



School Employees
Retirement System of Ohio
*Serving the People Who Serve
Our Schools®*



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25

SUMMARY ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2025

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.**

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Introduction

On behalf of the Board and staff of the School Employees Retirement System of Ohio (SERS), I am pleased to share with you this *Summary Annual Financial Report (SAFR)*.

This publication summarizes SERS' organizational accomplishments and financial highlights for the period of July 1, 2024 through June 30, 2025. For more detail on the information contained in this publication, please read our *FY2025 Annual Comprehensive Financial Report (ACFR)*, which is available on our website at www.ohsers.org/about-sers/by-the-numbers/financial-reports/.

In FY2025, SERS posted a time-weighted investment return of 11.2% (net), exceeding the benchmark by 1.1%. The total return was helped by strong net-of-fee returns in global equities (17.0%), opportunistic and tactical (11.7%), and global infrastructure (10.2%). This year's net investment income was \$2.1 billion compared to a \$1.7 billion gain in FY2024.

Notable organizational achievements included:

- Upgrading Account Login to improve navigation and overall user experience for SERS' members and retirees. Now members and retirees can view the status of their refund, disability retirement, and service retirement applications, apply for a refund if their account balance is less than \$5,000, and cancel a refund application online.
- Integrating identity verification software when members or retirees create an online account through Account Login.
- Reducing the monthly health care premium surcharge to \$15 from \$35 beginning in 2026. This reduction will increase the value of the Medicare Advantage plan for enrollees and potentially increase participation.
- Adding projected contributions to the service retirement estimate calculation process. This has helped prevent estimates from erroneously triggering a warning regarding the Contribution Based Benefit Cap (CBBC).
- Receiving recognition from the American Investment Council (AIC) for SERS' success in private equity investing. SERS was recognized as having the second highest net-of-fees, 10-year private equity returns in the nation.
- Outreach by SERS' Employer Services team regarding the new compensation rule through publications, handouts, and webinars. Staff also collaborated with colleagues from around the country at the Public Pension Financial Forum (P2F2) Annual Conference.
- Completing 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.
- Significant progress in year three of SERS' 5-year Technology Roadmap. Key milestones included: 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.
- Reducing SERS' staff footprint inside its Columbus headquarters building, which added 10,000 square feet of rentable tenant space.

Finally, the most notable accomplishment during the year was a full repeal of the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Social Security penalties. SERS' staff diligently advocated for an equitable and a bi-partisan solution to these harmful penalties since they were implemented in 1983.

In November, SERS activated the grassroots legislative tool on its website to request that the Senate vote on a full repeal before Congress recessed for the year. Constituents used this tool to send more than 4,500 letters to their senators.

In December, the Senate overwhelmingly passed the motion and, on January 5, 2025, President Joe Biden signed the legislation, 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.



Richard Strensrud
Executive Director



Summary Annual Financial Report

Financials

SERS is a defined benefit public pension plan. This means that SERS provides a specific, lifetime pension benefit based on a member's age, amount of service credit, and average of the member's highest three years of salary. SERS works with an actuary to calculate the future costs of these benefits when the member retires. The actuary also calculates how much of the employer contributions must be dedicated to pension benefits before health care benefits are funded. In FY2025, the Board passed a resolution to devote all 14% of the employer contribution rate to cover the costs of pensions with none going to fund health care.

SERS has five main sources of income: employer contributions, member contributions, investment income, health care premiums, and other health care receipts. In FY2025, the largest addition to the fund came from net investment income. Deductions from plan net assets refer to the expenses SERS covers each year. The main expenses are pension benefit payments, health care coverage, Medicare Part B reimbursements, refunds of employee contributions to members who leave SERS, and administrative expenses.

FY2025 financial highlights include:

- Total assets and investments increased due to the FY2025 11.2% net investment return.
- The change in SERS' total liabilities is primarily attributed to an increase in investments payable, which fluctuate due to the timing of investment purchases.
- The increase in total additions to plan net position is largely due to an 11.2% time weighted net return on investments in FY2025 compared to a 9.7% net gain in FY2024.
- Total deductions from plan net position for FY2025 include benefit, refund and transfer payments, and administrative expenses.
- The net increase in plan net position is due to net investment earnings in FY2025.

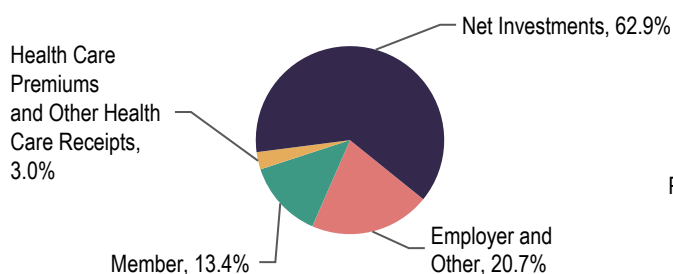
CONDENSED SUMMARY OF TOTAL FIDUCIARY NET POSITION (\$ in millions)				
ASSETS	2025	2024	Change	
			Amount	Percent
Cash	\$291.3	\$441.3	(\$150.0)	(34.0%)
Receivables	310.0	172.9	137.1	79.3
Investments	20,756.6	18,989.4	1,767.2	9.3
Capital Assets, Net	46.0	48.2	(2.2)	(4.6)
Prepaid & Other Assets	3.2	2.2	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%

This table depicts a summary presentation of the assets and liabilities of SERS as of June 30, 2025 and 2024. The Fiduciary Net Position shown is available for future payments of benefits to retirees, beneficiaries, and members of SERS. These figures are presented in conformity with Generally Accepted Accounting Principles (GAAP).

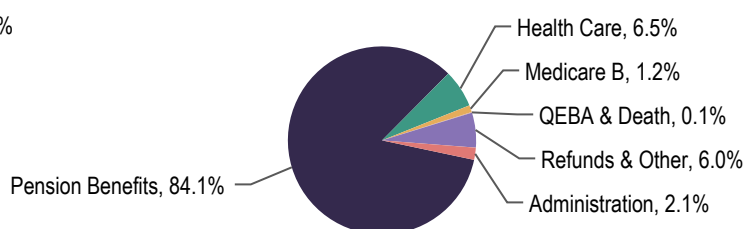
CONDENSED SUMMARY OF CHANGES IN TOTAL FIDUCIARY NET POSITION (\$ in millions)				
ADDITIONS	2025	2024	Change	
			Amount	Percent
Contributions	\$1,124.0	\$1,070.2	\$53.8	5.0%
Other Income	98.8	115.6	(16.8)	(14.5)
Net Investment Income	2,071.4	1,739.6	331.8	19.1
Total Additions	3,294.2	2,925.4	368.8	12.6
DEDUCTIONS				
Benefits	1,593.0	1,540.1	52.9	3.4
Refunds & Transfers	104	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.

Additions to Total Plan Fiduciary Net Position FY2025



Deductions from Total Plan Fiduciary Net Position FY2025



Investments

The main goal of SERS' Investment Department is to ensure that assets are invested wisely. This is necessary so that pension benefits required by law and other benefits authorized by the Board, such as health care, are properly funded. SERS' investment portfolio is diversified, meaning that money in the Fund is divided among many different investment types. This is important because different kinds of investments perform differently depending on the economic conditions. Diversification helps protect assets in bad economic conditions and increase assets during good economic conditions, and reduce overall portfolio risk and volatility.

At June 30, 2025, SERS' investment portfolio was \$20.7 billion. The time weighted investment return was 11.2% (net), for the fiscal year, and exceeded the policy benchmark by 1.1%. Net investment income was \$2.1 billion compared to net investment income of \$1.7 billion in FY2024. The FY2025 investment portfolio asset allocation was 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.

Objectives

The primary objective 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%.

Strategies

SERS makes investments in eight different asset classes and strategies: Global Equity, Global Private Equity, Global Fixed Income, Global Private Credit, Global Real Estate, Global Infrastructure, Opportunistic and Tactical Investments, and Cash Equivalents.

Global Equities - SERS invests in equity securities to earn a premium over government treasury bonds, which is compensation for assuming the relatively higher risk inherent in public equity securities. A sizable allocation to Global Equities is necessary to meet the long-term return goal.

Global Private Equity - SERS invests in private equity to provide risk-adjusted returns in excess of those provided by publicly traded equities.

Global Fixed Income - SERS invests in fixed income assets for the primary purpose of risk diversification and decreasing the overall risk of the investment plan. Fixed income assets may include sovereign debt securities, global corporates, securitized securities, private placements, convertibles, derivatives, and currency.

Global Private Credit - SERS invests in private credit to provide risk adjusted returns in excess of those offered by publicly traded fixed income securities and to generate a consistent stream of income.

Global Real Estate - SERS invests in primarily core, stabilized, institutional-quality, and income producing real estate assets to provide a stable income return.

Global Infrastructure - SERS invests in infrastructure tangible assets with monopolistic and essential qualities that provide inflation-linked returns, higher income, and diversification benefits.

Opportunistic and Tactical Investments - SERS invests in opportunistic investments for the purpose of earning returns greater than the Bloomberg US Aggregate Bond Index +2.0% for investments that do not fit within the existing asset classes. The investments are defined as tactical or non-traditional investment opportunities. Such investments may involve capitalizing on short-term market dislocations or other unique situations, or innovative strategies including tactical allocation.

Cash Equivalents - SERS invests in cash equivalents for the purpose of earning market returns on cash held for benefits and expenses, and to provide short-term cash needed to fund other asset classes. Cash Equivalents are fixed income assets with maturities of less than 270 days and may include US government, asset-backed, corporate, and high quality money market-type securities.

Diversification

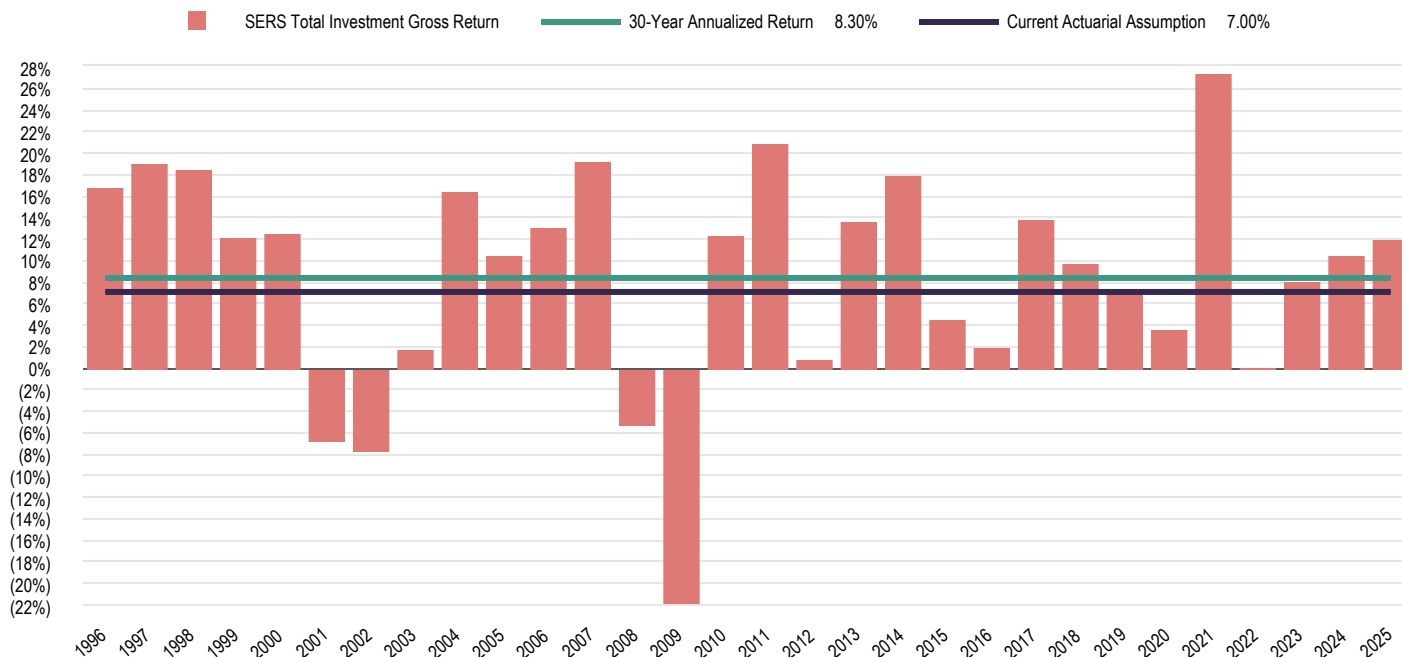
Broad diversification within an investment portfolio is used to control the level of risk and volatility within the portfolio over the long-term. SERS has adopted a broadly diversified asset allocation policy, and the strategies used within each asset class also have been diversified.

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.

Summary Annual Financial Report

SERS Total Investment Return (Gross of Fees)

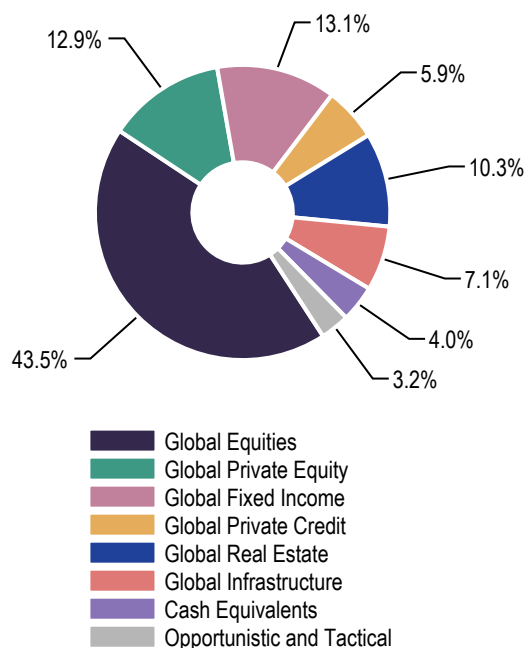


Investment Summary as of June 30, 2025

	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, the global equities fair value allocation was 43.1% and global fixed income fair value allocation was 13.4%.

Asset Allocation



Pension Funding

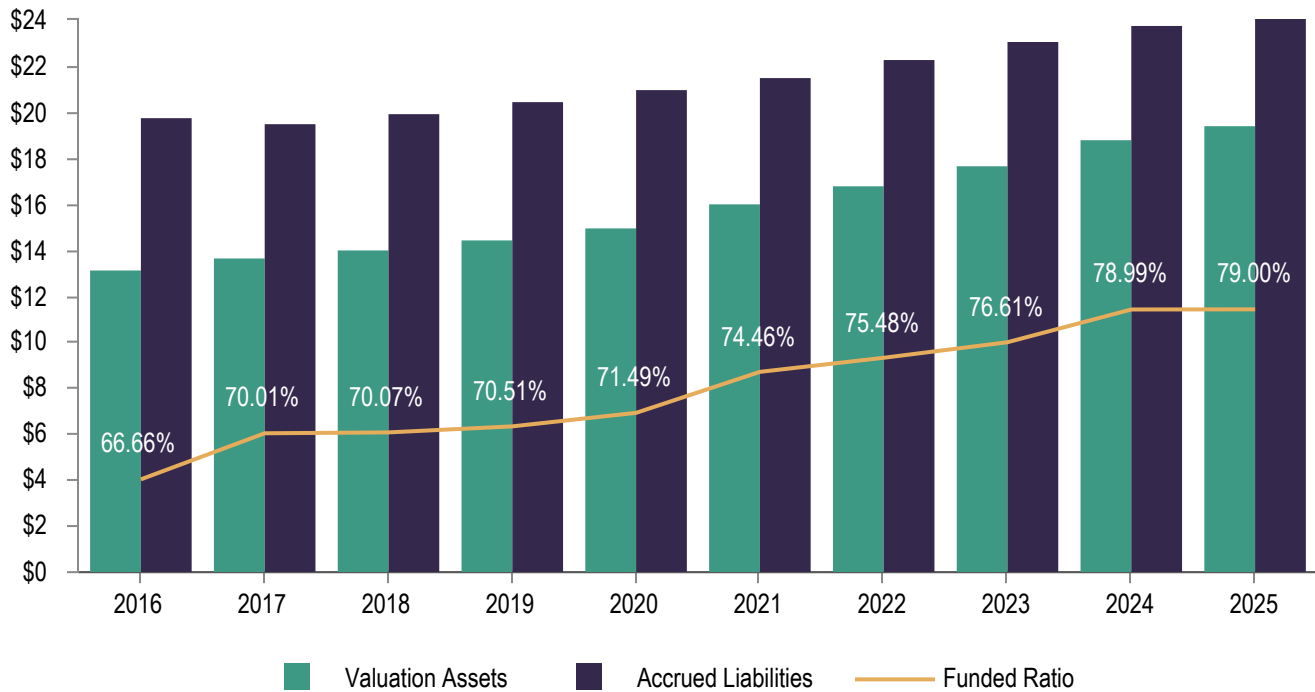
SERS' retirement benefits are funded with member contributions (10% of pay), employer contributions (14% of pay), and income earned from investment returns on those contributions.

The Basic Pension Funding chart, which includes pension, Medicare B, and death benefits, on the following page, shows the available assets according to actuarial calculations to pay for accrued pension liabilities. The accrued pension liabilities are the estimated cost of providing all the benefits to current and future retirees. The percentages in the chart show SERS' funded status (ratio of assets to liabilities) in a given year. By Ohio law, SERS must be able to pay its liabilities within 30 years and was at 19 years as of June 30, 2025.

Through a history of reasonable benefit levels and prudent investments, SERS continues to be financially sound.

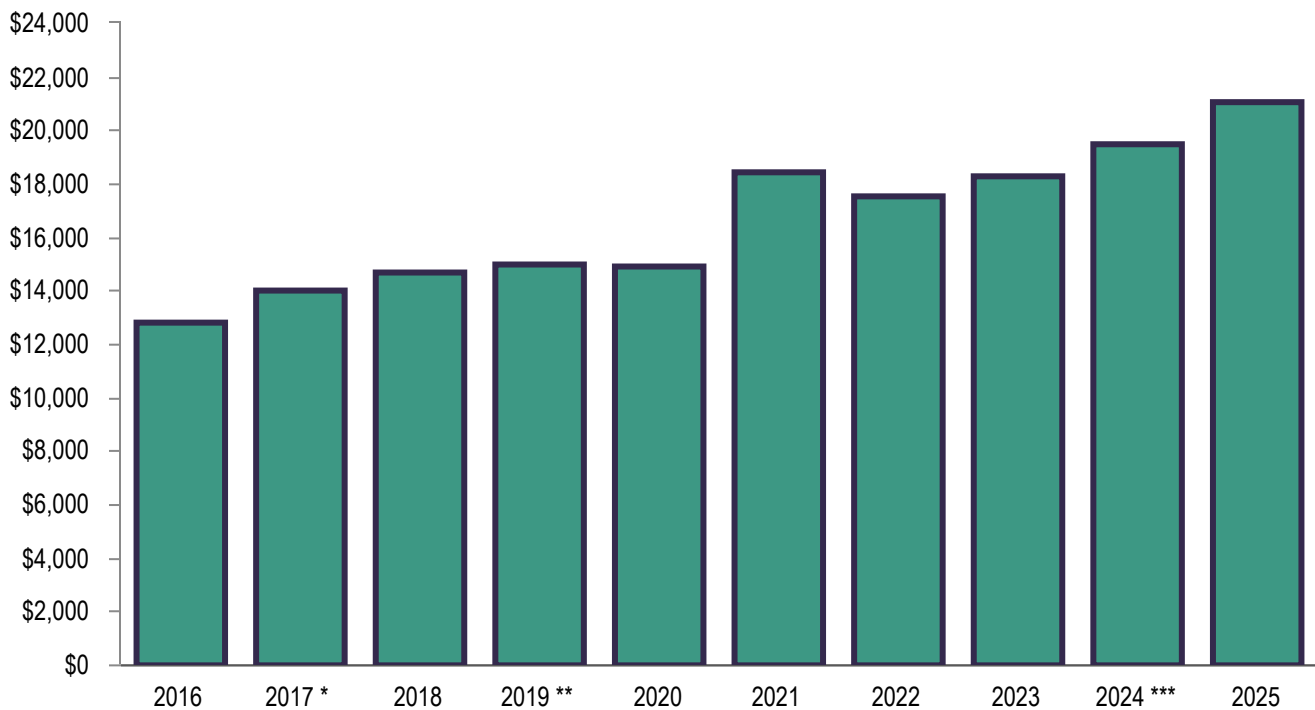
Basic Pension Funding (\$ in billions)

Last 10 fiscal years



Total Fiduciary Net Position (\$ in millions)

Last 10 Fiscal Years



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

** 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 FY2025.

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Membership

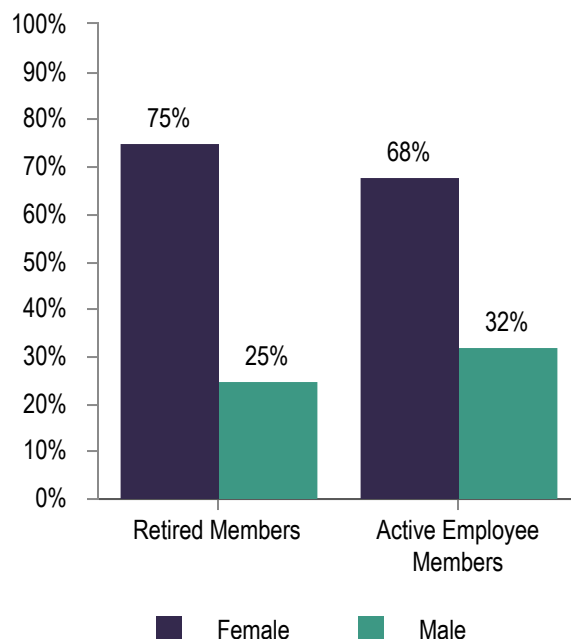
SERS' members include administrative personnel, bus drivers, food service workers, maintenance personnel, educational aides, business officials, and other non-certified school employees who are vital to the operation of Ohio's schools. Our demographics are quite different from those of the other Ohio public retirement systems. SERS' members are predominantly women who begin their public employment at a later age, retire at an older age, and receive modest wages while working. These membership demographics drive the decisions the Board makes regarding pension design, benefits, vesting, contributions, investments, health care, and fund policies.

Retired Members by Type of Benefit			
	Service	Disability	Survivor
Average Monthly Benefit	\$1,465	\$1,497	\$896
Average Age	75.8	69.1	73.3

Average Active Employee Member Statistics		
Age	Service	Annual Salary
46.6	6.9	\$28,647

Membership Data (as of June 30)		
	2025	2024
Retirees and beneficiaries currently receiving benefits	83,327	81,833
Inactive employee members entitled to but not yet receiving benefits	6,682	6,413
Active employee members	165,280	159,873
Total Retirees and Employee Members	255,289	248,119

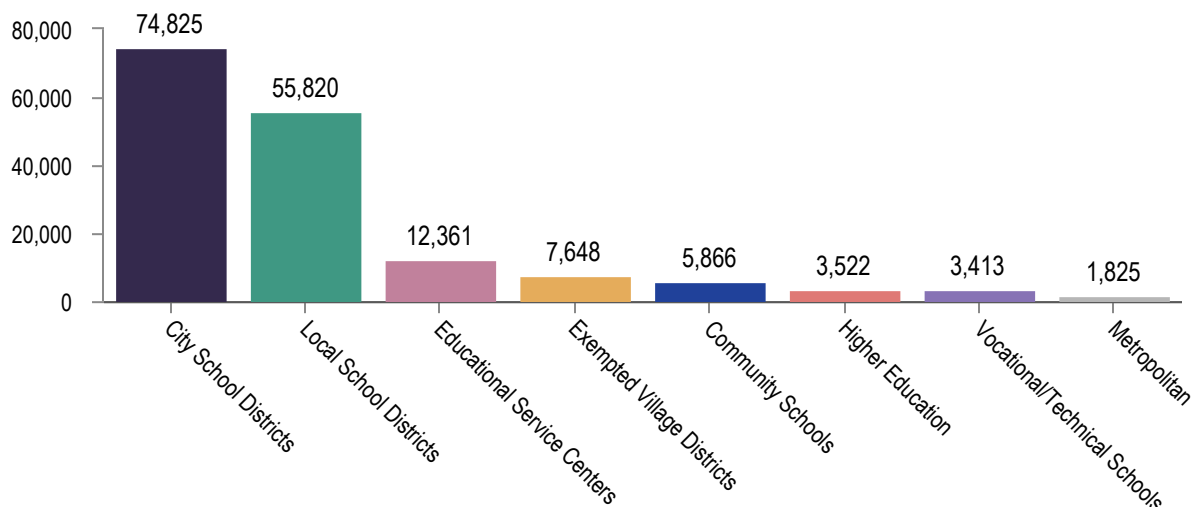
Gender Distribution



Employers

More than 1,000 public schools within the state's cities, villages, and counties, as well as local school districts, vocational and technical schools, community schools, community colleges, and the University of Akron, employ SERS' active members. Employers are responsible for creating member enrollments for all SERS employee members, reporting contribution detail for each employee member, submitting employee member contributions, and processing all contributions.

Covered Employee Members



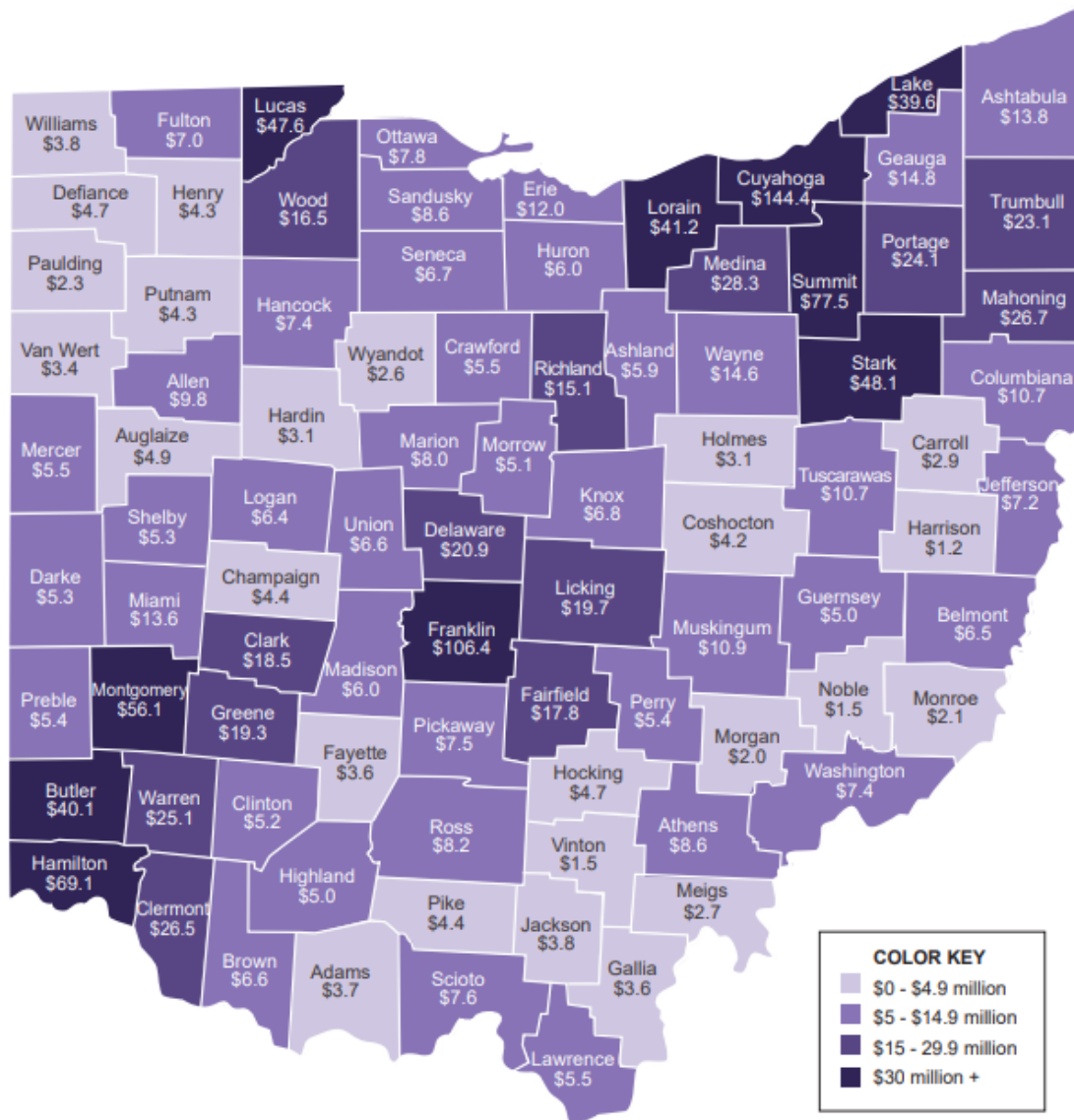
As of June 30, 2025, there were 165,280 covered employee members.

Economic Impact

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.

Pension Benefits by County FY2025 (\$ in millions)



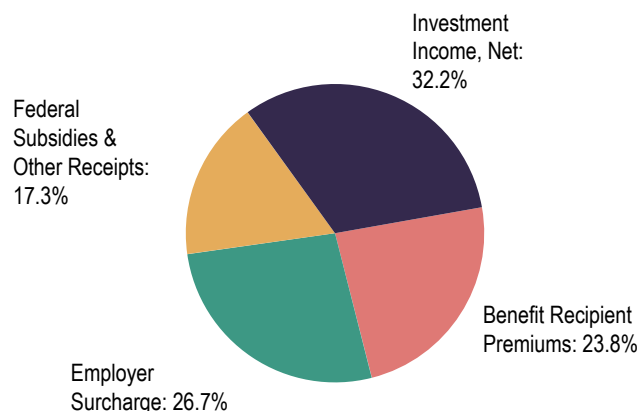
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Health Care

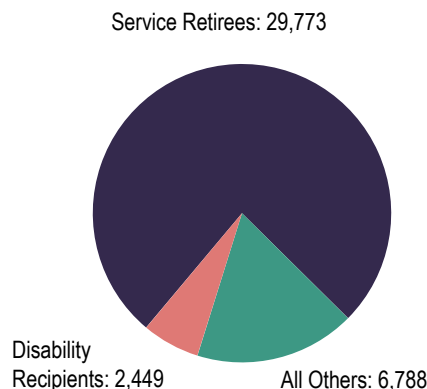
We know for many of our retirees that a secure retirement means more than a pension. Since 1974, SERS has worked to provide retirees access to group health care coverage.

The Health Care Fund balance was \$939.8 million at June 30, 2025. This was an increase of \$123.3 million from the prior year. SERS funds health care through a combination of investment income generated on the Health Care Fund, other health care receipts, premiums, employer contributions (when permitted by SERS' funding policy), and a separate employer-funded health care surcharge to compensate for low-wage salaries. 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.

FY2025 Health Care Fund Income



FY2025 Health Care Participants

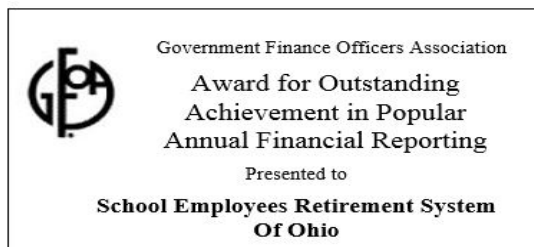


About SERS

Established in 1937, SERS provides retirement security through defined benefit pensions and health care coverage for the people who serve Ohio schools. Protecting and growing the retirement contributions of our members and their employers is our priority. SERS is governed by a nine-member Retirement Board consisting of 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. They meet monthly, except January and August, to discuss and act on SERS business.

This *Summary Annual Financial Report* (SAFR) is produced with information contained in SERS' *Annual Comprehensive Financial Report* (ACFR). All financial information contained in the SAFR conforms with Generally Accepted Accounting Principles (GAAP). SERS' ACFR contains more extensive information and is available on our website at www.ohsers.org.

School Employees Retirement System of Ohio
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SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO - RETIREMENT BOARD as of June 30, 2025

Matthew King		Catherine P. Moss	Jeanine Alexander *	Jeffrey T. DeLeone
Chair, Employee-Member		Vice-Chair, Retiree-Member	Employee-Member	Appointed Member
James H. Haller	James A. Rossler Jr.	Aimee Russell	Frank A. Weglarz	Daniel L. Wilson
Employee-Member	Appointed Member	Employee-Member	Retiree-Member	Appointed Member

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



School Employees Retirement System of Ohio
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