2025

	Description	Rating	Par Value	Fair Value
1	US Treasury Note 3.875% 08/15/2034	AA+	$31,076,569	$30,345,092
2	US Treasury Bond 3.875% 02/15/2043	AA+	21,931,480	19,651,816
3	US Treasury Bond 4.750% 11/15/2053	AA+	19,766,000	19,586,871
4	US Treasury Note 4.000% 03/31/2030	AA+	16,145,000	16,295,098
5	US Treasury Note 4.000% 02/15/2034	AA+	16,068,000	15,900,416
6	US Treasury Note 3.750% 04/30/2027	AA+	15,840,000	15,837,525
7	US Treasury Note 1.875% 02/15/2032	AA+	17,665,000	15,517,598
8	US Treasury Bond 2.375% 02/15/2042	AA+	20,739,000	15,087,623
9	US Treasury Note 3.750% 12/31/2030	AA+	13,401,000	13,334,518
10	US Treasury Note 4.375% 07/15/2027	AA+	12,403,000	12,557,553

All monetary values stated in US dollars.
A complete listing of holdings is available upon request.

Investment Consultants and Investment Managers as of June 30, 2025

Investment Consultants
- Wilshire Associates, Inc.

Investment Managers - Opportunistic and Tactical
- Barings Global Advisers, Ltd.
- Bayview Asset Management, LLC
- The Carlyle Group
- GoldenTree Asset Management, LP
- HITE Hedge Asset Management LLC
- Intermediate Capital Group, PLC
- Marathon Asset Management, LP
- Pacific Investment Management Company, LLC
- PanAgora Asset Management, Inc.
- Pinnacle Asset Managerment, LLC
- Strategic Value Partners
- Wellington Management Company, LLP

Investment Managers - Global Infrastructure
- Ardian Investment UK Limited
- Brookfield Asset Management Ltd
- DigitalBridge Group Inc.
- Fiera Infrastructure Inc.
- Global Infrastructure Partners
- Harrison Street Real Estate Capital, L.L.C.
- Industry Fund Management Pty, Ltd.
- ITE Management, L.P.
- J.P. Morgan Investment Management, Inc.
- KKR & Co. Inc.

Investment Managers - Global Real Estate
- Almanac Realty Investors, LLC
- Beacon Capital Partners, LLC
- BlackRock Institutional Trust Co., N.A.
- Blackstone Inc
- The Carlyle Group
- CBRE Global Investors, LLC
- Clarion Partners, LLC
- Deutsche Asset & Wealth Management
- GI Partners
- IFC Core Farmland Fund, LP
- J.P. Morgan Investment Management, Inc.
- Lubert-Adler Management Company, LP
- Mesa West Capital, LLC
- Patrizia, AG
- Pretium Partners, LLC
- Prudential Real Estate
- UBS Realty Investors, LLC

Investment Managers - Global Private Equity
- Altas Partners LP
- Bridgepoint Advisers Limited
- The Carlyle Group
- Charterhouse Capital Partners LLP
- Cinven Capital Management Ltd.
- Coller Investment Management Ltd.
- FdG Associates, LLC
- Ford Financial Fund, LP
- Francisco Partners Management, LP
- Freeman Spogli Management Co., LP
- Graham Partners, Inc
- Great Hill Partners, LP
- J.P. Morgan Asset Management, Inc.
- KKR & Co. Inc.
- Kohlberg & Co LLC
- Leonard Green & Partners, L.P.
- Levine Leichtman Capital Partners, LLC
- Lightspeed Management Company, L.L.C.
- Mason Wells, Inc
- Monomoy Capital Partners LLC
- NGP Energy Capital Management LLC
- Oaktree Capital Management, L.P.
- Odyssey Investment Partners, LLC
- Primus Capital Partners, Inc
- Quantum Energy Partners, LLC
- Riverside Partners L.L.C.
- Silver Lake Technology Management, LLC
- Sole Source Capital LLC
- StepStone Group Inc
- Swander Pace Capital
- TPG Capital, L.P
- Warburg Pincus LLC

Investment Managers - Global Private Credit
- Apollo Global Management, Inc.
- Arcmont Asset Management Ltd
- Ares Management Corporation
- Barings Capital Solutions
- The Carlyle Group
- Francisco Partners Management, LP
- GoldenTree Asset Management LP
- Goldman Sachs Asset Management, LP
- HPS Investment Partners, LLC
- Invesco Credit Partners
- KKR Credit Advisors (US) LLC
- LBC Credit Partners
- One William Street Capital Management, L.P.
- Pathlight Capital LP

Investment Managers - Global Fixed Income
- Aristeia Capital, L.L.C
- BlackRock, Inc.
- Brown Brothers Harriman & Co.
- C. S. McKee, LP
- Dodge & Cox
- Goldman Sachs Asset Management, LP
- J.P. Morgan Asset Management, Inc.
- Johnson Investment Counsel, Inc
- Loomis, Sayles & Company, L.P.
- Ninety One Asset Management
- Pharo Global Advisors Ltd.

Investment Managers - Global Equity
- Arrowstreet Capital, L.P.
- BlackRock, Inc.
- BNY Mellon Asset Management North America
- City of London Investment Management
- Connor Clark & Lunn Investment Management Ltd
- D.E Shaw & Co., LLC
- GlobeFlex Capital LP
- J.P. Morgan Asset Management, Inc.
- Lazard Asset Management LLC
- LSV Asset Management
- Martingale Asset Management, L.P.
- MFS Institutional Advisors, Inc.
- Neumeier Poma Investment Counsel LLC
- PanAgora Asset Management, Inc.
- State Street Investement Management
- T. Rowe Price Group, Inc
- Walter Scott & Partners Limited
- WCM Investment Management, LLC

Investment Managers - Multi-Asset Strategies
- Nephila Capital
- Redwood Capital Management, LLC
- Stark Offshore Management, LLC

Investment Manager - Overlay Futures
- Russell Implementation Services, Inc.

Currency Overlay
- P/E Global, LLC

Securities Lending Agent
- Goldman Sachs Agency Lending

Investment Proxy Manager
- ISS

Custodians
- The Bank of New York Mellon
- Fifth Third Bank, N.A.

Master Recordkeeper
- BNY Mellon Asset Servicing

Investment Performance
- BNY Mellon Global Risk Solutions

Summary Schedule of Brokers' Commissions for US and Non-US Equity Transactions for the Year Ended June 30, 2025

Broker Name	Fees Paid	# of Shares Traded	Avg. Commission per Share
Goldman Sachs & Co, New York	$31,859	5,187,397	$0.006
Merrill Lynch Intl London Equities	19,485	7,292,189	0.003
Morgan Stanley And Co., LLC, New York	18,741	3,615,584	0.005
Bank Of America Corp, Charlotte	17,644	1,456,197	0.012
Jefferies & Co Inc, New York	17,590	3,073,127	0.006
Piper Jaffray & Co., Jersey City	17,502	1,194,314	0.015
Instinet Pacific Ltd, Hong Kong	15,738	18,857,885	0.001
HSBC Secs Inc, New York	14,974	15,859,702	0.001
Citigroup Gbl Mkts Inc, New York	13,958	28,844,391	0.000
ITG Canada Corp, Toronto	13,943	484,464	0.029
All other brokers	349,506	831,086,338	0.000
Total	**$530,940**	**916,951,588**	

Reconciliation to Statement of Fiduciary Net Position

Asset Class/Strategy	Value	% of Total Value
Global Equities	$9,009,041,658	43.5%
Global Private Equity	2,683,763,216	12.9
Global Fixed Income	2,726,186,120	13.1
Global Private Credit	1,210,697,103	5.9
Global Real Estate	2,133,213,519	10.3
Global Infrastructure	1,480,048,858	7.1
Cash Equivalents	830,562,545	4.0
Opportunistic and Tactical	660,001,206	3.2
Net Portfolio Value	$20,733,514,225	100.0%

Investments receivable, securities sold	(216,027,001)
Investments payable, securities purchased	253,046,008
Investment cash	(44,666,656)
Investments per Statement of Fiduciary Net Position	**$20,725,866,576**

Statement of Investment Policy (effective July 1, 2024)

I. Purpose of Statement of Investment Policy

The purpose of this Statement of Investment Policy (SIP) is to set forth the investment philosophy and objectives of the Retirement Board (Board) for the School Employees Retirement System of Ohio (SERS).

This SIP:

A. incorporates and is subject to all restrictions and obligations set forth in Chapter 3309 of the Ohio Revised Code;
B. establishes investment policies and describes the organization and division of responsibilities necessary to implement the Board's philosophy and objectives prudently; and
C. establishes a framework for making investment decisions, and monitoring investment activity, and promotes effective communication between the Board, Staff, and other involved parties.

This SIP is subject to change at any time by the Board. The Board will review the SIP and revise it periodically to assure it continues to reflect the investment philosophy, objectives and strategies of the Board.

II. Investment Philosophy

The Board recognizes the need to manage SERS assets prudently (the Total Fund) to meet its statutory and fiduciary obligations and to achieve or exceed its objectives. The Board's investment philosophy is grounded in fundamental, prudent investment principles, incorporating modern portfolio theory, risk management and portfolio management practices. These principles are incorporated in the "Investment Beliefs" below. The Board believes it can provide consistent, long-term performance at appropriate levels of risk. By delineating responsibilities and defining policy objectives, this SIP reflects the Board's investment philosophy and governance.

SERS Investment Beliefs:

Financial Markets

A. Capital markets are not perfectly efficient. Inefficiencies create opportunities that skilled investors could exploit to generate excess returns. Investment Staff will prudently attempt to add value by exploiting such inefficiencies across different assets selectively, although it is not easily achieved.
B. Markets generally afford higher prospective returns for riskier assets, such as equity or credit risk premiums over the long term. Anomalies could occur in intermittent periods on account of shifting valuations. When valuations are elevated returns tend to be lower.

Investment Process

C. Strategic asset allocation is the key determinant of risk and return and represents the Board's tolerance for risk in achieving funding goals. It is important to diversify across risk factors and return sources and to be explicit about the role of asset classes.
D. Risk is the likelihood of loss or less than expected outcomes and is not fully captured by a single metric such as volatility. Risk has many dimensions, subjective and objective, which must be comprehensively assessed and managed in the investment process.
E. Long-term horizon is an advantage as it enables SERS to tolerate volatility, capture illiquidity and other risk premia, and take advantage of trends and opportunities.
F. Costs matter. Managing fees and transaction costs adds value to the Fund. Costs must be judged relative to expected value added.

Organizational Skills and Design

G. Investment success is dependent on good governance, decision process, skill and judgment. Having an experienced and talented staff with appropriate decision authority is an advantage. SERS' Board will delegate authority as appropriate to staff to facilitate execution of the investment process, but retain policy and oversight powers.

H. Explicit investment objectives, guidelines and collaborative teamwork among staff as well as external partners is essential for success.

Sustainability and Corporate Governance

I. Good governance of markets and entities comprising the markets improves outcomes for investors. SERS Board and Staff will exercise corporate ownership responsibly and with the best fiduciary interest of members and stakeholders.

J. SERS Board and Staff must be attentive to important environmental, social and governance issues that affect markets and promote its interests in a responsible manner in the best fiduciary interest of members and stakeholders.

III. Investment Objectives

The Investment Objectives of SERS are:

A. to assure that SERS provides statutorily-mandated retirement benefits;

B. to earn a net-of-fees total return that equals or exceeds over the long term the Actuarial Assumed Rate approved by the Board; and

C. to enhance risk-adjusted investment returns of the Total Fund in a prudent and cost-effective manner.

IV. Risk Management

A. The Board evaluates risk in terms of the probability of not earning the actuarial assumed rate over the long-term. Diversification across asset classes, within asset classes and across investment styles, sectors and securities is employed to manage overall portfolio risk and volatility.

B. SERS utilizes a risk budgeting approach in management of volatility risk of investment portfolios. Active risk of the Total Fund, asset class and individual portfolios and their respective risk contribution to total risk are important factors in the management of the capital allocations to individual asset classes and portfolios. The Total Fund shall be managed within a forecast active risk (tracking error) range of 0% to 3.0% relative to the policy benchmark and within the asset allocation range specified elsewhere in this SIP. Active risk is determined by asset allocation deviations and active security selection decisions as well as underlying market volatility. Furthermore, active risk (tracking error) shall be inclusive of any applied leverage. In times of high market volatility, the active risk may exceed 3%. In any event, if the active risk exceeds 3% staff will discuss this with the Board and present appropriate recommendations. The realized tracking error is also expected to be below 3% over rolling three-year periods. Individual asset classes will be managed within the tracking error range specified in the respective asset class implementation guideline. Private asset classes (Private Equity, Private Credit and Real Assets) are excluded at this point from tracking error guidelines.

C. Other risks, including but not limited to those such as interest rate risk, credit risk, and liquidity risk, will be managed and carefully monitored by Investment Managers and Investment Staff.

V. Implementation Approach

A. The Board reserves certain responsibilities for itself, while delegating other responsibilities to the Executive Director, the Chief Investment Officer, the Investment Committee, Investment Staff, Investment Managers, Investment Consultants, the Investment Compliance Department, and other Investment Service Providers. These responsibilities are described in this SIP.

B. In fulfilling its fiduciary duties, the Board utilizes a competent and qualified Staff to implement the investment program and to manage daily operations.

C. The Board utilizes Investment Managers or Funds selected by Staff to invest most assets of the Total Fund. The Board recognizes that costs associated with external Investment Managers and Funds are typically higher than costs associated with internal management. However, the Board believes external Investment Managers that act as fiduciaries possess specialized investment expertise and economies of scale, and can generate higher returns on a net-of-fee basis.

D. The Board requires regular reporting on the Total Fund's investment program to ensure compliance with its SIP.

VI. Investment Organization and Responsibilities

A. Responsibilities of the ***Board***

The Board as a fiduciary is responsible for ensuring that Total Fund assets are managed prudently and effectively, in compliance with applicable laws and with this SIP, for the exclusive benefit of participants and beneficiaries.

Responsibilities of the Board include:

1. establishing controls and systems to ensure that Total Fund fiduciaries comply with applicable laws;
2. establishing asset allocation and investment policies for SERS assets;
3. appointing and discharging the Executive Director and Board Investment Consultants;
4. confirming or rejecting the Executive Director's proposed appointment of a Chief Investment Officer for SERS;

5. designating the individual as Chief Investment Officer of SERS for purposes of R.C. 3309.043, and then notifying the Ohio Department of Commerce, Division of Securities in writing of the designation as required by the Ohio Revised Code;
6. monitoring and reviewing investment performance and policy compliance;
7. requesting, receiving and reviewing reports from Investment Staff, Board Consultants and other entities, if applicable;
8. approving an Annual Investment Plan;
9. approving Statement of Investment Policy and changes thereto; and
10. conducting an annual evaluation of the performance of the Board's Investment Consultant.

B. Responsibilities of ***Staff***

Staff will administer Total Fund assets as fiduciaries in accordance with applicable federal and state laws and regulations, and in accordance with this SIP, ethics laws, codes of professional conduct (in particular, the CFA Code of Ethics and Standards of Professional Conduct), and other applicable codes and/or regulations. Staff will establish plans, policies and procedures to carry out these duties.

1. The ***Executive Director*** is responsible for:
   a. ensuring that reports of the Total Fund's investment performance are presented on a timely basis;
   b. retaining vendors, consultants and advisors as necessary to assist Staff, and assist the Board in the retention of Investment Consultants;
   c. appointing, discharging and retaining the Chief Investment Officer and Investment Staff;
   d. overseeing the investment function,
   e. executing investment documents when necessary,
   f. conducting a fiduciary audit of investment operations at least on a seven- to ten-year cycle unless circumstances require an audit to be conducted sooner.
2. The ***Chief Investment Officer*** is responsible for:
   a. overseeing the investment program and keeping the Executive Director advised;
   b. conducting periodic asset liability studies with the assistance of Investment Consultants and recommending asset allocation targets and ranges;
   c. reviewing the SIP on an annual basis and recommending changes as needed for approval by the Board;
   d. preparing and presenting the Annual Investment Plan to the Board for approval;
   e. implementing the Annual Investment Plan;
   f. investigating, researching and recommending new and emerging investment concepts and strategies, and implementing appropriate strategies in accordance with approved policies and procedures;
   g. informing Investment Managers, Investment Consultants, and others providing investment services to SERS about the requirements of applicable laws and Board policies, and monitoring their compliance with said laws and policies;
   h. adjusting allocations to Asset Classes, Investment Managers and Funds as needed, subject to any approved allocation ranges;
   i. approving implementation guidelines for each asset class to establish allocation ranges for sub-strategies, risk parameters and risk limits, and providing such guidelines to the Board;
   j. appointing and discharging Investment Managers and approving investments in or redemptions from Funds subject to conditions and guidelines in Section VII.;
   k. executing investment documents;
   l. approving Investment Manager guidelines, changes and additions;
   m. hiring and supervising Investment Staff;

n. monitoring and evaluating the effectiveness of executed securities transactions and reporting annually to the Board regarding the performance of agents who execute securities transactions on behalf of SERS;

o. regularly reporting to the Board on market conditions, the status of the Total Fund, and its multi-period performance relative to benchmarks. Performance will be calculated on a gross-of-fees and net-of-fees basis; and

p. conducting Investment Committee meetings as the Chair and ensuring appropriate due diligence prior to investment decisions.

3. The ***Investment Committee*** is responsible for:

a. ensuring that a policy and procedure are in place defining the Committee's structure and establishing rules for reviewing and approving investments;

b. reviewing Investment Manager and Fund due diligence; and

c. approving Investment Managers or Funds.

4. The ***Investment Staff*** is responsible for:

a. regularly reporting the status of the respective asset classes and Total Fund and its multi-period performance to the Chief Investment Officer;

b. periodically meeting and speaking with existing or potential Investment Managers to review and assess the quality of their investments and management of assets;

c. performing ongoing due diligence to evaluate and monitor Investment Manager capabilities relative to managing Total Fund assets;

d. recommending to the Chief Investment Officer implementation guidelines for the respective asset classes to establish allocation ranges for sub-strategies, risk parameters and risk limits, and managing the portfolio to the approved implementation guidelines;

e. recommending to the Chief Investment Officer any additions or withdrawals from Investment Manager accounts or Funds, or rebalancing of asset class allocations;

f. recommending to the Chief Investment Officer and the Investment Committee the appointment or discharge of Investment Managers and investments in or redemptions from Funds;

g. investing assets of the cash equivalents portfolio;

h. investigating and researching new and emerging investment concepts and strategies, and recommending those strategies to the Chief Investment Officer;

i. preparing periodic reports for the Chief Investment Officer on the performance of agents who execute securities transactions on behalf of SERS; and

j. maintaining a list of Ohio-qualified Investment Managers and their investment products.

C. Responsibilities of ***Investment Service Providers***

Investment Service Providers who do business or seek to do business with SERS will act in the best interest of SERS when providing services to SERS or the Total Fund. Investment Service Providers will:

1. comply with all applicable federal and state laws and regulations, with this SIP, and with all applicable professional codes and regulations;

2. have established ethics and conflict of interest policies and procedures, and proper internal compliance controls in place as needed;

3. at the earliest opportunity disclose to Investment Staff any actual or potential conflict of interest;

4. as permitted by law, disclose any investigation of, or litigation involving, its operations to Investment Staff; and

5. provide annual or other periodic disclosures as required.

D. Responsibilities of ***Investment Managers***

Investment Managers and Investment Staff managing assets internally are responsible as fiduciaries for investing prudently the Total Fund assets. In addition to those applicable responsibilities described in VI.B., Investment Managers and internal Investment Staff members will:

1. manage assets within their control in compliance with all applicable federal and state laws and regulations, including but not limited to applicable ethics requirements, this SIP, contractual obligations, and applicable professional codes of conduct;
2. inform the Chief Investment Officer and Investment Staff of any substantial changes in investment strategy, portfolio structure, asset value, and of any organizational changes, including that of ownership, affiliation, organizational structure, financial condition, or changes in professional personnel staffing in the investment management organization;
3. present in-depth reports to Investment Staff;
4. recommend to Investment Staff changes to investment guidelines the Investment Manager believes would enhance investment performance on a risk adjusted basis; and
5. select such agents for the execution of transactions, at such prices, and at such commission rates as in the good faith judgment of the Investment Manager will be in the best interest of the Total Fund, taking into consideration in the selection of such agents not only the available prices and rates of brokerage commissions, but also other factors relevant to the transaction.

E. Responsibilities of ***Investment Consultants***

Investment Consultants will:

1. provide services as fiduciaries and in accordance with all applicable federal and state laws and regulations, including but not limited to applicable ethics requirements; in accordance with this SIP and its written Agreement with SERS; and with all applicable professional codes and/or regulations;
2. provide independent and unbiased research, information and advice to the Board and Staff;
3. assist in the development and amendment of this SIP;
4. assist in the development of investment guidelines as may be requested by Staff;
5. assist in the development of strategic asset allocation targets and ranges;
6. assist in the development of performance measurement standards;
7. monitor and evaluate Investment Manager and Fund performance as appropriate on an ongoing basis;
8. recommend to Staff the retention or discharge of Investment Managers and investment in or redemption from Funds;
9. collaborate with Investment Staff on the due diligence of potential Investment Managers and Funds, and existing Investment Managers and Funds, as requested by Staff;
10. assist in the development of criteria for and procedures to be utilized in the selection of Investment Managers and Funds;
11. provide research, information and advice on investment topics and strategies considered relevant by the Investment Consultant, or when requested by the Board or Investment Staff;
12. provide those services delineated in the Advisory or Consultant Agreement;
13. provide any other advice or services that the Board, Executive Director or Chief Investment Officer determines are necessary, useful or appropriate to fulfill the objectives of this SIP; and
14. regularly report the status of the Total Fund and its multi-period performance to the Board. Performance will be calculated on a net-of-fee basis.

F. Responsibilities of the ***Investment Compliance Department***

The Investment Compliance Department is responsible for:

1. monitoring and reporting compliance with this SIP and Board Resolutions;

2. ensuring that investment management agreements and related contracts comply with the SIP;
3. ensuring that Investment Service Providers and Investment Managers comply with Section VI., herein; and
4. identifying and, in concert with Investment Staff, resolving compliance violations by Investment Managers and Investment Staff relative to their respective investment guidelines. Staff will ensure that those accounts with guideline violations are efficiently and effectively brought back into compliance.

G. Responsibilities of the ***Government Relations Officer***

The Government Relations Officer is responsible for:

1. promptly voting proxies and related actions in accordance with Board approved procedures, and maintaining detailed records of proxy votes and related actions for the Proxy Review Committee; and
2. reporting proxy voting activity to the Board on a quarterly basis and highlighting any emerging issues related to this activity.

H. Responsibilities of the ***Investment Accounting Department***

Responsibilities of the Investment Accounting Department related to the Investments Department are defined in Policy FIN4-004 Investment Valuation.

VII. Conditions and Guidelines for Making Investments

A. Conditions

1. In cooperation with legal counsel, Staff will endeavor to ensure that the legal structure of each investment limits potential losses to no more than the amount invested;
2. Investments will be of institutional quality;
3. Investments will require the approval of the Chief Investment Officer and the Investment Committee;
4. Investment documents must be approved by SERS' Legal Department and the Investment Compliance Department;
5. The Investment Committee will develop and implement definitive procedures for approving investments in accordance with this SIP; and
6. The Chief Investment Officer or the Executive Director must sign the necessary investment documents when making investments.

B. Guidelines

1. Selected Investment Managers and Funds will have proven track records in the strategy;
2. Monthly reporting by the Fund or Investment Manager is preferred, but there shall be quarterly reporting at a minimum;
3. The liquidity of an investment will be prudent, both for the strategy and for the Total Fund;
4. The amount invested with an Investment Manager or in a Fund will be prudent for the strategy; and
5. Investment limits established by Board resolution remain in effect until modified or eliminated by the Board.

VIII. Implementation Strategies

A. Asset Allocation

The Board will conduct an asset and liability study every three- to five-years or sooner, if necessary, in order to establish allocation targets and ranges for asset classes within distinct capital markets. Staff, with the assistance of consultants, will review annually the market outlook and expected returns for asset classes with the Board. If there are significant changes in return assumptions, Staff will conduct an interim review of the Asset Allocation Policy.

In order to identify the investment horizon of SERS and its cash flow requirements, liability considerations will include but not be limited to current and expected future values of the benefits, contributions and total assets.

After giving due consideration to an asset and liability study conducted by the Investment Consultant, which study meets the requirements of this SIP, the Board hereby recognizes and reaffirms the following asset allocation for SERS:

ASSET CLASS	TARGET		RANGE
Equity		**54%**	**44% - 64%**
Global Equities	40%		35% - 45%
Global Private Equity	14%		11% - 17%
Income		**26%**	**41% - 51%**
Global Fixed Income	18%		13% - 23%
Global Private Credit	5%		3% - 7%
Cash Equivalents	3%		1% - 5%
Global Real Assets (Inflation)		**20%**	**17% - 22%**
Real Estate	13%		10% -15%
Infrastructure	7%		5% - 10%
STRATEGY			
Opportunistic and Tactical Investments		0%	0% - 5%
Total	100%	**100%**	
Leverage		**0%**	**0% - 10%**
Total Notional Exposure (Including Leverage)		**100%**	**100% - 110%**

B. Derivatives

The Board authorizes the use of derivatives in the Total Fund and authorizes the Chief Investment Officer, with the advice and assistance of the Investment Consultant, to develop and implement derivatives strategies as needed. The Chief Investment Officer will follow the derivatives policy setting forth general guidelines for the use of derivatives.

C. Leverage

The Board authorizes the use of leverage in the Total Fund and authorizes the Chief Investment Officer, with the advice and assistance of the Investment Consultant, to develop and implement certain leverage strategies. The Chief Investment Officer will follow the leverage policy setting forth general guidelines for the use of leverage. Leverage at the total fund level may be used to gain higher level of exposure than 100% of the above asset allocation targets subject to a limit of 10% of total fund. Economic leverage is obtained by the use of derivatives (equities, bond or other liquid assets) and may be employed to balance risk contribution and/or potentially enhance total fund return. Any active risk introduced by the total fund leverage shall be governed by the limits specified in Section IV (Risk Management) above.

D. Rebalancing

The Total Fund rebalancing is conducted by the Chief Investment Officer within the active risk limit specified in Section IV. (Risk Management) as well as asset class portfolio ranges specified in Section VIII. Within individual asset classes, rebalancing is conducted based on the specific targets and ranges of the sub-strategies specified in the implementation guidelines subject to the overall tracking error limit of each asset class.

E. Currency Hedging

The Board authorizes currency hedging in the Total Fund and authorizes the Chief Investment Officer to develop and implement currency hedging strategies as needed. Currency hedging programs and managers shall be approved by the Investment Committee.

F. Transition Management

The Board authorizes the Executive Director and the Chief Investment Officer to hire Transition Managers as needed.

G. Proxy Voting

The Board authorizes the Proxy Review Committee, which consists of staff members from Executive and Investments, to vote proxies of common stock owned by SERS and to hire proxy services as required to implement this strategy. The Proxy Review Committee will follow a process for voting proxies as described in the Proxy Voting Procedures document.

H. Securities Lending

The Board authorizes Investment Staff to develop and implement a securities lending program which may involve the appointment or discharge of third-party securities lending agents by the Executive Director or the Chief Investment Officer. The Board recognizes that while the practice of securities lending can generate meaningful income for the Total Fund, it is not without investment risk. To mitigate investment risk the securities lending program will focus on intrinsic value lending and use conservative collateral reinvestment guidelines as outlined in the securities lending policy. If Staff determines the risk/reward relationship of the program is no longer advantageous for the Total Fund, the program will be discontinued.

I. Opportunistic and Tactical Investments

The Board authorizes Investment Staff to invest up to 5% of Total Assets in Opportunistic and Tactical Investment Strategies. These investments will comply with the Opportunistic and Tactical Investment Policy approved by the Chief Investment Officer.

J. Overlay Program

The Board authorizes Investment Staff to invest in an overlay program which includes tactical asset allocation and active currency strategies. The overlay program trades derivatives of the Total Fund's underlying assets and foreign currency exposures to enhance Total Fund's risk adjusted return. The net notional exposures of the tactical asset allocation should be zero and the gross notional exposure of the currency program is limited to 50% of the Non-US Equity portfolio value. The active risk (tracking error) of the overlay positions are governed by the overall tracking error limit for the Total Fund as stated in Section IV. (Risk Management).

K. Investment Managers and Funds

The Board authorizes the Chief Investment Officer and the Investment Committee to approve Investment Managers and Funds based upon recommendations of Investment Staff or Investment Consultants, as may be appropriate, and discussions with Managers. The Chief Investment Officer is authorized to discharge Investment Managers or Funds and report such actions to the Investment Committee or to present the discharge action to the Investment Committee for approval on a discretionary basis. Allocations to approved Investment Managers and Funds will be determined or adjusted by the Chief Investment Officer in accordance with Section VI. Allocations and adjustments are subject to any maximum allocation amounts established by the Board.

Investment Managers will adhere to investment guidelines established by Investment Staff, as well as all applicable laws and policies. The Chief Investment Officer is authorized to establish and amend investment guidelines as needed.

It is a goal of the Board to increase the utilization of Ohio-qualified Investment Managers when an Ohio-qualified Investment Manager offers quality, services and safety comparable to other Investment Managers available to the Board, and the use of such Investment Manager is consistent with the Board’s fiduciary duties.

The Board will require that a list of Ohio-qualified Investment Managers and their investment products be maintained, and that public notice be given to Ohio-qualified Investment Managers of Investment Manager searches and search criteria.

SERS will give equal consideration to minority owned and controlled firms, and firms owned and controlled by women.

L. Co-investments

The Board authorizes the Chief Investment Officer to approve co-investments in a single investment within a Fund investment previously approved by the Investment Committee. A single co-investment is limited to $25 million. Such approvals shall be reported to the Investment Committee with supporting investment memoranda. The Chief Investment Officer may present the co-investment to the Investment Committee for approval (on a discretionary basis) if time permits.

M. Collective Investment Funds

To the extent SERS’ assets are invested in a group trust described in IRS Revenue Ruling 81-100, the instruments governing such trusts, as they may be amended from time to time, are hereby incorporated by reference and made part of the SIP as if fully set forth herein.

N. Approved Brokers

Brokers (or broker/dealers) who may provide execution of securities transactions for SERS will be evaluated on the basis of financial soundness, underwriting capabilities, research services, execution costs, and any other capabilities necessary in the execution of such transactions. Investment Managers who use such brokers will use their good faith judgment to ensure that said brokers will perform in the best interest of the Total Fund.

It is a goal of the Board to increase its utilization of Ohio-qualified brokers for the execution of domestic equity and domestic fixed income trades when an Ohio-qualified broker offers quality, services, and safety comparable to other brokers available to the Board or its Investment Managers, and the use of such broker is consistent with the Board's fiduciary duties.

SERS will give equal consideration to minority owned and controlled firms, and firms owned and controlled by women.

O. Soft Dollars

SERS allows investment managers to enter into limited soft dollar trading arrangements as governed by the "safe harbor" provision of Section 28(e) of the Securities and Exchange Act of 1934, and guided by the CFA Institute Soft Dollar Standards. SERS does not support any new soft dollar arrangements outside of these noted provisions.

P. Securities Litigation

SERS will follow the securities litigation policy and procedures as approved by the Board in setting out a course of action that best represents the interests of SERS' participants and beneficiaries.

Q. Other

The strategies listed herein are not meant to constrain the Chief Investment Officer from managing the investment program in a prudent manner. The Chief Investment Officer may develop additional investment strategies as needed and will discuss such additional strategies with the Board prior to implementation.

IX. Performance

A. Performance Measurement Standard

Performance evaluation for the Total Fund will focus on total return, on an accrual accounting basis, including realized and unrealized capital gains and losses, and income. Valuations are to be made at least on a quarterly basis, and period returns are to be geometrically linked. Private market asset returns may be reported one quarter in arrears. Cash and cash equivalents will be included in the portfolio's return. Performance will be calculated on a gross-of-fee and net-of-fee basis.

B. Performance Benchmark – Total Fund

Performance of the Total Fund relative to benchmarks will be examined monthly and will be reported for multiple time periods as needed. The Board's Investment Consultant will report performance net-of-fees on a quarterly basis.

The performance benchmark for the Total Fund will be the target-weighted average of the performance benchmark for each asset class and strategy grouping as stated in Section VIII, excluding leverage. Performance for the Total Fund shall be reported including total fund leverage.

In the event of a significant change in policy targets, the Board may approve interim targets for a period to move progressively toward the final target; interim targets may be used for the purpose of calculating the Total Fund policy benchmark in the interim period.

C. Performance Benchmarks – Asset Classes and Strategies

The long-term performance benchmark for each asset class is shown below. Performance benchmarks are determined as appropriate for SERS in cooperation with SERS' Investment Consultant. For purposes of this section, long-term refers to rolling three- to five-year periods. Performance in each asset class should meet or exceed the Benchmark measure.

ASSET CLASS	**BENCHMARK MEASURE**
Global Equities	MSCI All Country World Net Total Return Index (USD)
Global Private Equity	Burgiss All Private Equity Benchmark (BAPE) (one quarter in arrears)
Global Fixed Income	Bloomberg US Universal Bond Index
Global Private Credit	90-day Treasury Bill Rate +4.5% (one quarter in arrears)
Global Real Assets	NCREIF Property Index (one quarter in arrears)
Global Infrastructure	Quarterly (4 qtrs.) smoothed CPI +1.2% per quarter
Cash Equivalents	FTSE 30-day Treasury Bill

STRATEGY	**BENCHMARK MEASURE**
Opportunistic and Tactical Investments	Bloomberg US Aggregate Bond Index +2.0%

D. Performance Benchmarks – Individual Investment Managers

Investment Staff will establish performance benchmarks for each Investment Manager based on its respective style.

X. Review and Evaluation

The Board will review and evaluate periodic reports on the investment performance of Total Fund assets. Greater emphasis will be placed on three- to five-year results. The intended frequency for review and evaluation, subject to change by the Board, is as follows:

A. Monthly – Investment Report including Total Fund Fair Market value, asset allocation, performance of the Total Fund and each asset class, and the Total Fund's compliance with this SIP.

B. Quarterly – Summary Investment Report presented by the Investment Consultant, including highlights and commentary about market conditions, investment performance, asset composition and characteristics for each asset class, and relevant manager level information.

This policy supersedes the policy adopted August 2, 1985 and all revised policies dated 1/1/24; 7/1/23; 7/1/22; 2/17/22; 2/18/21; 7/1/20; 9/17/15; 6/18/15; 12/18/14; 5/01/14; 1/01/14; 7/01/13; 1/19/12; 7/21/11; 7/01/10; 2/01/09; 8/01/08; 2/21/08; 10/01/07; 10/20/05; 9/15/00; 10/23/98; 6/19/98; 12/12/97; 7/25/97; 3/21/97; 12/20/96; 11/22/96; 6/21/96; 4/25/96; 9/15/95; 7/28/95; 6/16/95; 3/17/95; 1/20/95; 10/21/94; 5/20/94; 3/06/92; 4/07/89; 9/04/87; 1/09/87.

ACTUARIAL SECTION
(unaudited)

MEMBERSHIP

165,280
Active Members

$4,735 million
Annual Payroll

$28,647
Annual Average Salary

2.9%
Percent Increase in Average Pay

46.6
Average Age: Members

6.9
Active Average Years of Service

RETIREES

83,327
Retirees*

$1,440 million
Group Annual Benefits**

$17,282
Group Average Annual Benefit**

75.8
Average Age: Retirees and Beneficiaries

69.1
Average Age: Disabilities

73.3
Average Age: Survivors

June 30, 2025 Data

*Number of Retirees include retirees, beneficiaries, disability, and survivors
**Group includes retirees, beneficiaries, disability, and survivors

CavMac
Actuarial Consulting Services

October 24, 2025

Board of Trustees
School Employees Retirement System of Ohio
300 East Broad Street, Suite 100
Columbus, OH 43215-3746

Dear Board Members:

The basic financial objective of the School Employees Retirement System of Ohio (SERS) is to establish and receive contributions which, when expressed in terms of percent of active member payroll, will remain approximately level from generation to generation of members, and which, when combined with present assets and future investment returns, will be sufficient to meet the present and future financial obligations of SERS.

In order to measure progress toward this fundamental objective, SERS has an actuarial valuation performed each year. The valuation (i) measures present financial position, and (ii) establishes contribution rates that provide for the current cost and level percent of payroll amortization of the unfunded actuarial accrued liability over a reasonable period. The valuation performed as of June 30, 2025 indicates that an actuarial determined contribution rate of 9.74% of payroll for 165,280 school employees meets the basic financial objective over a 19-year period. The actuarial determined contribution rate is reasonable with respect to Actuarial Standards of Practice.

The statutory employer contribution is 14.00% of payroll. The funding policy establishes ranges of the funded ratio for basic benefits that restrict the allocation of employer contributions to the Health Care Fund. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued liability of promised benefits. The Board seeks to maintain a funded ratio of at least 90% for basic benefits. If the basic benefit funded ratio is less than 70%, the entire 14.00% of the employers' contribution shall be allocated to basic benefits. If the funded ratio is at least 70% but less than 80%, the minimum portion of the employers' contribution allocated to basic benefits is 13.50% of payroll, with the remainder (if any) allocated to the Health Care Fund. If the funded ratio is at least 80% but less than 90%, at least 13.25% of the employers' contribution shall be allocated to basic benefits, with the remainder (if any) allocated to the Health Care Fund. If the funded ratio is 90% or greater, the Health Care Fund may receive any portion of the employers' contribution that is not needed to fund basic benefits. The funding policy is intended to accelerate the pace at which SERS' basic benefits will achieve a funded ratio equal to 90%.

The funded ratio for basic benefits is 79.00%. Since the funded ratio is at least 70% but less than 80%, at least 13.50% of the employer's 14.00% of payroll contribution must be allocated toward basic benefits. Based on a Board Resolution dated September 18, 2025, the entire employer contribution rate of 14.00% will be allocated to SERS basic benefits.

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Board of Trustees
October 24, 2025
Page 2

The actuarial valuation of the pension benefits, the post-retirement death benefit, and the Medicare Part B reimbursement are based upon two factors. The first is financial and participant data as of the valuation date and the second is economic and demographic assumptions.

The valuation is based upon data concerning active, inactive and retiree members along with pertinent financial information. The data was furnished by the SERS staff and has been certified by the System's auditor. While not verifying the data at the source, we performed tests for consistency and reasonableness.

Economic assumptions address future rates of investment return and inflation; and demographic assumptions relate to future rates of retirement, turnover, death and disability among SERS members and their beneficiaries. We review the data for internal and year-to-year consistency as well as general reasonableness prior to its use in the actuarial valuations. It is also summarized and tabulated for the purpose of analyzing trends. The assumptions were adopted by the Board of Trustees and were based upon actual experience of SERS during the 2016 – 2020 fiscal years. Assets are valued according to a method that fully recognizes expected investment returns and averages unanticipated market return over a four-year period. The assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

The financial condition of health care is different and is being significantly affected by the provisions of Act 290 of 1988 and Act 270 of 2001. Act 290 established a health care surcharge, a program to determine a minimum annual pay for use in calculating employer contribution dollars. Act 270 placed limits on the amount of health care surcharge that can be assessed to each employer and in total.

On the basis of projections of health care fund activity and the surcharge limit established by Act 270, the allocated contributions are sufficient in the long-term to provide for a 20-year solvency period for the health care fund. This result is based on the projected claims and premium contributions for the next 20 years, as is described in the Statement of Funding Policy adopted by the Board. However, total claims are projected to exceed total contributions in future years beyond the 20-year period. It is currently anticipated that future fund amounts will be depleted in 2064, assuming all actuarial assumptions are met and there will be no health care cost increases due to Federal law changes or COVID-19 impact other than anticipated health care trend.

The current benefit structure is outlined in the Plan Summary. There have been no changes to the benefit structure since the last valuation.

We provided information used in the schedules of Actuarial Accrued Liabilities, Active Member Valuation Data, Retirees and Beneficiaries Added To and Removed From Rolls, Analysis of Financial Experience, the Schedule of Funding Progress, and the Schedule of Employer Contributions in the Financial Section.

Board of Trustees
October 24, 2025
Page 3

The main purpose of the Basic Benefits Valuation is to determine the System's funded status and the actuarially determined employer contribution rate as of June 30, 2025 necessary to satisfy the funding objectives of the Board. The Basic Benefit Valuation indicates the School Employees Retirement System of Ohio is expected to continue in sound condition in accordance with actuarial principles of level percent of payroll financing provided all actuarial assumptions for future experience are met. Should future adverse experience develop, SERS may find it necessary to seek benefit reductions and/or contribution rate increases from employers, members, or both. Upcoming detailed projection analyses will provide a more complete indication concerning the future actuarial condition of the System.

Sincerely,

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

Alisa Bennett, FSA, EA, FCA, MAAA
President

PENSION

Summary of Actuarial Assumptions and Methods

The SERS Retirement Board adopted the following actuarial assumptions and methods April 15, 2021, on the recommendation of its actuary. These assumptions were based on an analysis of plan experience for the 5-year period July 1, 2015 through June 30, 2020, and were adopted for use in the valuation as of June 30, 2025.

Pension plan and health care provisions can be found in the Notes to the Basic Financial Statements beginning on page 26.

Funding Method Basic benefits are determined using the entry age normal actuarial cost method. Under this cost method, projected service retirement, termination, disability, and death benefits are determined for all active members. Cost factors, which are developed to produce level annual costs in each year from the age at hire (entry age) to the assumed retirement age, are applied to the projected benefits to determine the "normal cost." The normal cost is the portion of the total cost of the plan allocated to the current year. The normal cost for contribution refunds is assumed to end in the last year of the assumed eligibility, and is spread over all years of service.

The "actuarial accrued liability" for active members is then calculated as the portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for retirees currently receiving benefits, for active members beyond the assumed retirement age, and for inactive members entitled to future benefits, is equal to the present value of the benefits expected to be paid.

The dollar amount of the total actuarial accrued liability in excess of the value of the plan fiduciary net position is called the "unfunded actuarial accrued liability." Funding requirements under the entry age actuarial cost method are determined by adding the normal cost and the cost to amortize the unfunded liability.

Actuarial assumptions are used to determine the projected benefits and cost factors. The effect of differences between these assumptions and the actual experience of the plan is calculated each year when the annual actuarial valuation is performed. These differences produce either actuarial gains or losses that result in an adjustment of the unfunded liability.

Funding Policy The Board adopted a new funding policy on June 18, 2015, effective with the June 30, 2015 valuation. The funding policy established ranges of the funded ratio for basic benefits that restrict the allocation of employer contributions to the Health Care Fund. The Board seeks to maintain a funded ratio of at least 90% for basic benefits. If the basic benefits funded ratio is less than 70%, the entire 14% of the employers' contributions shall be allocated to basic benefits. If the funded ratio is at least 70% but less than 80%, the minimum portion of the employers' contribution allocated to basic benefits is 13.50% of payroll; the remainder may be allocated to the Heath Care Fund at the Board's discretion. If the funded ratio is at least 80% but less than 90%, at least 13.25% of the employers' contribution shall be allocated to basic benefits; the remainder may be allocated to the Health Care Fund at the Board's discretion. If the funded ratio is 90% or greater, the Health Care Fund may receive any portion of the employers' contribution that is not needed to fund basic benefits.

Contributions During FY2025, active members and their employers were required to contribute 10% and 14%, respectively, of active member payroll. The Board allocates the employer contribution rate of 14% among basic benefits (pension, Medicare B, and death benefit) and health care in accordance with its funding policy. For the year ended June 30, 2025, the policy required the determination of a rate for basic benefits to cover normal cost and to amortize the unfunded actuarial accrued liabilities over a 19-year period.

Pension Trust Fund	13.37%
Medicare B Fund	0.59%
Death Benefit Fund	0.04%
Health Care Fund	0.00%
	14.00%

The Ohio Revised Code (ORC) also provides for an employer contribution surcharge as an additional source of funding for health care. The surcharge is equal to 14% of the difference between a minimum pay amount and the member's pay, if below that minimum, it is pro-rated for partial service credit. For FY2025, the minimum pay amount is established at $30,000. The employer surcharge cap is applied at 2.0% of each employer's payroll and at 1.5% of total payroll statewide.

Asset Valuation Method Differences between assumed and actual experience (actuarial gains and losses) become part of unfunded actuarial accrued liabilities. When these differences between assumed and actual experience have been observed to be sizable and persistent, a change is made to the actuarial assumptions.

SERS' Board adopted a method of valuing investment assets that recognizes a "smoothed" fair value of those assets. The smoothed value of assets recognizes the difference between actual and expected performance for each year in equal amounts over a four-year period.

Economic Assumptions The following economic assumptions were used in the actuarial valuation as of June 30, 2025:

- **Investment Return** Net after all SERS' expenses, the return on investments is compounded annually at 7.00%.
- **Inflation Rate** The inflation assumption is 2.40% per year. The real rate of return is the portion of total investment return, which is more than the inflation rate. Considering inflation recognition of 2.40%, the 7.00% investment return rate translates to an assumed real rate of return of 4.60%.
- **Benefit increases** Cost-of-living adjustments of 2.00% per year on anniversary of retirement are assumed. On and after April 1, 2018, COLAs for future retirees are delayed until the fourth anniversary of benefit commencement.
- **Payroll Growth** Salary increases attributable to payroll growth of 1.75% are projected and compounded annually. Additional projected salary increases ranging from 0.0% to 10.00% per year are attributable to seniority and merit. Pay increase assumptions for individual active members are shown for service durations in the following table.

Years of Service	Merit & Seniority	Salary Inflation	Total
0	10.00%	3.25%	13.58%
1	3.00	3.25	6.35
2	1.75	3.25	5.06
3	1.25	3.25	4.54
4	1.00	3.25	4.28
5-9	0.75	3.25	4.02
10-15	0.50	3.25	3.77
16-17	0.25	3.25	3.51
18 & over	0.00	3.25	3.25

Non-Economic Assumptions

- **Retirements** Representative values of the assumed annual rates of service retirement are:

	Annual Rates of Retirement							
	Eligible prior to 8/1/17				Eligible on or after 8/1/17			
Age	Reduced	Reduced (55/25)	First Eligible Unreduced	Subsequent Unreduced	Reduced	Reduced (60/25)	First Eligible Unreduced	Subsequent Unreduced
50			21%	19%				
55		10%	27	19				
57		10	27	19			30%	19%
60	43%	15	27	19		6%	30	19
62	43	15	27	19	5%	6	30	19
65			50	33	15	17	30	19
68			50	33			30	18
70			50	33			30	18
75			100	100			100	100

- **Separations from Active Service** Separation from active service other than retirement assumed rates are:

Years of Service	Annual Rates of Withdrawal
0	40.00%
1	19.00
2	11.00
3	9.00
4	8.00
5	6.50
10	3.50
15	2.25

	Annual Rates of			
	Death *		Disability	
Age	Male	Female	Male	Female
20	0.041%	0.013%	0.020%	0.010%
25	0.041	0.012	0.039	0.010
30	0.052	0.019	0.071	0.028
35	0.068	0.030	0.127	0.059
40	0.096	0.047	0.214	0.106
45	0.143	0.072	0.313	0.180
50	0.218	0.107	0.414	0.300
55	0.320	0.157	0.530	0.450
60	0.466	0.238	0.590	0.450
65	0.682	0.380	0.533	0.300
70	1.025	0.627	0.300	0.200
74	1.461	0.937	0.300	0.200

* Pre-retirement mortality is based on the PUB-2010 General Amount-Weighted Below-Median Employee Mortality Table with fully generational projection using the MP-2020 projection scale. The rates in the table above represent the base rates used.

- **Death after Retirement** These assumptions are used to measure the probabilities of each benefit payment being made after retirement.

  SERVICE RETIREMENT: PUB-2010 General Employee Amount-Weighted Below-Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

  DISABLED RETIREMENT: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

  CONTINGENT SURVIVOR: PUB-2010 General Amount-Weighted Below-Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

- **Marriage Assumption** Based on prior experience, it is assumed that 80% of retirees are married, with the husband 3 years older than his wife.

Actuarial Accrued Liabilities - Basic Benefits

Actuarial accrued liabilities are the present value of plan promises to pay benefits in the future, based upon service already rendered. A liability has been established or accrued because the service has been performed, but the resulting monthly cash benefit may not be payable until years in the future. Actuarial accrued liabilities are the result of complex mathematical calculations performed by the plan's actuaries. The results of the computed actuarial accrued liabilities, using the entry age normal actuarial cost method, are disclosed in the following schedule.

ACTUARIAL ACCRUED LIABILITIES AS OF JUNE 30, 2025

Present value of:	Total Basic Benefits
Future benefits to present retirees and survivors	$14,405,681,212
Benefits and refunds to present inactive members	950,820,030
Allowances to present active members	
Service	8,506,395,084
Disability	324,596,962
Survivor benefits	194,758,608
Withdrawal	201,907,857
Total Active AAL	9,227,658,511
Total AAL	**$24,584,159,753**

Active Member Valuation Data

Actuarial Valuation as of June 30	Number of Active Members *	Annual Payroll ** *($ in millions)*	Average Annual Salary	% Increase in Average Salary
2025	165,280	$4,735	$28,647	2.9%
2024	163,350	4,547	27,838	3.5
2023	159,873	4,299	26,888	4.4
2022	155,063	3,995	25,762	4.3
2021	146,646	3,622	24,700	11.2
2020	156,579	3,478	22,210	2.2
2019	159,363	3,463	21,727	3.2
2018	158,343	3,332	21,045	0.7
2017	157,981	3,303	20,906	(11.2)
2016	124,540	2,932	23,545	1.7

* Beginning with FY2017, members with 0.25 or less years of service during the fiscal year are categorized as active members.
** Beginning with FY2021, the annual payroll reflects imputed salaries.

Retirees and Beneficiaries Added to and Removed from Rolls - Basic Benefits

Year Ended	Added to Rolls No.	Added to Rolls Annual Allowances	Removed from Rolls No.	Removed from Rolls Annual Allowances	Rolls at Year End No.	Rolls at Year End Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
2025	4,459	$89,852,333	3,622	$33,578,905	83,327	$1,440,022,695	4.1%	$17,282
2024	3,802	68,298,152	3,145	25,156,149	82,490	1,383,749,267	3.2	16,775
2023	3,740	63,623,157	3,058	18,454,519	81,833	1,340,607,264	3.5	16,382
2022	3,867	67,062,445	3,437	26,558,581	81,151	1,295,438,626	3.2	15,963
2021	3,928	70,415,860	4,058	49,823,424	80,721	1,254,934,762	1.7	15,547
2020	2,902	52,895,232	3,075	37,508,412	80,851	1,234,342,326	1.3	15,267
2019	3,055	56,557,169	3,363	49,537,299	81,024	1,218,955,506	0.6	15,044
2018	5,339	74,311,354	3,164	24,391,232	81,332	1,211,935,637	4.3	14,901
2017	5,499	70,973,748	2,622	(7,420,188)	79,157	1,162,015,515	7.2	14,680
2016	4,388	66,860,652	2,480	3,607,967	76,280	1,083,621,579	6.2	14,206

Schedule of Funding Progress - Basic Benefits *($ in millions)*

Valuation as of June 30	Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Active Member Payroll (c)	UAAL as a % of Active Member Payroll (b - a) / (c)	Amortization Period (years)
2025	$19,423	$24,584	$5,161	79.0%	$4,735	109.0%	19
2024	18,815	23,821	5,006	79.0	4,547	110.1	20
2023	17,685	23,084	5,399	76.6	4,299	125.6	21
2022	16,887	22,371	5,484	75.5	3,995	137.3	22
2021	16,032	21,529	5,497	74.5	3,622	151.8	23
2020	15,037	21,034	5,997	71.5	3,478	172.4	24
2019	14,473	20,527	6,054	70.5	3,463	174.8	25
2018	14,012	19,998	5,986	70.1	3,332	179.6	26
2017	13,713	19,588	5,875	70.0	3,303	177.9	27
2016	13,179	19,771	6,592	66.7	2,932	224.8	28

Short-Term Solvency Test - Basic Benefits

SERS' financing objective is to pay for pension benefits through contributions that remain approximately level from year to year as a percent of member payroll.

If the contributions are level in concept and soundly executed, SERS will pay all promised benefits when due, which is the ultimate test of financial soundness. Testing for level contribution rates is the long-term test. A short-term solvency test is one means of checking a system's progress under its funding program. In a short-term solvency test, the present assets (cash and investments) are compared with:

1. Active member contributions on deposit.
2. The liabilities for future benefits to present retired lives.
3. The liabilities for service already rendered by active members.

Under the level percent of payroll financing, liabilities for active member contributions on deposit and the liabilities for future benefits to present retirees and beneficiaries will be fully covered by present assets except in rare circumstances. In addition, liabilities for active member benefits earned or to be earned in the future will be partially covered by the remainder of present assets. Generally, because SERS has been using level cost financing, the funded portion of active member benefits will increase over time.

	Aggregate Accrued Liabilities For *($ in millions)*				Portion of Accrued Liabilities Covered by Reported Asset		
Valuation as of June 30	(1) Active Member Contributions	(2) Retired Members & Beneficiaries	(3) Active Members (Employer Financed Portion)	Actuarial Value of Assets	(1)	(2)	(3)
2025	$3,697	$15,357	$5,531	$19,422	100.0%	100.0%	6.7%
2024	3,595	14,817	5,408	18,815	100.0	100.0	7.5
2023	3,093	14,393	5,598	17,685	100.0	100.0	3.6
2022	3,040	14,037	5,294	16,887	100.0	98.6	0.0
2021	2,986	13,704	4,840	16,032	100.0	95.2	0.0
2020	2,934	13,277	4,823	15,037	100.0	91.2	0.0
2019	2,842	12,942	4,743	14,473	100.0	89.9	0.0
2018	2,733	12,709	4,556	14,012	100.0	88.7	0.0
2017	3,010	11,971	4,607	13,713	100.0	89.4	0.0
2016	2,914	11,970	4,887	13,179	100.0	85.8	0.0

Analysis of Financial Experience - Basic Benefits

Gains and Losses in Accrued Liabilities Resulting from Difference Between Assumed Experience and Actual Experience

($ in millions)

Type of Risk Area	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Age and Service Retirements If members retire at older ages, there is a gain. If younger ages, there is a loss.	($71.5)	($53.1)	($65.1)	($65.8)	($96.2)	($94.0)	$7.8	($209.6)	($211.8)	($141.0)
Disability Retirements If disability claims are less than assumed, there is a gain. If more claims, there is a loss.	0.0	(1.2)	(3.2)	(6.4)	(5.0)	(3.1)	(9.5)	(14.7)	(37.8)	(50.6)
Pre-Retirement Death Benefits If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(6.1)	(7.4)	(5.4)	(7.0)	(4.7)	(5.4)	(4.0)	(6.6)	(0.1)	(28.5)
Pay Increases If there are smaller pay increases than assumed, there is a gain. If greater increases, there is a loss.	(50.1)	(105.3)	(139.7)	(212.3)	136.7	136.2	20.3	85.2	(69.2)	70.0
Investment Income (Loss) If there is greater investment income than assumed, there is a gain. If less income, there is a loss.	(167.1)	414.1	155.7	268.6	431.3	7.1	(44.1)	(161.1)	(12.0)	50.6
Withdrawal From Employment If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, there is a loss.	(52.3)	(46.2)	(40.1)	(43.5)	(107.5)	(104.2)	(106.3)	(124.5)	21.9	30.4
New Members Additional accrued liability attributable to members who entered the plan since the last valuation.	(62.9)	(63.7)	(66.3)	(52.6)	(16.6)	(22.2)	(22.4)	(35.7)	(48.1)	(44.0)
Death After Retirement If retired members live longer than assumed, there is a loss. If not as long, there is a gain.	36.9	43.0	54.5	82.7	59.8	28.9	(24.9)	15.0	97.2	113.8
Other Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	28.9	80.1	87.7	(25.2)	189.2	62.3	78.4	4.6	(26.7)	(0.7)
Non-Recurring Items Adjustments for plan amendments, assumption changes, or method changes.	(40.0)	(38.9)	(37.1)	(37.0)	(126.5)	0.0	0.0	357.6	998.5	(668.2)
Total Gain (Loss) During Year	**($384.2)**	**$221.4**	**($59.0)**	**($98.5)**	**$460.5**	**$5.6**	**($104.7)**	**($89.8)**	**$711.9**	**($668.2)**

HEALTH CARE

Summary of Actuarial Assumptions and Methods

Governmental Accounting Standards Board (GASB) Statement No. 74 and Statement No. 75 require actuarial valuations of retiree medical and other postemployment benefit plans.

Funding Method The medical and drug benefits of the plan are included in the actuarially calculated contribution rates, which are developed using the entry age normal actuarial cost method with the normal cost rate determined as a level percentage of payroll. GASB requires the discount rate used to value a plan to be based on the likely return of the assets held in trust to pay benefits. The discount rate used in this valuation is 7.00%.

Contributions Gains and losses are reflected in the unfunded actuarial accrued liability that is amortized by regular annual contributions as a level percentage of payroll within a 30-year period, on the assumption that payroll will increase 1.75% annually. The assumptions recommended by the actuary are, in the aggregate, reasonably related to the experience under the plan and to reasonable expectations of anticipated experience under the plan. They also meet the parameters for the disclosures under GASB Statement No. 74 and Statement No. 75.

Asset Valuation Method Market Value

Economic Assumptions The following economic assumptions were used in the actuarial valuation as of June 30, 2025:

- **Investment Return** Net after all SERS' expenses, the return on investments is compounded annually at 7.00%.
- **Inflation Rate** The inflation assumption is 2.40% per year. The real rate of return is the portion of total investment return, which is more than the inflation rate. Considering inflation recognition of 2.40%, the 7.00% investment return rate translates to an assumed real rate of return of 4.60%.
- **Health Care Cost Trend Rates** The following is a chart detailing trend assumptions:

Calendar Year	Trend Rate
2025	6.75%
2026	6.50
2027	6.25
2028	6.00
2029	5.75
2030	5.50
2031	5.25
2032	5.00
2033	4.75
2034	4.50
2035 and beyond	4.40

Non-Economic Assumptions

- **Expected Annual Claims** Per capita costs are adjusted to reflect expected cost changes related to age. The relative value factors used were developed from the Society of Actuaries' June 2013 research report *Health Care Costs—From Birth to Death* by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries. Representative values of the expected annual claims based on expected service retiree plan elections are as follows:

	Retiree		Spouse			Retiree		Spouse	
Pre-65 Age	Male	Female	Male	Female	Post-65 Age	Male	Female	Male	Female
40	$5,163	$8,424	$4,752	$7,755	65	$1,505	$1,434	$1,411	$1,345
45	6,399	8,919	5,890	8,210	70	1,829	1,763	1,715	1,653
50	8,356	10,391	7,692	9,565	75	2,172	2,059	2,036	1,930
55	10,965	12,106	10,093	11,143	80	2,521	2,372	2,364	2,224
60	41,124	14,119	13,002	12,997	85	2,841	2,676	2,664	2,509
64	17,250	16,530	15,879	15,216	90	3,120	2,906	2,925	2,725

- **Anticipated Plan Participation** 25% of male and 25% of female retirees will choose spousal coverage. Wives are assumed to be three years younger than husbands.

Pre-65 Participants:				
Years of Service at Retirement	Service Retiree Participation	Disabled Retiree Participation	Deferred Vested Retiree Participation	Death in Service Surviving Spouse Participation
1.5 - 4	N/A	N/A	N/A	100.0%
5 - 9	N/A	25.0%	N/A	100.0
10 - 14	25.0%	25.0	50.0%	100.0
15 - 19	25.0	45.0	50.0	100.0
20 - 24	45.0	50.0	50.0	100.0
25 - 29	50.0	75.0	50.0	100.0
30 - 34	75.0	75.0	50.0	100.0
35 and over	90.0	90.0	50.0	100.0

15% of eligible pre-65 retirees who are waiving coverage are assumed to elect coverage upon Medicare eligibility.

Post-65 Participants				
Years of Service at Retirement	Service Retiree Participation	Disabled Retiree Participation	Deferred Vested Retiree Participation	Death in Service Surviving Spouse Participation
1.5 - 4	N/A	N/A	N/A	100.0%
5 - 9	N/A	70.0%	N/A	100.0
10 - 14	25.0%	70.0	50.0%	100.0
15 - 19	45.0	70.0	50.0	100.0
20 - 24	70.0	75.0	50.0	100.0
25 - 29	75.0	75.0	50.0	100.0
30 - 34	85.0	85.0	50.0	100.0
35 and over	90.0	90.0	50.0	100.0

Actuarial Accrued Liabilities - Health Care

The results of the computed actuarial accrued liabilities, using the entry age normal actuarial cost method, are disclosed in the following schedule:

HEALTH CARE FUND ACTUARIAL ACCRUED LIABILITIES AS OF JUNE 30, 2025	
Present value of:	
Benefits payable on account of present retiree members and beneficiaries	$677,803,612
Benefits payable on account of present active members	1,712,896,294
Benefits payable on account of deferred vested members	32,913,918
Total AAL	**$2,423,613,824**

Analysis of Financial Experience - Health Care

Gains and Losses in Accrued Liabilities Resulting from Differences Between Assumed Experience and Actual Experience in the Health Care Fund

($ in millions)

Type of Risk Area	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Age and Service Retirements If members retire at older ages or participate in lower numbers, there is a gain. If younger ages or higher participation, there is a loss.	$9.5	$11.4	$0.8	($1.0)	($3.9)	($6.6)	($3.9)	$30.8	($4.8)	($10.6)
Disability Retirements If disability claims are less than assumed, there is a gain. If more claims, there is a loss.	0.0	0.8	0.0	(0.3)	1.2	1.2	(1.6)	(0.4)	(5.1)	2.8
Post-Retirement Death Benefits If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(1.6)	(1.9)	(1.6)	(1.5)	(1.5)	(1.7)	(2.0)	(1.9)	(2.4)	(1.0)
Claims Increases (Including Wrap Plan) If there are smaller claims increases than assumed, there is a gain. If greater increases, there is a loss.	(358.4)	318.7	107.8	69.4	(7.9)	491.4	415.3	(71.4)	124.0	170.7
Asset Experience If there is greater investment income than assumed, there is a gain. If less income, there is a loss. If there are more contributions than the actuarially determined contributions, there is a gain. If less contributions, there is a loss.	24.6	2.3	92.8	(64.2)	21.8	(99.0)	(114.7)	(74.2)	(101.7)	(107.4)
Withdrawal From Employment If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, there is a loss.	21.3	25.4	29.3	21.5	19.7	17.5	17.9	39.2	3.4	29.4
New Members Additional accrued liability attributable to members who entered the plan since the last valuation.	(12.9)	(14.3)	(12.8)	(10.3)	(12.8)	(18.1)	(20.5)	(21.2)	(39.0)	(24.7)
Death after Retirement If retired members live longer than assumed, there is a loss. If not as long, there is a gain.	9.4	12.1	12.4	15.9	14.4	16.0	16.3	35.4	18.4	12.2
Other Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	32.8	12.0	(67.7)	22.8	42.3	55.1	63.4	9.2	31.1	(2.9)
Non-Recurring Items Adjustments for COLA, plan amendments, assumption changes, and/or method changes.	0.0	(53.6)	(253.4)	(106.2)	560.9	(16.4)	0.0	0.0	0.0	(72.1)
Total Gain (Loss) During Year	**($275.3)**	**$312.9**	**($92.4)**	**($53.9)**	**$634.2**	**$439.4**	**$370.2**	**($54.5)**	**$23.9**	**($3.6)**

Schedule of Funding Progress - Health Care *($ in millions)*

Valuation as of June 30	Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Active Member Payroll (c)	UAAL as a % of Active Member Payroll (b - a) / (c)	Solvency Period (years)
2025	$940	$1,724	$784	54.5%	$4,735	16.6%	39
2024	816	1,325	509	61.6	4,547	11.2	45
2023	707	1,532	825	46.1	4,299	19.2	39
2022	612	1,348	736	45.4	3,995	18.4	38
2021	600	1,289	689	46.6	3,622	19.0	37
2020	483	1,797	1,314	26.9	3,478	37.8	34
2019	464	2,199	1,735	21.1	3,463	50.1	15
2018	436	2,525	2,089	17.3	3,332	62.7	17
2017	382	2,396	2,014	15.9	3,303	61.0	16
2016	370	2,407	2,037	15.4	2,932	69.5	8

Short-Term Solvency Test - Health Care *($ in millions)*

The following table provides the Health Care solvency test for SERS members:

	Aggregate Accrued Liabilities For				Portion of Accrued Liabilities Covered by Reported Asset		
Valuation as of June 30	(1) Active Member Contributions	(2) Retired Members & Beneficiaries	(3) Active Members (Employer Financed Portion)	Actuarial Value of Assets	(1)	(2)	(3)
2025	$0	$711	$1,013	$940	100.0%	100.0%	22.6%
2024	0	500	825	816	100.0	100.0	38.3
2023	0	630	902	707	100.0	100.0	8.5
2022	0	532	816	612	100.0	100.0	9.8
2021	0	544	745	600	100.0	100.0	7.6
2020	0	626	1,171	483	100.0	77.1	0.0
2019	0	813	1,386	464	100.0	57.0	0.0
2018	0	968	1,557	436	100.0	45.0	0.0
2017	0	916	1,480	382	100.0	41.7	0.0
2016	0	918	1,489	370	100.0	40.3	0.0

Retirees and Beneficiaries Added to and Removed from Rolls - Health Care

Year Ended	Added to Rolls No.	Added to Rolls Projected Benefits	Removed from Rolls * No.	Removed from Rolls * Projected Benefits	Rolls at Year-End No.	Rolls at Year-End Projected Benefits	% Change in Projected Benefits	Average Projected Benefits
2025	2,314	$6,550,861	2,496	$3,106,146	39,010	$64,146,121	29.3%	$1,644
2024	2,156	5,852,358	2,620	4,216,620	39,192	49,618,746	(16.4)	1,266
2023	2,155	5,780,866	2,630	3,716,184	39,656	59,374,856	(5.8)	1,497
2022	2,245	6,676,697	3,011	4,299,770	40,131	63,016,244	(8.7)	1,570
2021	2,213	7,152,506	3,172	4,050,170	40,897	69,028,349	(0.8)	1,688
2020	2,058	6,645,569	2,749	4,275,713	41,856	69,600,381	(15.9)	1,663
2019	1,791	6,375,244	2,665	4,496,857	42,547	82,778,168	(8.7)	1,946
2018	2,383	7,833,624	2,820	5,004,204	43,421	90,696,175	(0.9)	2,089
2017	2,355	10,099,985	2,774	4,834,866	43,858	91,554,056	1.2	2,088
2016	2,820	10,209,470	2,650	4,258,016	44,277	90,484,518	(0.4)	2,044

* The benefits removed from rolls do not include subsidies that were changed due to premium changes, plan election changes, or reductions due to members obtaining Medicare eligibility.

STATISTICAL SECTION

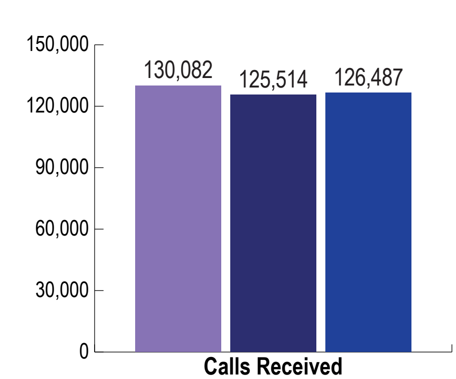
(unaudited)

Member and Employer Interaction

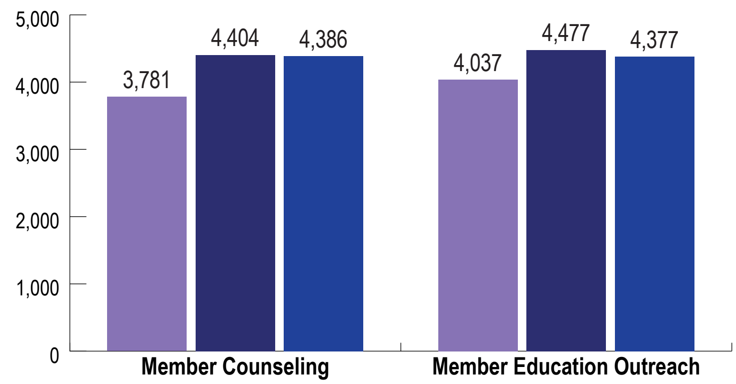
FY2023 FY2024 FY2025

MEMBER

Incoming Calls

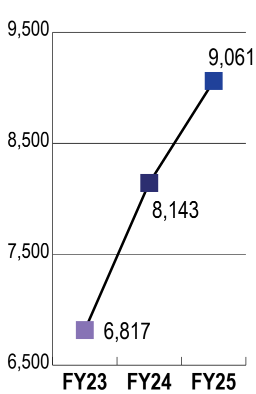


Counseling and Outreach



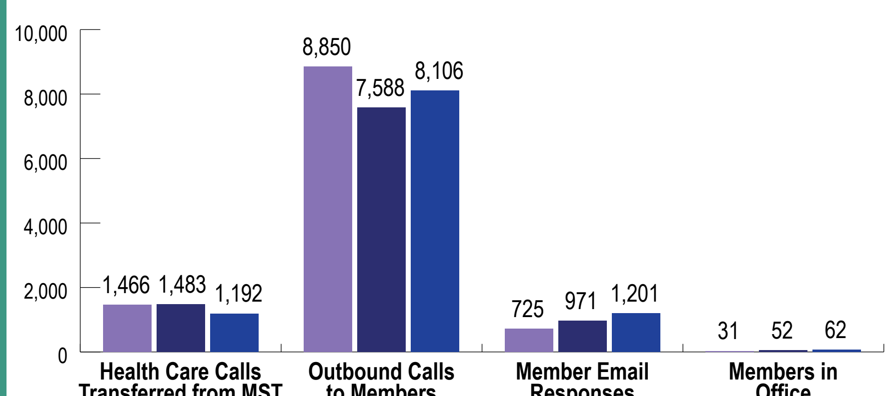
EMPLOYER

Incoming Calls



HEALTH CARE

Interaction



Data from FY2025 Annual Ops Report

Statistical Section

The objectives of the statistical section are to provide additional historical perspective, context, and relevant details to assist readers in using information in the financial statements, notes to the financial statements, and required supplementary information in order to understand and assess SERS' overall financial condition.

The schedules and graphs beginning on page 107 show financial trend information about the change in SERS' assets for the past 10 years. These schedules provide detailed information about the trends of key sources of asset additions and deductions, which assist in providing a context framing how SERS' financial position has changed over time. The financial trend schedules presented are:

- Fiduciary Net Position by Fund
- Total Fiduciary Net Position
- Changes in Fiduciary Net Position
- Benefit and Refund Deductions from Fiduciary Net Position by Type

The schedules beginning on page 114 show demographic and economic information. This information is designed to assist in understanding the environment in which SERS operates. The demographic and economic information and the operating information presented include:

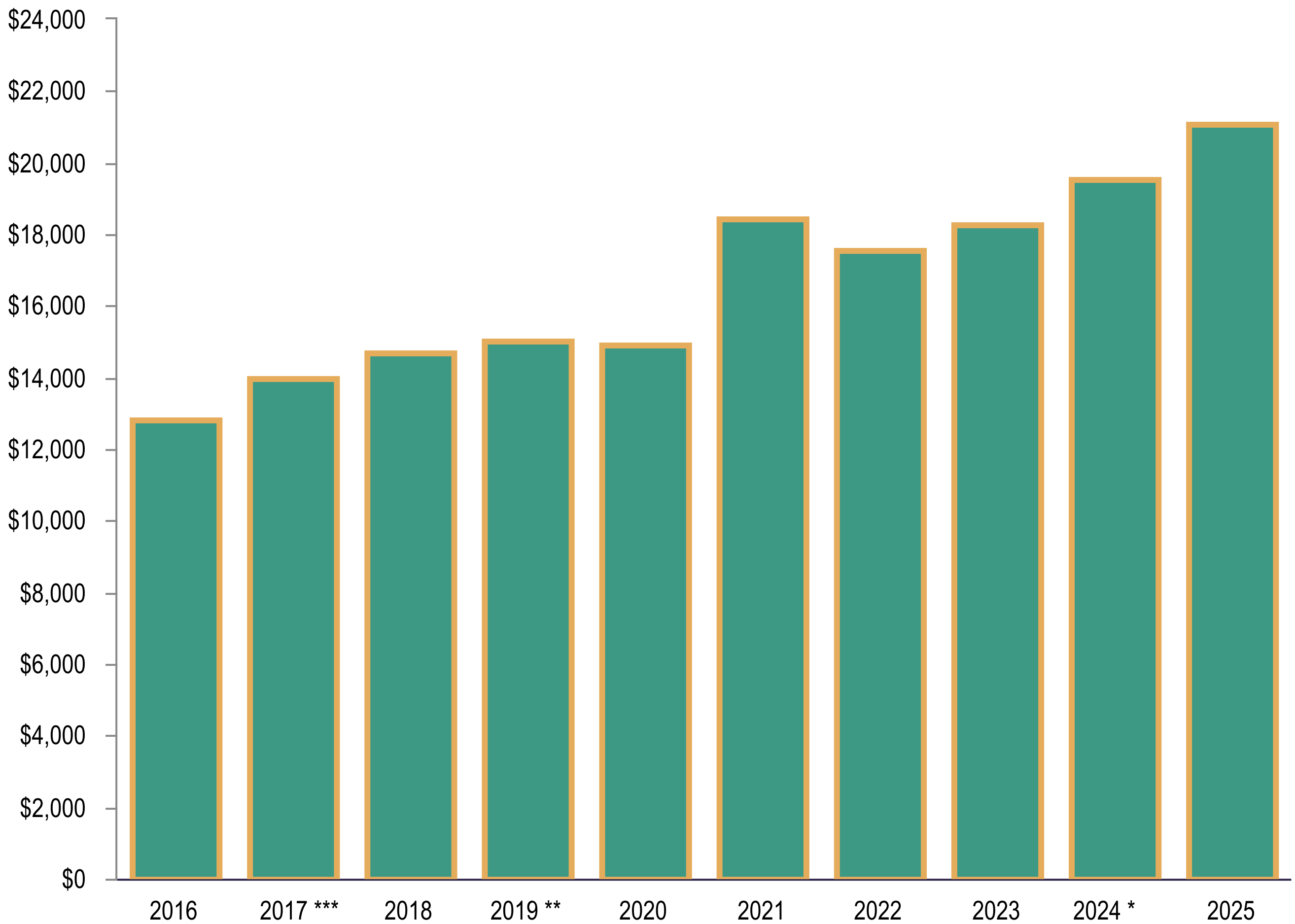
- Employee and Employer Contribution Rates
- Demographics of New Pension Benefit Recipients
- Demographics of Active and Retired Members Used for Valuation Purposes
- Retired Members by Type of Benefit
- Retirees, Spouses, and Dependents Receiving Health Care Coverage
- Principal Participating Employers
- Average Benefit Payments - New Retirees (Service Only)

Fiduciary Net Position by Fund

Last 10 years

June 30	Pension Trust Fund	Medicare B Fund	Death Benefit Fund	QEBA Fund	Health Care Fund	Total Fund
2025	$19,771,601,672	$333,234,410	$36,917,804	$165,648	$939,812,471	$21,081,732,005
2024 *	18,373,116,272	297,548,151	33,855,911	149,692	816,468,867	19,521,138,893
2023	17,259,676,387	268,029,775	31,095,304	135,195	706,785,561	18,265,722,222
2022	16,685,941,961	246,901,660	29,847,384	54,035	611,574,409	17,574,319,449
2021	17,561,235,177	247,954,730	30,857,081	234,180	600,330,188	18,440,611,356
2020	14,203,048,325	191,058,115	25,492,187	224,798	482,611,478	14,902,434,903
2019 **	14,337,481,691	180,963,382	25,631,031	212,757	463,810,679	15,008,099,540
2018	14,078,724,296	167,266,385	24,525,067	217,341	435,629,637	14,706,362,726
2017 ***	13,438,843,275	151,581,147	23,214,168	217,398	382,109,560	13,995,965,548
2016	12,296,016,233	134,623,247	20,991,343	223,565	370,204,515	12,822,058,903

Total Fiduciary Net Position *($ in millions)*



* Fiduciary Net Position was restated due to the implementation of GASB 75 during FY2025.

** Fiduciary Net Position was restated due to the implementation of GASB 87 during FY2020.

*** Fiduciary Net Position was restated due to the implementation of GASB 101 during FY2018.

Changes in Fiduciary Net Position

Last 10 fiscal years

(continued through page 111)

ALL FUNDS COMBINED	2025	2024 *	2023	2022
ADDITIONS				
Employer Contributions	$682,527,562	$648,819,912	$614,499,611	$578,301,752
Member Contributions	442,429,203	421,433,681	398,907,335	375,838,354
Other Income	97,814,835	115,520,763	134,359,629	97,382,882
Total Investment Income (Loss), Net	2,071,452,066	1,739,584,327	1,182,955,780	(346,447,426)
TOTAL ADDITIONS	3,294,223,666	2,925,358,683	2,330,722,355	705,075,562
DEDUCTIONS				
Benefits	1,593,023,066	1,540,053,541	1,498,588,257	1,456,559,791
Refunds and Lump Sum Payments	94,777,422	94,073,791	97,668,607	82,209,215
Net Transfers to Other Ohio Systems	9,244,489	2,454,005	9,866,201	7,998,389
Administrative Expenses	36,160,974	33,360,675	33,196,517	24,600,074
TOTAL DEDUCTIONS	1,733,205,951	1,669,942,012	1,639,319,582	1,571,367,469
Net Increase (Decrease)	1,561,017,715	1,255,416,671	691,402,773	(866,291,907)
Fiduciary Net Position Held in Trust:				
Beginning of Year	19,520,714,290	18,265,722,222	17,574,319,449	18,440,611,356
End of Year	**$21,081,732,005**	**$19,521,138,893**	**$18,265,722,222**	**$17,574,319,449**

PENSION TRUST FUND	2025	2024 *	2023	2022
ADDITIONS				
Employer Contributions	$589,507,670	$559,502,068	$528,038,431	$495,884,566
Member Contributions	442,429,203	421,433,681	398,907,335	375,838,354
Other Income	964,246	42,727	—	—
Total Investment Income (Loss), Net	1,960,631,386	1,652,618,802	1,128,873,919	(332,917,903)
TOTAL ADDITIONS	2,993,532,505	2,633,597,278	2,055,819,685	538,805,017
DEDUCTIONS				
Pension Benefits	1,457,916,403	1,393,310,727	1,344,067,864	1,302,357,602
Refunds and Lump Sum Payments	94,777,422	94,073,791	97,668,607	82,209,215
Net Transfers to Other Ohio Systems	9,244,489	2,454,005	9,866,201	7,998,389
Administrative Expenses	32,684,188	30,318,870	30,482,587	21,533,026
TOTAL DEDUCTIONS	1,594,622,502	1,520,157,393	1,482,085,259	1,414,098,232
Net Increase (Decrease)	1,398,910,003	1,113,439,885	573,734,426	(875,293,215)
Fiduciary Net Position Held in Trust:				
Beginning of Year	18,372,691,669	17,259,676,387	16,685,941,961	17,561,235,176
End of Year	**$19,771,601,672**	**$18,373,116,272**	**$17,259,676,387**	**$16,685,941,961**

HEALTH CARE FUND	2025	2024	2023	2022
ADDITIONS				
Employer Contributions	$63,568,312	$60,953,779	$57,483,842	$53,766,548
Other Income	97,814,835	115,520,763	134,359,629	97,382,882
Total Investment Income (Loss), Net	76,544,497	58,744,114	35,445,488	(8,096,503)
TOTAL ADDITIONS	237,927,644	235,218,656	227,288,959	143,052,927
DEDUCTIONS				
Health Care Expenses	111,186,249	122,558,704	129,424,430	128,796,889
Administrative Expenses	3,397,791	2,976,646	2,653,377	3,011,817
TOTAL DEDUCTIONS	114,584,040	125,535,350	132,077,807	131,808,706
Net Increase (Decrease)	123,343,604	109,683,306	95,211,152	11,244,221
Fiduciary Net Position Held in Trust:				
Beginning of Year	816,468,867	706,785,561	611,574,409	600,330,188
End of Year	**$939,812,471**	**$816,468,867**	**$706,785,561**	**$611,574,409**

* Fiduciary Net Position was restated due to the implementation of GASB 101 during FY2025.

** Fiduciary Net Position was restated due to the implementation of GASB 87 during FY2020.

*** Fiduciary Net Position was restated due to the implementation of GASB 75 during FY2018.

2021	2020	2019 **	2018	2017 ***	2016
$537,740,460	$540,093,944	$530,912,162	$499,018,574	$515,834,904	$481,635,982
346,781,820	352,343,063	345,212,684	324,842,074	336,627,658	314,325,716
84,050,104	97,386,324	87,988,134	116,893,434	98,190,524	113,932,903
4,088,576,284	424,249,537	853,597,055	1,270,190,442	1,649,100,073	108,787,810
5,057,148,668	1,414,072,868	1,817,710,035	2,210,944,524	2,599,753,159	1,018,682,411
1,425,088,081	1,412,869,771	1,404,572,346	1,407,652,952	1,341,304,984	1,309,740,098
72,374,764	72,849,117	75,639,810	59,575,036	60,692,833	70,340,495
5,424,513	3,411,620	1,311,797	(6,734,065)	(3,139,875)	(2,272,514)
16,084,857	30,882,135	34,449,268	29,630,291	26,988,572	24,556,744
1,518,972,215	1,520,012,643	1,515,973,221	1,490,124,214	1,425,846,514	1,402,364,823
3,538,176,453	(105,939,775)	301,736,814	720,820,310	1,173,906,645	(383,682,412)
14,902,434,903	15,008,374,678	14,706,362,726	13,985,542,416	12,822,058,903	13,205,741,315
$18,440,611,356	**$14,902,434,903**	**$15,008,099,540**	**$14,706,362,726**	**$13,995,965,548**	**$12,822,058,903**

2021	2020	2019 **	2018	2017 ***	2016
$456,195,419	$461,695,266	$435,388,804	$406,953,261	$442,032,882	$412,712,475
346,781,820	352,343,063	345,212,684	324,842,074	336,627,658	314,325,716
—	—	—	—	—	—
3,916,448,920	407,045,705	819,731,217	1,226,089,090	1,593,050,588	105,116,336
4,719,426,159	1,221,084,034	1,600,332,705	1,957,884,425	2,371,711,128	832,154,527
1,270,735,447	1,251,597,154	1,232,808,916	1,227,807,547	1,146,987,656	1,085,216,541
72,374,764	72,849,117	75,639,810	59,575,036	60,692,833	70,340,495
5,424,513	3,411,620	1,311,797	(6,734,065)	(3,139,875)	(2,272,514)
12,704,584	27,934,647	31,814,787	26,931,754	24,343,472	21,746,197
1,361,239,308	1,355,792,538	1,341,575,310	1,307,580,272	1,228,884,086	1,175,030,719
3,358,186,851	(134,708,504)	258,757,395	650,304,153	1,142,827,042	(342,876,192)
14,203,048,325	14,337,756,829	14,078,724,296	13,428,420,143	12,296,016,233	12,638,892,425
$17,561,235,176	**$14,203,048,325**	**$14,337,481,691**	**$14,078,724,296**	**$13,438,843,275**	**$12,296,016,233**

2021	2020	2019	2018	2017	2016
$53,533,333	$48,187,050	$65,877,673	$63,539,354	$47,672,886	$44,855,441
84,050,104	97,386,324	87,988,134	116,893,434	98,190,524	113,932,903
111,580,200	11,139,059	22,009,627	28,167,652	35,730,747	2,244,300
249,163,637	156,712,433	175,875,434	208,600,440	181,594,157	161,032,644
128,132,981	135,034,624	145,127,670	152,447,415	167,106,908	196,445,600
3,311,946	2,877,010	2,566,722	2,632,948	2,582,204	2,746,127
131,444,927	137,911,634	147,694,392	155,080,363	169,689,112	199,191,727
117,718,710	18,800,799	28,181,042	53,520,077	11,905,045	(38,159,083)
482,611,478	463,810,679	435,629,637	382,109,560	370,204,515	408,363,598
$600,330,188	**$482,611,478**	**$463,810,679**	**$435,629,637**	**$382,109,560**	**$370,204,515**

(continued on next page)

Changes in Fiduciary Net Position (continued from prior page)

Last 10 fiscal years

MEDICARE B FUND	2025	2024	2023	2022
ADDITIONS				
Employer Contributions	$26,407,162	$26,027,395	$26,635,054	$26,224,585
Total Investment Income (Loss), Net	30,671,764	25,201,067	16,604,465	(4,824,251)
TOTAL ADDITIONS	57,078,926	51,228,462	43,239,519	21,400,334
DEDUCTIONS				
Pension Benefits	21,385,819	21,702,949	22,104,393	22,446,630
Administrative Expenses	6,848	7,137	7,011	6,774
TOTAL DEDUCTIONS	21,392,667	21,710,086	22,111,404	22,453,404
Net Increase (Decrease)	35,686,259	29,518,376	21,128,115	(1,053,070)
Fiduciary Net Position Held in Trust:				
Beginning of Year	297,548,151	268,029,775	246,901,660	247,954,730
End of Year	**$333,234,410**	**$297,548,151**	**$268,029,775**	**$246,901,660**

DEATH BENEFIT FUND	2025	2024	2023	2022
ADDITIONS				
Employer Contributions	$1,896,172	$2,098,943	$1,987,715	$2,247,134
Total Investment Income (Loss), Net	3,604,200	3,020,261	2,030,083	(608,945)
TOTAL ADDITIONS	5,500,372	5,119,204	4,017,798	1,638,189
DEDUCTIONS				
Death Benefits	2,371,034	2,303,102	2,718,918	2,601,941
Administrative Expenses	67,445	55,495	50,960	45,945
TOTAL DEDUCTIONS	2,438,479	2,358,597	2,769,878	2,647,886
Net Increase (Decrease)	3,061,893	2,760,607	1,247,920	(1,009,697)
Fiduciary Net Position Held in Trust:				
Beginning of Year	33,855,911	31,095,304	29,847,384	30,857,081
End of Year	**$36,917,804**	**$33,855,911**	**$31,095,304**	**$29,847,384**

QEBA FUND	2025	2024	2023	2022
ADDITIONS				
Employer Contributions	$184,000	$195,000	$354,569	$178,919
Total Investment Income (Loss), Net	219	83	1,825	176
TOTAL ADDITIONS	184,219	195,083	356,394	179,095
DEDUCTIONS				
Pension Benefits	163,561	178,059	272,652	356,729
Administrative Expenses	4,702	2,527	2,582	2,512
TOTAL DEDUCTIONS	168,263	180,586	275,234	359,241
Net Increase (Decrease)	15,956	14,497	81,160	(180,146)
Fiduciary Net Position Held in Trust:				
Beginning of Year	149,692	135,195	54,035	234,181
End of Year	**$165,648**	**$149,692**	**$135,195**	**$54,035**

2021	2020	2019	2018	2017	2016
$26,273,453	$28,332,747	$27,319,485	$26,291,404	$24,155,026	$22,208,623
53,543,370	5,305,350	10,373,511	13,784,587	17,527,764	1,233,948
79,816,823	33,638,097	37,692,996	40,075,991	41,682,790	23,442,571
22,913,755	23,536,709	23,990,512	24,384,610	24,718,613	25,391,810
6,453	6,655	5,487	6,143	6,277	7,544
22,920,208	23,543,364	23,995,999	24,390,753	24,724,890	25,399,354
56,896,615	10,094,733	13,696,997	15,685,238	16,957,900	(1,956,783)
191,058,115	180,963,382	167,266,385	151,581,147	134,623,247	136,580,030
$247,954,730	**$191,058,115**	**$180,963,382**	**$167,266,385**	**$151,581,147**	**$134,623,247**

2021	2020	2019	2018	2017	2016
$1,382,813	$1,529,777	$1,975,200	$1,858,955	$1,608,830	$1,500,583
7,003,576	757,342	1,479,649	2,147,404	2,790,208	192,842
8,386,389	2,287,119	3,454,849	4,006,359	4,399,038	1,693,425
2,962,198	2,364,642	2,289,135	2,639,464	2,122,612	2,358,518
59,297	61,321	59,750	55,996	53,601	55,139
3,021,495	2,425,963	2,348,885	2,695,460	2,176,213	2,413,657
5,364,894	(138,844)	1,105,964	1,310,899	2,222,825	(720,232)
25,492,187	25,631,031	24,525,067	23,214,168	20,991,343	21,711,575
$30,857,081	**$25,492,187**	**$25,631,031**	**$24,525,067**	**$23,214,168**	**$20,991,343**

2021	2020	2019	2018	2017	2016
$355,442	$349,104	$351,000	$375,600	$365,280	$358,860
	2,081	3,051	1,709	766	384
355,660	351,185	354,051	377,309	366,046	359,244
343,700	336,642	356,113	373,916	369,195	327,629
2,577	2,502	2,522	3,450	3,018	1,737
346,277	339,144	358,635	377,366	372,213	329,366
9,383	12,041	(4,584)	(57)	(6,167)	29,878
224,798	212,757	217,341	217,398	223,565	193,687
$234,181	**$224,798**	**$212,757**	**$217,341**	**$217,398**	**$223,565**

Benefit and Refund Deductions from Fiduciary Net Position by Type

Last 10 fiscal years

PENSION BENEFITS	2025	2024	2023	2022
Service Retirement	$1,330,814,382	$1,265,272,705	$1,215,742,249	$1,173,041,717
Disability Retirement	84,077,263	85,336,886	86,650,975	88,531,533
Survivor Benefits	43,024,758	42,701,136	41,674,640	40,784,352
Total Pension Benefits	**$1,457,916,403**	**$1,393,310,727**	**$1,344,067,864**	**$1,302,357,602**
Refunds				
Separation	$94,746,322	$93,129,656	$97,571,386	$82,147,880
Beneficiaries	31,100	944,135	97,221	61,335
Total Refunds	**$94,777,422**	**$94,073,791**	**$97,668,607**	**$82,209,215**

MEDICARE B REIMBURSEMENT	2025	2024	2023	2022
Service Retirement	$19,822,848	$20,031,314	$20,329,498	$20,556,582
Disability Retirement	999,271	1,055,691	1,101,768	1,153,448
Survivor Benefits	563,700	615,944	673,127	736,600
Total Medicare B Reimbursement	**$21,385,819**	**$21,702,949**	**$22,104,393**	**$22,446,630**

DEATH BENEFITS	2025	2024	2023	2022
Service	$2,180,761	$2,125,363	$2,495,769	$2,391,622
Disability	190,273	177,739	223,149	210,319
Total Death Benefits	**$2,371,034**	**$2,303,102**	**$2,718,918**	**$2,601,941**

HEALTH CARE EXPENSES	2025	2024	2023	2022
Medical	$17,271,201	$26,461,573	$53,469,247	$51,225,584
Prescription	93,915,048	96,097,131	75,955,183	77,571,305
Other	—	—	—	—
Total Health Care Expenses *	**$111,186,249**	**$122,558,704**	**$129,424,430**	**$128,796,889**

* Total Health Care Expenses are net of rebates.

2021	2020	2019	2018	2017	2016
$1,139,424,266	$1,117,724,808	$1,096,960,216	$1,091,624,986	$1,012,404,884	$952,950,117
90,688,344	93,391,297	95,725,624	97,027,548	96,312,675	94,595,437
40,622,837	40,481,049	40,123,076	39,155,013	38,270,097	37,670,987
$1,270,735,447	**$1,251,597,154**	**$1,232,808,916**	**$1,227,807,547**	**$1,146,987,656**	**$1,085,216,541**
$72,308,775	$72,834,422	$75,630,053	$59,496,216	$59,541,576	$68,857,916
65,989	14,695	9,757	78,820	1,151,257	1,482,579
$72,374,764	**$72,849,117**	**$75,639,810**	**$59,575,036**	**$60,692,833**	**$70,340,495**

2021	2020	2019	2018	2017	2016
$20,885,774	$21,365,130	$21,734,690	$22,072,596	$22,336,187	$22,855,321
1,229,228	1,296,750	1,327,303	1,330,670	1,336,790	1,413,048
798,753	874,829	928,519	981,344	1,045,636	1,123,441
$22,913,755	**$23,536,709**	**$23,990,512**	**$24,384,610**	**$24,718,613**	**$25,391,810**

2021	2020	2019	2018	2017	2016
$2,710,522	$2,169,208	$2,083,499	$2,377,087	$1,939,771	$2,133,523
251,676	195,434	205,636	262,377	182,841	224,995
$2,962,198	**$2,364,642**	**$2,289,135**	**$2,639,464**	**$2,122,612**	**$2,358,518**

2021	2020	2019	2018	2017	2016
$64,912,611	$56,771,016	$72,447,500	$81,873,185	$87,845,475	$108,821,435
63,220,370	78,263,608	72,680,170	70,574,230	79,261,433	86,997,168
—	—	—	—	—	626,997
$128,132,981	**$135,034,624**	**$145,127,670**	**$152,447,415**	**$167,106,908**	**$196,445,600**

Employee and Employer Contribution Rates

Last 10 fiscal years

Fiscal Year	Employee Rate	Employer Rate				
		Pension	Medicare B	Death Benefit	Health Care	Total
2025	10.00%	13.37%	0.59%	0.04%	0.00%	14.00%
2024	10.00	13.33	0.62	0.05	0.00	14.00
2023	10.00	13.28	0.67	0.05	0.00	14.00
2022	10.00	13.24	0.70	0.06	0.00	14.00
2021	10.00	13.20	0.76	0.04	0.00	14.00
2020	10.00	13.15	0.81	0.04	0.00	14.00
2019	10.00	12.61	0.83	0.06	0.50	14.00
2018	10.00	12.59	0.85	0.06	0.50	14.00
2017	10.00	13.20	0.75	0.05	0.00	14.00
2016	10.00	13.21	0.74	0.05	0.00	14.00

Demographics of New Pension Benefit Recipients

Last 10 fiscal years

Average Service Benefit

Year Ended June 30	Service Credit	Monthly Amount	Age	Final Average Salary
2025	24.1	$1,609	65.9	$40,135
2024	23.9	1,536	65.6	39,248
2023	23.8	1,459	65.4	37,430
2022	24.2	1,496	65.5	37,361
2021	24.5	1,536	65.5	36,972
2020	24.8	1,573	65.0	37,169
2019	25.8	1,659	65.1	37,047
2018	21.2	1,281	63.9	34,090
2017	19.8	1,078	63.4	30,256
2016	21.4	1,224	63.4	31,785

Average Disability Benefit

Year Ended June 30	Service Credit	Monthly Amount	Age	Final Average Salary
2025	17.5	$1,659	57.6	$40,556
2024	16.8	1,446	57.8	35,653
2023	17.8	1,402	57.7	34,507
2022	17.2	1,380	56.6	34,162
2021	18.2	1,398	58.1	34,290
2020	17.1	1,294	57.2	32,094
2019	17.2	1,348	55.4	33,255
2018	17.4	1,315	55.5	31,736
2017	17.0	1,245	56.6	30,570
2016	16.5	1,296	55.9	31,118

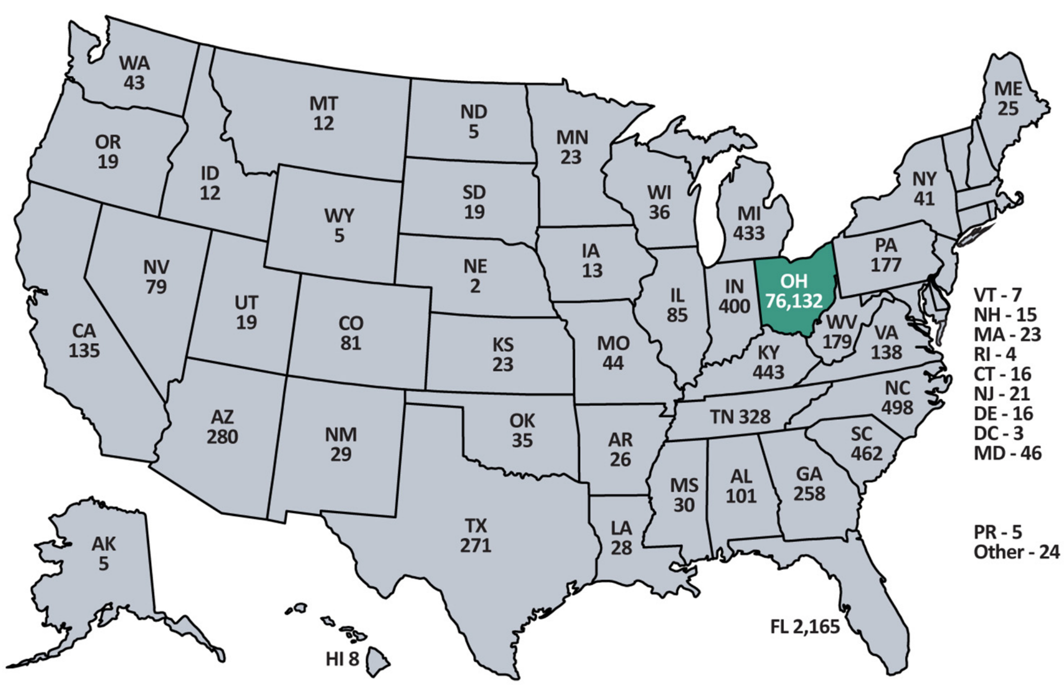
Demographics of Active and Retired Members Used for Valuation Purposes

Fiscal Year 2025

	Active Members			Percentage of Distribution		
	Male	Female	Total	Male	Female	Total
Under 20	1,780	1,602	3,382	1%	1%	2%
20 to 29	9,822	13,804	23,626	6	8	14
30 to 39	9,449	19,331	28,780	6	12	18
40 to 49	11,350	25,839	37,189	7	16	23
50 to 54	5,755	13,079	18,834	3	8	11
55 to 59	5,439	13,671	19,110	3	9	12
60 to 64	4,970	13,234	18,204	3	8	11
65 to 69	3,354	6,964	10,318	2	4	6
70 and over	2,244	3,593	5,837	1	2	3
Total	**54,163**	**111,117**	**165,280**	**32%**	**68%**	**100%**

	All Benefit Recipients			Percentage of Distribution		
	Male	Female	Total	Male	Female	Total
Under 55	256	460	716	0%	1%	1%
55 to 59	524	846	1,370	1	1	2
60 to 64	1,628	4,255	5,883	2	5	7
65 to 69	4,112	12,554	16,666	5	15	20
70 to 74	4,947	14,071	19,018	6	18	24
75 to 79	4,315	11,888	16,203	5	14	19
80 to 84	2,889	8,412	11,301	3	10	13
85 to 89	1,720	5,662	7,382	2	7	9
90 to 94	741	2,801	3,542	1	3	4
95 to 99	207	881	1,088	0	1	1
100 and over	16	142	158	0	0	0
Total	**21,355**	**61,972**	**83,327**	**25%**	**75%**	**100%**

All Benefit Recipients by State



Retired Members by Type of Benefit

Amount of Monthly Benefit ($)	Total	Service	Disability *	Survivor
1 - 250	7,991	7,415	33	543
251 - 500	10,406	9,237	296	873
501 - 750	10,308	8,903	645	760
751 - 1,000	9,722	8,133	983	606
1,001 - 1,500	15,082	13,000	1,472	610
1,501 - 2,000	9,861	8,665	949	247
over 2,000	19,957	18,403	1,212	342
Total Number	**83,327**	**73,756**	**5,590**	**3,981**
	Average Monthly Benefit	$1,465	$1,497	$896
	Average Age	75.8	69.1	73.3

* Disability counts include 1,515 retirees that have converted to a service retirement.

Retirees, Spouses, and Dependents Receiving Health Care Coverage

Attained Age	Number of		Total Number
	Males	Females	
Under 30	69	74	143
30 - 39	2	5	7
40 - 49	16	14	30
50 - 59	216	335	551
60 - 64	805	1,779	2,584
65 - 69	2,326	5,156	7,482
70 - 74	2,720	5,782	8,502
75 - 79	2,035	5,176	7,211
80 - 84	1,448	4,304	5,752
85 - 89	1,003	3,069	4,072
90 - 94	428	1,494	1,922
95 - 99	113	539	652
100 and over	11	91	102
Total	**11,192**	**27,818**	**39,010**

Principal Participating Employers

Current fiscal year and nine years ago

	Fiscal Year 2025			Fiscal Year 2016		
	Covered Employee Members	Rank	Percentage of Total System	Covered Employee Members	Rank	Percentage of Total System
Columbus City Schools	4,425	1	2.68%	3,493	1	2.80%
Cincinnati Public Schools	3,439	2	2.08	2,714	3	2.18
Cleveland Metropolitan School District	2,781	3	1.68	2,813	2	2.26
Educational Service Center Council of Governments	2,299	4	1.39	1,184	7	0.95
Toledo City Schools	1,957	5	1.18	1,595	5	1.28
Olentangy Local Schools	1,833	6	1.11	—	—	—
Akron Public Schools	1,725	7	1.04	1,550	6	1.24
South-Western City Schools	1,370	8	0.83	1,177	8	0.95
Dublin City Schools	1,327	9	0.80	—	—	—
Lakota Local Schools	1,317	10	0.80	—	—	—
University of Akron	—	—	—	1,906	4	1.53
Dayton City Schools	—	—	—	1,130	9	0.91
Parma City Schools	—	—	—	1,033	10	0.83
All Other	142,807		86.41	105,945		85.07
Total	**165,280**		**100.00%**	**124,540**		**100.00%**

In FY2025 "All Other" consisted of:

	Covered Employee Members	Number of School Districts
City School Districts	57,801	184
Local School Districts	52,670	369
Educational Service Centers	10,062	51
Exempted Village Districts	7,648	49
Community Schools	5,866	336
Higher Education	3,522	15
Vocational Schools	3,413	49
Other	1,825	22

Average Benefit Payments - New Retirees (Service Only)

Last 10 fiscal years

	Years of Credited Service					
Retirement Effective Dates	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**
Period 7/1/24 to 6/30/25						
Average Monthly Benefit	$459	$532	$822	$1,181	$1,624	$2,935
Monthly Final Average Salary	$2,501	$2,592	$2,740	$3,080	$3,361	$4,271
Number of Retirees	1	568	500	678	902	967
Period 7/1/23 to 6/30/24						
Average Monthly Benefit	$—	$516	$810	$1,145	$1,576	$2,808
Monthly Final Average Salary	$—	$2,586	$2,800	$3,029	$3,281	$4,115
Number of Retirees	0	514	514	669	805	885
Period 7/1/22 to 6/30/23						
Average Monthly Benefit	$461	$496	$735	$1,090	$1,499	$2,769
Monthly Final Average Salary	$3,623	$2,499	$2,547	$2,896	$3,122	$4,028
Number of Retirees	3	538	493	740	759	855
Period 7/1/21 to 6/30/22						
Average Monthly Benefit	$306	$486	$783	$1,075	$1,493	$2,665
Monthly Final Average Salary	$1,906	$2,371	$2,678	$2,860	$3,061	$3,922
Number of Retirees	4	488	491	712	660	985
Period 7/1/20 to 6/30/21						
Average Monthly Benefit	$497	$460	$744	$1,014	$1,521	$2,723
Monthly Final Average Salary	$4,425	$2,311	$2,518	$2,650	$3,050	$3,967
Number of Retirees	4	456	433	542	634	952
Period 7/1/19 to 6/30/20						
Average Monthly Benefit	$339	$485	$712	$997	$1,532	$2,627
Monthly Final Average Salary	$2,241	$2,354	$2,484	$2,643	$3,034	$3,869
Number of Retirees	3	386	345	388	442	914
Period 7/1/18 to 6/30/19						
Average Monthly Benefit	$414	$478	$747	$1,040	$1,519	$2,551
Monthly Final Average Salary	$3,351	$2,240	$2,402	$2,544	$2,965	$3,770
Number of Retirees	2	279	265	216	444	863
Period 7/1/17 to 6/30/18						
Average Monthly Benefit	$243	$497	$880	$1,241	$1,555	$2,537
Monthly Final Average Salary	$1,734	$2,151	$2,700	$2,950	$3,027	$3,741
Number of Retirees	500	668	949	977	656	1,021
Period 7/1/16 to 6/30/17						
Average Monthly Benefit	$212	$488	$767	$1,044	$1,487	$2,439
Monthly Final Average Salary	$1,532	$2,084	$2,360	$2,498	$2,937	$3,654
Number of Retirees	715	847	951	948	692	857
Period 7/1/15 to 6/30/16						
Average Monthly Benefit	$241	$510	$762	$1,110	$1,456	$2,392
Monthly Final Average Salary	$1,608	$2,104	$2,341	$2,644	$2,869	$3,582
Number of Retirees	535	671	615	630	769	1,013

PLAN SUMMARY
(unaudited)

Fast Facts

2016

Board changes system funding policy.

2018

COLA changes are put in place to reduce unfunded liabilities.

2021

Investment return is highest since 1985.

2021

Health Care funding level increases from 26.9% to 46.6% over a 30-year period, the largest increase in recent SERS history.

2025

Amortization period for the basic benefits unfunded liabilities falls below 20 years.

2025

Total net position is $21.1 billion.

Introduction

Established by state law in 1937, SERS is a statewide defined benefit plan that provides retirement, disability, and survivor benefits to non-teaching employees of Ohio’s public, vocational, technical, and community schools; community colleges; and the University of Akron.

The Retirement Board is responsible for the general administration and management of the Retirement System. The Board comprises nine members: four elected employee members; two elected retiree members; and three appointed investment expert members. One investment expert is appointed by the Governor, a second one by the State Treasurer, and the third one jointly by the Speaker of the House and President of the Senate of the General Assembly.

The day-to-day operations are administered by a professional staff led by the Executive Director.

The plan summary in effect at June 30, 2025, is described below.

COVERED EMPLOYEES

All non-teaching employees of Ohio’s public, vocational, technical, and community schools; community colleges; and the University of Akron are required to be members unless their position permits exemption from membership, optional membership, or the position is excluded from membership.

Compulsory or Mandatory Coverage

Compulsory coverage is required for any employee who:

- Is employed in a position for which the person is not required to have a registration certificate or license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code; or
- Performs a service common to the normal daily operation of an educational unit even though the person is employed and paid by one who has contracted with the school to perform the service.

Exemption from Coverage

The following individuals may choose exemption from coverage by filing a written application with the employer within the first month after being employed:

- A student who is not a member at the time of the student’s employment and who is employed by the school, college, or university in which the student is enrolled and regularly attending classes;
- An emergency employee serving on a temporary basis in case of fire, snow, earthquake, flood, or other similar emergency; or
- An individual employed in a program established under the Workforce Innovation and Opportunity Act.

Optional Coverage

A school or governing board member may choose to become a member by making application within thirty (30) days of taking office. A school board member is a member of a city, local, exempted village, or joint vocational school district board of education, and a governing board member is a member of an educational service center governing board.

Exclusion from Coverage

The following employees are excluded from SERS' coverage:

- Any person having a license issued by the Ohio Department of Education (ODE) and employed in a public school in this state in an educational position, as determined by the ODE, under programs under federal law and financed in whole or in part from federal funds, but for which no licensure requirements for the position can be made under the provisions of such federal law.
- Any person who participates in an alternative retirement plan (ARP) established by a college or university.
- University of Akron police officers who are covered by the Ohio Public Employees Retirement System (OPERS).
- Non-teaching University of Akron employees hired on or after September 28, 2016. These employees are covered by OPERS unless terminated and rehired within one (1) year of September 28, 2016.
- Employees of community school operators who withhold Social Security taxes beginning with their first paycheck: whose initial employment with the community school operator is on or after July 1, 2016, or; who previously worked for a community school operator and returned to work for that same operator on or after July 1, 2016, provided the employee was not previously employed by the same operator at any time between July 1, 2015 to June 30, 2016, and whose date of reemployment is before July 1, 2017. The

community school operator must have withheld Social Security taxes for employees on or before February 1, 2016, in order for employers to fall under this exemption.

CONTRIBUTIONS

The employee and employer are required to contribute a percentage of the employee's compensation to SERS to fund the benefits available. Employees contribute 10% of their gross compensation. Employers contribute 14% of the employee's compensation. Members are entitled to a return of their contributions, either in the form of monthly benefits, provided they meet eligibility requirements, or a single lump-sum payment after the termination of employment.

SERVICE CREDIT

The amount of a member's service credit is a factor in determining:

- Eligibility for retirement or disability benefits
- The amount of a benefit
- Eligibility for health care coverage and the amount of the health care premium

It also determines the eligibility of a member's dependents for survivor benefits, the amount of benefits, and availability of health care coverage.

Service credit is accrued through contributions during school employment, for other periods at no cost, and for other service that may be purchased.

Contributing Service Credit

One year of service credit is granted upon completion of 120 or more days of paid school employment within a fiscal year (July 1 through the following June 30). Any portion of a day constitutes one full day. If service is less than 120 days, a fractional amount of service credit is prorated on the basis of a 180-day school year.

Free Service Credit

Additional service credit up to three years is available at no cost for periods a member received Workers' Compensation for a school-related injury. In addition, certain periods of military service or disability credit may be available at no cost.

Purchased Service Credit

The following additional service credit may be available for purchase:

- Previously refunded SERS service credit
- Employer-authorized unpaid leaves of absence
- Any service after July 1, 1991, in a position for which SERS membership was compulsory, but for which a member was permitted to, and did, sign an exemption from membership form
- Any service before July 1, 1991, in a position for which SERS membership was optional, and a member did not choose to become a member
- Up to five years of service with a public or private school, college, or university in another state, or operated by the federal government, which has been chartered or accredited by the proper government agency if the service in a comparable position in Ohio would have been covered by an Ohio state retirement system, or an Ohio municipal retirement system except the Cincinnati Retirement System
- Periods of military service
- Up to two years for periods when the member resigned because of pregnancy or adoption of a child
- School board member service prior to July 1, 1991
- Cincinnati Retirement System covered service
- Service covered by the Ohio Police & Fire Pension Fund or Ohio Highway Patrol Retirement System if not being used in a benefit under those systems
- Disability credit, if member received SERS disability benefits for more than two years and returned to work for at least two years after the disability benefit terminated

Other Ohio State Retirement System Service Credit

If a member has been employed in a job covered by the State Teachers Retirement System of Ohio (STRS) or the Ohio Public Employees Retirement System (OPERS) as well as in a job covered by SERS, at retirement the member may receive a retirement benefit independently from each of the systems if eligible, or may combine the service credit and accounts in all the systems to receive one benefit. The system with the greatest service credit will be the system that will calculate and pay the benefit. While the salaries in one year will be added together, if the member has service credit in each system for the same year, the member cannot be credited with more than one year of service credit for each 12 months in a year.

Early Retirement Incentive Program

An employer may establish an Early Retirement Incentive program (ERI), which allows employees who are at least 57 years old to retire early. Under an ERI, an employer may purchase up to five years of service credit for its eligible employees. If an employer has an ERI, it notifies all eligible employees of the plan and its requirements.

AGE AND SERVICE RETIREMENT

Eligibility

A member who retired on or before August 1, 2017, from SERS retired under the following age and service credit guidelines:

- 5 years of service credit and is at least 60 years old,
- 25 years of service credit and is at least 55 years old, or
- 30 years of service credit irrespective of age.

These guidelines also apply to exempt members. To be exempt, as of August 1, 2017, the member must have had at least 25 years of service credit or purchased the right to be exempt.

A member who is not exempt may retire under the following age and service credit guidelines:

- 10 years of service credit and is at least 62 years old,
- 25 years of service credit and is at least 60 years old, or
- 30 years of service credit and is at least 57 years old.

Calculating a Benefit

The calculation of a benefit is determined using the member's salary, service credit, and age.

The **salary** used is the Final Average Salary (FAS) which is the average of the three (3) highest years of salary. If a member has more than one covered job, the salaries will be combined.

The **service credit** used is the total service credit at the time of retirement.

The **age** used to calculate a benefit is the member's actual age at the time of retirement.

The formula used in calculating a benefit is as follows:

1. The value of a year of service credit is determined by multiplying the member's FAS by 2.2%, and by 2.5% for each year above 30 years of service credit. If the result is less than $86.00, then $86.00 is the value of each year.
2. The number of years of service credit is then multiplied by this value of each year to determine the annual retirement benefit.
3. Depending on the member's service credit and age at retirement, the annual benefit may be reduced to cover a longer period of retirement.

Payment Plans

At retirement, a member must choose a payment plan. There are three categories of plans. All plans pay a monthly benefit for the retiree's life. Under the first category, payments cease with the retiree's death; this is Plan B (Single Life Allowance). Another category provides a continuing benefit to a designated beneficiary after the retiree's death. The plans in this category are Plan A, C, D (Joint Life plans), and F (Multiple Beneficiaries plan). The third category provides payment to a designated beneficiary for a specified period of time if the retiree dies during the specified period; this is Plan E (Time Limited). Choosing a plan other than the Single Life Allowance will result in a reduced monthly benefit to the retiree depending on the retiree's age, the beneficiary's age, and the plan chosen.

Partial Lump Sum Option Payment

In addition to selecting a payment plan, a member may elect to receive part of their benefit in a one-time partial lump sum option payment (PLOP), which will permanently reduce the lifetime monthly benefit. A PLOP payment may be from 6 to 36 months of the unreduced retirement allowance, and cannot reduce the original allowance more than 50%.

Reemployment

A retiree may be reemployed after retirement. A job in the private sector does not affect the retiree's benefit.

However, if the job is in a position covered by SERS, the State Teachers Retirement System of Ohio, the Ohio Public Employees Retirement System, the Ohio Police & Fire Pension Fund, or the Ohio Highway Patrol Retirement System, SERS must be notified. If the retiree returns to work in a job covered by any of these systems before the retiree has received a SERS benefit for two months, the retiree forfeits the benefit payment for each of the two months in which the retiree worked.

If the retiree returns to a SERS-covered position, then member and employer contributions are required for the new position. The retiree accrues a new benefit in the form of an annuity based on the contributions paid by the retiree and the employer. This is separate from the original SERS benefit. There are no other benefits available, and the retiree does not accrue any additional service credit for the period of reemployment.

DISABILITY BENEFITS

A member is entitled to a benefit under one of two disability plans. A member who became a member on or after July 29, 1992, is covered under the **new disability plan**. A member who became a member before July 29, 1992, is covered by the **old disability plan** unless they exercised a one-time election to switch to the new plan.

The following describes the common and different features of both plans.

Eligibility

Under both plans, a member is eligible for disability benefits if the member:

- Has at least 5 years of total service credit;
- Files an application no later than 2 years from the date that the contributing service stopped;
- Is permanently disabled, either physically or mentally, for work in a SERS-covered position as determined by a physician appointed by SERS;
- Became disabled after becoming a SERS member;
- Did not receive a refund of the member's contributions;
- Does not receive a service retirement benefit;
- Is not receiving a disability benefit from State Teachers Retirement System of Ohio, the Ohio Public Employees Retirement System, the Ohio Police & Fire Pension Fund, the Ohio Highway Patrol Retirement System, or the Cincinnati Retirement System; and
- Is not applying for a disability benefit based on a disabling condition that resulted from a felony the member was convicted of, pled guilty to, or was found not guilty of by reason of insanity.

Under the old disability plan, a member also must apply before turning 60 years old. Under the new disability plan a member may apply at any age.

All disability recipients enrolled in a SERS health care plan are required to apply for Social Security disability benefits, if eligible.

Benefit Payment

Old Disability Plan

Under the old disability plan, an annual benefit is calculated by the following formula using total service credit and Final Average Salary (FAS):

1. The value of a year of service credit is determined by multiplying the member's FAS by 2.2%. If the result is less than $86.00, then $86.00 is the value of each year.
2. The number of years of service credit is then multiplied by this value of each year.

Service credit includes all service credit the member has at the time of the benefit effective date plus the number of years between the member's current age and age 60. The benefit cannot be less than 30% of the FAS or more than 75%.

New Disability Plan

Under the new disability plan, the amount of an annual benefit is the greater of 45% of the FAS, or total service credit at the time of the application multiplied by 2.2% of the FAS, not to exceed 60% of the FAS. The following chart shows the approximate applicable percentage amounts under this plan:

Years of Service Credit	Percentage of the Member's FAS
5-21	45.0%
22	48.4
23	50.6
24	52.8
25	55.0
26	57.2
27	59.4
28 or more	60.0

Termination of Benefits

Under the **new disability plan**, benefits also will end after a specified number of months as shown:

Age at Effective Date	Period Benefits Payable
Younger than 60	Until age 65
60 or 61	60 months
62 or 63	48 months
64 or 65	36 months
66, 67, or 68	24 months
69 or older	12 months

At the end of the period, the member can apply for a conversion retirement benefit.

A disability benefit under either plan stops if any one of the following events occur:

- A subsequent SERS medical re-examination finds that the member meets the applicable standard for termination, which changes 3 or 5 years after the disability benefits began (depending on whether the member is receiving rehabilitation or treatment).
- The member is no longer disabled from their SERS-covered position, or
- The member is capable of performing other job duties with pay at or above 75% of his or her annual compensation and can reasonably find such a position with his or her qualifications.
- The member returns to a SERS-covered job.
- The member dies.
- The member requests that benefits end.

DEATH BENEFIT

At death after retirement or receipt of a disability benefit, the retiree's beneficiary or disability benefit recipient's beneficiary is entitled to a one-time lump sum payment of $1,000.

SURVIVOR BENEFITS

Eligibility

If a member dies while working, before the member begins receiving a monthly service retirement benefit, or while receiving a disability benefit, the member's qualified survivors are entitled to certain benefits.

A beneficiary qualifies for benefits in the following order:

1. Person designated in writing by the member on a form provided by SERS

2. If there is no designated beneficiary or the beneficiary died before the member, the statutory order of beneficiaries applies

The statutory order of succession is as follows, the member's:

1. Surviving spouse
2. Surviving children
3. Dependent parent who is age 65 or older
4. Surviving parents
5. Estate

The first qualifying beneficiary is entitled to a one-time, lump-sum payment of only the member's remaining contributions to SERS, or monthly benefits if otherwise eligible. However, if the member is survived by children under age 19, or by children who are mentally or physically incompetent, only a monthly benefit is available to the qualifying survivors.

Monthly benefit payments are available if the member:

1. Had at least one and one-half (1½) years of contributing service credit
2. Had at least one-quarter (¼) year of Ohio service credit earned within two and one-half (2½) years prior to death
3. Was not receiving a service retirement benefit

The following survivors are eligible for monthly benefits:

1. Surviving spouse at age 62
2. Surviving spouse at any age if the member had 10 or more years of service credit; or if there are qualified children; or has been declared mentally or physically incompetent by a court
3. Children who have never married and are under 19, or have been declared mentally or physically incompetent by a court
4. Dependent parent age 65 or older

Benefit Payments

The amount of the monthly benefit is determined under one of the following schedules, whichever pays the greater benefit:

	SCHEDULE I	SCHEDULE II
Number of Qualified Beneficiaries	Monthly Benefit Shall Not be Less than	As a Percentage of the Member's Final Average Salary
1	$96*	25%
2	186	40
3	236	50
4	236	55
5 or more	236	60

* Not less than $106 to spouse if the member had 10 or more years of service credit.

SCHEDULE III	
Years of Service	As a Percentage of the Member's Final Average Salary
20	29%
21	33
22	37
23	41
24	45
25	48
26	51
27	54
28	57
29 or more	60

COST-OF-LIVING ADJUSTMENT

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%.

A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. The Retirement Board approved a 2.5% COLA for calendar year 2025.

HEALTH CARE

Currently, SERS offers medical and prescription drug coverage to qualifying benefit recipients. To the extent that resources permit, SERS intends to continue offering access to health care coverage. However, the Retirement System reserves the right to change or discontinue any plan or program at any time.

Currently a **service retiree** qualifies for health care coverage if the retiree has 10 qualified years of service credit at retirement. Qualifying service credit does not include:

- Military, other than free or interrupted military service credit;
- Other government and school service credit;
- Exempted service credit; or
- Service credit purchased by an employer under an Early Retirement Incentive plan.

A beneficiary of a deceased service retiree who receives a monthly benefit qualifies for health care coverage if the retiree had qualified for such coverage.

Disability benefit recipients qualify for the SERS' health care coverage upon receipt of a disability benefit.

Survivor benefit recipients qualify for health care coverage upon receipt of a survivor benefit.