SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO



Report on the Retiree Healthcare Valuation

Prepared as of June 30, 2026

CavMac
Actuarial Consulting Services

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Actuarial Consulting Services

November 2, 2026

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

Dear Members of the Board:

We have submitted the results of the annual actuarial valuation of the Retiree Healthcare Fund of the School Employees Retirement System of Ohio (SERS) prepared as of June 30, 2026. While not verifying the data at the source, the actuary performed tests for consistency and reasonability. The valuation indicates that an actuarially determined contribution of 1.62% of active payroll payable for the fiscal year ending June 30, 2026 is required to fund the benefits.

Separate reports will be prepared to provide accounting information under Governmental Accounting Standards Board Statements No. 74 and 75, when applicable.

The medical and drug benefits of the Plan are included in the actuarially calculated contribution rates which are developed using the entry age normal cost method with the normal cost rate determined as a level percentage of payroll. GASB requires the discount rate used to value a plan 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%. Gains and losses are reflected in the unfunded accrued liability that is amortized by regular annual contributions as a level percentage of payroll within a 29-year period, on the assumption that payroll will increase by 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.

The impacts of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) were addressed in this valuation. Review of the information currently available did not identify any specific provisions of the legislation that are anticipated to directly impact results at this time other than plan design features and fees currently mandated by the ACA and incorporated in the plan designs, which are included in the current baseline claims costs, and the anticipation of potential changes to Medicare due to the IRA, which are included in our baseline costs and trend assumption. We note that the Marketplace subsidies put in place by the American Rescue Plan Act (ARPA) of 2021 expired at the end of 2025. The discontinuation of these subsidies may cause the HRA Wraparound plan to become less attractive to certain groups of pre-Medicare retirees. We have made no changes to our HRA Wraparound plan participation assumptions at this time, but we have included exhibits showing the estimated increase in liabilities in the event some HRA Wraparound plan members revert back to the SERS group plans. Continued monitoring of the impact on the Plan's liability due to these and further legislation, if applicable, will be required.

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.

Since the previous valuation, various assumptions and methods have been revised to reflect the results of the experience investigation for the five-year period ending June 30, 2025. Additionally, the initial per capita costs of healthcare and the rates of healthcare inflation used to project the per capita healthcare costs have been revised to reflect recent experience and revised expectations.

The impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Given the uncertainty regarding COVID-19 (e.g., the impact of routine care being deferred, direct COVID-19 treatment and prevention costs, changes in contribution and budget projections), continued monitoring of the impact on the Plan's liability will be required.

To the best of our knowledge, this report is complete and accurate. The valuation was performed by, and under the supervision of, independent actuaries who are members of the American Academy of Actuaries with experience in performing valuations for public retirement systems. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The valuation was prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the system, and on actuarial assumptions that are, in the aggregate, internally consistent and reasonably based on the actual experience of the system.

Respectfully submitted,



Alisa Bennett, FSA, FCA, EA, MAAA
President & Consulting Actuary



Jessica Fain, EA, ACA, MAAA
Senior Actuary

AB/JF:jf

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REPORT ON THE ANNUAL RETIREE HEALTHCARE VALUATION OF THE SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO PREPARED AS OF JUNE 30, 2026

The School Employees Retirement System of Ohio (SERS or System) is a defined benefit public pension fund that provides pensions and access to healthcare coverage for retired school employees who are covered in nonteaching positions. This includes bus drivers, custodians, treasurers, business officials, administrative assistants, food service providers, and educational aides. This report presents the results of the June 30, 2026, actuarial funding valuation of the Retiree Healthcare Fund. The primary purposes of performing the actuarial funding valuation are to:

- determine the sufficiency of the Statutory Contribution Rate as set forth in the Ohio statutes;
- determine the experience of the Fund since the last valuation date;
- disclose asset and liability measures as of the valuation date;
- analyze and report on trends in Fund contributions, assets, and liabilities over the past several years; and
- project expected solvency of the Fund based on current and future estimations of healthcare costs, contributions and investment income.

Since the previous valuation, there were no changes to the plan provisions, however the actuarial methods and assumptions were updated to reflect an experience study performed over the five-year period ending June 30, 2025. Any measures of experience gains and losses for the year ending June 30, 2026 are based on the assumptions and methods in use for the June 30, 2025 valuation. The experience study reviewed the actuarial assumptions and methods used in the actuarial valuation process. While there are certain OPEB specific assumptions, the majority of the assumptions fall into two categories. The first includes economic assumptions which include price inflation, wage inflation and investment return. The second category includes demographic assumptions such as assumed rates of mortality, service retirement, disability retirement, withdrawal, and salary increases for merits and promotions.

Summary of Changes	
Actuarial Methods	
Actuarial Cost Method	No change
Actuarial Value of Assets	No change
Payroll Growth Assumption	No change
Amortization Method	Closed the 30-year amortization period
OPEB Specific	
Age Related Morbidity Factors	Update Medicare-eligible retiree factors to net allowed
Plan Participation	
Service Retirement	No change
Disabled Retirement	No change
Retirement from Deferred Status	No change
Spousal Coverage	No change
Non-Spousal Dependent Coverage	No change
Waived Participation at Age 65	No change

Summary of Changes	
OPEB Specific (continued)	
Plan Election	
Non-Medicare	No Change
Medicare	Assume 100% of Future Retirees or Retirees Under the Age of 65 will be Eligible for Full Medicare at age 65
Premium Discount Program Eligibility	Change to 3%
Economic Assumptions	
Investment Return	No change
Price Inflation	Increased from 2.40% to 2.50%
Wage Inflation	Increased from 3.25% to 3.50%
Real Wage Growth	Increased from 0.85% to 1.00%
Healthcare Cost Trend Rates	
Initial	No change in methodology to set on yearly basis
Ultimate	Use ultimate trend rate of price inflation + 2.00%, or 4.50%
Demographic Assumptions	
Rates of Withdrawal	Updated rates of withdrawal
Rates of Disability Retirement	Updated rates of disability
Rates of Service Retirement	Updated rates of retirement
Mortality	Updated to Pub-2016 family of mortality tables projected generationally with MP-2021 projection scale
Salary Increase	Updated assumed salary increases
Percent Married	No change
Spousal Age Difference	No change

The actuarial valuation results provide a "snapshot" view of the Fund's financial condition on June 30, 2026. Actuarial gains and losses result when the actual experience of the plan (such as asset return, healthcare costs, premium increases, turnover, deaths, etc.) is different from that expected by the actuarial assumptions. The Fund's unfunded actuarial accrued liability (UAAL) was expected to be $785.2 million as of June 30, 2026, taking into account expected contributions from the employers of $125.5 million. The actual UAAL is $251.1 million. The net gain of $534.1 million is mainly attributable to Medicare costs lower than expected, the impact of the new Experience Study, and favorable investment returns.

The amortization period of the UAAL is 29 years as of June 30, 2026. The valuation is based on a set of actuarial assumptions which were adopted by the Board based on the five-year experience study for the period ending June 30, 2025. These assumptions are presented in Schedule B.

A summary of the key results from the June 30, 2026 actuarial valuation is shown below. Further detail on the valuation results can be found in the following sections of this Executive Summary.

	June 30, 2026 Valuation Results	June 30, 2025 Valuation Results
Actuarially Determined Contribution Rate	1.62%	2.60%
Amortization Period	29	30
Unfunded Actuarial Accrued Liability ($M)	$251.1	$783.8
Funded Ratio (Market Assets)	82.23%	54.53%

The funding policy requires at least 13.50% of the employers' 14.00% contributions be allocated to SERS' basic benefits when the funded ratio is 70% but less than 80%, with the remainder (if any) allocated to healthcare. Based on a Board Resolution in September, the valuation allocates the entire 14.00% to the basic benefits and 0.00% allocated to healthcare consistent with SERS' funding policy.

EXPERIENCE FOR THE LAST PLAN YEAR

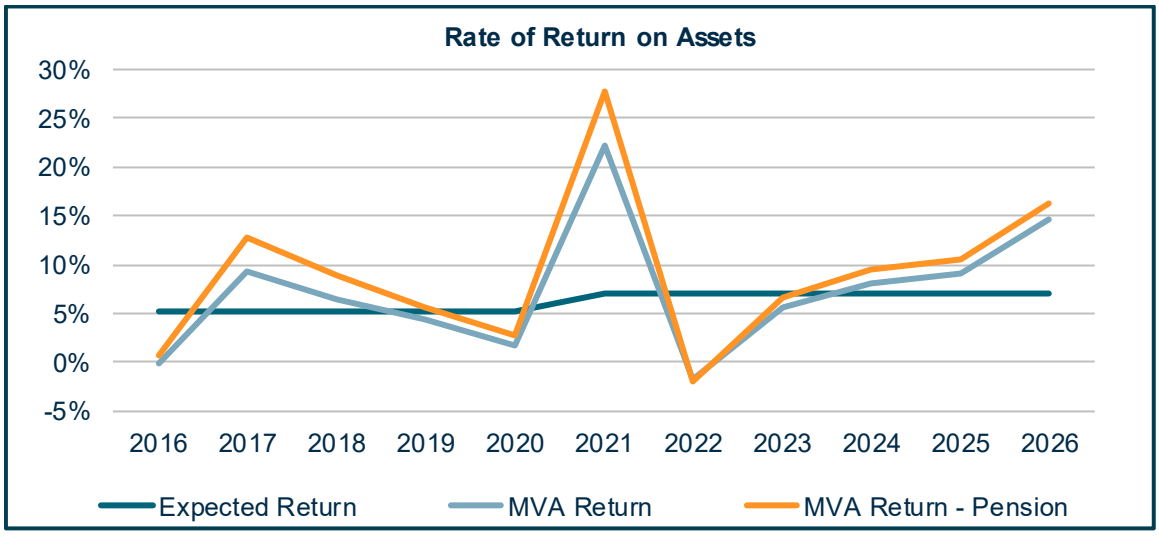
Numerous factors contributed to the change in the Fund's assets, liabilities, and actuarial contribution rate between June 30, 2025 and June 30, 2026. The components are examined in the following discussion.

ASSETS

As of June 30, 2026, SERS' Healthcare Fund had net assets of $1,161,732,659, when measured on a market value basis. This was an increase of $221,920,188 from the previous year. The components of change in the asset value are shown in the table on the next page. As can be seen, the income into the Fund is heavily dependent on prescription drug rebates and reimbursements for the Medicare plan which may or may not continue at the current levels. Therefore, in the Risk Section of this Executive Summary, we show the solvency of the Fund under the alternate scenarios of increased healthcare trend and Medicare costs.

Asset Summary Based on Market Value			
(1)	**Assets at June 30, 2025**	$	939,812,471
(2)	**Employer Contributions**		66,023,544
(3)	**Other Income**		
	Retiree Healthcare Premiums		52,764,484
	Aetna Shared Risk		32,521,769
	CMS Direct Subsidy		69,854,984
	Manufacturer Discount Program		41,265,896
	CMS Reinsurance		22,210,271
	Prescription Drug Rebates		63,270,667
	Total		281,888,071
(4)	**Investment Gain (Loss)**		143,149,196
(5)	**Total Healthcare Expenses**		(265,361,475)
(6)	**Administrative Expenses**		(3,779,148)
(7)	**Assets at June 30, 2026** (1) + (2) + (3) + (4) + (5) + (6)	$	1,161,732,659

The estimated investment return on the market value of assets for FY2026 was 14.62%. As this rate of return was greater than the assumed rate of 7.00%, there was an actuarial investment experience gain of $98.1 million. The chart below shows the actual return on the market value of assets of the Healthcare Fund compared with expected return and with the market value return of the pension fund. As can be seen, the actual market return of the Healthcare Fund has been less than the market value return of the pension fund. Therefore, in the Risk Section of this Executive Summary, we show the solvency of the Fund under the alternate scenario of earning investment return of 6.00% instead of 7.00%.



LIABILITIES

The actuarial accrued liability is the portion of the present value of future benefits allocated to service performed up to the valuation date. The difference between this liability and the market value of assets is called the unfunded actuarial accrued liability (UAAL). The dollar amount of unfunded actuarial accrued liability is reduced if the contributions to the Fund exceed the normal cost for the year, plus interest on the prior year's UAAL.

The unfunded actuarial accrued liability is shown as of June 30, 2026 and June 30, 2025 in the following table:

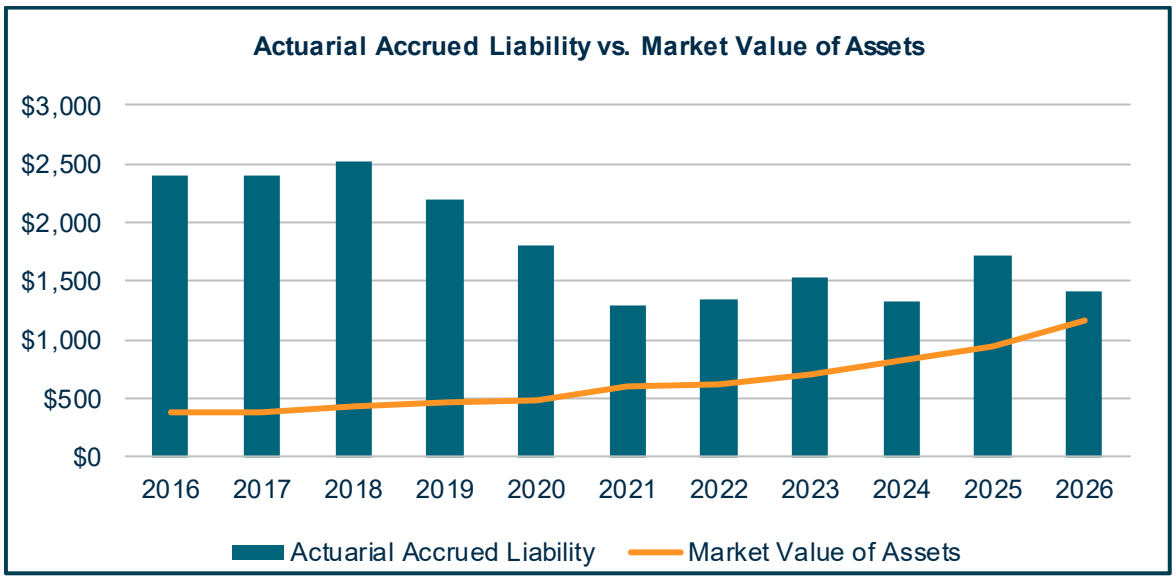
	June 30, 2026 Valuation Results	June 30, 2025 Valuation Results
Actuarial Accrued Liability	$ 1,412,817,050	$ 1,723,587,498
Market Value of Assets	1,161,732,659	939,812,471
Unfunded Actuarial Accrued Liability	$ 251,084,391	$ 783,775,027
Funded Ratio	82.23%	54.53%

Changes in the UAAL occur for various reasons. The net decrease in the UAAL from June 30, 2025, to June 30, 2026, was $532.7 million. The components of this net change are shown in the table below:

Changes in the Unfunded Actuarial Accrued Liability ($ Millions)		
Unfunded Actuarial Accrued Liability, June 30, 2025		$ 783.8
Expected change	1.4	
Investment and contribution experience	(98.1)	
Claims experience	(240.6)	
Liability experience	(71.9)	
Assumption changes*	(123.5)	
Total		$ (532.7)
Unfunded Actuarial Accrued Liability, June 30, 2026		$ 251.1

* The assumption changes reflect the results of the experience investigation for the five-year period ending June 30, 2025, as well as the change in the initial rates of healthcare inflation used to project the per capita healthcare costs. The primary changes due to the experience study that decreased the unfunded liability were changes to the Medicare eligible age-related morbidity factors and assuming 100% of future retirees or current retirees under the age of 65 will be eligible for full Medicare at age 65.

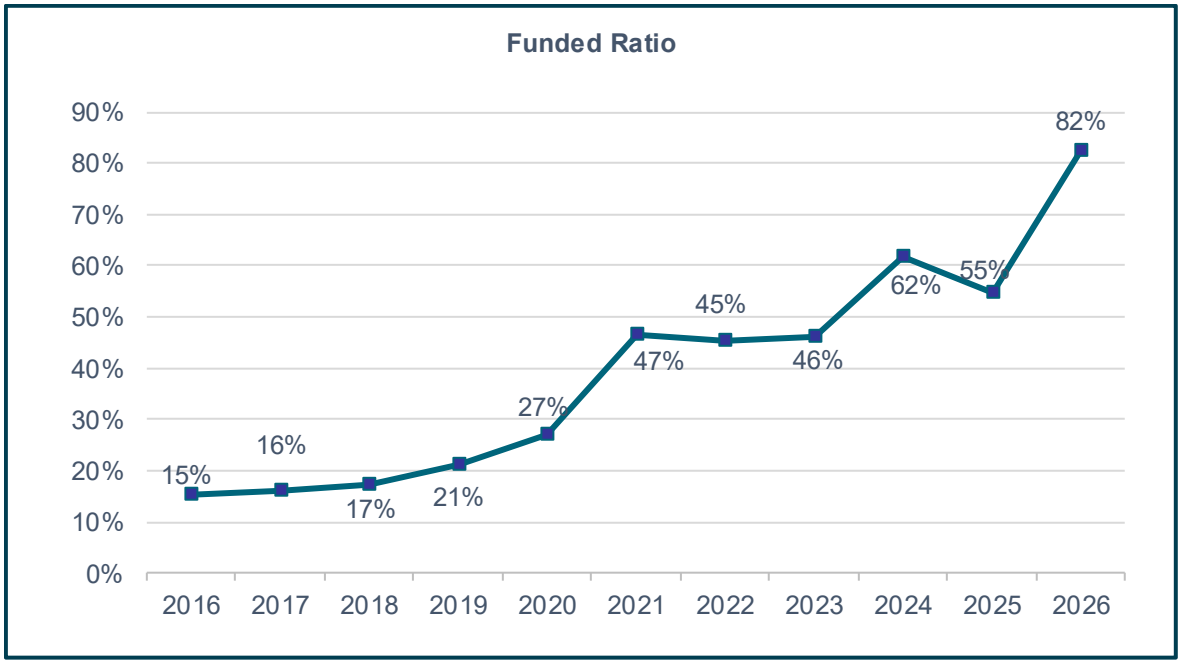
As noted above, various components impacted the UAAL. Actuarial gains (losses) result from actual experience that is more (less) favorable than anticipated based on the actuarial assumptions. The amounts are measured as the difference between the expected unfunded actuarial accrued liability and the actual unfunded actuarial accrued liability net of any impact due to changes in actuarial assumptions and methods or benefit provisions. Overall, the Fund experienced a net decrease to the UAAL of $532.7 million. The net UAAL decrease was primarily due to Medicare costs lower than expected, the impact of the new Experience Study, and favorable investment returns.


Actuarial Accrued Liability vs. Market Value of Assets
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
Actuarial Accrued Liability
Market Value of Assets

Since June 30, 2014, the actuarial accrued liability has been higher than the market value of assets. Employer contributions less than the actuarially determined amount was the primary source of the difference between the actuarial accrued liability and market assets. Medicare costs have been less than expected since 2014. Since both Medicare costs and the Wraparound plan are heavily dependent on Federal legislation and reimbursements, in the Risk Section of this Executive Summary, we show the solvency of the Fund under the alternate scenario where 0% of the pre-Medicare members elect (or can elect) to participate in the HRA Wraparound plan and Medicare costs return to the higher cost level of $217.52 seen in 2014. In addition, the decrease in actual accrued liability starting in 2021 is due to the increase in the discount rate from 5.25% to 7.00% based on the experience study. An evaluation of the unfunded actuarial accrued liability on a pure dollar basis may not provide a complete analysis since only the difference between the assets and liabilities (which are both very large numbers) is reflected. Another way to evaluate the unfunded actuarial accrued liability and the progress made in its funding is to track the funded ratio, the ratio of the market value of assets to the actuarial accrued liability.

	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
Funded Ratio	46.56%	45.36%	46.14%	61.59%	54.53%	82.23%
Unfunded Actuarial Accrued Liability ($M)	$ 689.1	$ 736.7	$ 824.9	$ 509.2	$ 783.8	$ 251.1

The longer-term historical funded ratio information is shown in the chart below.



ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION RATE

Under the Entry Age Normal cost method, the actuarial contribution rate consists of two components:

- a "normal cost" for the portion of projected liabilities allocated by the actuarial cost method to service of members during the year following the valuation date which is funded by employer contributions, and
- an "unfunded actuarial accrued liability contribution" for the excess of the portion of projected liabilities allocated to service-to-date over the market value of assets.

See Section VI of the report for the detailed development of these contribution rates which are summarized in the following table:

Contribution Rates	June 30, 2026	June 30, 2025
1. Normal Cost Rate	1.28%	1.52%
2. UAAL Contribution Rate	0.34%	1.08%
3. Total Actuarially Determined Contribution Rate (1) + (2)	1.62%	2.60%
4. Funded Ratio	82.23%	54.53%

Contributions are developed with the intent of being level as a percentage of covered payroll, assuming the number of active members remains stable. However, the funding policy is developed to accumulate sufficient assets in the pension fund to make all future benefit payments as they become due, if all assumptions are met. The funding policy requires at least 13.50% of the employers' contributions be allocated to SERS' basic benefits when the funded ratio is 70% but less than 80%, with the remainder (if any) allocated to the Healthcare Fund. However, based on a Board Resolution in September, the entire 14.00% employer contribution will be allocated to SERS' basic benefits, therefore setting the health contribution rate at 0.00%, plus a healthcare surcharge of 1.50%.

RISK ANALYSIS

Sensitivity Measures

Valuations are generally performed with a single set of assumptions that reflects the best estimate of future conditions, in the opinion of the actuary and typically the governing board. Note that under actuarial standards of practice, the set of economic assumptions used for funding must be consistent. To enhance the understanding of the importance of an assumption, a sensitivity test can be performed where the valuation results are recalculated using a different assumption or set of assumptions.

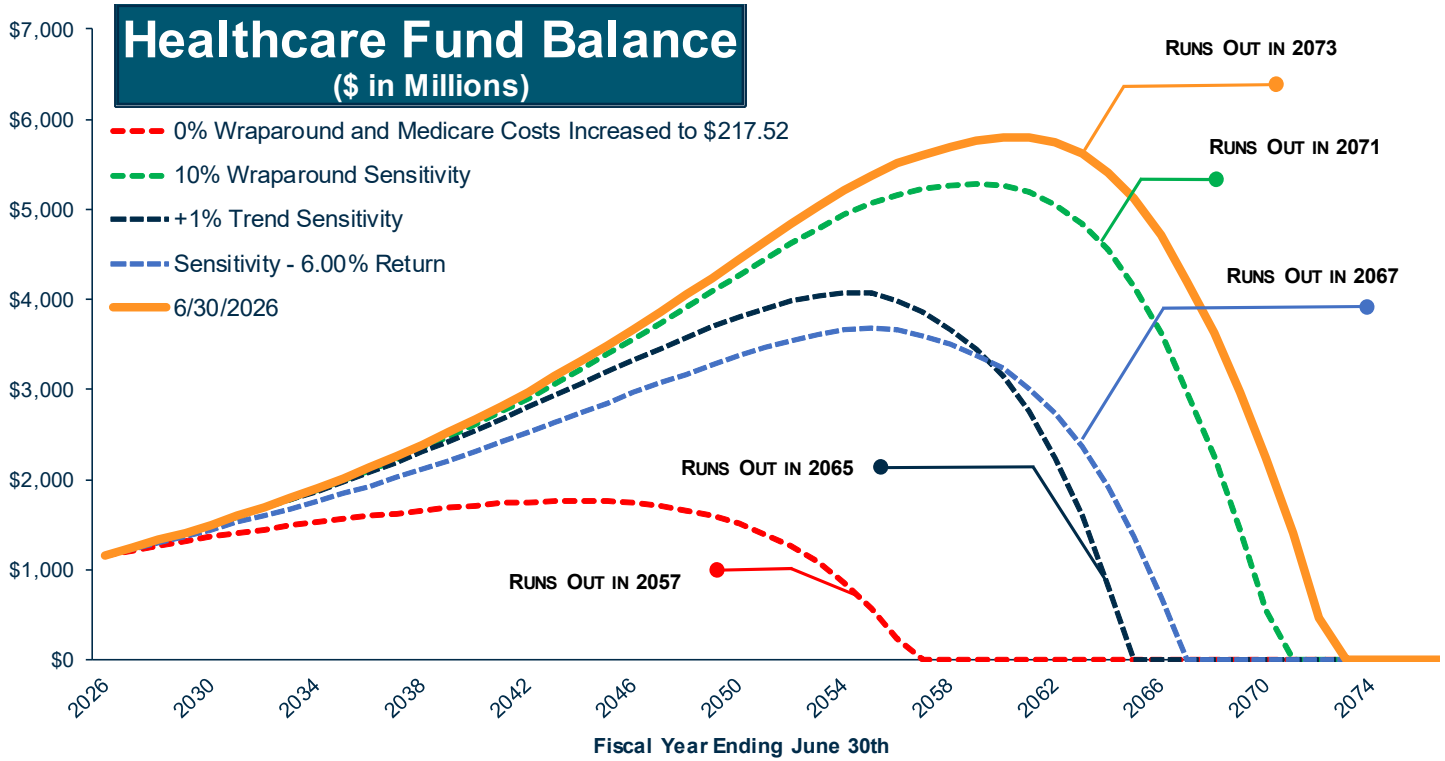
The following table contains the key measures for the Fund using the current healthcare trend rates and premium contribution increase rates disclosed in Schedule B, with Baseline results based on the Medicare vendor costs effective January 1, 2027. It also provides results under three alternative scenarios to illustrate the sensitivity of the valuation results to different healthcare coverage elections and costs:

1. Due to considerations like specialty drugs, emerging treatments, GLP-1s and changes to healthcare law and Medicare reimbursements, there exists a possibility for healthcare cost to increase more than expected. Therefore, in this first scenario, the trends on healthcare costs are increased by 1% for all years.
2. We note that the Marketplace subsidies put in place by the American Rescue Plan Act (ARPA) of 2021 expired at the end of 2025. The discontinuation of these subsidies may cause the HRA Wraparound plan to become less attractive to certain groups of pre-Medicare retirees. Therefore in the second scenario, a lower Wraparound plan participation assumption (10% Wraparound/ 90% PPO) was used.
3. Medicare costs have been less than expected since 2014, however, both Medicare costs and the Wraparound plan are heavily dependent on Federal legislation and reimbursements, Therefore in the third scenario, we illustrate the combined impact of Medicare costs should they return to the higher cost level of $217.52 seen in 2014 with the results if 0% of the pre-Medicare members elect (or can elect) to participate in the HRA Wraparound plan.

	Current Valuation	+1% Healthcare Trends	10% Wraparound Election	0% Wraparound and Increased Medicare Costs
Actuarial Accrued Liability	$ 1,412,817,050	$ 1,641,192,296	$ 1,453,478,266	$ 1,974,554,298
Unfunded Actuarial Accrued Liability	251,084,391	479,459,637	291,745,607	812,821,639
Funded Ratio	82.23%	70.79%	79.93%	58.84%
Actuarially Determined Contribution Rate	1.62%	2.41%	1.74%	2.80%

Solvency Sensitivities with Projected New Hires Included

The chart on page 25 shows the projected Healthcare Fund Balances from the five most recent valuations. The projections were based on the funding policy and assumptions in effect on the applicable valuation dates. The 2023 projections and prior include no new hires in the benefit payment projections. Since the 2024 and subsequent projections indicate solvency for a longer period, we included projected benefit payments for potential new hires in addition to a 7.00% future asset rate of return assumption, a payroll growth assumption of 1.75% per year, and the assumption that the health contribution rate will be 0.00%, plus a healthcare surcharge of 1.50%. These projections assume there will be no healthcare cost increases due to IRA and ACA law changes or reimbursements and/or COVID-19 impact other than current baseline costs and anticipated healthcare trend. The chart below shows the current year solvency based on the current year assumptions and methods detailed above, along with sensitivity solvency estimates assuming: 1) a 6.00% future asset rate of return assumption, 2) an increase in the future healthcare trend rates of 1%, 3) a decrease in the future retiree Wraparound Plan election assumption from 20% to 10%, and 4) a decrease in the future retiree Wraparound Plan election assumption from 20% to 0% with a Medicare cost level of $217.52 as seen in 2014.



REPORT ON THE ANNUAL VALUATION OF THE SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO PREPARED AS OF JUNE 30, 2026

1. This report, prepared as of June 30, 2026, presents the results of the annual actuarial valuation of retiree healthcare offered to SERS members. For convenience of reference, the principal results of the valuation and a comparison with the preceding valuation results are summarized in the following table.

	June 30, 2026	June 30, 2025
Active members included in valuation		
Number	165,479	165,280
Annual Compensation	$4,828,674,531	$4,734,707,838
Service Retirees*		
Number	30,521	29,773
Disability Retirees*		
Number**	2,350	2,449
Spouses of Retirees		
Number	5,004	4,849
Spouses of Deceased Retirees		
Number	1,243	1,282
Survivor Benefit Recipients		
Number	447	464
Non-Spouse Dependents		
Number	192	193
Deferred Vested		
Number	6,613	6,682
Assets		
Market Value	$1,161,732,659	$939,812,471
Unfunded Accrued Liability	$251,084,391	$783,775,027
Actuarial Accrued Liability	$1,412,817,050	$1,723,587,498
Funded Ratio (MVA/AAL)	82.23%	54.53%
Employer Contribution Rate		
Normal	1.28%	1.52%
Accrued Liability	0.34%	1.08%
Total	1.62%	2.60%
Employer Contribution Toward Healthcare***	1.50%	1.50%
Accrued liability amortization period	29	30

* In addition and not included in the counts above, there are 2,584 pre-Medicare eligible service retirees and 1,287 pre-Medicare eligible disabled retirees who are waiving coverage. It is assumed that 15% will elect coverage upon reaching Medicare eligibility.

** Of the 2,350 Disabled Retirees listed above, 601 converted to a Service Pension Benefit.

*** Includes 1.50% of payroll surcharge

2. The funding policy requires at least 13.50% of the employers' contributions be allocated to SERS' basic benefits when the funded ratio is 70% but less than 80%, with the remainder (if any) allocated to the Healthcare Fund. However, based on a Board Resolution in September, the entire 14.00% employer contribution will be allocated to SERS' basic benefits, therefore setting the health contribution rate at 0.00%, plus a healthcare surcharge of 1.50%. This rate includes the anticipated revenue from the minimum surcharge level for FY2027 of $35,000.

3. The valuation balance sheet showing the results of the valuation is given in Schedule A.

4. Comments on the valuation results are given in Section IV, comments on the experience and actuarial gains and losses during the valuation year are given in Section V, and the rates of contribution payable by the employer are given in Section VI. Since the previous valuation, there were no changes to the plan provisions, however changes were made to the assumed initial per capita healthcare costs and future cost increases. See Schedule B for more details on assumptions and methods used.

5. The impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Given the uncertainty regarding COVID-19 (e.g., the impact of routine care being deferred, direct COVID-19 treatment and prevention costs, changes in contribution and budget projections), continued monitoring of the impact on the Plan's liability will be required.

6. The impacts of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) were addressed in this valuation. Review of the information currently available did not identify any specific provisions of the legislation that are anticipated to directly impact results at this time other than plan design features and fees currently mandated by the ACA and incorporated in the plan designs, which are included in the current baseline claims costs, and the anticipation of potential changes to Medicare due to the IRA, which are included in our baseline costs and trend assumption. We note that the Marketplace subsidies put in place by the American Rescue Plan Act (ARPA) of 2021 expired at the end of 2025. The discontinuation of these subsidies may cause the HRA Wraparound plan to become less attractive to certain groups of pre-Medicare retirees. We have made no changes to our HRA Wraparound plan participation assumptions at this time, but we have included exhibits showing the estimated increase in liabilities in the event some HRA Wraparound plan members revert back to the SERS group plans. Continued monitoring of the impact on the Plan's liability due to these and further legislation, if applicable, will be required.

7. The following changes were reflected in this valuation:

Medicare Eligible

Premiums

Premiums will remain the same in 2027 for enrollees in the Aetna Medicare PPO Plan. Plan benefits will remain the same.

Benefits

There are no pharmacy changes. However, a few prescription drugs may change to non-preferred.

Non-Medicare Eligible

Premiums

There will be a 7% base premium increase in 2027 for enrollees in the Aetna Choice POS II Plan.
There will be a 29% base premium increase in 2027 for enrollees in the AultCare PPO Plan.

Benefits

There are no pharmacy changes. However, a few prescription drugs may change to non-preferred.

SERS Wraparound HRA

The Health Reimbursement Arrangement (HRA) limit is increasing to $2,250 from $2,200 per family per calendar year. Enrollees seeking non-Medicare coverage are required to participate in a counseling session to explore the affordability of available SERS alternatives, including the SERS Marketplace Wraparound Plan.

8. Schedule B of this report outlines the full set of actuarial assumptions and methods employed. Since the previous valuation, various assumptions and methods have been revised to reflect the results of the experience investigation for the five-year period ending June 30, 2025. Additionally, the initial per capita costs of healthcare and the rates of healthcare inflation used to project the per capita healthcare costs have been revised to reflect recent experience.

9. The statute sets a contribution cap of 24.00% of payroll: 14.00% from employers and 10.00% from employees. The funding policy states that employer contributions in excess of those required to support the basic benefits may be allocated to retiree healthcare funding. If the funded ratio is less than 70%, the entire 14.00% 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 Healthcare 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 Healthcare Fund. If the funded ratio is 90% or greater, the Healthcare Fund may receive any portion of the employers' contribution that is not needed to fund SERS' basic benefits.

10. Contributions to the Healthcare Fund will be 1.50% for fiscal year 2027, which is less than the actuarially determined employer contribution rate. As can be seen on page 25, the expected Healthcare Fund solvency has increased from 2064 in the prior valuation to 2073 based on current assumptions. This increase is primarily due to Medicare costs lower than expected, the impact of the new Experience Study, and favorable investment returns. Please note that the Executive Summary section of this report contains solvency sensitivity projections which illustrate plausible alternate scenarios that would lead to the Fund being insolvent at earlier points using different assumptions.

SECTION II – MEMBERSHIP DATA

Data regarding the membership of the System for use as a basis for the valuation were furnished by the System's office. The following tables summarize the membership of the System as of June 30, 2026 upon which the valuation was based. Detailed tabulations of the data are given in Schedule D.

Active Members

		Group Averages		
Number	Payroll	Salary	Age	Service
165,479	$4,828,674,531	$29,180	46.5	6.7

The following table shows a seven-year schedule of active member valuation data.

Schedule of SERS Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
6/30/2020	156,579	$ 3,477,578,726	$ 22,210	2.2%
6/30/2021	146,646	3,622,097,199*	24,700	11.2
6/30/2022	155,063	3,994,657,693	25,762	4.3
6/30/2023	159,873	4,298,689,195	26,888	4.4
6/30/2024	163,350	4,547,315,949	27,838	3.5
6/30/2025	165,280	4,734,707,838	28,647	2.9
6/30/2026	165,479	4,828,674,531	29,180	1.9

* Effective June 30, 2021, the annual compensation reflects imputed salaries.

The following table shows the number of retiree members and their beneficiaries receiving healthcare as of the valuation date as well as average ages.

Retiree Lives

AultCare PPO, Aetna Choice POS II, and SERS Marketplace Wraparound HRA	Number	Average Age
Service Retirees	2,243	62.6
Disability Retirees	236	60.7
Spouses	263	61.5
Non-Spouse Dependents	139	21.0
Total	2,881	60.4

Aetna Medicare Plan (PPO) and Aetna Traditional Choice	Number	Average Age
Service Retirees	28,278	77.1
Disability Retirees	2,114	73.6
Spouses	6,431	77.9
Non-Spouse Dependents	53	53.7
Total	36,876	77.0

Non-Medicare Waiving Type of Benefit Recipient	Number	Average Age
Service Retirees	2,584	62.6
Disability Retirees	1,287	58.7
Total	3,871	61.3

This valuation also includes 6,613 deferred vested members eligible for healthcare not included in the counts above.

1. As of June 30, 2026 the total market value of assets amounted to $1,161,732,659.

Asset Summary Based on Market Value			
(1)	**Assets at June 30, 2025**	$	939,812,471
(2)	**Employer Contributions**		66,023,544
(3)	**Other Income**		
	Retiree Healthcare Premiums		52,764,484
	Aetna Shared Risk		32,521,769
	CMS Direct Subsidy		69,854,984
	Manufacturer Discount Program		41,265,896
	CMS Reinsurance		22,210,271
	Prescription Drug Rebates		63,270,667
	Total		281,888,071
(4)	**Investment Gain (Loss)**		143,149,196
(5)	**Total Healthcare Expenses**		(265,361,475)
(6)	**Administrative Expenses**		(3,779,148)
(7)	**Assets at June 30, 2026** (1) + (2) + (3) + (4) + (5) + (6)	$	1,161,732,659
(8)	**Annualized Rate of Return***		14.62 %

*Based on the approximation formula: I/[0.5 x (A + B – I)], where

I = Investment Gain (Loss)
A = Beginning of year asset value
B = End of year asset value

SECTION IV – COMMENTS ON VALUATION

Schedule A of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the System as of June 30, 2026.

1. The total healthcare valuation balance sheet shows that the System has total future healthcare liabilities of $1,989,867,938 of which $511,131,753 is for the future benefits payable for present retiree members and beneficiaries of deceased members; $19,938,706 is for the future benefits payable for current deferred vested members; and $1,458,797,479 is for the future benefits payable for present active members. Against these healthcare liabilities, the System has a total market value of assets of $1,161,732,659 as of June 30, 2026. The difference of $828,135,279 between the total liabilities and the total present actuarial value of assets represents the present value of contributions to be made in the future for healthcare. Of this amount, no future contributions are expected to be made by members, and the balance of $828,135,279 represents the present value of future contributions payable by SERS.

2. SERS' contributions on account of healthcare consist of normal contributions and accrued liability contributions. The valuation indicates that employer normal contributions at the rate of 1.28% of payroll are required to provide the benefits of the System for the average new member of SERS.

3. Prospective employer normal contributions on account of healthcare at the above rates have a present value of $577,050,888. When this amount is subtracted from $828,135,279 which is the present value of the total future contributions to be made by the employer, there remains $251,084,391 as the amount of future accrued liability contributions.

4. It is recommended that the accrued liability contribution rate payable by SERS on account of healthcare be set at 0.34% of payroll. This rate is sufficient to liquidate the unfunded accrued liability of $251,084,391 over 29 years on the assumption that the aggregate payroll for members will increase by 1.75% each year.

SECTION V – DERIVATION OF EXPERIENCE GAINS AND LOSSES

Actual experience will never (except by coincidence) coincide exactly with assumed experience. It is assumed that gains and losses will be in balance over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience gain (loss) for the year ended June 30, 2026 is shown below.

Experience Gain / (Loss) ($ Thousands)			
(1)		UAAL* as of 6/30/25	$ 783,775
(2)		Normal cost from last valuation	71,494
(3)		Expected employer contributions	125,546
(4)		Interest accrual: [(1) + (2)] x .070 - (3) x .070/2	55,475
(5)		Expected UAAL before changes: (1) + (2) - (3) + (4)	$ 785,198
(6)		Change due to claims experience	240,606
(7)		Change due to assumption changes**	123,528
(8)		Change due to benefit changes	0
(9)		Expected UAAL after changes: (5) - (6) - (7) - (8)	$ 421,064
(10)		Actual UAAL* as of 6/30/26	251,084
(11)		Total gain/(loss): (9) - (10)	$ 169,980
	(a)	Asset Gain/(Loss)	98,099
	(b)	Experience Gain/(Loss) (11) - (11a)	$ 71,881
(12)		Accrued Liabilities as of 6/30/25	$ 1,723,587
(13)		Experience Gain/(Loss) as percent of actuarial accrued liabilities at beginning of year (11b) / (12)	4.2%

* Unfunded actuarial accrued liability

** Since the previous valuation, the healthcare trend assumption was updated and the assumptions used were updated based on the results of an actuarial experience study for the five-year period ending June 30, 2025, adopted by the board on April 16, 2026.

ANALYSIS OF FINANCIAL EXPERIENCE
Gains and Losses in Accrued Liabilities
Resulting from Difference Between
Assumed Experience and Actual Experience
($ Millions)

Type of Activity	$ Gain (or Loss) For Year Ending 6/30/26
Age & Service Retirements. If members retire at older ages or participate in lower numbers, there is a gain. If younger ages or higher participation, a loss.	$ 8.4
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	(0.1)
Death-in-Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(2.0)
Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	25.3
Claims Increases (Including Wrap Plan). If smaller claims increases than assumed, there is a gain; if larger, a loss.	240.6
New Members. Additional accrued liability attributable to members who entered the plan since the last valuation.	(14.9)
Asset Experience. If there is a greater investment income than assumed, there is a gain. If less income, a loss. If there are more contributions than the ADC, there is a gain. If less contributions, a loss.	98.1
Death After Retirement. If retiree members live longer than assumed, there is a loss. If not as long, a gain.	10.7
Other. Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	44.5
Gain (or Loss) During Year From Financial Experience	$ 410.6
Non-Recurring Items. Adjustments for plan amendments, assumption changes and method changes	123.5
Composite Gain (or Loss) During Year	$ 534.1

SECTION VI – REQUIRED CONTRIBUTION RATES

The valuation balance sheet gives the basis for determining the percentage rates for contributions to be made by employers to the Retirement System. The following tables show the rates of contribution payable by employers as determined from the present valuation for FY2026.

Required Contribution Rates

Contribution for		Amount	% of Payroll
A. Normal Cost	$	61,807,034	1.28%
B. Member Contributions*	$	0	0.00%
C. Employer Normal Cost: [A - B]	$	61,807,034	1.28%
D. Unfunded Actuarial Accrued Liability**	$	16,612,720	0.34%
E. Total Recommended Employer Contribution Rate: [C + D]	$	78,419,754	1.62%
F. Actual Employer Contribution Toward Healthcare+ FY Ending June 30, 2026	$	66,023,544	
Projected Employer Contribution Toward Healthcare+ FY Ending June 30, 2027 Assuming Payroll Growth 1.75%	$	67,178,956	1.50%

* The liabilities are net of retiree contributions towards their healthcare.
** Based on 29-year amortization of the UAAL from June 30, 2026.
\+ Includes 1.50% payroll surcharge.

Fifteen-Year History of Employer Contribution Rates

Fiscal Year Ending June 30	Employer Healthcare Contribution Rate	Surcharge Percentage	Total Healthcare Contribution Rate
2012	0.55%	1.50%	2.05%
2013	0.16	1.50	1.66
2014	0.14	1.50	1.64
2015	0.82	1.50	2.32
2016	0.00	1.50	1.50
2017	0.00	1.50	1.50
2018	0.50	1.50	2.00
2019	0.50	1.50	2.00
2020	0.00	1.50	1.50
2021	0.00	1.50	1.50
2022	0.00	1.50	1.50
2023	0.00	1.50	1.50
2024	0.00	1.50	1.50
2025	0.00	1.50	1.50
2026	0.00	1.50	1.50

SECTION VII – ACCOUNTING INFORMATION

Governmental Accounting Standards Board Statements 74 and 75 set forth certain items of required supplementary information to be disclosed in the financial statements of the System and the employer. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2026. Additional information will be provided in separate reports.

Valuation date	6/30/2026
Actuarial cost method	Entry Age
Amortization	Level Percent Closed
Remaining amortization period	29 years
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return*	7.00%
* Includes price inflation at	2.50%
Wage increases	1.75%
Medical Trend Assumption	
Pre-Medicare	7.00% - 4.50%
Medicare	6.00% - 4.50%
Year of Ultimate Trend Rate	
Pre-Medicare	2036
Medicare	2032

Fifteen-Year Schedule of Funding Progress
($ Millions)

Actuarial Valuation Date	Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / (c)
6/30/2012	$355	$2,691	$2,336	13.2%	$2,788	83.8%
6/30/2013	379	2,918	2,539	13.0	2,747	92.4
6/30/2014	414	2,476	2,062	16.7	2,759	74.7
6/30/2015	408	2,425	2,016	16.8	2,845	70.9
6/30/2016	370	2,407	2,037	15.4	2,932	69.5
6/30/2017	382	2,396	2,014	15.9	3,303	61.0
6/30/2018	436	2,525	2,089	17.3	3,332	62.7
6/30/2019	464	2,199	1,735	21.1	3,463	50.1
6/30/2020	483	1,797	1,314	26.9	3,478	37.8
6/30/2021	600	1,289	689	46.5	3,622	19.0
6/30/2022	612	1,348	736	45.4	3,995	18.4
6/30/2023	707	1,532	825	46.1	4,299	19.2
6/30/2024	816	1,325	509	61.6	4,547	11.2
6/30/2025	940	1,724	784	54.5	4,735	16.6
6/30/2026	1,162	1,413	251	82.2	4,829	5.2

SCHEDULE A – VALUATION BALANCE SHEET

The following valuation balance sheet shows the assets and liabilities of the retirement system as of the current valuation date of June 30, 2026 and, for comparison purposes, as of the immediately preceding valuation date of June 30, 2025.

VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

	June 30, 2026	June 30, 2025
ASSETS		
Current market value of assets	$ 1,161,732,659	$ 939,812,471
Prospective contributions		
Employer normal contributions	577,050,888	700,026,326
Unfunded accrued liability contributions	251,084,391	783,775,027
Total prospective contributions	$ 828,135,279	$ 1,483,801,353
Total assets	$ 1,989,867,938	$ 2,423,613,824
LIABILITIES		
Present value of benefits payable on account of present retiree members and beneficiaries	$ 511,131,753	$ 677,803,612
Present value of benefits payable on account of active members	1,458,797,479	1,712,896,294
Present value of benefits payable on account of deferred vested members	19,938,706	32,913,918
Total liabilities	$ 1,989,867,938	$ 2,423,613,824

SCHEDULE A – VALUATION BALANCE SHEET

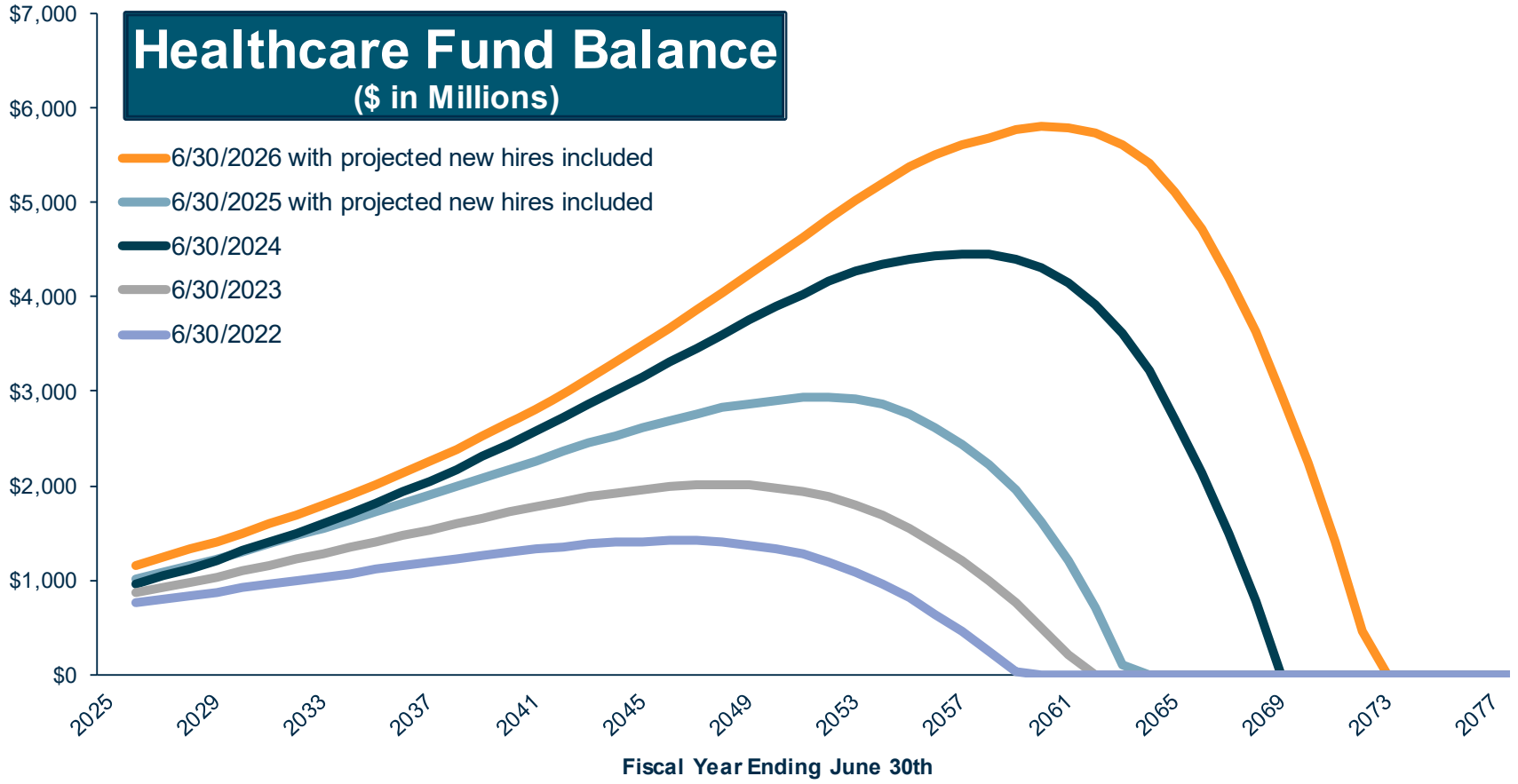
The following fifteen-year table provides the solvency test for SERS members. The table allocates the valuation assets of the System to its liabilities based on an order of precedence. The highest order of precedence is active member contributions. The second highest order of precedence are members in pay status and vested and non-vested terminated members. The lowest order of precedence is the employer financed portion of active member accrued benefits. The liabilities are determined using the System's assumed rate of return.

Solvency Test
($ Millions)

	Aggregate Accrued Liabilities For				Portion of Accrued Liabilities Covered by Reported Assets		
Valuation Date	(1) Active Member Contributions	(2) Retiree Members & Beneficiaries	(3) Active Members (Employer Financed Portion)	Actuarial Value of Assets	(1)	(2)	(3)
6/30/2012	$0	$1,074	$1,617	$355	100.0%	33.1%	0.0%
6/30/2013	0	1,157	1,761	379	100.0	32.8	0.0
6/30/2014	0	968	1,508	414	100.0	42.8	0.0
6/30/2015	0	979	1,446	408	100.0	41.7	0.0
6/30/2016	0	918	1,489	370	100.0	40.3	0.0
6/30/2017	0	916	1,480	382	100.0	41.7	0.0
6/30/2018	0	968	1,557	436	100.0	45.0	0.0
6/30/2019	0	813	1,386	464	100.0	57.0	0.0
6/30/2020	0	626	1,171	483	100.0	77.1	0.0
6/30/2021	0	544	745	600	100.0	100.0	7.5
6/30/2022	0	532	816	612	100.0	100.0	9.8
6/30/2023	0	630	902	707	100.0	100.0	8.5
6/30/2024	0	500	825	816	100.0	100.0	38.3
6/30/2025	0	711	1,013	940	100.0	100.0	22.6
6/30/2026	0	531	882	1,162	100.0	100.0	71.5

Solvency Chart

The following chart shows the projected Healthcare Fund Balances from the five most recent valuations. The prior year projections were based on the funding policy and assumptions in effect on the prior year valuation dates and include no new hires in the benefit payment projections prior to 2024. Similar to 2024 and 2025, since the current year projection indicates solvency for a longer period, we included projected benefit payments for potential new hires in addition to a 7.00% future asset rate of return assumption, a payroll growth assumption of 1.75% per year, and the assumption that the health contribution rate will be 0.00%, plus a healthcare surcharge of 1.50%. These projections assume there will be no healthcare cost increases due to IRA and ACA law changes or reimbursements and/or COVID-19 impact other than current baseline costs and anticipated healthcare trend.



SCHEDULE B – ACTUARIAL ASSUMPTIONS AND METHODS

The assumptions and methods used in the valuation were based on the actuarial experience study for the five-year period ending June 30, 2025, adopted by the Board on April 16, 2026. The combined effect of the assumptions is expected to have no significant bias.

INTEREST RATE: 7.00% per annum, compounded annually (net after all System expenses).

HEALTHCARE COST TREND RATES: Following is a chart detailing trend assumptions. Trend is applied to total healthcare costs and retiree service based premiums. No trend is applied to the surcharge. The initial trend rate includes the use of published annual healthcare inflation surveys in conjunction with actual plan experience, where credible. The assumed annual decrease in trend rates to an ultimate level of price inflation plus 2% reflects the belief that healthcare inflation cannot indefinitely outstrip the growth rate of employer budgets and the overall economy.

Calendar Year	Pre-Medicare	Medicare
2026	7.00%	6.00%
2027	6.75	5.75
2028	6.50	5.50
2029	6.25	5.25
2030	6.00	5.00
2031	5.75	4.75
2032	5.50	4.50
2033	5.25	4.50
2034	5.00	4.50
2035	4.75	4.50
2036 and beyond	4.50	4.50

ANTICIPATED PLAN PARTICIPATION: The assumed annual rates of retiree participation and spouse coverage are as follows:

Retiree Gender	Spouse Coverage	Dependent Child Coverage
Male	25.0%	0.0%
Female	25.0%	0.0%

Wives are assumed to be three years younger than husbands.

Pre-Medicare Participants:

Years of Service	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-Medicare retirees who are waiving coverage are assumed to elect coverage upon Medicare eligibility.

Medicare Participants:

Years of Service	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

ANTICIPATED PLAN ELECTIONS: The assumed annual rates of member plan elections are as follows:

Plan Type	Future Retirees	
	Non-Medicare	Medicare
PPO	80.0%	100.0%
Wraparound HRA	20.0%	N/A

Anticipated plan elections within the above plan types are further expanded below:

Plan Type	Future Retirees*	
	Non-Medicare	Medicare
PPO		
Aetna Choice POS II	96.0%	0.0%
Aetna Medicare℠ Plan	0.0%	100.0%
AultCare PPO	4.0%	0.0%

* Future disabled retirees assumed 85% Non-Medicare coverage and 15% Medicare coverage before age 65.

ANTICIPATED MEDICARE COVERAGE AT AGE 65: The assumed annual rates of future retirees obtaining Medicare coverage at age 65 are as follows:

Medicare Coverage	Percent Covered
No Medicare at age 65	0.0%
Medicare Part A	100.0%
Medicare Part B Only	0.0%

Current service retirees, disabled benefit recipients, spouses, and dependent children under age 65 were assumed to have similar Medicare coverage at age 65 as their Medicare counterparts.

Effective September 30, 2021, an individual who fails to enroll in Medicare Part B during their Medicare initial or special enrollment period will lose eligibility for SERS' healthcare coverage. If an individual enrolls in Medicare Part B coverage but then fails to maintain the coverage, the individual must re-enroll during Medicare's first available general enrollment period.

HEALTHCARE PREMIUM DISCOUNT PROGRAM PARTICIPATION: Current Medicare-eligible service retirees, disabled benefit recipients, spouses and dependent children reported as qualifying for the Healthcare Premium Discount Program were assumed to continue participating in the program for their lifetime. The Healthcare Premium Discount Program is not available for non-Medicare participants. It is assumed that 3% of future Medicare-eligible members will qualify for the Healthcare Premium Discount Program.

MONTHLY EXPECTED MEDICAL/PRESCRIPTION DRUG CLAIMS COSTS (INCLUDES ADMINISTRATIVE EXPENSES): Following are charts detailing expected claims for the year following the valuation date.

Retiree Costs			
Medicare Status	Aetna Choice POS II and Aetna Medicare℠	Aetna Traditional Choice with Medicare A Only	AultCare PPO
Non-Medicare	$1,750	N/A	$1,540
Medicare A & B	$148	$498	N/A
Medicare B Only	$148	N/A	N/A

Spouse Costs			
Medicare Status	Aetna Choice POS II and Aetna Medicare℠	Aetna Traditional Choice with Medicare A Only	AultCare PPO
Non-Medicare	$1,575	N/A	$1,230
Medicare A & B	$148	$498	N/A
Medicare B Only	$148	N/A	N/A

Children Costs			
Medicare Status	Aetna Choice POS II and Aetna Medicare℠	Aetna Traditional Choice with Medicare A Only	AultCare PPO
Non-Medicare	$525	N/A	$272
Medicare A & B	$148	$498	N/A

The above amounts are shown as average costs and represent blended premium rates.

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:

Pre-Medicare

Age	Retiree		Spouse	
	Male	Female	Male	Female
40	$ 5,568	$ 9,086	$ 5,101	$ 8,325
45	6,901	9,619	6,323	8,813
50	9,012	11,207	8,258	10,268
55	11,825	13,056	10,835	11,962
60	15,233	15,227	13,957	13,952
64	18,604	17,828	17,046	16,334

Medicare

Age	Retiree		Spouse	
	Male	Female	Male	Female
65	$ 1,553	$ 1,414	$ 1,506	$ 1,372
70	1,692	1,581	1,641	1,533
75	1,817	1,712	1,762	1,660
80	1,908	1,810	1,850	1,755
85	1,921	1,877	1,863	1,820
90	1,886	1,896	1,829	1,839

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed rates of separation from active service are as follows:

Years of Service	Rates of Withdrawal
Less than 1	40.00%
1	17.50%
2	11.90%
3	9.50%
4	8.90%
5	8.00%
6	6.90%
7	6.30%
8	5.80%
9	5.50%
10	4.30%
11	3.60%
12	3.70%
13	3.30%
14	3.20%
15	3.10%
16	2.80%
17	2.70%
18	2.70%
19	2.50%
20	2.50%
21	2.50%
22	2.25%
23	2.25%
24+	2.25%

Age	Annual Rates of			
	Death *		Disability	
	Male	Female	Male	Female
20	0.028%	0.011%	0.013%	0.008%
25	0.045	0.018	0.027	0.010
30	0.061	0.026	0.049	0.025
35	0.072	0.037	0.087	0.051
40	0.099	0.054	0.145	0.091
45	0.147	0.079	0.209	0.153
50	0.217	0.116	0.278	0.251
55	0.321	0.171	0.349	0.356
60	0.467	0.252	0.384	0.395
65	0.631	0.370	0.346	0.260
70	0.872	0.540	0.223	0.178
74	1.226	0.731	0.174	0.135

* Pre-retirement mortality is based on the PUB-2016 General Employee Amount Weighted Below Median Mortality Table with fully generational projection using the MP-2021 projection scale. The above rates represent the base rates used.

Age	Annual Rates of Service Retirement							
	Retirement Eligible prior to 8/1/17				Retirement Eligible after 8/1/17			
	Reduced	Reduced (55/25)	First Eligible Unreduced	Subsequent Unreduced	Reduced	Reduced (60/25)	First Eligible Unreduced	Subsequent Unreduced
45			32.00%	18.00%				
46			32.00%	18.00%				
47			32.00%	18.00%				
48			58.00%	18.00%				
49			58.00%	18.00%				
50			58.00%	18.00%				
51			58.00%	18.00%				
52			58.00%	18.00%				
53			58.00%	18.00%				
54			58.00%	18.00%				
55		3.00%	58.00%	18.00%				
56		3.00%	26.00%	18.00%				
57		3.00%	26.00%	18.00%			63.00%	50.00%
58		3.00%	26.00%	18.00%			63.00%	50.00%
59		11.00%	26.00%	18.00%			63.00%	47.00%
60	31.50%	11.25%	31.00%	18.00%		12.25%	50.00%	47.00%
61	16.00%	11.25%	31.00%	18.00%		12.25%	38.00%	38.00%
62	9.00%	11.25%	35.00%	18.00%	10.25%	12.25%	38.00%	30.00%
63	9.00%	11.25%	35.00%	18.00%	10.25%	12.50%	38.00%	30.00%
64	9.00%	11.25%	35.00%	18.00%	10.25%	12.50%	38.00%	30.00%
65			35.00%	32.00%	17.50%	23.00%	38.00%	44.00%
66			35.00%	34.00%	17.50%	23.00%	38.00%	50.00%
67			35.00%	26.00%			27.00%	60.00%
68			35.00%	26.00%			38.00%	31.00%
69			35.00%	26.00%			38.00%	24.00%
70			35.00%	26.00%			38.00%	24.00%
71			35.00%	26.00%			38.00%	24.00%
72			35.00%	26.00%			38.00%	24.00%
73			35.00%	26.00%			38.00%	24.00%
74			35.00%	26.00%			38.00%	24.00%
75			100.00%	100.00%			100.00%	100.00%

SCHEDULE B – ACTUARIAL ASSUMPTIONS AND METHODS

SALARY INCREASES: Representative values of the assumed annual rates of salary increases are as follows:

Service	Annual Rates of		
	Merit & Seniority: (A)	Base (Economy): (B)	Increase Next Year: (1+(A))*(1+(B))
0	9.74%	3.50%	13.58%
1 & over	0.48	3.50	4.00

PAYROLL GROWTH: 1.75% per annum, compounded annually.

PRICE INFLATION: 2.50% per annum, compounded annually.

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

SERVICE RETIREMENT: PUB-2016 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2023 with ages set forward 1 year for males. Future improvement in mortality rates is reflected by applying the MP-2021 projection scale generationally.

DISABLED RETIREMENT: PUB-2016 General Headcount Weighted Disabled Retiree mortality table projected to 2023 with ages set forward 4 years for males and females. Future improvement in mortality rates is reflected by applying the MP-2021 projection scale generationally.

CONTINGENT SURVIVOR: PUB-2016 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2023 with ages set forward 2 years for males and set forward 1 year for females. Future improvement in mortality rates is reflected by applying the MP-2021 projection scale generationally.

VALUATION METHOD: Entry age normal cost method. Entry age is established on an individual basis.

ASSET VALUATION METHOD: Market value.

SCHEDULE C – SUMMARY OF MAIN PLAN PROVISIONS

ELIGIBILITY FOR ACCESS TO RETIREE HEALTHCARE:

Normal Retirement:

Retire before August 1, 2017 or have 25 years of service or more on or before August 1, 2017: Attainment of age 65 with at least 10 years of creditable service, or completion of 30 years of creditable service, regardless of age.

Members attaining 25 years of service after August 1, 2017: Attainment of age 67 with at least 10 years of creditable service, or attainment of age 57 with at least 30 years of creditable service. Buy-up option available.

Early Retirement:

Retire before August 1, 2017 or have 25 years of service or more on or before August 1, 2017: Not eligible for unreduced service retirement but has attained age 55 with at least 25 years of service, or age 60 with 10 years of service.

Members attaining 25 years of service after August 1, 2017: Attainment of age 62 with at least 10 years of creditable service, or attainment of age 60 with at least 25 years of creditable service.

Disability Retirement:

Permanently disabled after completion of at least 5 years of total service credit.

Survivor Allowances:

Beneficiary must be receiving monthly benefits due to the death of a member, age and service retiree or disability benefit recipient.

Termination:

Members that terminated with at least 10 years of creditable service and have attained age 60 (age 62 for those retiring after August 1, 2017).

PREMIUM PAYMENTS:

Retirees, spouses and dependent children pay either all or a portion of the cost of healthcare and prescription drug coverage as well as a $35 monthly surcharge for the Aetna Choice POS II Plan, the Aetna Traditional Choice Plan, and the AultCare PPO Plan. The $35 monthly surcharge is reduced to a $15 monthly surcharge for the Aetna Medicare Plan. The remainder of the cost is paid by SERS.

Medicare-eligible retirees, spouses and dependent children may qualify for the healthcare Premium Discount Program if their household income falls at or below a specified level. Income limits are updated annually. Retirees, spouses and dependent children qualifying for the program will receive a 25% discount in their monthly healthcare premiums.

PREMIUM PAYMENTS (Continued):

The following schedule lists the percentage of the retiree premium paid by service retirees:

Years of Service	Retirement Date on or before July 1, 1989	Retirement Date August 1, 1989 through July 1, 2008	Retirement Date on or after August 1, 2008
	Service Retiree Premium Contribution Percentage		
5 – 9	50.0%	N/A	N/A
10 – 14	17.5	100.0%	100.0%
15 – 19	17.5	50.0	100.0
20 – 24	17.5	25.0	50.0
25 – 29	17.5	17.5	30.0
30 – 34	17.5	17.5	20.0
35 and over	17.5	17.5	15.0*

* Additional 1% reduction for each year over 35.

The following schedule lists the percentage of the retiree premium paid by disability benefit recipients:

Non-Medicare Plans Prior to January 1, 2024 and Medicare Plans

Years of Service	Disabled Benefit Recipient Premium Contribution Percentage
5 – 9	50.0%
10 – 24	33.0
25 and over	17.5

Non-Medicare Plans Effective January 1, 2024

Years of Service	Retirement Date on or before July 1, 1989	Retirement Date August 1, 1989 through July 1, 2008	Retirement Date on or after August 1, 2008
	Disabled Benefit Recipient Premium Contribution Percentage		
5 – 9	50.0%	100.0%	100.0%
10 – 14	17.5	100.0	100.0
15 – 19	17.5	50.0	100.0
20 – 24	17.5	25.0	50.0
25 – 29	17.5	17.5	30.0
30 – 34	17.5	17.5	20.0
35 and over	17.5	17.5	15.0*

* Additional 1% reduction for each year over 35.

The following schedule lists the percentage of the spouse premium paid by spouses of retirees:

Service Retiree, Disability Recipient, or Member's Qualified Years of Service	Spouse Premium Contribution Percentage
1.5 – 24	100.0%
25 – 29	90.0
30 and over	80.0

Dependent children pay 70.0% of the child premium.

In addition, SERS offered a new coverage option beginning in 2017, the Marketplace Wraparound HRA. This option is only available to healthcare participants who are not eligible for Medicare and who are not enrolled in Medicaid. Participants will be able to choose insurance from any insurer offering coverage in the federal Marketplace, and if eligible, receive a federal subsidy to lower the premium and cost-sharing amounts. The SERS Marketplace Wraparound HRA offers additional benefits to help pay for deductibles, co-pays, and other costs.

OTHER POST-EMPLOYMENT BENEFITS: Healthcare and prescription drug coverage is provided in all post-employment group healthcare plan options. Dental and vision coverage are made available to retirees, spouses, and dependent children at the full cost.

2027 RETIREE HEALTHCARE PLAN OPTIONS:

Options available to members without Medicare:

- ◊ Aetna Choice POS II with Express Scripts prescription drug coverage
- ◊ AultCare PPO with AultCare prescription drug coverage
- ◊ Wraparound HRA

Options available to members with Medicare:

- ◊ Aetna Medicare℠ Plan (PPO) with Express Scripts Medicare Part D Prescription Drug Plan
- ◊ Aetna Traditional Choice with Express Scripts Medicare Part D Prescription Drug Plan (only available to members with special circumstances)

The following pages contain information that was provided by SERS in the 2027 *Open Enrollment Guide* and the 2027 *Member Healthcare Guide*.

2027 Monthly Contribution Rates

Years of Service	Aetna Medicare℠	Aetna Traditional Choice
Service Retirement Date on or before July 1, 1989 Premiums		
5-9.999 years		
With Medicare A & B	$97	$287
With Medicare B Only	$277	
10-24.999 years		
With Medicare A & B	$44	$123
With Medicare B Only	$107	
25 years & over		
With Medicare A & B	$44	$123
With Medicare B Only	$44	

Years of Service	Aetna Choice POS II and Aetna Medicare℠	Aetna Traditional Choice with Medicare A Only	AultCare PPO
Service Retirement Date August 1, 1989 through July 1, 2008 Premiums			
10-14.999 years			
Without Medicare	$1,785		$1,575
With Medicare A & B	$178	$539	
With Medicare B Only	$538		
15-19.999 years			
Without Medicare	$910		$805
With Medicare A & B	$97	$287	
With Medicare B Only	$277		
20-24.999 years			
Without Medicare	$473		$420
With Medicare A & B	$56	$161	
With Medicare B Only	$146		
25 years & over			
Without Medicare	$341		$305
With Medicare A & B	$44	$123	
With Medicare B Only	$44		

2027 Monthly Contribution Rates
(continued)

Years of Service	Aetna Choice POS II and Aetna Medicare℠	Aetna Traditional Choice with Medicare A Only	AultCare PPO
Service Retirement Date on or after August 1, 2008 Premiums*			
10-19.999 years			
Without Medicare	$1,785		$1,575
With Medicare A & B	$178	$539	
With Medicare B Only	$538		
20-24.999 years			
Without Medicare	$910		$805
With Medicare A & B	$97	$287	
With Medicare B Only	$277		
25-29.999 years			
Without Medicare	$560		$497
With Medicare A & B	$64	$186	
With Medicare B Only	$64		
30-34.999 years*			
Without Medicare	$385		$343
With Medicare A & B	$48	$136	
With Medicare B Only	$48		

* Further reductions for each year over 35.

Years of Service	Aetna Medicare℠	Aetna Traditional Choice with Medicare A Only
Disability Benefit Recipients Premiums**		
5-9.999 years		
With Medicare A & B	$97	$287
With Medicare B Only	$277	
10-24.999 years		
With Medicare A & B	$69	$201
With Medicare B Only	$188	
25 years & over		
With Medicare A & B	$44	$123
With Medicare B Only	$44	

** Effective January 1, 2024, Disability Benefit Recipient Premiums will be the same as Service Retirement Premiums for all Non-Medicare plans. Rates above are applicable for Medicare plans.

2027 Monthly Contribution Rates
(continued)

Years of Service	Aetna Choice POS II and Aetna Medicare[SM]	Aetna Traditional Choice with Medicare A Only	AultCare PPO
Spouse Premiums (Service Retiree, Disability Recipient, or Member's Qualified Service)			
Up to 25 years			
Without Medicare	$1,610		$1,265
With Medicare A & B	$178	$539	
With Medicare B Only	$538		
25-29.999 years			
Without Medicare	$1,453		$1,142
With Medicare A & B	$162	$489	
With Medicare B Only	$162		
30 years & over			
Without Medicare	$1,295		$1,019
With Medicare A & B	$146	$438	
With Medicare B Only	$146		

Years of Service	Aetna Choice POS II and Aetna Medicare[SM]	Aetna Traditional Choice with Medicare A Only	AultCare PPO
Child Premiums			
Without Medicare	$403		$225
With Medicare A & B		$388	

SERS' Non-Medicare Plans

Non-Medicare plans are available to benefit recipients and dependents under age 65 and not Medicare eligible. Beginning 1/1/2021, however, members who are under age 65 that are eligible for Medicaid are not eligible for the SERS Healthcare Plan coverage. Beginning September 2021, plan enrollees eligible for Medicare B lose eligibility for SERS coverage if they do not enroll in Medicare B. Enrollees seeking non-Medicare coverage are required to participate in a counseling session to explore the affordability of available SERS alternatives, including the SERS Marketplace Wraparound Plan.

Aetna Choice POS II

This is a Preferred Provider Organization (PPO) plan with prescription drug coverage by Express Scripts. The plan is available throughout the United States.
To enroll in this plan, a member must:

- Be under age 65 and not eligible for Medicare

Use of out-of-network providers will increase out-of-pocket costs.

AultCare PPO

This is a Preferred Provider Organization (PPO) plan with prescription drug coverage by AultCare.
To enroll in this plan, a member must:

- Be under age 65 and not eligible for Medicare.
- Live in one of the Ohio counties listed on the map in the 2027 *Open Enrollment Guide*.

Use of out-of-network providers will increase out-of-pocket costs.

2027 SERS Marketplace Wraparound HRA

The SERS Marketplace Wraparound HRA is available to participants who are not eligible for Medicare and who are not enrolled in Medicaid. Participants are able to choose insurance from any insurer offering coverage in the federal Marketplace. If eligible, participants receive a federal subsidy to lower the premium and cost-sharing amounts. The SERS Marketplace Wraparound HRA offers additional benefits to help pay for deductibles, co-pays, and other costs up to a federally established annual reimbursement limit.

SERS' Medicare Plans

Aetna Medicare Plan (PPO)

This is a Medicare Advantage plan with Medicare Part D prescription drug coverage administered by Express Scripts.

Ohio Residents: Aetna has a preferred provider network. Use of out-of-network providers will increase out-of-pocket costs.

Non-Ohio Residents: Can use any medical provider that accepts Medicare patients and agrees to file claims with Aetna.

This plan is available throughout the United States. To enroll, members must have:

- Medicare Part B
- Medicare Part A, if eligible

Aetna Traditional Choice Plan

This plan is NOT available for optional enrollment. It is only available in special circumstances. SERS determines when enrollment is appropriate. Medicare Part D prescription drug coverage is administered through Express Scripts.

Prescription Drug Coverage

Prescription drug coverage is included in SERS' healthcare coverage and does not require a separate premium. Express Scripts provides the prescription drug coverage for Aetna. AultCare provides their own prescription coverage. All prescription plans have a formulary of covered medications. These are referred to as preferred medications. Medications not on the formulary are referred to as non-preferred. The amount members are responsible for paying, known as the co-pay, is based on the medication's preferred status. Members pay the least for generic medications. Members pay the most for brand-name medications that are not preferred. Members can get prescriptions at retail pharmacies or through the mail. Members save money by having prescriptions for maintenance medications mailed to their homes.

The following is a partial list of situations or types of medications that are not covered.

- Prescriptions or medications dispensed in a hospital. These are typically covered under the medical plan.
- Prescriptions covered by Workers' Compensation.
- Prescriptions for fertility, erectile dysfunction, or cosmetic drugs.
- Over-the-counter drugs and herbal preparations, including homeopathic preparations.

With the exception of insulin, Express Scripts does not cover non-preferred medications. Members pay the full amount for non-preferred medications, and these costs do not count toward any out-of-pocket maximum or the Medicare coverage gap.

All prescription plans include these common coverage rules:

- Prior Authorization - For some medications, the doctor must contact the drug plan before certain prescriptions can be filled. The prescription is only covered if the doctor is able to confirm that the medication is necessary.
- Quantity Limits - Limits how much of a specific medication members can get at a time.
- Step Therapy - A process where certain medications that have proven to be safe and effective are tried as the first choice rather than starting with a more expensive prescribed medication.

Medicare Part D Prescription Drugs

SERS' health plan participants enrolled in a Medicare plan are automatically covered under a Medicare Part D prescription drug plan through SERS and should not enroll in a separate Medicare Part D plan. Enrolling in another Part D plan would cause cancellation of SERS coverage for both medical and prescription drug benefits per federal law.

Non-Medicare Plan Benefits

	Aetna Choice POS II (In-Network)	AultCare PPO (In Network)
Annual Combined Medical & Prescription Drug Out-of-Pocket Maximum	$7,350/person $14,700/family	$7,350/person $14,700/family
Deductible	$2,000/person $4,000/family	$2,000/person $4,000/family
Primary Care Office Visit	$10 co-pay	$20 co-pay
Specialist Office Visit	$25 co-pay	$40 co-pay
Outpatient Diagnostic X-Ray and Lab	20% coinsurance	20% coinsurance
Retail Walk-In Clinic	$10 co-pay	$20 co-pay
Urgent Care	$40 co-pay	$40 co-pay
Emergency Room	$150 co-pay	$150 co-pay
Ambulance	$150 co-pay	$150 co-pay
Inpatient Hospital	20% coinsurance after $250 co-pay	20% coinsurance after $250 co-pay
Outpatient Surgery	20% coinsurance	20% coinsurance
Skilled Nursing Facility (100-day max)	20% coinsurance	20% coinsurance
Home Healthcare	20% coinsurance	20% coinsurance
Hospice Healthcare	100% coverage after deductible	Inpatient: 100% coverage after deductible Outpatient: 20% coinsurance
Outpatient Short-Term Rehab For Cardiac, Pulmonary, Speech For Physical, Occupational	 20% coinsurance $10 co-pay	 20% coinsurance 20% coinsurance
Chiropractic	$10 co-pay	20% coinsurance
Durable Medical Equipment	20% coinsurance	20% coinsurance
Prescription Drugs	Express Scripts *Retail 34-day max:* $7.50 generic, 25% preferred brand ($25 min, $100 max) No coverage for non-preferred brand name *Mail order 90-day max:* $15 generic, 25% preferred brand ($45 min, $200 max) No coverage for non-preferred brand name *Insulin Retail:* 25% or $25 max preferred brand, 25% or $45 max non-preferred brand *Insulin Mail Order:* 25% preferred brand ($45 min, $60 max), 25% or $115 max non-preferred brand *Specialty medications:* 25% of cost ($25 min, $100 max) *Specialty Mail order 90-day max:* 25% of cost ($15 min, $67 max per 30-day supply)	AultCare *Retail 30-day max:* $7.50 generic, 25% preferred brand ($25 min, $100 max) Non-preferred at 100% *Mail order 90-day max:* $15 generic, 25% preferred brand ($45 min, $200 max) Non-preferred at 100% *Insulin Retail:* $30 preferred brand, $45 non-preferred brand *Insulin Mail Order:* $60 preferred brand, $115 non-preferred brand *Specialty medications:* $100 co-pay *Specialty Mail order:* $100 co-pay; 30-day supply only

Non-Medicare Plan Benefits
(continued)

SERS Marketplace Wraparound HRA	
Benefit	Maximum Reimbursement
Out-of-pocket expenses for Marketplace plan covered services. Examples include deductibles, co-pays, and coinsurance.	Reimbursements are limited to $2,250 per family, per calendar year in accordance with federal limits*
* Reimbursement is limited to cost sharing after the Participant's Marketplace plan has adjudicated any claim(s). Actual reimbursement may vary according to the Participant's Marketplace plan's terms but will in no event exceed the Participant's actual out-of-pocket expenses under the applicable Marketplace plan.	
The SERS Marketplace Wraparound HRA eligible expenses noted above only apply to covered service under your Marketplace plan. Claims for non-covered services are not eligible for reimbursement.	

Medicare Plan Benefits

	Aetna Medicare℠ Plan (PPO) (In-Network)
Annual Out-of-Pocket Maximum	$3,000 per person
Deductible	None
Primary Care Office Visit	100% coverage
Specialist Office Visit	$20 co-pay
Outpatient Diagnostic X-Ray	$25 co-pay
Outpatient Diagnostic Lab	100% coverage
Urgent Care	$40 co-pay
Emergency Room	$100 co-pay waived if admitted
Ambulance	$80 co-pay
Inpatient Hospital	$150 co-pay per day 1-5, then 100% coverage
Outpatient Surgery /Procedures	15% coinsurance up to $200 max
Skilled Nursing Facility (100-day max)	Co-pay: $0 per day 1-10, $25 per day 11-20, $50 per day 21-100
Home Healthcare	100% coverage
Hospice	Covered by Medicare
Outpatient Short-Term Rehab	$15 co-pay
Cardiac Rehabilitation Services	$15 co-pay
Chiropractic	$20 co-pay limited to Medicare-covered services
Durable Medical Equipment	20% coinsurance
Diabetic Supplies	100% coverage
Over-The-Counter Benefit	$60 per quarter towards eligible health and wellness products from CVS pharmacy
Prescription Drugs	Express Scripts Medicare D PDP *Retail 30-day max:* $7.50 generic, 25% preferred brand ($25 min, $100 max) No coverage for non-preferred brand name *Mail order 90-day max:* $15 generic, 25% preferred brand ($45 min, $200 max) No coverage for non-preferred brand name *Insulin Retail:* 25% or $25 max preferred brand 25% or $35 max non-preferred brand *Insulin Mail Order:* 25% preferred brand ($45 min, $60 max), 25% or $90 max non-preferred brand *Specialty medications:* 25% of cost ($25 min, $100 max) *Specialty Mail order 90-day max:* 25% of cost ($15 min, $67 max per 30-day supply)

All Retirees, Spouses and Dependents Receiving Healthcare
Male and Female Demographic Breakdown
As of June 30, 2026
Tabulated by Attained Ages

Attained Age	Number of		Total Number
	Males	Females	
Under 20	21	23	44
20-24	34	41	75
25-29	8	13	21
30-34	2	1	3
35-39	2	4	6
40-44	5	5	10
45-49	13	4	17
50-54	24	31	55
55-59	176	271	447
60-64	734	1,758	2,492
65-69	2,405	5,469	7,874
70-74	2,913	5,993	8,906
75-79	2,190	5,472	7,662
80-84	1,353	4,078	5,431
85-89	974	3,054	4,028
90-94	401	1,555	1,956
95-99	134	500	634
100	3	29	32
101	1	20	21
102	4	16	20
103	1	11	12
104	1	7	8
105 & Over	0	3	3
Total	**11,399**	**28,358**	**39,757**

Retirees currently waiving insurance are not included in the headcounts above.

SCHEDULE D – DETAILED TABULATIONS OF THE DATA

Schedule of Retiree Members Added to and Removed from Rolls
Last Fifteen Fiscal Years

Year Ended	Added to Rolls		Removed from Rolls*		Rolls at Year-End		% Increase in Projected Benefits	Average Projected Benefits
	Number	Projected Benefits	Number	Projected Benefits	Number	Projected Benefits		
6/30/2012	2,073	9,280,779	3,785	5,391,796	46,439	90,708,513	11.49%	1,953
6/30/2013	2,110	8,977,566	3,217	4,370,993	45,332	100,514,730	10.81%	2,217
6/30/2014	2,251	8,658,731	2,873	4,834,922	44,710	87,007,272	(13.44)%	1,946
6/30/2015	2,329	8,897,861	2,932	4,682,901	44,107	90,855,858	4.42%	2,060
6/30/2016	2,820	10,209,470	2,650	4,258,016	44,277	90,484,518	(0.41)%	2,044
6/30/2017	2,355	10,099,985	2,774	4,834,866	43,858	91,554,056	1.18%	2,088
6/30/2018	2,383	7,833,624	2,820	5,004,204	43,421	90,696,175	(0.94)%	2,089
6/30/2019	1,791	6,375,244	2,665	4,496,857	42,547	82,778,168	(8.73)%	1,946
6/30/2020	2,058	6,645,569	2,749	4,275,713	41,856	69,600,381	(15.92)%	1,663
6/30/2021	2,213	7,152,506	3,172	4,050,170	40,897	69,028,349	(0.82)%	1,688
6/30/2022	2,245	6,676,697	3,011	4,299,770	40,131	63,016,244	(8.71)%	1,570
6/30/2023	2,155	5,780,866	2,630	3,716,184	39,656	59,374,856	(5.78)%	1,497
6/30/2024	2,156	5,852,358	2,620	4,216,620	39,192	49,618,746	(16.43)%	1,266
6/30/2025	2,314	6,550,861	2,496	3,106,146	39,010	64,146,121	29.28%	1,644
6/30/2026	2,990	8,335,027	2,243	3,631,699	39,757	59,742,185	(6.87)%	1,503

* 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.

Retirees currently waiving insurance are not included in the headcounts above.

Deferred Vested Members Eligible for Healthcare
Male and Female Demographic Breakdown
As of June 30, 2026
Tabulated by Attained Ages

Attained Age	Number of		Total Number
	Males	Females	
Under 35	11	10	21
35-39	55	82	137
40-44	149	182	331
45-49	203	437	640
50-54	261	804	1,065
55-59	324	1,399	1,723
60 & Over	505	2,191	2,696
Total	**1,508**	**5,105**	**6,613**

SCHEDULE D – DETAILED TABULATIONS OF THE DATA

Total Active Members as of June 30, 2026
Tabulated by Attained Ages and Years of Service

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20	3,409							3,409
Avg Pay	$12,372							$12,372
20-24	11,666	151						11,817
Avg Pay	$15,144	$35,664						$15,406
25-29	11,118	1,168	55					12,341
Avg Pay	$19,520	$39,520	$47,673					$21,538
30-34	10,179	2,164	566	20				12,929
Avg Pay	$20,604	$40,410	$52,753	$61,977				$25,391
35-39	11,728	2,863	1,211	268	23			16,093
Avg Pay	$21,198	$38,439	$52,790	$64,094	$65,070			$27,420
40-44	12,010	3,746	1,835	590	297	43		18,521
Avg Pay	$20,209	$37,913	$50,563	$62,309	$70,486	$73,827		$29,069
45-49	10,542	4,097	2,543	950	614	367	28	19,141
Avg Pay	$19,380	$36,900	$45,043	$58,903	$68,692	$67,842	$88,303	$31,113
50-54	8,042	3,618	2,941	1,485	1,010	758	234	18,088
Avg Pay	$20,231	$35,929	$43,713	$50,309	$58,213	$68,975	$72,000	$34,491
55-59	6,823	3,356	2,991	2,165	1,847	1,575	479	19,236
Avg Pay	$21,131	$37,039	$42,626	$45,024	$50,572	$56,268	$68,351	$36,818
60-64	5,315	2,511	2,235	1,962	2,374	2,445	835	17,677
Avg Pay	$19,707	$34,916	$41,961	$44,858	$45,915	$50,891	$57,880	$37,109
65-69	4,001	1,469	1,038	793	906	1,212	682	10,101
Avg Pay	$15,012	$28,988	$39,607	$43,011	$46,076	$49,096	$50,906	$31,070
70 & over	3,124	1,101	586	309	261	304	441	6,126
Avg Pay	$11,684	$21,805	$29,579	$35,717	$38,554	$44,778	$46,971	$21,755
Totals	97,957	26,244	16,001	8,542	7,332	6,704	2,699	165,479
Avg Pay	$18,880	$36,229	$44,498	$48,757	$51,503	$54,672	$57,734	$29,180

Averages:

Age: 46.5
Service: 6.7
Annual Pay: $29,180

SCHEDULE D – DETAILED TABULATIONS OF THE DATA

Male Active Members as of June 30, 2026
Tabulated by Attained Ages and Years of Service

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20	1,749							1,749
Avg Pay	$12,314							$12,314
20-24	4,792	83						4,875
Avg Pay	$15,414	$38,890						$15,031
25-29	4,587	521	32					5,140
Avg Pay	$19,229	$46,528	$54,310					$22,214
30-34	3,655	812	295	11				4,773
Avg Pay	$20,609	$46,527	$60,144	$67,740				$27,571
35-39	3,378	823	442	151	19			4,813
Avg Pay	$21,675	$46,466	$64,794	$69,459	$65,110			$31,545
40-44	3,685	791	547	264	182	28		5,497
Avg Pay	$19,833	$50,125	$65,367	$73,319	$77,493	$82,745		$33,521
45-49	3,735	935	570	306	249	176	15	5,986
Avg Pay	$17,635	$46,216	$60,686	$77,512	$85,679	$78,618	$92,490	$34,071
50-54	3,236	817	565	331	249	267	112	5,577
Avg Pay	$18,619	$40,538	$57,861	$70,669	$79,955	$83,551	$81,975	$36,014
55-59	2,732	934	667	353	319	316	180	5,501
Avg Pay	$21,057	$43,070	$54,644	$65,036	$73,744	$79,077	$82,779	$40,097
60-64	2,162	831	609	426	392	341	193	4,954
Avg Pay	$20,715	$40,227	$52,591	$61,581	$65,588	$72,904	$75,891	$40,713
65-69	1,650	601	370	224	186	168	123	3,322
Avg Pay	$17,204	$31,880	$46,477	$53,079	$61,368	$69,758	$68,704	$32,576
70 & over	1,278	475	278	136	68	49	62	2,346
Avg Pay	$12,565	$24,006	$32,992	$40,695	$42,555	$60,137	$62,755	$22,122
Totals	36,639	7,623	4,375	2,202	1,664	1,345	685	54,533
Avg Pay	$18,508	$42,485	$56,229	$65,538	$72,191	$76,562	$76,580	$30,584

Averages:

Age: 45.0
Service: 5.4
Annual Pay: $30,584

SCHEDULE D – DETAILED TABULATIONS OF THE DATA

Female Active Members as of June 30, 2026
Tabulated by Attained Ages and Years of Service

Attained Age	Years of Service to Valuation Date							Totals
	0-4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30+	
Under 20	1,660							1,660
Avg Pay	$12,433							$12,433
20-24	6,874	68						6,942
Avg Pay	$14,956	$29,141						$15,095
25-29	6,531	647	23					7,201
Avg Pay	$19,724	$33,877	$38,439					$21,056
30-34	6,524	1,352	271	9				8,156
Avg Pay	$20,602	$36,737	$44,707	$54,933				$24,115
35-39	8,350	2,040	769	117	4			11,280
Avg Pay	$21,005	$35,200	$45,891	$57,171	$64,879			$25,660
40-44	8,325	2,955	1,288	326	115	15		13,024
Avg Pay	$20,376	$34,644	$44,276	$53,393	$59,398	$57,180		$27,190
45-49	6,807	3,162	1,973	644	365	191	13	13,155
Avg Pay	$20,336	$34,146	$40,523	$50,060	$57,103	$57,913	$83,472	$29,767
50-54	4,806	2,801	2,376	1,154	761	491	122	12,511
Avg Pay	$21,316	$34,584	$40,348	$44,469	$51,099	$61,048	$62,842	$33,812
55-59	4,091	2,422	2,324	1,812	1,528	1,259	299	13,735
Avg Pay	$21,181	$34,714	$39,176	$41,126	$45,734	$50,542	$59,665	$35,504
60-64	3,153	1,680	1,626	1,536	1,982	2,104	642	12,723
Avg Pay	$19,016	$32,289	$37,980	$40,220	$42,025	$47,323	$52,466	$35,705
65-69	2,351	868	668	569	720	1,044	559	6,779
Avg Pay	$13,473	$26,986	$35,803	$39,048	$42,125	$45,771	$46,990	$30,331
70 & over	1,846	626	308	173	193	255	379	3,780
Avg Pay	$11,075	$20,135	$26,499	$31,804	$37,144	$41,826	$44,389	$21,526
Totals	61,318	18,621	11,626	6,340	5,668	5,359	2,014	110,946
Avg Pay	$19,102	$33,668	$40,084	$42,928	$45,429	$49,178	$51,324	$28,490

Averages:

Age: 47.2
Service: 7.4
Annual Pay: $28,490

Active Members as of June 30, 2026
Tabulated by Annual Pay

Annual Pay	Number of Active Members			Portion of Total Number	
	Men	Women	Totals	Group	Cumulative
Less than $1,000	2,275	4,200	6,475	3.9%	3.9%
$1,000 - 1,999	2,499	3,058	5,557	3.4%	7.3%
2,000 - 2,999	3,065	3,195	6,260	3.8%	11.1%
3,000 - 3,999	3,267	2,835	6,102	3.7%	14.7%
4,000 - 4,999	2,910	2,314	5,224	3.2%	17.9%
5,000 - 5,999	2,289	1,989	4,278	2.6%	20.5%
6,000 - 6,999	1,825	1,891	3,716	2.2%	22.7%
7,000 - 7,999	1,334	1,810	3,144	1.9%	24.6%
8,000 - 8,999	1,131	1,846	2,977	1.8%	26.4%
9,000 - 9,999	944	1,725	2,669	1.6%	28.0%
10,000 - 11,999	1,399	3,506	4,905	3.0%	31.0%
12,000 - 13,999	1,156	3,466	4,622	2.8%	33.8%
14,000 - 15,999	1,105	3,854	4,959	3.0%	36.8%
16,000 - 17,999	1,161	4,205	5,366	3.2%	40.0%
18,000 - 19,999	1,224	4,798	6,022	3.6%	43.7%
20,000 - 24,999	3,024	13,695	16,719	10.1%	53.8%
25,000 - 29,999	2,860	13,227	16,087	9.7%	63.5%
30,000 - 35,999	2,818	10,959	13,777	8.3%	71.8%
36,000 - 39,999	1,697	5,117	6,814	4.1%	75.9%
40,000 - 49,999	4,839	9,914	14,753	8.9%	84.9%
50,000 - 59,999	3,941	5,736	9,677	5.8%	90.7%
60,000 and over	7,770	7,606	15,376	9.3%	100.0%
Totals	**54,533**	**110,946**	**165,479**		

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as "accrued liability" or "past service liability".

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future plan benefits" between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the "actuarial funding method".

Actuarial Equivalent. A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Age-Related Morbidity. Assumed increase to the net incurred claims related to increase in age.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Experience Gain (Loss). A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.

Healthcare Cost Trend Rates. The annual assumed rate of increase for both claims and contributions.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost". Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Plan Termination Liability. The actuarial present value of future plan benefits based on the assumption that there will be no further accruals for future service and salary. The termination liability will generally be less than the liabilities computed on a "going concern" basis and is not normally determined in a routine actuarial valuation.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded accrued liability".

Valuation Assets. The value of current plan assets recognized for valuation purposes. Generally based on book value plus a portion of unrealized appreciation or depreciation.