



**Retirement Board Agenda**  
**THURSDAY, SEPTEMBER 16, 2021**

**Click Link to Join Zoom Meeting:**

<https://ohsers.zoom.us/j/92223520258?pwd=enZ4U0NKRjRxVnhEWFU5UXMwVWxGZz09>

**Meeting ID:** 922 2352 0258

**Password:** 114367

To join by phone, dial: (929) 205-6099 and enter the meeting ID: **922 2352 0258** and password: **114367** when prompted.

**PLEDGE OF ALLEGIANCE**

1. Roll Call

**CONSENT AGENDA (R)**

2. Approval of the **July 15, 2021**, Retirement Board Meeting Minutes
3. Summary of Investment Transactions
  - June 1, 2021 to June 30, 2021
  - July 1, 2021 to July 31, 2021
4. Retirement Report
  - Superannuation and Survivor Benefits
  - Special Cases
5. Disability Report
  - Approval of Disability Benefits
  - Disapproval of Disability Benefits
  - Termination of Disability Benefits – Any Occupation

**INVESTMENT REPORT**

6. Wilshire Associates Quarterly Performance Report
7. Quarterly Investment Report and Monthly Investment Report – Periods Ending:
  - June 30, 2021
  - July 31, 2021

**EXECUTIVE DIRECTOR'S REPORT**

8. Executive Director's Update
9. COLA (Cost of Living Adjustment) Discussion (R)
10. Actuarial Factors (R)
11. Year End Parameters Report
12. Review of Administrative Expenses
13. Final Filing of Proposed Amended Administrative Rules (R)

**RETIREMENT REPORT**

14. Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits (R)
  - Personal Appearance – **10:30am**

**TECHNOLOGY COMMITTEE REPORT**

15. Technology Committee Update

**AUDIT COMMITTEE REPORT**

16. Audit Committee Update

**COMPENSATION COMMITTEE REPORT**

17. Compensation Committee Update

**BOARD COMMUNICATION AND POLICY ISSUES**

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

**FRIDAY, SEPTEMBER 17, 2021**

**EXECUTIVE DIRECTOR'S REPORT (continued)**

20. Pension Sustainability Discussion – **9:45 a.m. - O'Keefe Conference Center**

**Click Link to Join Zoom Meeting:**

<https://ohsers.zoom.us/j/98688638617?pwd=K1p1VzBLdnYQVFmM3dHdnFDbU5CZz09>

**Meeting ID:** 986 8863 8617

**Password:** 810295

To join by phone, dial: (929) 205-6099 and enter the meeting ID: **986 8863 8617** and password: **810295** when prompted.

**ADJOURNMENT (R)**

## FY2022 SERS Board Roll Call

**Roll Call:**

Barbra Phillips	_____
Hugh Garside	_____
James Haller	_____
Matthew King	_____
Catherine Moss	_____
James Rossler	_____
Frank Weglarz	_____
Daniel Wilson	_____
Jeffrey DeLeone	_____



## CONSENT AGENDA

1. Minutes of the **July 15, 2021** Retirement Board meeting
2. Summary of Investment Transactions
  - a. June 1 to June 30, 2021
  - b. July 1 to July 31, 2021
3. Retirement Report
  - a. Superannuation and Survivor Benefits
  - b. Special Cases
4. Disability Report
  - a. Approval of Disability Benefits
  - b. Disapproval of Disability Benefits
  - c. Termination of Disability Benefits – Any Occupation

**APPROVAL OF CONSENT AGENDA**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion to approve the Consent Agenda, which includes the following items:

1. Minutes of the **July 15, 2021**, Retirement Board meeting
2. Summary of Investment Transactions
  - a. June 1 to June 30, 2021
  - b. July 1 to July 31, 2021
3. Retirement Report
  - a. Superannuation and Survivor Benefits
  - b. Special Cases
4. Disability Report
  - a. Approval of Disability Benefits
  - b. Disapproval of Disability Benefits
  - c. Termination of Disability Benefits – Any Occupation

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

## SERS Retirement Board Meeting Minutes

### July 15, 2021

The nine hundredth and forty-first meeting of the Retirement Board of the School Employees Retirement System was held in the boardroom at 300 E. Broad Street, Columbus, Ohio, and streamed via Zoom videoconferencing on Thursday, July 15, 2021.

#### Pledge of Allegiance

The SERS Retirement Board meeting convened at 8:30 a.m. with the pledge of allegiance.

#### Oath of Office

The board meeting continued with the Oath of Office for three SERS board members, James Haller, Frank Weglarz, and Barbra Phillips.

OATH OF OFFICE OF JAMES HALLER  
MEMBER OF THE RETIREMENT BOARD OF THE  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM OF OHIO

STATE OF OHIO )  
 ) ss:  
COUNTY OF FRANKLIN)

I, JAMES HALLER, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Ohio; that I will not knowingly violate or willfully permit to be violated any of the provisions of law applicable to this Retirement System, and that I will diligently and honestly administer the affairs of the said office and duties as a member of the Retirement Board of the School Employees Retirement System of Ohio during the period for which I was appointed. Upon completion, the board congratulated Mr. Haller and thanked him for his continued service.

OATH OF OFFICE OF FRANK WEGLARZ  
MEMBER OF THE RETIREMENT BOARD OF THE  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM OF OHIO

STATE OF OHIO )  
 ) ss:  
COUNTY OF FRANKLIN)

I, FRANK WEGLARZ, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Ohio; that I will not knowingly violate or willfully permit to be violated any of the provisions of law applicable to this Retirement System, and that I will diligently and honestly administer the affairs of the said office and duties as a member of the Retirement Board of the School Employees Retirement System of Ohio during the period for which I was appointed. Upon completion, the board congratulated Mr. Weglarz and thanked him for his continued service.

OATH OF OFFICE OF BARBRA PHILLIPS  
MEMBER OF THE RETIREMENT BOARD OF THE  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM OF OHIO

STATE OF OHIO )  
 ) ss:  
COUNTY OF FRANKLIN)

I, BARBRA PHILLIPS, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Ohio; that I will not knowingly violate or willfully permit to be violated any of the provisions of law applicable to this Retirement System, and that I will diligently and honestly administer the affairs of the said office and duties as a member of the Retirement Board of the School Employees

## **SERS Retirement Board Meeting Minutes**

**July 15, 2021**

Retirement System of Ohio during the period for which I was appointed. Upon completion, the board congratulated Ms. Phillips and thanked her for her continued service.

### **Roll Call**

Following the Pledge of Allegiance and the oaths of office, the roll call was as follows: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, James Rossler, Frank Weglarz, and Barbra Phillips. Absent: Catherine Moss and Daniel Wilson. Also attending in person was Samuel Peppers, representative of the Ohio Attorney General's Office, various members of the SERS staff, and a member of the public. Attending virtually was Joanna Bewick and David Lindberg of Wilshire Associates along with other members of the public.

### **Consent Agenda**

The consent agenda for July 15, 2021, included:

- Minutes from the **June 17, 2021**, board meeting
- Summary of Investment Transactions for the period of **May 1, 2021**, through **May 31, 2021**
- Retirement Report – Superannuation and Survivor Benefits and Special Cases
- Disability Report – Approval of Disability Benefits, Disapproval of Disability Benefits, Termination of Disability Benefits – Any Occupation, and additions (including Approval of Appeal for Disability Benefits)

James Haller moved and Frank Weglarz seconded the motion to approve the Consent Agenda of the Retirement Board meeting held on Thursday, July 15, 2021. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, James Rossler, Frank Weglarz, and Barbra Phillips. Absent: Catherine Moss and Daniel Wilson. The motion carried.

### **Investment Report**

The Investment Report session convened at 8:37 a.m.

#### **Monthly Investment Report**

Farouki Majeed provided a summary of the Investment report for the period ending May 31, 2021. The total fund as of May 31, 2021, was \$17.45 billion. As of June 30, 2021, the FYTD return was 26.76%, exceeding the benchmark by 3%. Mr. Majeed also reviewed the American Investment Council's list of top ten pensions that delivered the strongest Private Equity returns and noted that SERS ranked fourth. Following comments, the Board thanked Mr. Majeed for his presentation.

The Investment Report concluded at 9:26 a.m.

### **Executive Director's Report**

#### **COVID-19 Health Care Report**

Richard Stensrud, SERS Executive Director, began his report by stating that SERS is reporting 3,023 COVID-19 cases within the Medicare plan. There were 8 more deaths bringing the total to 270. 100 new vaccines were distributed to our Pre-Medicare members bringing the total vaccinated number up to 11,611 or roughly 40%. This does not include the members who may have been vaccinated by public health or other systems.

## **SERS Retirement Board Meeting Minutes**

**July 15, 2021**

### **“Return to Office” Plan Update**

Mr. Stensrud reported as of July 6, 100% of staff returned to the office and the return to office plan has been completed. Starting with a modest remote work model, most staff are able to work remotely one day per week. However, not all staff positions are eligible for this remote work option. SERS will look at remote work options going forward and will continue work to reconnect with each other, renew our commitment and bond with our members and review what we have learned over the past year.

Mr. Stensrud restated SERS’ commitment to always have a meaningful onsite staff presence. SERS has excelled at bringing comfort & confidence to its members around retirement decisions. However, there is an added benefit to working remotely with staff and members. SERS leadership staff will continue to review and monitor the situation and adjust the return to office plan as needed.

### **Ohio Retirement Study Council**

Mr. Stensrud reported that the July ORSC meeting was cancelled. The next scheduled meeting is at the call of the chairman.

### **State Legislative Activity**

Mr. Stensrud reported that the state operating budget bill that passed the General Assembly and was signed by Governor DeWine did restore language included by the House to allow establishment of a policy to allow a retirement system’s board members to continue to attend board meetings using teleconference or video conference technology beyond July 1<sup>st</sup>. However, that authority was provided only to STRS since that was the provision that was originally adopted by the House.

Mr. Stensrud also reported efforts were not successful to get authorization for every system at this time. We have endorsement by ORSC to re-engage to get this authority extended. ORSC has recommended that all the retirement systems be granted that additional flexibility to have board members attend meeting remotely on occasion. SERS and other stakeholders will work with legislative leaders to try and address this issue in another bill in the future.

### **Federal Legislative Activity**

Mr. Stensrud provided an update on Medicare Part D and Employer Group Waiver Plans (EGWP). SERS continues to work with other plan sponsors, industry organizations and providers to create a white paper to educate Congress on EGWPs like ours as discussion continue around prescription drug reform for Medicare Part D. SERS will continue to work through the Public Sector HealthCare Roundtable to advocate for a solution to address the high cost of prescription drugs.

Mr. Stensrud reported in the interim, SERS has been making appointments to talk with key legislative staff to discuss EGWPs and the need for consideration of their unique plan offerings that benefit retirees. The current House bills, H.R. 3 and H.R. 19, the former Senate bill, S. 2543, called “PDPRA”, as well as the most recent bill introduced by Senator Ron Wyden (D-OR), all could cause an increase in the premiums of retirees and impact EGWPs as unintended consequences of Medicare Part D restructuring.

Mr. Stensrud also provided an update on WEP Reform. On June 29, four of Ohio’s retirement systems, including SERS, submitted a letter to the House Ways and Means Subcommittee on Social Security Chair John Larson (D-CT) and Ranking Member Tom Reed (R-NY) urging them to work to find a solution to the Windfall Elimination Provision (WEP). In the letter, the Executive Directors said *“No state has felt the impact of the WEP more acutely than Ohio, which has a higher percentage of non-covered (SSI) public workers than any other state. This offset currently impacts more than 148,000 Ohioans, diminishing their retirement security and reducing their ability to provide for themselves and their families. On behalf of the Ohio public employee retirees who are receiving a reduced Social Security benefit due to WEP and our active members who anticipate receiving a Social Security benefit in the future, we respectfully request the Subcommittee to enact an equitable solution.”*



## **SERS Retirement Board Meeting Minutes**

**July 15, 2021**

### **OP&F Executive Director Selection**

Mr. Stensrud reported Mary Beth Foley has been named the Executive Director of the Ohio Police and Fire Pension Fund. Ms. Foley, the pension fund's General Counsel, has been Acting Executive Director since the retirement of John Gallagher in April.

### **Upcoming Special Committee Meetings**

Mr. Stensrud reminded the board that SERS is scheduled to have a special Compensation Committee meeting on Tuesday, July 27, 2021. The purpose of this meeting is to interview potential consultants to complete a compensation and classification study. SERS will also have a special Technology Committee meeting on Tuesday, June 27, 2021, immediately following the special Compensation Committee meeting.

To engage quickly with the selected consultant, Mr. Stensrud has asked that the board delegate authority to the Compensation Committee to select a consultant & engage with a consultant to complete this study. With no scheduled board meeting in August 2021, the board would have to delay voting on a consultant until September which would further delay the consultant's work.

Following a robust discussion, it was moved by James Rossler and seconded by Hugh Garside to delegate to the SERS Compensation Committee the selection of a vendor to perform a Compensation and Classification study. The chair of the Compensation Committee is authorized to sign a contract to retain the selected vendor. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, James Rossler, Frank Weglarz, and Barbra Phillips. Absent: Catherine Moss and Daniel Wilson. The motion carried.

### **Filing of Proposed Amended Administrative Rule**

Dawn Viggiano, SERS Senior Staff Legal Counsel, reported on the proposed amended administrative rule to address the enrollment issue Christi Pepe, Director - Health Care Services, referred to in the June 2021 board meeting. Ms. Pepe reported that SERS still has members who do not enroll in Medicare or if they do enroll, they eventually lose coverage. This results in additional costs to SERS and to the retiree.

Under the proposed amendment, an individual who fails to enroll in Medicare Part B during their Medicare initial or special enrollment period will lose eligibility for SERS' health care 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.

The rule provides a deadline for individuals not currently enrolled in Medicare Part B to take action in order to remain eligible for SERS' coverage. The following individuals must enroll/re-enroll in Medicare Part B during Medicare's 2022 general enrollment period (January 1, 2022, through March 31, 2022) to remain eligible for SERS' health care coverage:

- Individuals who did not enroll in Medicare during their initial or special enrollment period(s) between January 1, 2019 and December 31, 2021
- Individuals who lost Medicare Part B coverage between January 1, 2019 and December 31, 2021

Individuals who, prior to January 1, 2019, failed to enroll in Medicare Part B during their initial/special enrollment period of lost Medicare Part B coverage will not lose eligibility for SERS' health care coverage for failure to enroll.

## **SERS Retirement Board Meeting Minutes**

**July 15, 2021**

Hugh Garside moved and Matthew King seconded that proposed amended rule 3309-1-35 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Jeffrey DeLeone, Hugh Garside, James Haller, Matthew King, James Rossler, Frank Weglarz, and Barbra Phillips. Absent: Catherine Moss and Daniel Wilson. The motion carried.

Mr. Stensrud concluded his report and the board thanked him for the updates.

### **Technology Committee Report**

Matthew King, Chair of the SERS Technology committee provided an update on the committee's work. The initial meeting was held June 1, 2021. The committee has several objectives and wants to work to create a platform for staff and the board to collaborate on future IT projects, understand IT trends, and provide guidance on a multi-year IT capital plan. The committee observed presentations from SERS IT staff and had a robust discussion about security matters in executive session. Other discussion topics were the technology budget, ransomware, insurance, and the SERS disaster recovery plan. Mr. King reported the meetings are going well.

It was requested by the board that the education and informational items received in the Technology Committee meetings be shared with the full board in the future. Mr. Stensrud stated there is a plan to build a SERS library of resources for the board on a variety of topics. SERS wants to expand the level of awareness and understanding of technological matters. SERS' staff wants to the board to understand how audit and ERM intertwine with technology. SERS is also looking for opportunities to provide additional training (programs and presentations) and hopes to provide these at the next board retreat. The board thanked Mr. King for his update.

**SERS Retirement Board Meeting Minutes**  
**July 15, 2021**

**Board Communication and Policy Issues**

**CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2021 - 2022**

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**REMAINING CALENDAR DATES FOR 2021**

**AUDIT COMMITTEE MEETINGS**

December 15, 2021 - 2:30 p.m. (Weds.)

**COMPENSATION COMMITTEE MEETINGS**

December 16, 2021 - 7:30 a.m. (Thurs.)

**TECHNOLOGY COMMITTEE MEETINGS**

December 16, 2021 – 2:00 p.m. (Thurs.)

**BOARD MEETINGS**

October 21 and 22, 2021 (Thurs. and Fri.)  
November 18 and 19, 2021 (Thurs. and Fri.)  
December 16 and 17, 2021 (Thurs. and Fri.)

**\*\*NOTE: The above dates are tentative.**



## SERS Retirement Board Meeting Minutes

July 15, 2021

### CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2022 \*\*

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#### AUDIT COMMITTEE MEETINGS

March 16, 2022 - 2:30 p.m. (Weds.)  
June 15, 2022 - 2:30 p.m. (Weds.)  
September 14, 2022 - 2:30 p.m. (Weds.)  
December 14, 2022 - 2:30 p.m. (Weds.)

#### COMPENSATION COMMITTEE MEETINGS

March 17, 2022 - 7:30 a.m. (Thurs.)  
June 16, 2022 - 7:30 a.m. (Thurs.)  
September 15, 2022 - 7:30 a.m. (Thurs.)  
December 15, 2022 - 7:30 a.m. (Thurs.)

#### TECHNOLOGY COMMITTEE MEETINGS

March 17, 2022 - 2:00 p.m. (Thurs.)  
June 16, 2022 - 2:00 p.m. (Thurs.)  
September 15, 2022 - 2:00 p.m. (Thurs.)  
December 15, 2022 - 2:00 p.m. (Thurs.)

#### BOARD MEETINGS

February 17-18, 2022 - 8:30 a.m. (Thurs. and Fri.)  
March 17-18, 2022 - 8:30 a.m. (Thurs. and Fri.)  
April 21-22, 2022 - 8:30 a.m. (Thurs. and Fri.)  
May 19-20, 2022 - 8:30 a.m. (Thurs. and Fri.)  
June 16-17, 2022 - 8:30 a.m. (Thurs. and Fri.)  
July 21-22, 2022 - 8:30 a.m. (Thurs. and Fri.)  
September 15-16, 2022 - 8:30 a.m. (Thurs. and Fri.)  
October 20-21, 2022 - 8:30 a.m. (Thurs. and Fri.)  
November 17-18, 2022 - 8:30 a.m. (Thurs. and Fri.)  
December 15-16, 2022 - 8:30 a.m. (Thurs. and Fri.)

**\*\*NOTE:** *The above dates are tentative.*

## **SERS Retirement Board Meeting Minutes**

### **July 15, 2021**

#### **Continued or New Business**

The Board continued with the review of continued or new business.

#### **Executive Director's Report (cont.)**

Amy McDuffee, founder of Mosaic Governance Advisors, and her colleague, Catherine Jackson, joined the board to facilitate a discussion on the results and findings of the SERS board self-evaluation process. Ms. McDuffee began by explaining the context and the history of board self-evaluations. Mosaic interviewed SERS trustees from June 1 to June 15, 2021. The interviews were based on questions about the board's overall performance. A self-evaluation component was provided for individual Trustee evaluation and personal reflection but was not the subject of Mosaic's interviews. Mosaic captured comments and summarized the results without attribution. After robust discussion, the board thanked Ms. McDuffee and Ms. Jackson for their presentation. The board looks forward to additional discussion regarding next steps in the future.

#### **Adjournment**

Barbra Phillips moved to adjourn to meet on Thursday, September 16, 2021, for the SERS regularly scheduled board meeting. The meeting adjourned at 11:25 a.m.

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Barbra Phillips, Chairperson

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Richard Stensrud, Secretary

## Board Meeting Agenda Item

## SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

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

The following is a summary of the investment transactions made during the period of **June 1, 2021 through June 30, 2021**. A detailed list of these transactions can be found in the Board Agenda mailed prior to the Retirement Board Meeting.

## A. PURCHASES

Asset Class	Approximate Cost (in millions)
Global Equities	\$ 282.4
Fixed Income	341.6
Multi-Asset Strategies	n/a
Private Equity Capital Calls	40.9
Real Asset Capital Calls	56.8
Opportunistic & Tactical	100.9
Global Private Credit	61.7
Cash Equivalents	276.0

## B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	\$279.9	\$ 59.7
Fixed Income	383.5	9.4
Multi-Asset Strategies	77.5	8.1
Private Equity distributions	59.8	n/a
Real Asset distributions	16.3	n/a
Opportunistic & Tactical	1.4	n/a
Global Private Credit	n/a	n/a
Cash Equivalents	278.6	n/a

## Board Meeting Agenda Item

## SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

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

The following is a summary of the investment transactions made during the period of **July 1, 2021 through July 31, 2021**. A detailed list of these transactions can be found in the Board Agenda mailed prior to the Retirement Board Meeting.

## A. PURCHASES

Asset Class	Approximate Cost (in millions)
Global Equities	\$ 342.3
Fixed Income	396.5
Private Equity Capital Calls	82.1
Real Asset Capital Calls	5.0
Opportunistic & Tactical	2.6
Global Private Credit	35.9
Cash Equivalents	674.7

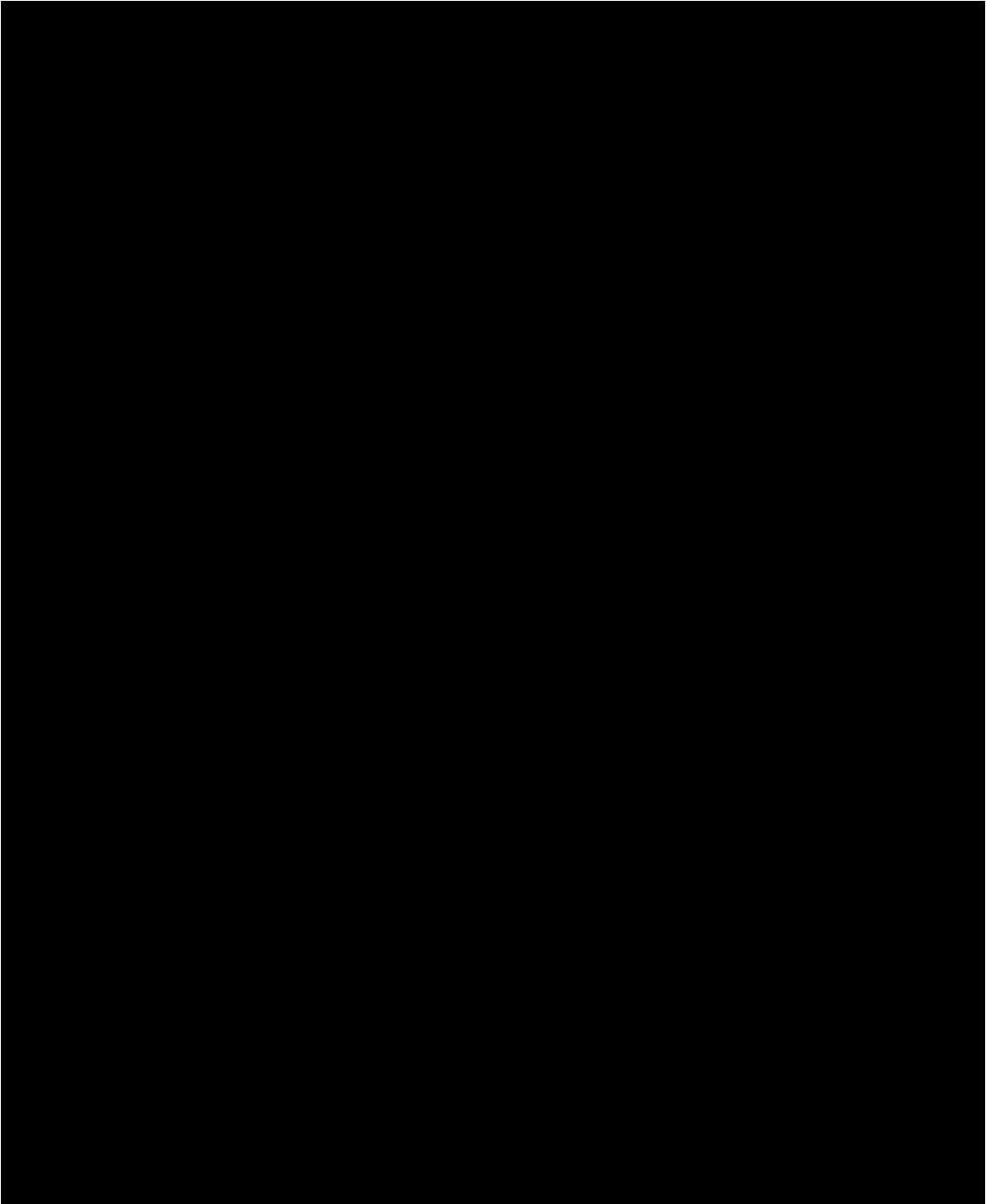
## B. SALES

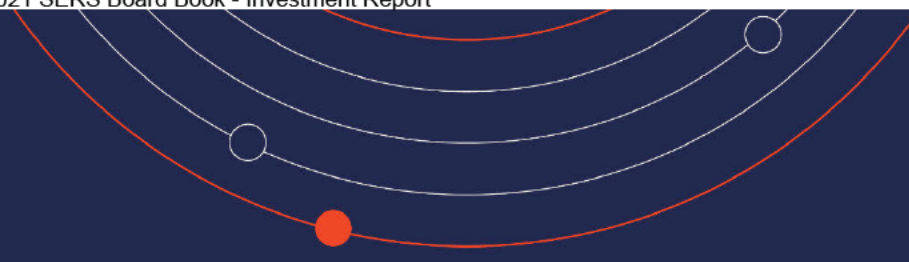
Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	\$446.8	\$ 136.0
Fixed Income	359.2	2.7
Private Equity distributions	65.8	n/a
Real Asset distributions	9.1	n/a
Opportunistic & Tactical	0.4	n/a
Global Private Credit	n/a	n/a
Cash Equivalents	567.7	n/a

APPROVAL OF SUPERANNUATION, SURVIVOR BENEFITS, AND TRANSFERS

IT WAS MOVED BY \_\_\_\_\_ AND SECONDED BY \_\_\_\_\_ THAT THE FOLLOWING **663** SUPERANNUATION RETIREMENTS, **34** SURVIVOR BENEFITS, AND **5** TRANSFERS BE APPROVED AND, FURTHER, THAT THE PERSONS LISTED BELOW BE GRANTED ALLOWANCES AND BENEFITS IN THE AMOUNTS SET FORTH AND EFFECTIVE AS OF THE DATES GIVEN IN THE REPORT.

**A.SUPERANNUATIONS**

NAME	WHERE PENSIONED	TRANSFERRED TO
		



# Executive Summary of Investment Performance

As of June 30, 2021



Wilshire

## QUARTERLY MARKET REVIEW

## Asset Class Performance

ASSET CLASS RETURNS - BEST TO WORST						ANNUALIZED 5-YEAR AS OF 6/21
2016	2017	2018	2019	2020	2021 YTD	
MLPs 18.3%	Emrg Mrkts 37.7%	T-Bills 1.9%	U.S. Equity 31.0%	U.S. Equity 20.8%	Midstream 40.7%	U.S. Equity 18.0%
High Yield 17.1%	Developed 25.6%	Core Bond 0.0%	REITs 25.8%	Emrg Mrkts 18.7%	REITs 22.8%	Emrg Mrkts 13.4%
U.S. Equity 13.4%	U.S. Equity 21.0%	U.S. TIPS -1.3%	Developed 22.7%	U.S. TIPS 11.0%	Commodities 21.1%	Developed 10.8%
Commodities 11.8%	High Yield 7.5%	High Yield -2.1%	Emrg Mrkts 18.9%	Developed 8.3%	U.S. Equity 15.5%	High Yield 7.5%
Emrg Mrkts 11.6%	REITs 4.2%	REITs -4.8%	High Yield 14.3%	Core Bond 7.5%	Developed 9.2%	REITs 6.4%
REITs 7.2%	Core Bond 3.6%	U.S. Equity -5.3%	Core Bond 8.7%	High Yield 7.1%	Emrg Mrkts 7.6%	Midstream 4.3%
U.S. TIPS 4.7%	U.S. TIPS 3.0%	Commodities -11.2%	U.S. TIPS 8.4%	T-Bills 0.7%	High Yield 3.6%	U.S. TIPS 4.2%
Core Bond 2.6%	Commodities 1.7%	MLPs -12.4%	Commodities 7.7%	Commodities -3.1%	U.S. TIPS 1.7%	Core Bond 3.0%
Developed 1.5%	T-Bills 0.8%	Developed -13.4%	MLPs 6.6%	REITs -7.9%	T-Bills 0.0%	Commodities 2.4%
T-Bills 0.3%	MLPs -6.5%	Emrg Mrkts -14.2%	T-Bills 2.3%	Midstream -23.4%	Core Bond -1.6%	T-Bills 1.2%

Data Sources: Bloomberg

Note: Developed asset class is developed equity markets ex-U.S., ex-Canada

## QUARTERLY MARKET REVIEW

# Market Commentary

## U.S. Equity

The U.S. stock market, represented by the Wilshire 5000 Total Market Index<sup>SM</sup>, was up 8.4% for the second quarter. Nearly all eleven sectors were in positive territory, with Energy (+12.8%) and Communication Services (+12.1%) representing the best performing sectors. From a size perspective, large-cap outperformed small-cap while style-based results were mixed as large-growth outperformed value while growth underperformed within the small-cap space.

Inflation continues to accelerate in 2021, and it is unclear as to whether this is the beginning of a persistent trend or one effect of a rapidly reopening economy. U.S. CPI is up 6.5% (annualized) YTD through May, largely due to a spike in energy prices, with oil up more than 50%. Fed Chair Jerome Powell believes that price increases will wane, saying that current pressure points “don’t speak to a broadly tight economy.”

## Non-U.S. Equity

Economic conditions are rapidly improving in the U.K., led by the services sector as retail and hospitality businesses are benefitting from an economy that has almost totally reopened. Conditions in Germany, Europe’s largest economy, are also improving as pandemic-related restrictions are being lifted.

## Fixed Income

The U.S. Treasury yield curve flattened during the quarter with yields beyond a 3-year maturity falling and shorter-term rates generally rising. The 10-year Treasury yield ended the quarter at 1.47%, down 27 basis points from March. The Federal Open Market Committee (FOMC) recently opened the conversation on possible tapering of bond purchases and their median forecast for the future overnight rate moved from no change to a 0.5% increase – albeit in 2023. However, Chair Jerome Powell indicated that the Fed would not raise rates “preemptively” on possible inflation fears.



## QUARTERLY MARKET REVIEW

## June 2021 Asset Class Assumptions

	Equity						Fixed Income					Real Assets							
	U.S. STOCK	DEV EX-U.S. STOCK	EMG. MRKT. STOCK	GLOBAL EX-U.S. STOCK	GLOBAL STOCK	PRIVATE EQUITY	CASH	CORE BOND	LT CORE BOND	U.S. TIPS	HIGH YIELD	NON-U.S. BOND (HDG)	U.S. REAL ESTATE SECS	GLOBAL REAL ESTATE SECS	PRIVATE REAL ESTATE	CMDTY	REAL ASSETS	U.S. CPI	
Compound Return (%)	4.75	5.75	5.75	6.00	5.40	7.80	1.40	1.85	2.25	1.45	3.50	0.70	4.70	4.85	6.20	3.85	5.75	2.45	
Arithmetic Return (%)	6.10	7.25	8.75	7.65	6.75	11.15	1.40	1.95	2.65	1.65	4.00	0.80	6.05	6.00	7.10	4.90	6.25	2.45	
Expected Risk (%)	17.00	18.00	26.00	19.15	17.15	28.00	0.75	4.30	8.85	6.00	10.00	4.30	17.00	15.85	14.00	15.00	10.15	1.75	
Cash Yield (%)	1.50	2.25	1.75	2.10	1.75	0.00	1.40	3.05	3.50	2.35	7.50	1.85	2.85	2.85	2.20	1.40	1.95	0.00	
Growth Expoure	8.00	8.00	8.00	8.00	8.00	13.50	0.00	-0.80	-2.10	-3.00	4.00	-1.00	6.00	6.00	3.50	0.00	1.80	0.00	
Inflation Expoure	-3.00	0.00	5.00	1.55	-1.10	-3.80	0.00	-2.45	-6.55	2.50	-1.00	-3.00	1.00	1.95	1.00	12.00	4.90	1.00	
Correlations																			
US Stock	1.00																		
Dev ex-US Stock (USD)	0.81	1.00																	
Emerging Mkt Stock	0.74	0.74	1.00																
Global ex-US Stock	0.83	0.96	0.87	1.00															
Global Stock	0.95	0.92	0.83	0.94	1.00														
Private Equity	0.74	0.64	0.62	0.67	0.74	1.00													
Cash Equivalents	-0.05	-0.09	-0.05	-0.08	-0.07	0.00	1.00												
Core Bond	0.28	0.13	0.00	0.09	0.20	0.31	0.19	1.00											
LT Core Bond	0.31	0.16	0.01	0.12	0.23	0.32	0.11	0.92	1.00										
TIPS	-0.05	0.00	0.15	0.05	0.00	-0.03	0.20	0.59	0.47	1.00									
High Yield Bond	0.54	0.39	0.49	0.45	0.51	0.34	-0.10	0.25	0.32	0.05	1.00								
Dev ex-US Bond (Hdg)	0.16	0.25	-0.01	0.17	0.18	0.26	0.10	0.66	0.65	0.39	0.26	1.00							
US RE Securities	0.58	0.47	0.44	0.49	0.56	0.50	-0.05	0.17	0.23	0.10	0.56	0.05	1.00						
Global RE Securities	0.64	0.58	0.56	0.61	0.65	0.58	-0.05	0.17	0.22	0.11	0.61	0.03	0.96	1.00					
Private Real Estate	0.54	0.44	0.44	0.47	0.52	0.51	-0.05	0.19	0.25	0.09	0.57	0.05	0.77	0.75	1.00				
Commodities	0.25	0.34	0.39	0.38	0.32	0.27	0.00	-0.02	-0.02	0.25	0.29	-0.10	0.25	0.28	0.25	1.00			
Real Assets	0.48	0.51	0.58	0.57	0.54	0.47	-0.02	0.23	0.25	0.39	0.56	0.05	0.70	0.75	0.70	0.65	1.00		
Inflation (CPI)	-0.10	-0.15	-0.13	-0.15	-0.13	-0.10	0.10	-0.12	-0.12	0.15	-0.08	-0.08	0.05	0.03	0.05	0.44	0.26	1.00	

QUARTERLY MARKET REVIEW

# Yield / Inflation Environment



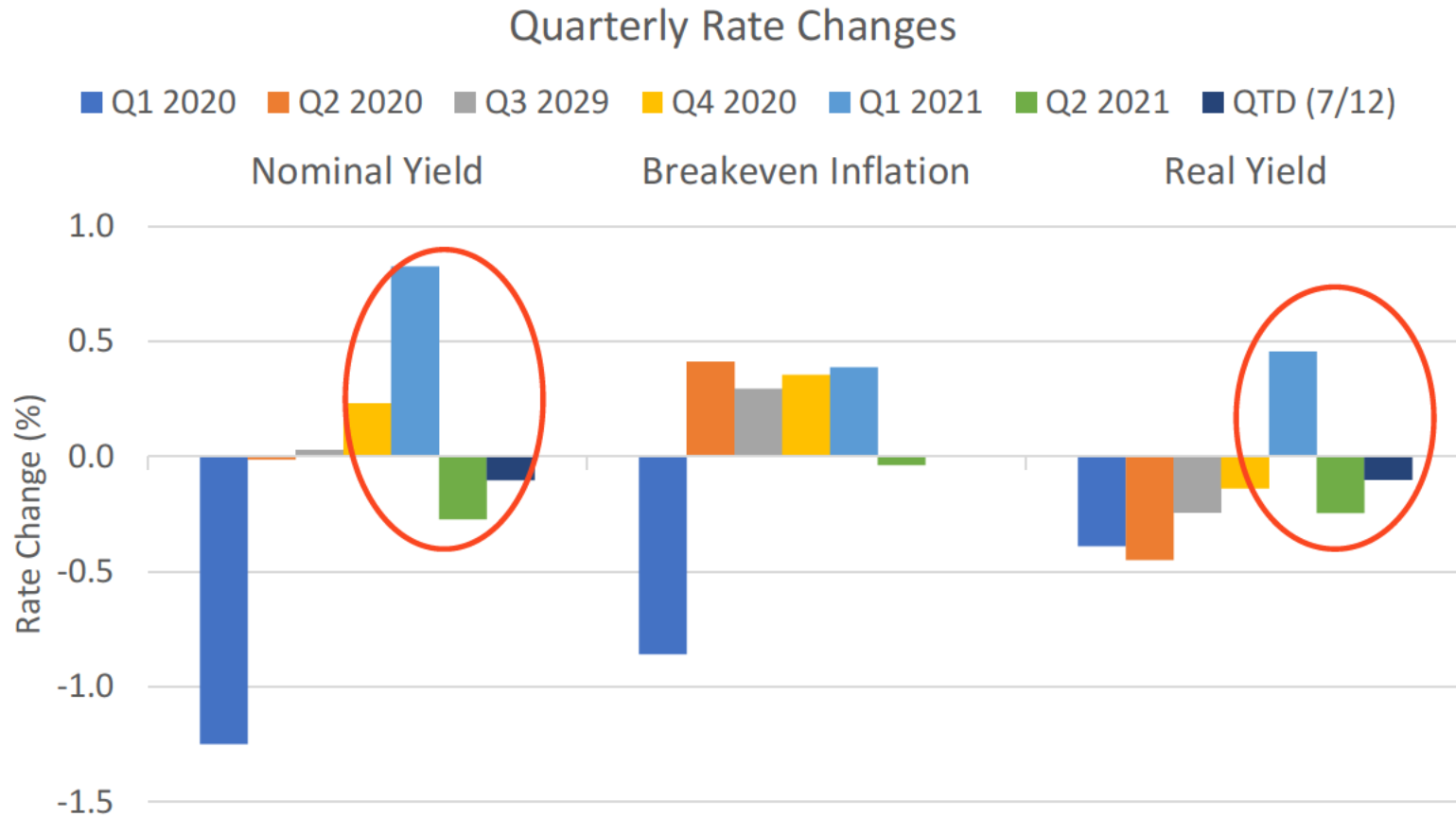
USGG10YR Index (US Generic Govt 10 Yr) 10yr Intraday Daily 31DEC2020-13JUL2021 Copyright© 2021 Bloomberg Finance L.P. 13-Jul-2021 05:40:01

Data Source: Bloomberg

QUARTERLY MARKET REVIEW

# Rate Change Attribution

**Reversal in Q1 rise in real yields, while BE inflation rate moderates...**



Data Source: Bloomberg

© 2021 Wilshire

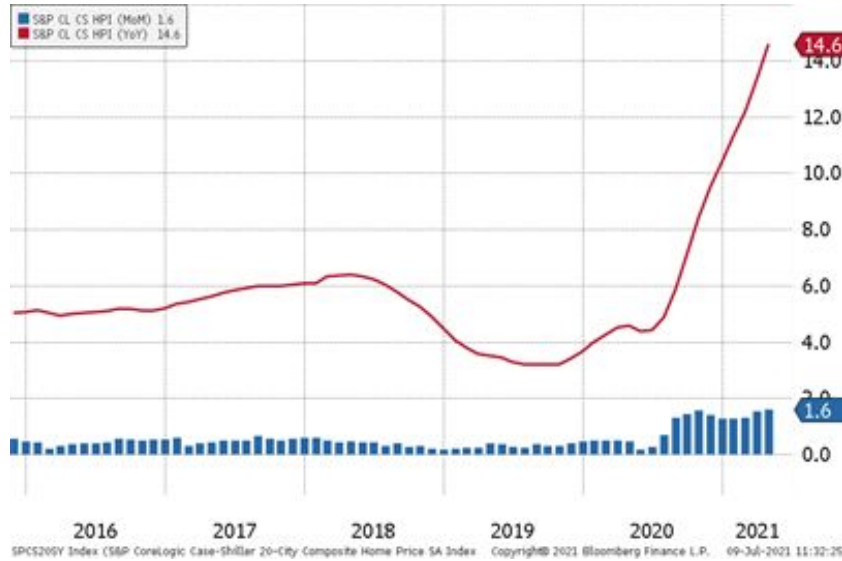
Quarterly Market Review

QUARTERLY MARKET REVIEW

# Inflation in most places you look...



## S&P/Case-Shiller U.S. National Home Price Index



## Commodity Price



Data Source: Bloomberg

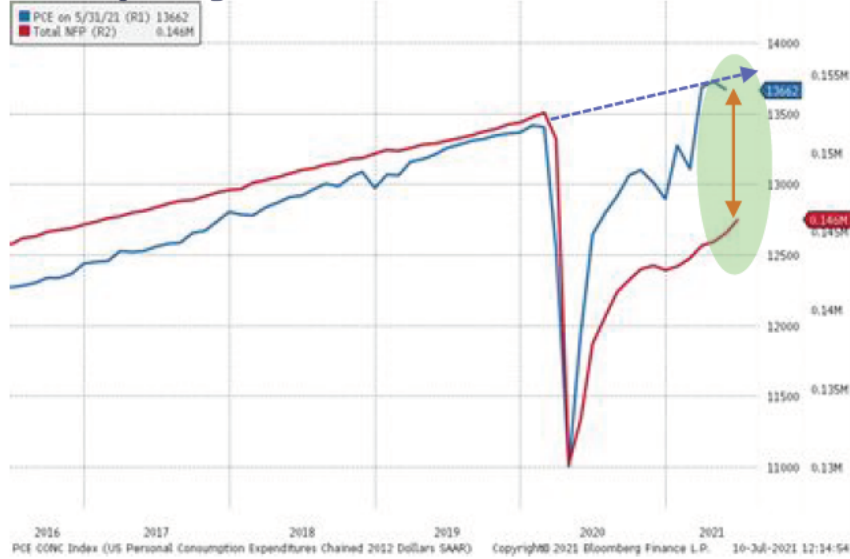
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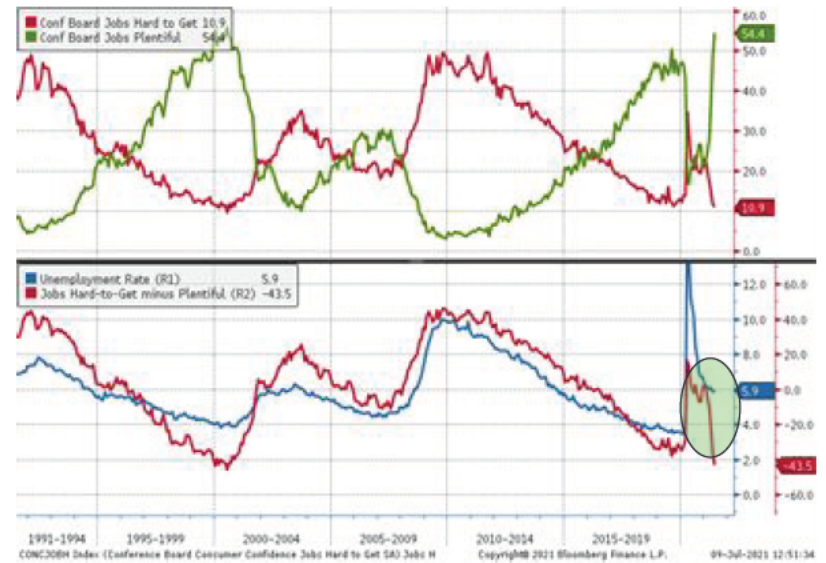
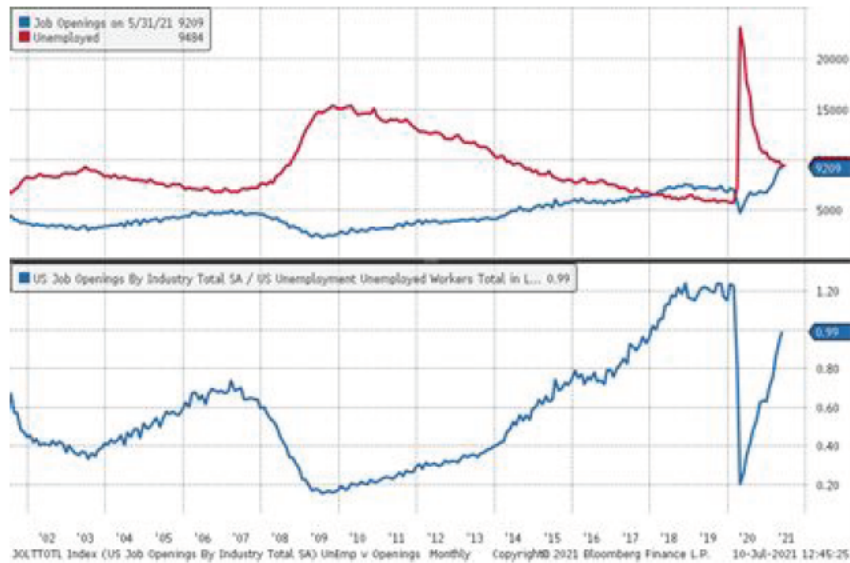
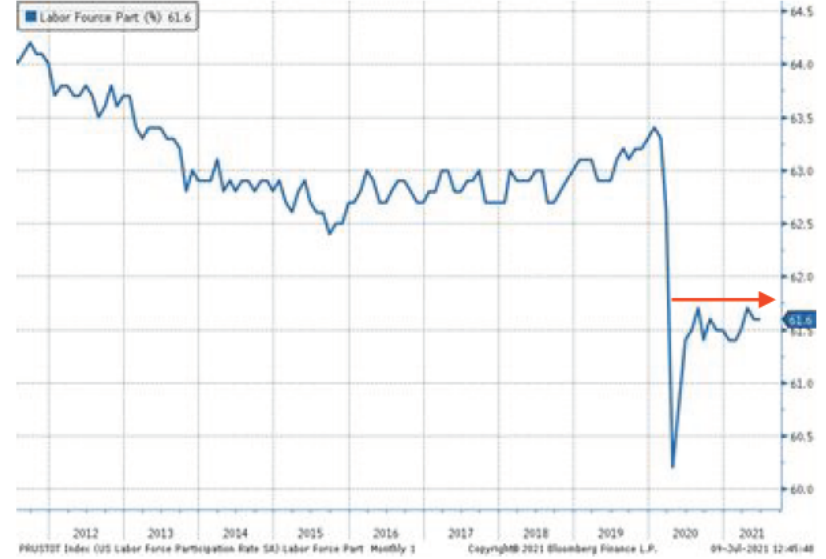


QUARTERLY MARKET REVIEW

# Employment Conditions



## U.S. Labor Force Participation Rate



Data Source: Bloomberg

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Quarterly Market Review

QUARTERLY MARKET REVIEW

# Will higher wages be needed to bridge the divide?



AHE MOM% Index (US Average Hourly Earnings All Employees Total Private Monthly P Copyright© 2021 Bloomberg Finance L.P. 13-Jul-2021 07:23:20

Data Source: Bloomberg

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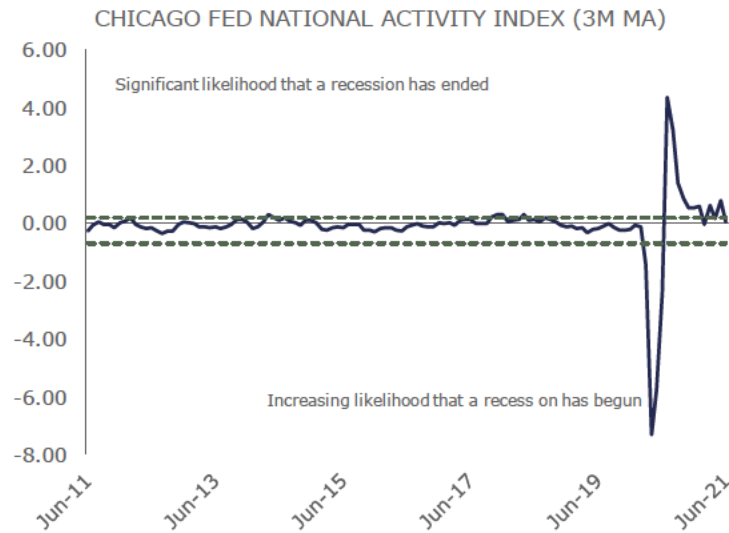
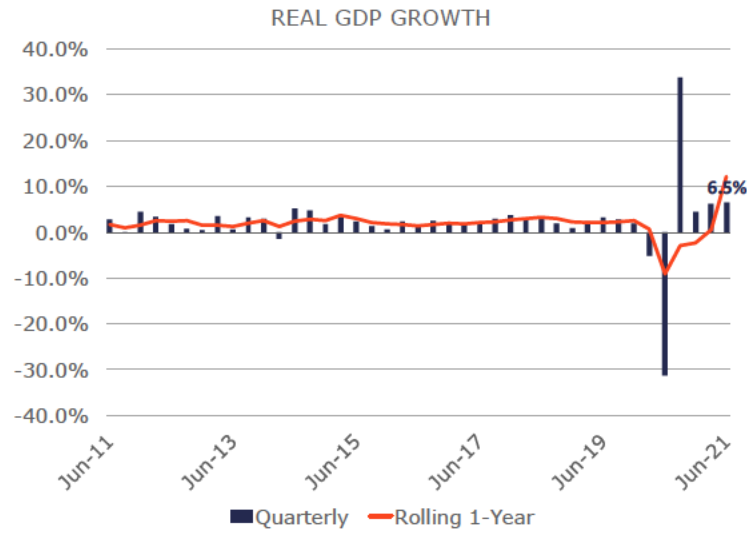
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# Economic/Market Activity

Wilshire

QUARTERLY MARKET REVIEW

# Economic Growth



Data Sources: Bloomberg

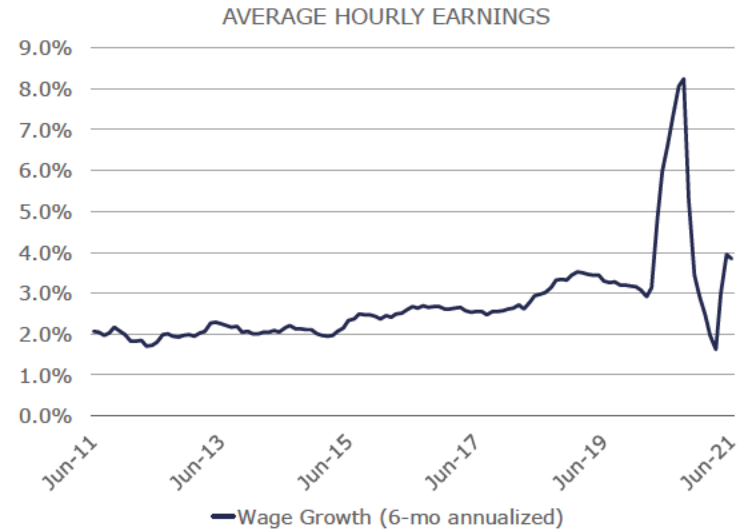
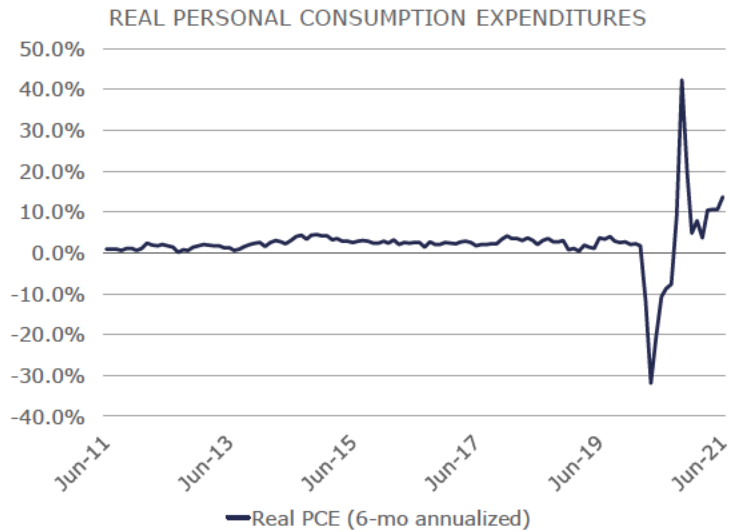
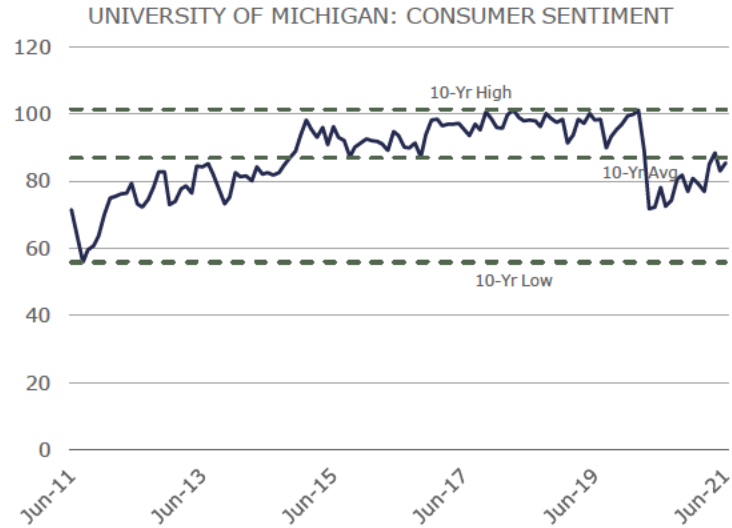
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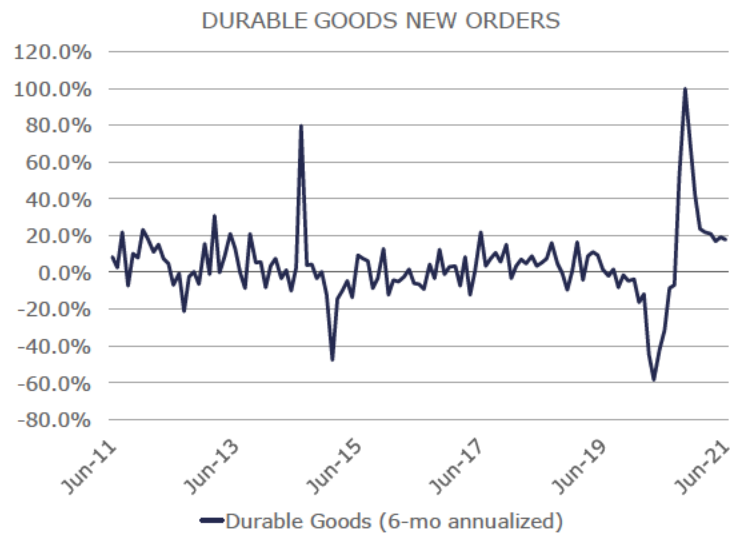
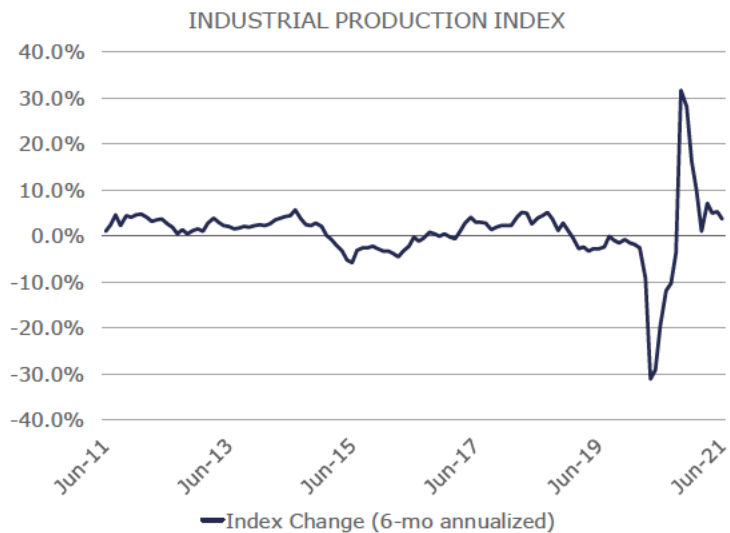
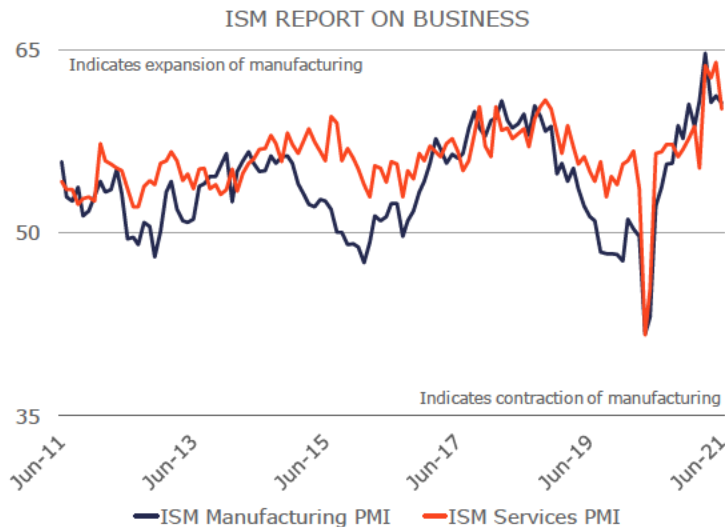
# Consumer Activity



Data Sources: Bloomberg

QUARTERLY MARKET REVIEW

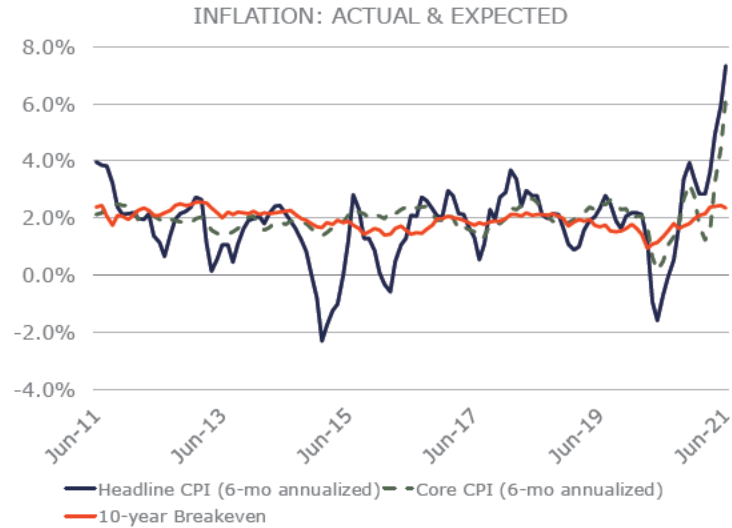
# Business Activity



Data Sources: Bloomberg

QUARTERLY MARKET REVIEW

# Inflation and Employment



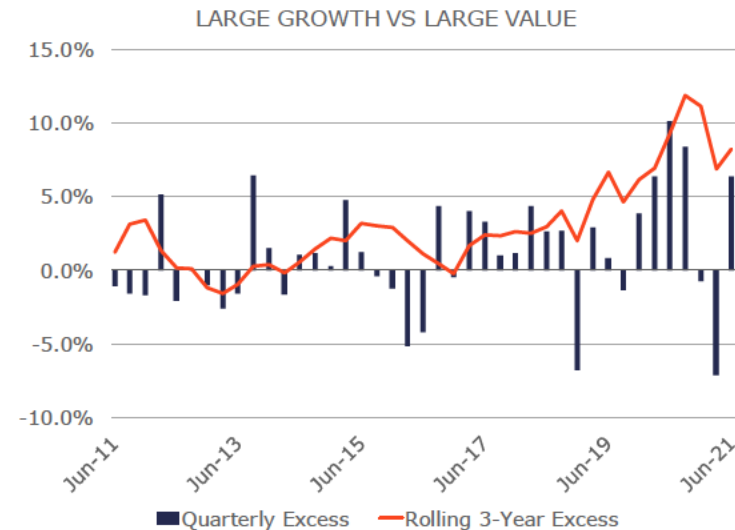
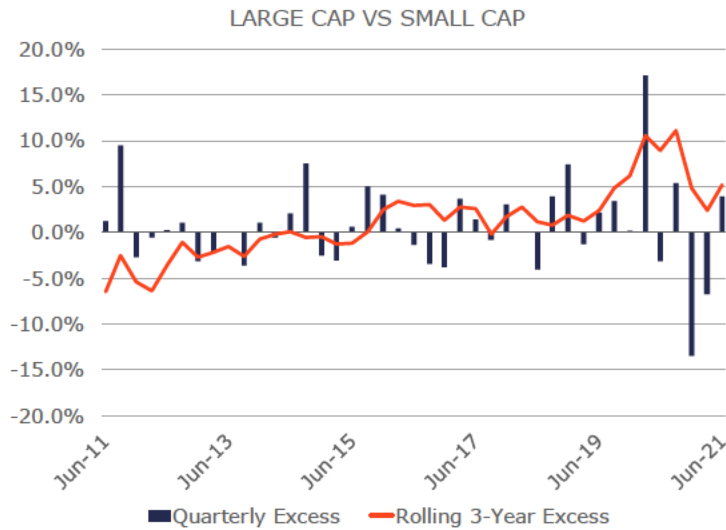
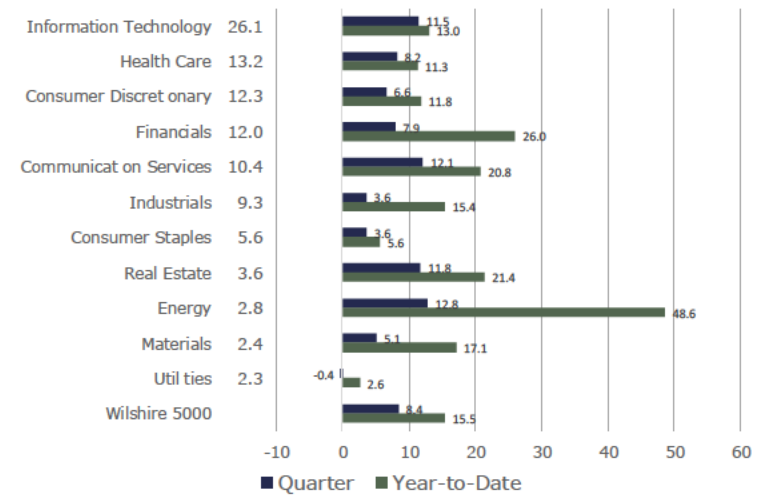
Data Sources: Bloomberg

QUARTERLY MARKET REVIEW

# U.S. Equity Market

AS OF 6/30/2021	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Wilshire 5000 Index	8.4	15.5	44.2	18.9	18.0	14.8
Wilshire U.S. Large Cap	8.8	15.1	42.7	19.5	18.2	15.0
Wilshire U.S. Small Cap	4.8	18.9	62.0	13.6	15.8	12.7
Wilshire U.S. Large Growth	11.9	14.1	46.3	23.9	23.3	17.3
Wilshire U.S. Large Value	5.1	15.4	37.7	14.5	13.0	12.5
Wilshire U.S. Small Growth	3.2	12.4	56.2	16.5	19.1	13.5
Wilshire U.S. Small Value	6.2	25.6	67.7	10.8	12.4	11.7
Wilshire REIT Index	12.8	22.8	37.5	10.1	6.4	9.4
MSCI USA Min. Vol. Index	6.8	9.3	23.6	13.9	12.1	13.4
FTSE RAFI U.S. 1000 Index	6.4	21.7	51.2	15.4	14.9	13.3

U.S. SECTOR WEIGHT AND RETURN (%)

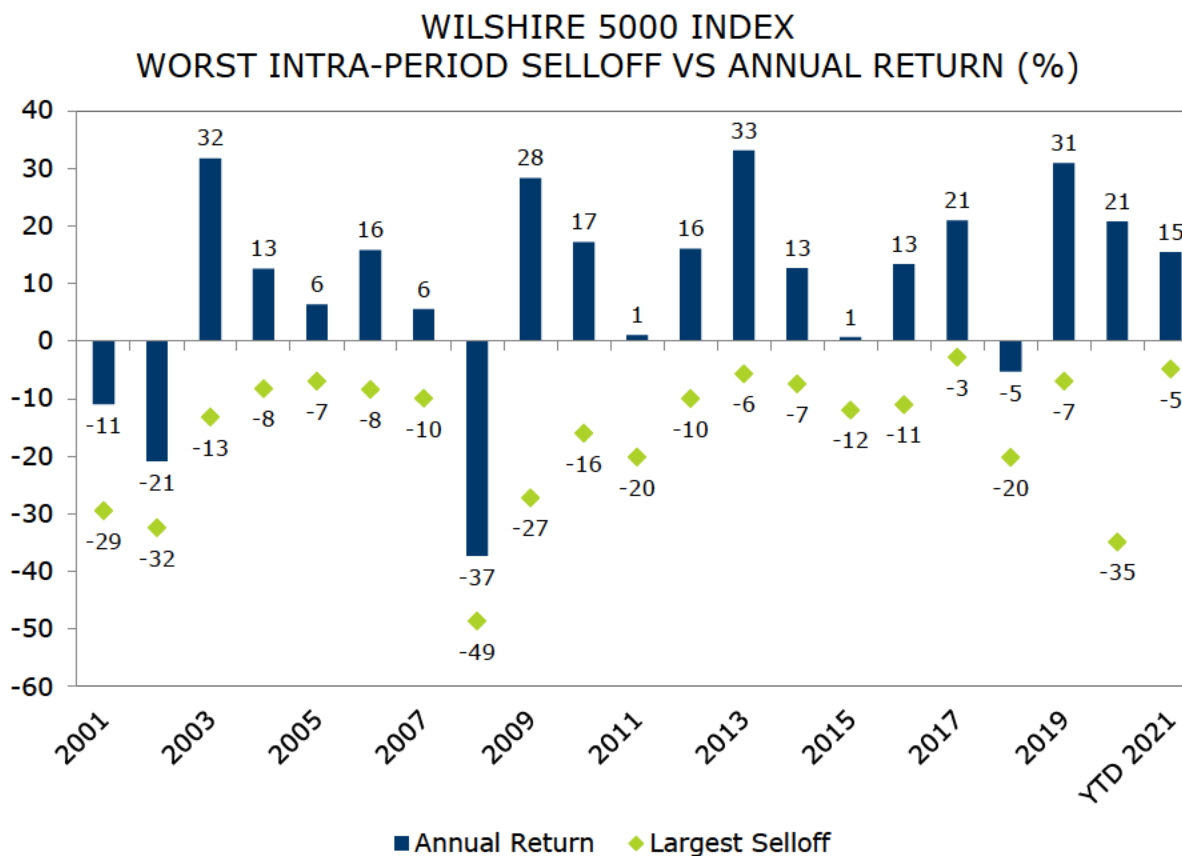


Data Sources: Bloomberg, Wilshire Atlas

QUARTERLY MARKET REVIEW

# Annual Returns

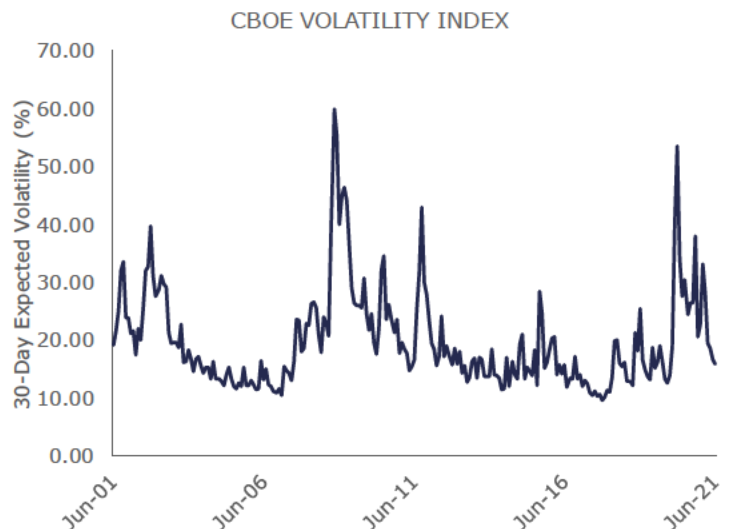
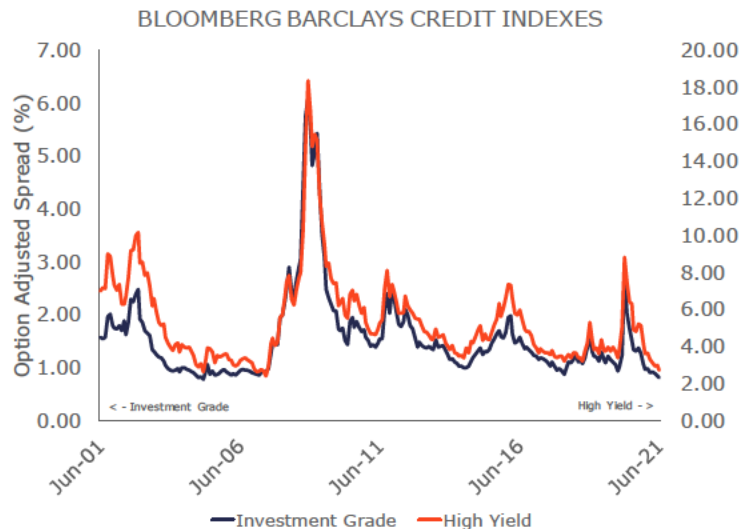
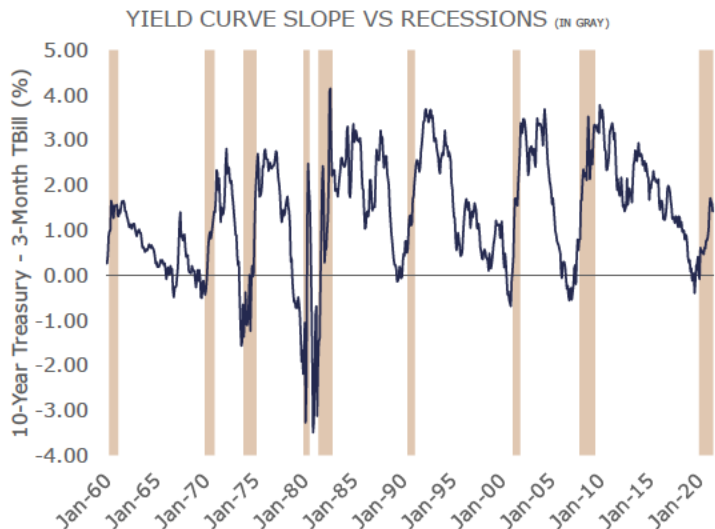
**U.S. Equity enjoyed a banner first half with a relatively minor sell-off**



Data Sources: Wilshire, Bloomberg

QUARTERLY MARKET REVIEW

# Risk Monitor



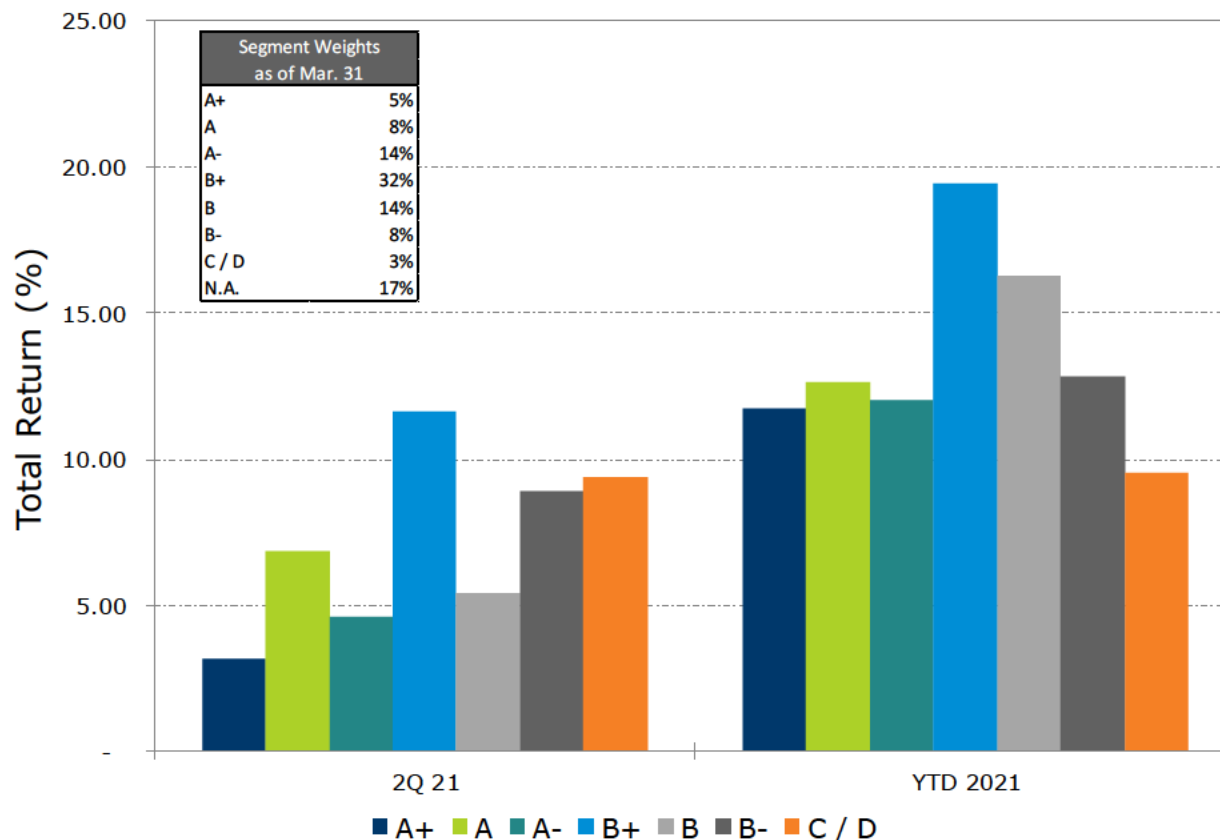
Data Sources: Bloomberg

QUARTERLY MARKET REVIEW

# Returns by Quality Segment

Mid-tier quality names are leading gains so far this year, which also represents the largest portion of the U.S. Equity market

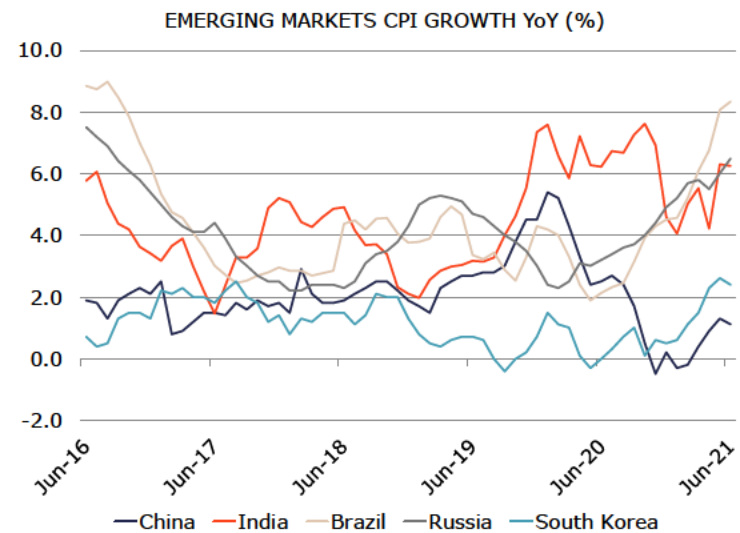
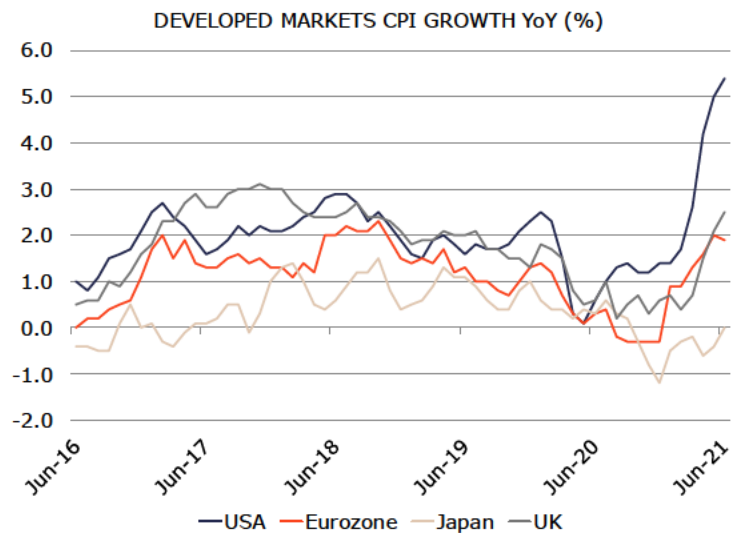
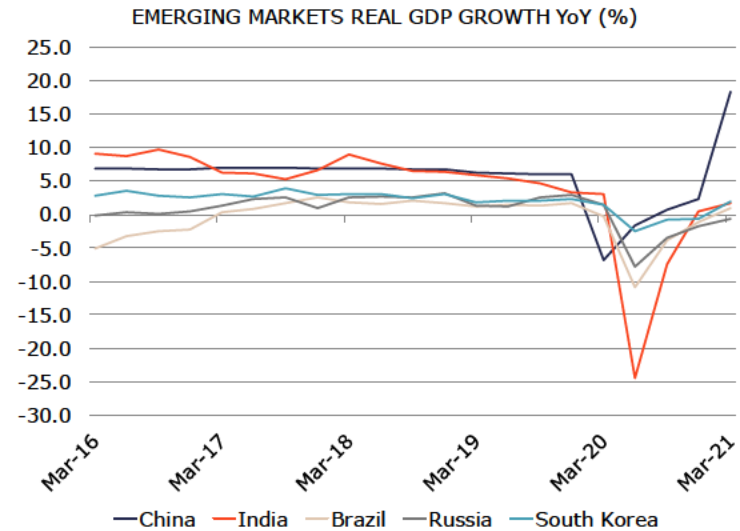
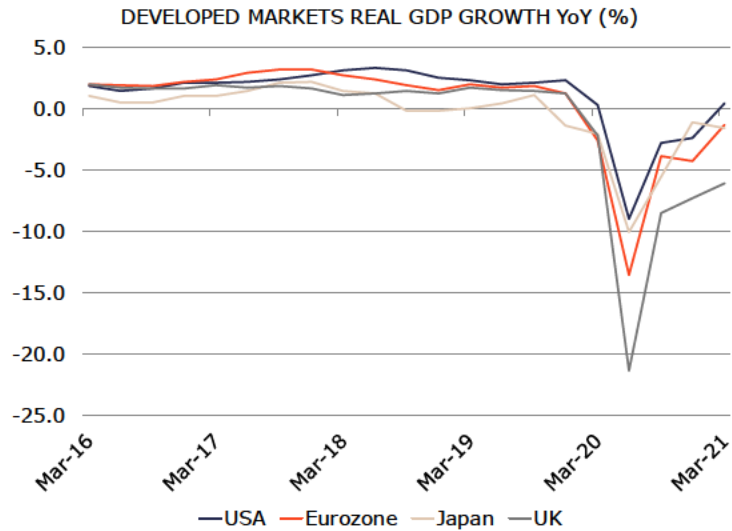
RETURN BY S&P QUALITY RATING



Data Sources: Wilshire Atlas

QUARTERLY MARKET REVIEW

# Non-U.S. Growth and Inflation



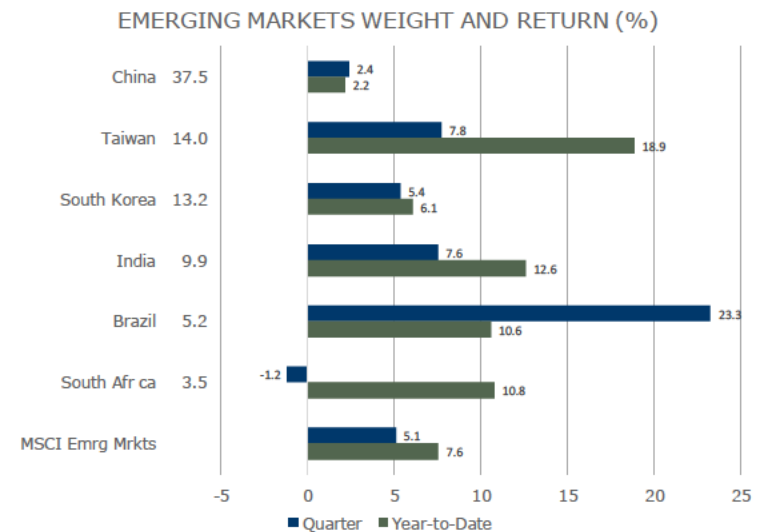
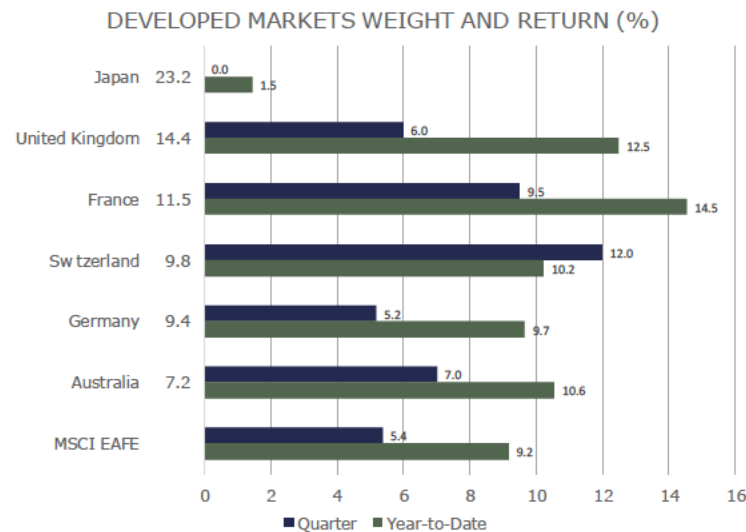
Data Sources: Bloomberg



QUARTERLY MARKET REVIEW

# Non-U.S. Equity Market

AS OF 6/30/2021	QTR	YTD	1 YR	3 YR	5 YR	10 YR
MSCI ACWI ex-US (\$G)	5.6	9.4	36.3	9.9	11.6	5.9
MSCI EAFE (\$G)	5.4	9.2	32.9	8.8	10.8	6.4
MSCI Emerging Markets (\$G)	5.1	7.6	41.4	11.7	13.4	4.7
MSCI Frontier Markets (\$G)	7.3	0.8	23.7	2.1	3.5	2.6
MSCI ACWI ex-US Growth (\$G)	6.7	6.7	34.1	13.6	13.8	7.6
MSCI ACWI ex-US Value (\$G)	4.7	12.4	39.8	6.1	9.4	4.4
MSCI ACWI ex-US Small (\$G)	6.5	12.5	47.6	10.2	12.4	7.4
MSCI ACWI Minimum Volatility	5.4	7.4	20.0	10.2	9.1	9.9
MSCI EAFE Minimum Volatility	5.2	4.7	17.0	5.4	6.5	7.0
FTSE RAFI Developed ex-US	4.8	13.8	42.3	7.0	10.4	5.0
MSCI EAFE LC (G)	5.0	13.1	27.6	8.0	10.5	8.6
MSCI Emerging Markets LC (G)	3.9	8.1	36.5	12.4	14.0	8.0



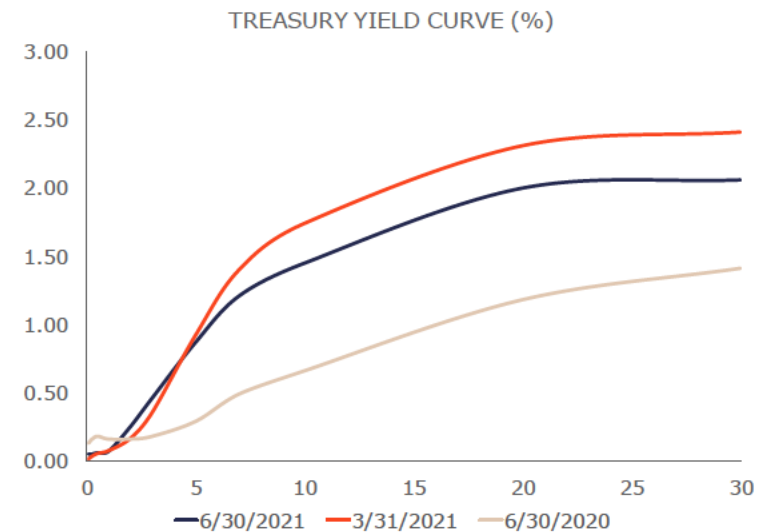
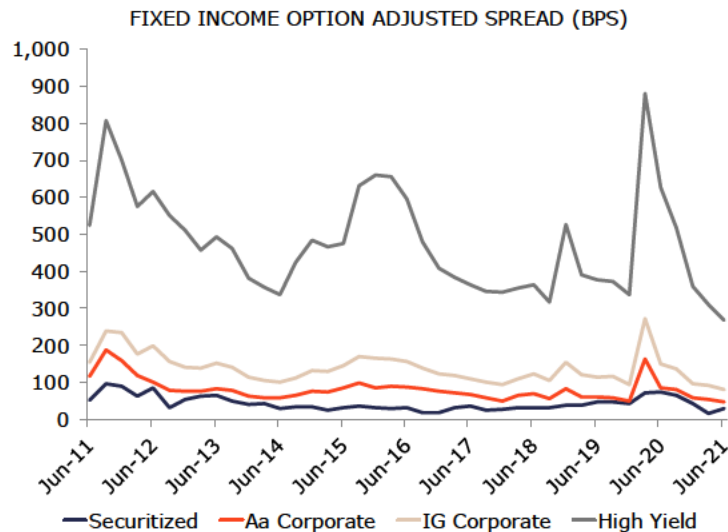
Data Sources: Bloomberg

QUARTERLY MARKET REVIEW

# U.S. Fixed Income

AS OF 6/30/2021	YTW	DUR.	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg Barclays Aggregate	1.5	6.6	1.8	-1.6	-0.3	5.3	3.0	3.4
Bloomberg Barclays Treasury	0.9	7.0	1.7	-2.6	-3.2	4.7	2.2	2.8
Bloomberg Barclays Govt-Rel.	1.4	6.2	1.7	-1.2	0.8	5.1	3.0	3.2
Bloomberg Barclays Securitized	1.7	4.2	0.4	-0.7	-0.2	3.9	2.4	2.7
Bloomberg Barclays Corporate	2.0	8.7	3.5	-1.3	3.3	7.8	4.9	5.2
Bloomberg Barclays LT Govt/Credit	2.7	16.6	6.4	-4.6	-1.9	9.9	5.4	7.3
Bloomberg Barclays LT Treasury	2.0	18.8	6.5	-7.9	-10.6	8.0	3.1	6.7
Bloomberg Barclays LT Govt-Rel.	3.1	13.8	5.0	-2.8	2.1	8.3	5.0	6.7
Bloomberg Barclays LT Corporate	3.1	15.4	6.6	-2.4	4.5	11.1	6.9	7.7
Bloomberg Barclays U.S. TIPS *	1.4	8.1	3.2	1.7	6.5	6.5	4.2	3.4
Bloomberg Barclays High Yield	3.7	3.8	2.7	3.6	15.4	7.4	7.5	6.7
Treasury Bills	0.0	0.3	0.0	0.0	0.1	1.4	1.2	0.7

\* Yield and Duration statistics are for a proxy index based on similar maturity, the Bloomberg Barclays U.S. Treasury 7-10 Year Index

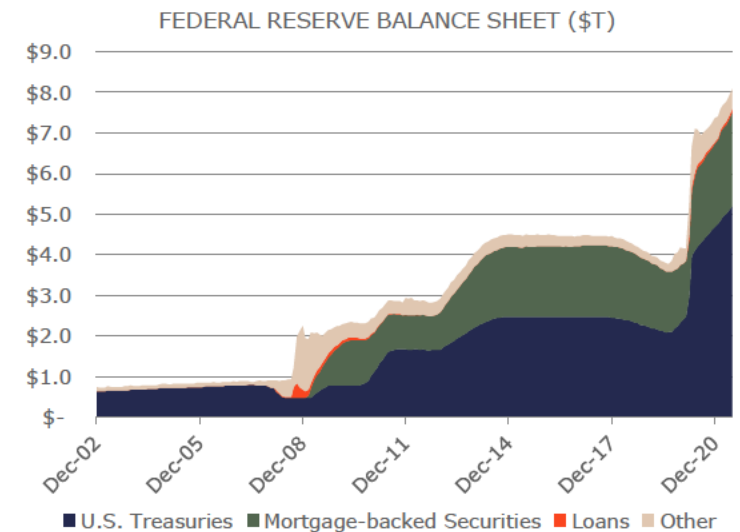
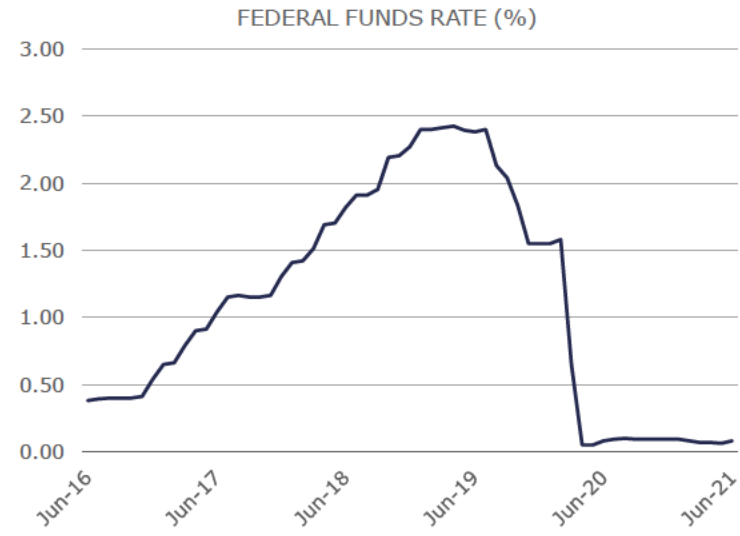


Data Sources: Bloomberg

QUARTERLY MARKET REVIEW

# Federal Reserve

- **Current FOMC expectation for the Fed-funds rate is to remain near zero through 2022**
- **Federal Reserve has added nearly \$4 trillion in assets to their balance sheet during the past year**
- **QE4 is now larger than the 3 phases of quantitative easing – combined – following the global financial crisis**



	Announced	Closed	Amount (bil)
QE1	11/25/2008	3/31/2010	\$1,403
QE2	11/3/2010	6/29/2012	\$568
QE3	9/13/2012	10/29/2014	\$1,674
QE4	3/23/2020		\$3,943

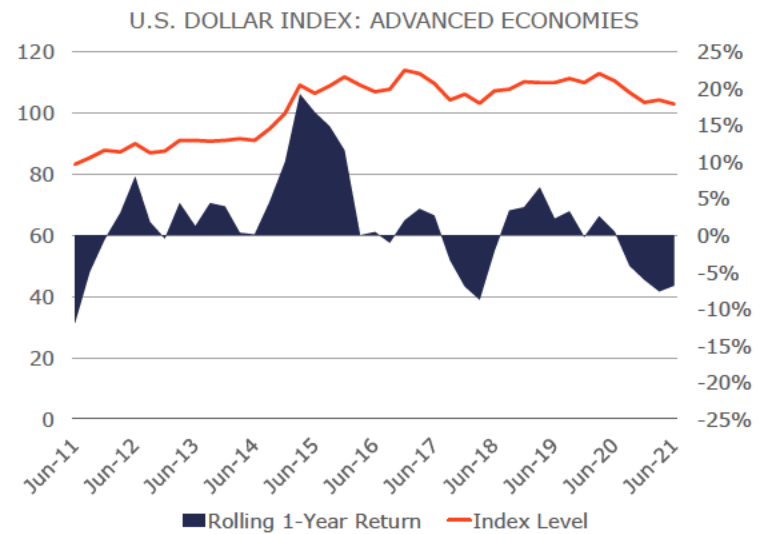
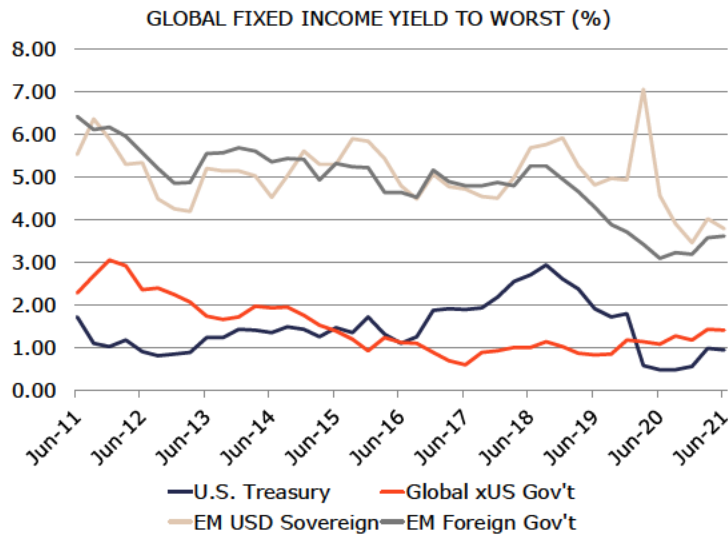
Data Sources: Bloomberg

QUARTERLY MARKET REVIEW

# Non-U.S. Fixed Income

AS OF 6/30/2021	QTR	YTD	1 YR	3 YR	5 YR	10 YR
<b>DEVELOPED MARKETS</b>						
Blmbrg Brclys Global Aggregate xUS	0.9	-4.4	4.6	3.1	1.6	1.0
Blmbrg Brclys Global Aggregate xUS *	0.3	-1.6	0.0	3.8	2.8	4.1
Blmbrg Brclys Global Inflation Linked xUS	2.7	-2.1	8.9	5.0	4.3	3.2
Blmbrg Brclys Global Inflation Linked xUS *	2.4	-1.0	0.6	5.3	4.8	5.7
<b>EMERGING MARKETS (HARD CURRENCY)</b>						
Blmbrg Brclys EM USD Aggregate	3.0	-0.6	6.3	6.7	4.9	5.4
<b>EMERGING MARKETS (FOREIGN CURRENCY)</b>						
Blmbrg Brclys EM Local Currency Govt	2.9	-1.0	8.0	5.3	3.8	1.9
Blmbrg Brclys EM Local Currency Govt *	0.7	-1.3	-1.0	4.5	2.9	3.2
Euro vs. Dollar	1.1	-2.9	5.6	0.5	1.3	-2.0
Yen vs. Dollar	-0.4	-7.1	-2.9	-0.1	-1.5	-3.2
Pound vs. Dollar	0.3	1.2	11.5	1.6	0.8	-1.5

\* Returns are reported in terms of local market investors, which removes currency effects.

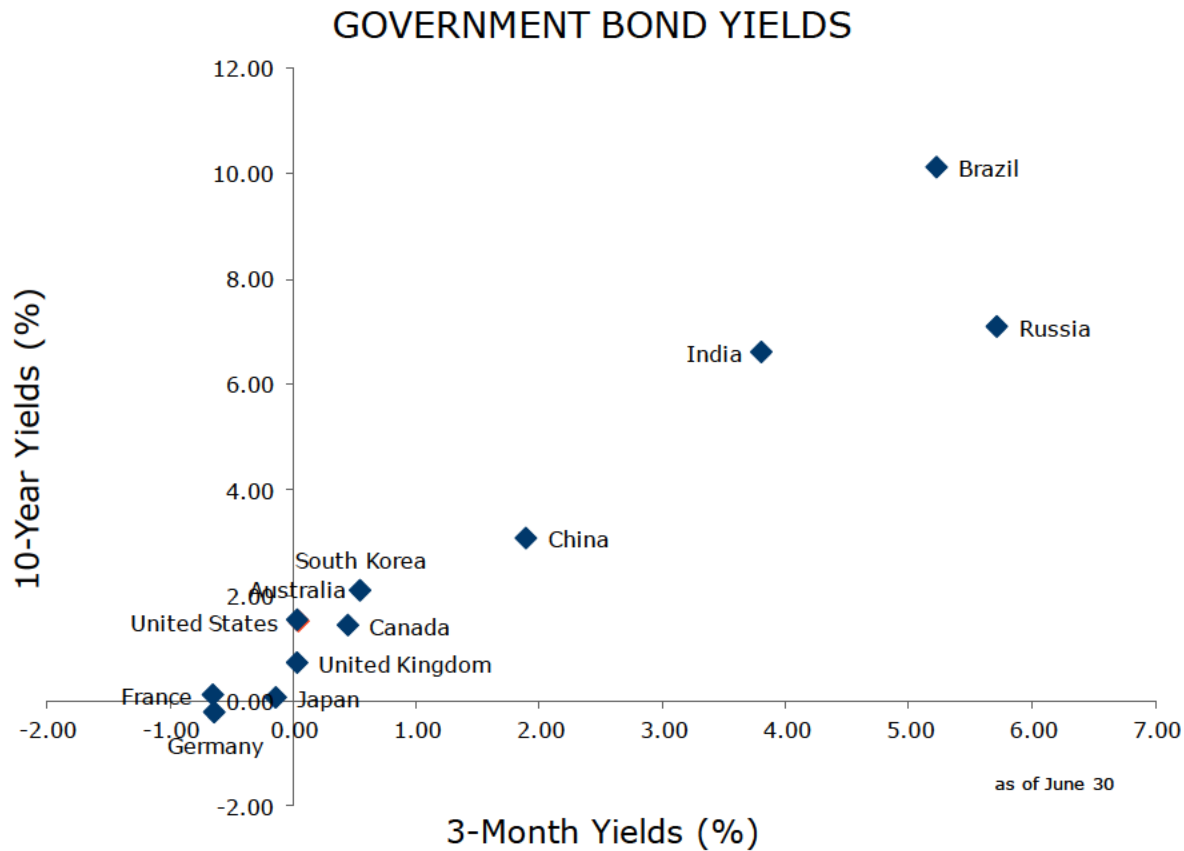


Data Sources: Bloomberg

QUARTERLY MARKET REVIEW

# Global Interest Rates

Negative rates found in Germany and France; low but positive rates, and at similar levels, in the U.S. and Australia while the U.K. approaches zero



Data Sources: Bloomberg

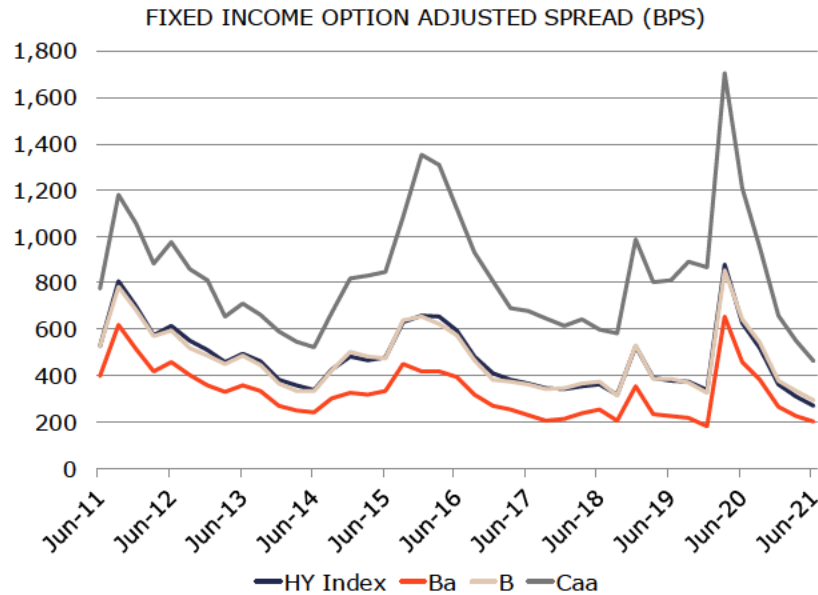
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Quarterly Market Review

QUARTERLY MARKET REVIEW

# High Yield Bond Market

AS OF 6/30/2021		YTW	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg Barclays High Yield		3.7	2.7	3.6	15.4	7.4	7.5	6.7
S&P LSTA Leveraged Loan		3.7	1.1	2.2	9.4	4.3	4.7	4.1
HIGH YIELD QUALITY DISTRIBUTION	WEIGHT							
Ba U.S. High Yield	54.3%	3.0	2.9	2.7	12.9	9.1	7.5	7.0
B U.S. High Yield	33.0%	4.1	2.2	3.3	14.3	6.7	7.1	6.2
Caa U.S. High Yield	12.4%	5.6	3.5	7.2	26.5	3.8	7.6	6.5
Ca to D U.S. High Yield	0.4%	16.0	12.5	28.9	84.4	2.3	14.2	-2.0
Non-Rated U.S. High Yield	0.0%	0.0	0.0	0.0	0.0	-0.3	1.8	2.8



Data Sources: Bloomberg



# TOTAL FUND

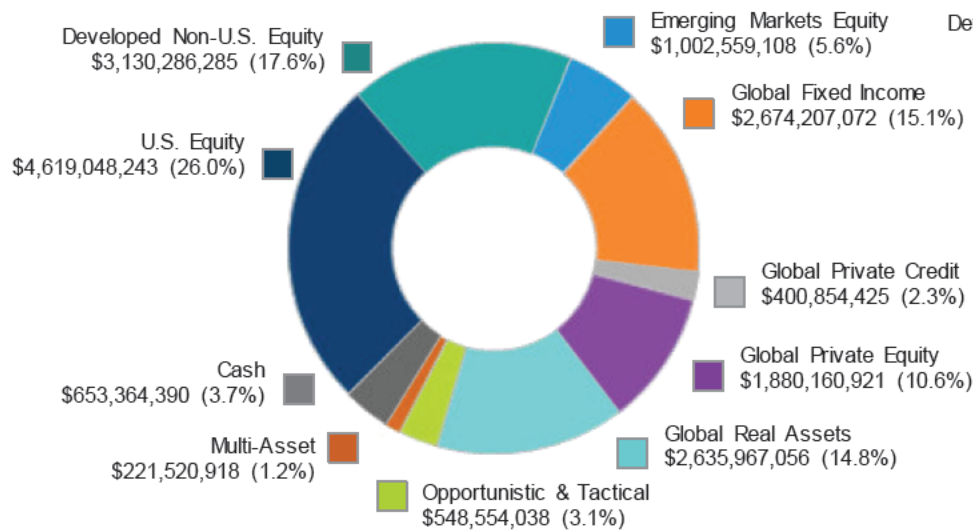
Wilshire Consulting

# Asset Allocation Summary

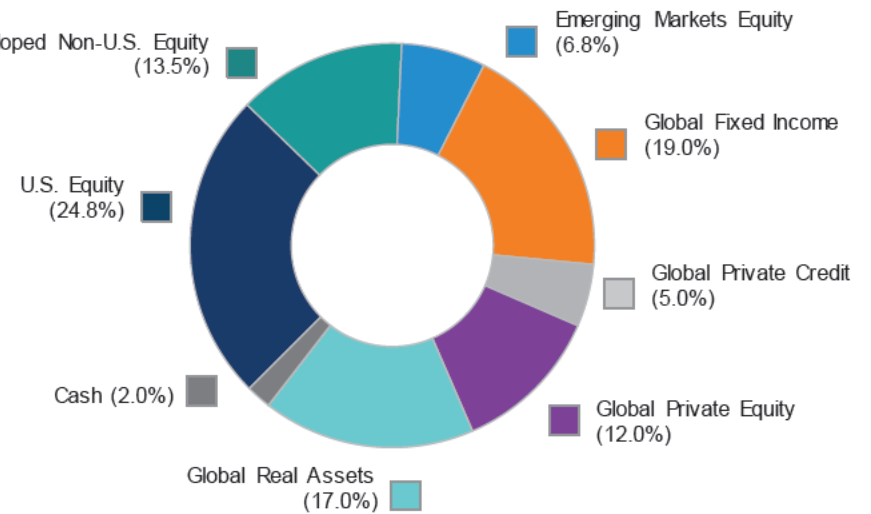
Total Fund

Periods Ended June 30, 2021

## Actual Allocation



## Current Policy



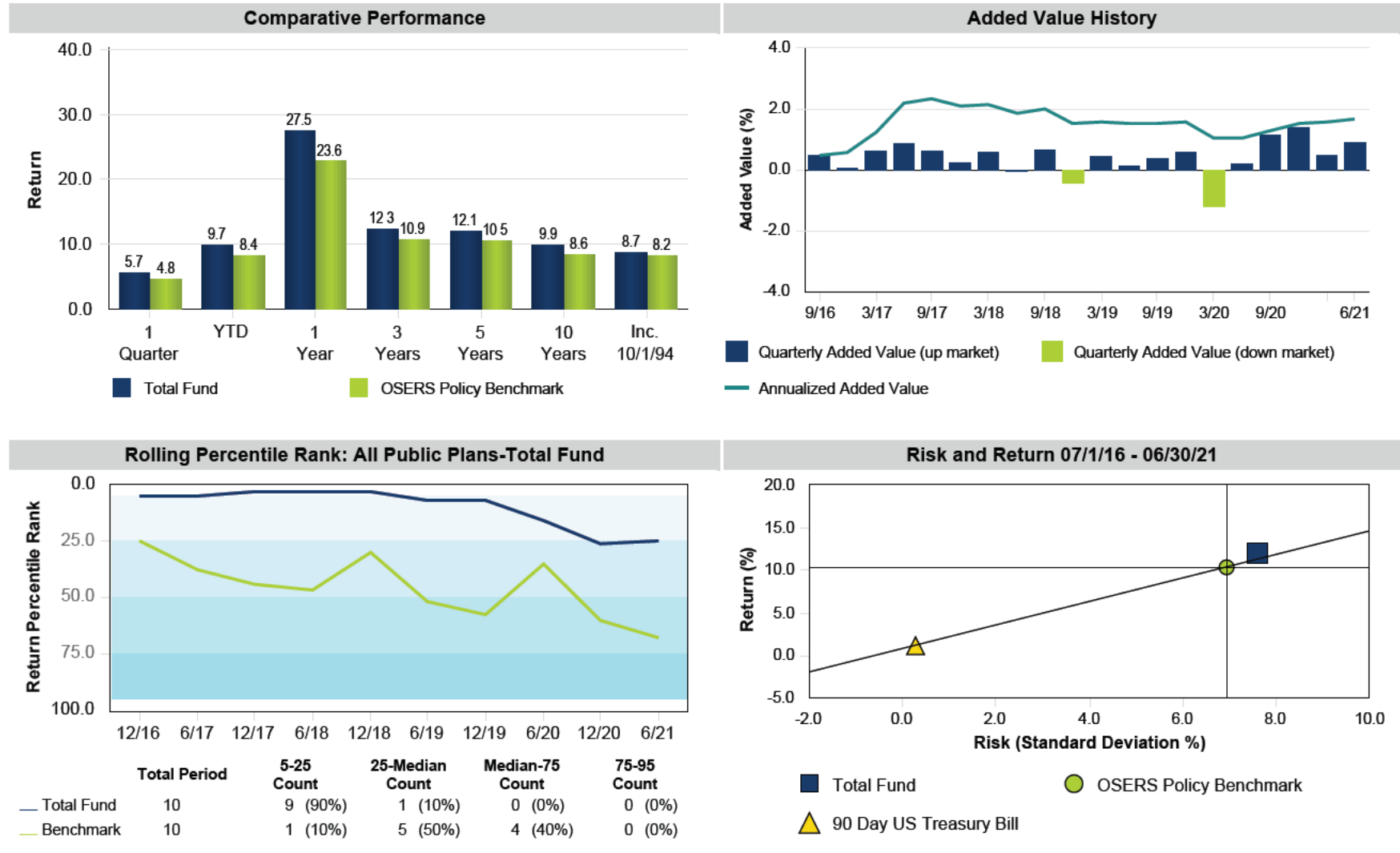
**\$17,766,522,455**



# Composite Performance Summary

Total Fund

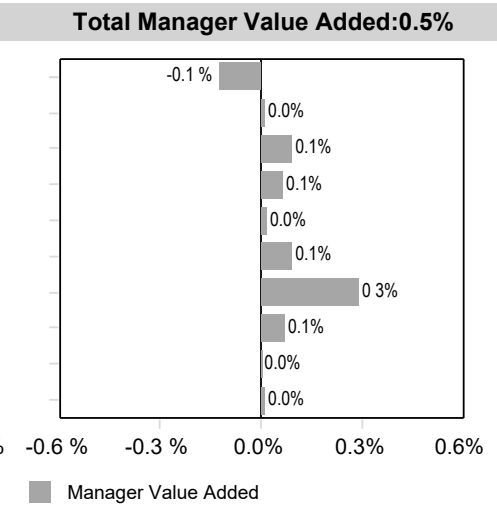
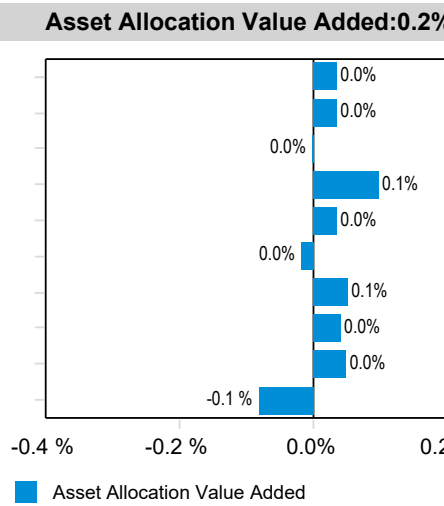
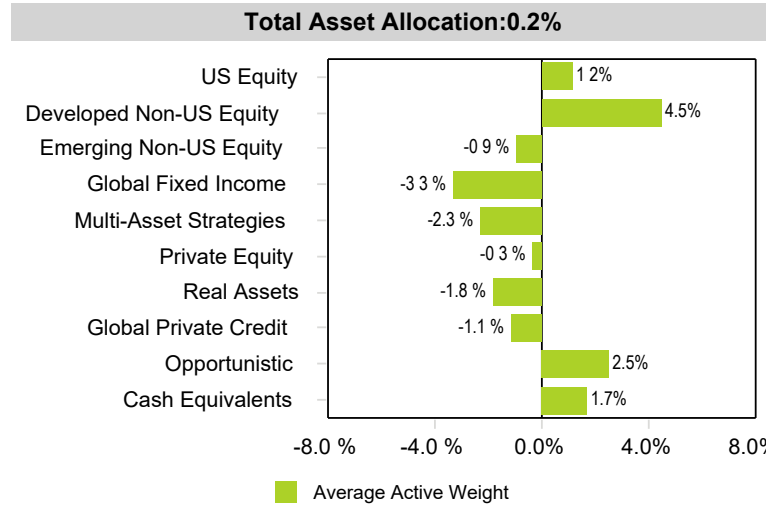
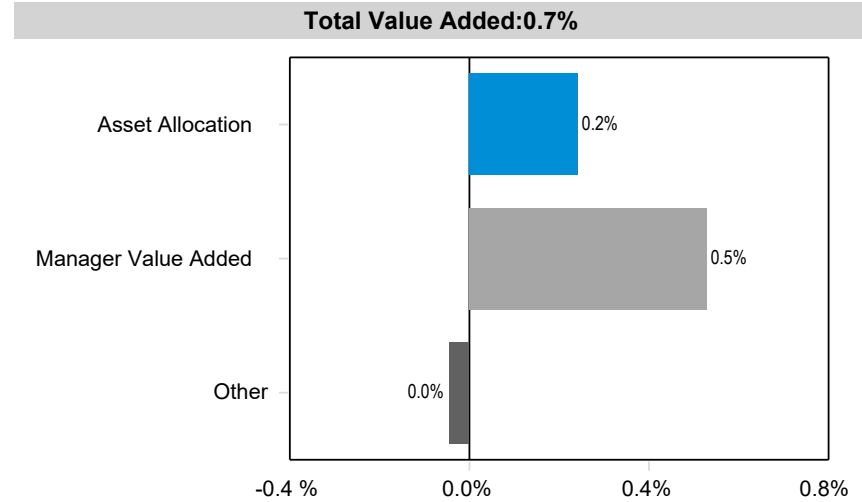
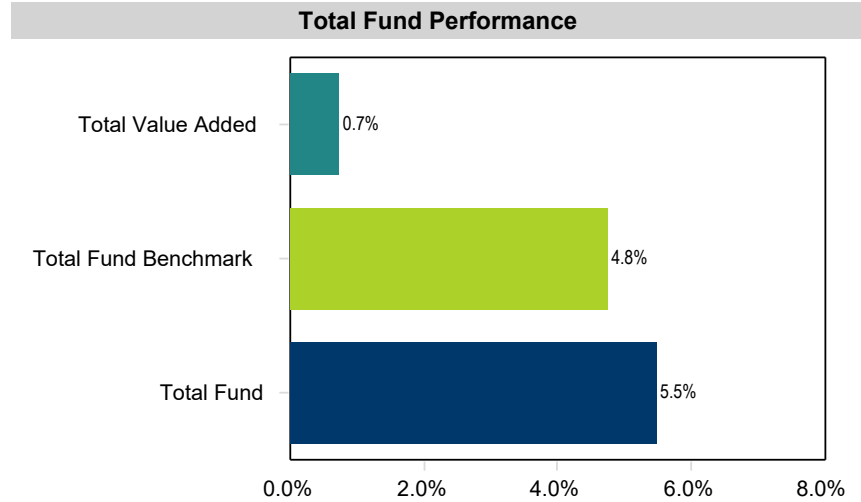
Periods Ended June 30, 2021



# Total Fund Attribution

Total Fund

Periods Ended 1 Quarter Ending June 30, 2021

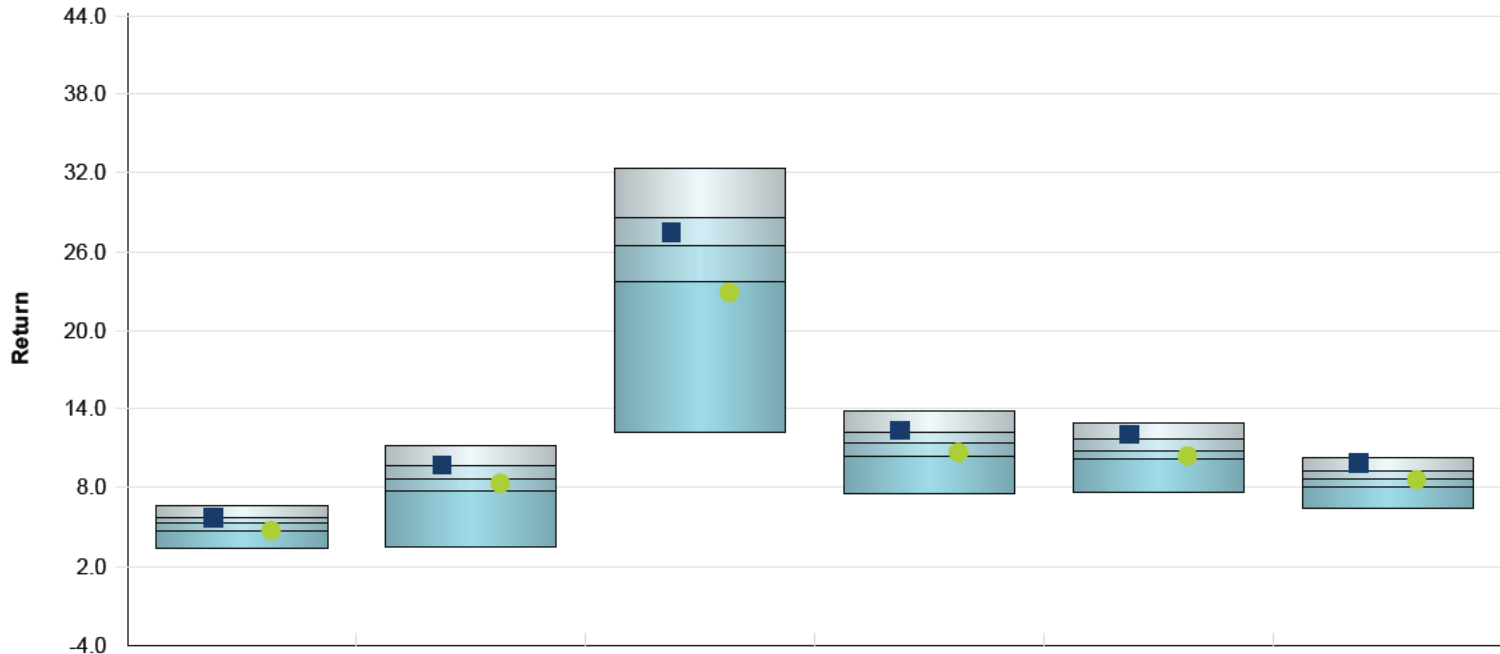


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# Plan Sponsor Peer Group Analysis

Total Fund vs All Public Plans-Total Fund  
 Periods Ended June 30, 2021

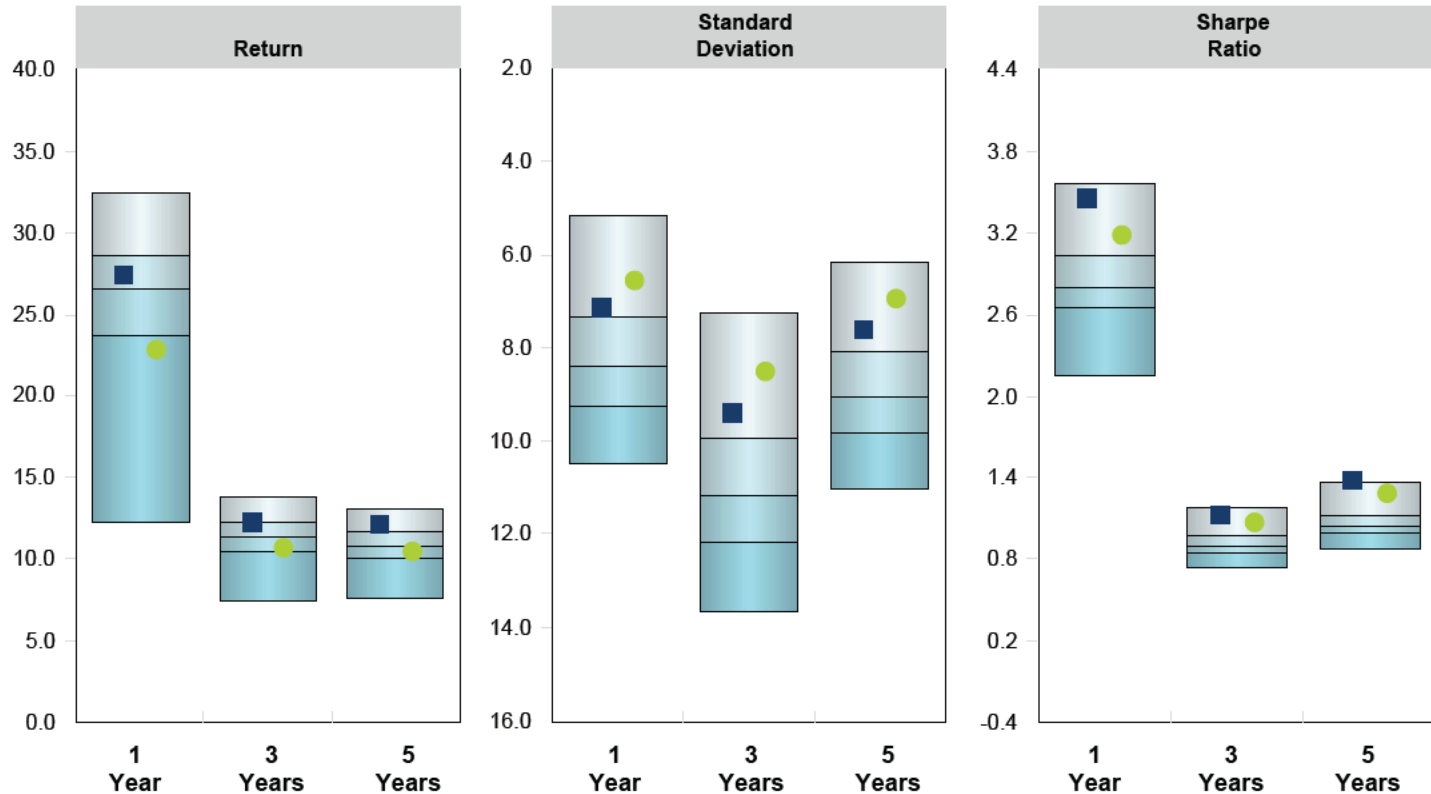


	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ Total Fund	5.67 (29)	9.74 (24)	27.45 (39)	12.31 (25)	12.13 (14)	9.86 (11)
● OSERS Policy Benchmark	4.75 (74)	8.42 (58)	23.58 (77)	10.90 (59)	10.53 (60)	8.62 (49)
5th Percentile	6.71	11.24	32.41	13.85	12.99	10.22
1st Quartile	5.74	9.68	28.61	12.29	11.74	9.31
Median	5.27	8.67	26.53	11.36	10.86	8.60
3rd Quartile	4.72	7.75	23.74	10.46	10.08	8.11
95th Percentile	3.42	3.50	12.28	7.47	7.59	6.47
Population	439	439	435	418	398	342

Parenttheses contain percentile rankings.  
 Calculation based on monthly periodicity.  
 Gross of Fees

# Plan Sponsor Peer Group Analysis - Multi Statistics

Total Fund vs All Public Plans-Total Fund  
 Periods Ended June 30, 2021



	1 Year	3 Years	5 Years
■ Total Fund	27.45 (39)	12.31 (25)	12.13 (14)
● OSERS Policy Benchmark	23.58 (77)	10.90 (59)	10.53 (60)

	1 Year	3 Years	5 Years
5th Percentile	32.41	13.85	12.99
1st Quartile	28.61	12.29	11.74
Median	26.53	11.36	10.86
3rd Quartile	23.74	10.46	10.08
95th Percentile	12.28	7.47	7.59

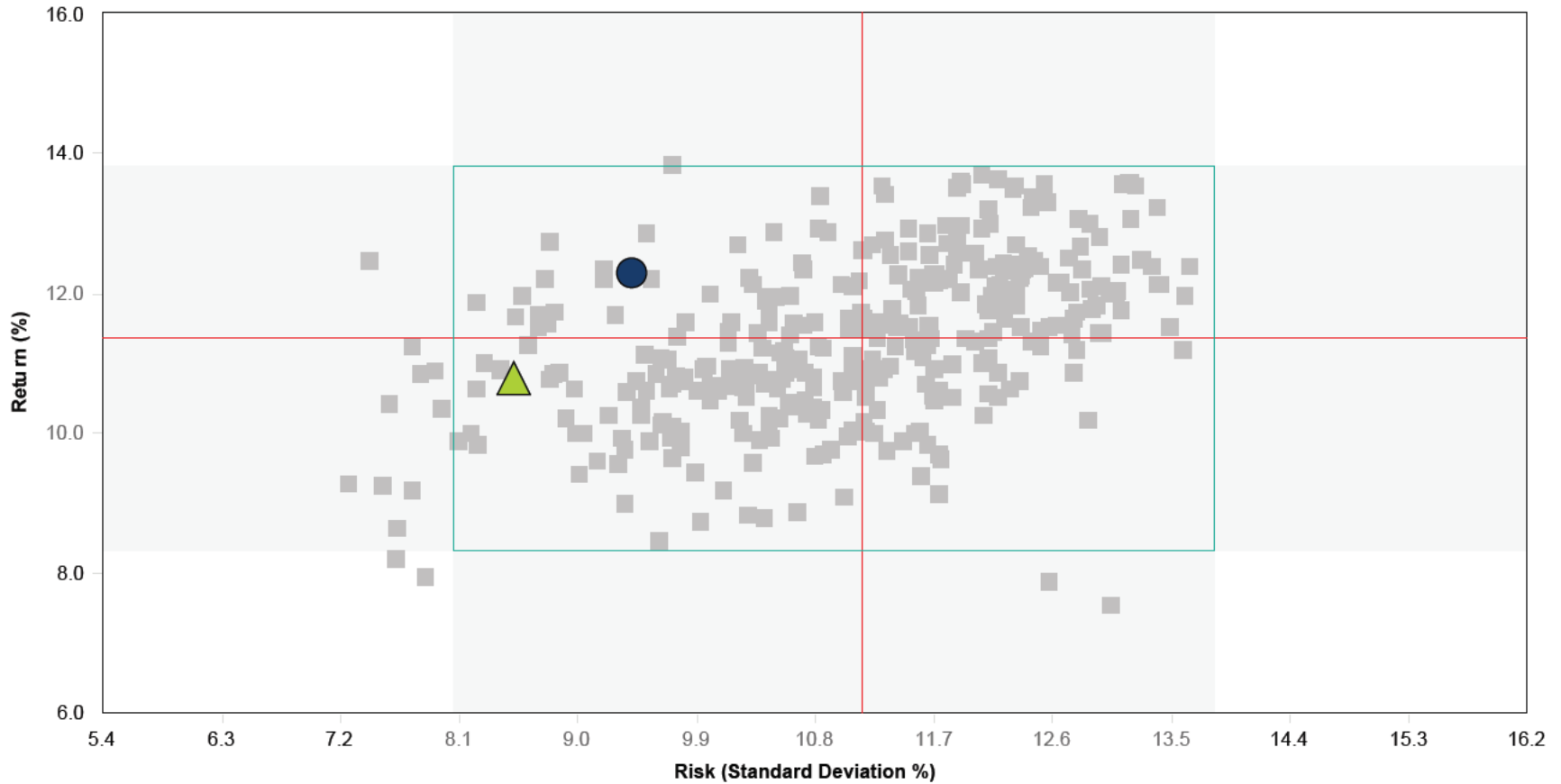
Parenttheses contain percentile rankings.  
 Calculation based on monthly periodicity.  
 Gross of Fees

Wilshire Consulting



# Plan Sponsor Scattergram

Total Fund vs All Public Plans-Total Fund  
 Periods Ended July 1, 2018 To June 30, 2021



	Return	Standard Deviation
● Total Fund	12.31	9.41
▲ OSERS Policy Benchmark	10.90	8.52
— Median	11.36	11.16

Calculation based on monthly periodicity.  
 Gross of Fees

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## Asset Class Performance

Total Fund

Periods Ended June 30, 2021

	QTD	YTD	Fiscal YTD	1 Year	Annualized					Inception Date
					3 Years	5 Years	10 Years	20 Years	Since Inception	
<b>Total Fund</b>	<b>5.5</b>	<b>9.4</b>	<b>26.8</b>	<b>26.8</b>	<b>11.6</b>	<b>11.5</b>	<b>9.2</b>	<b>6.8</b>	<b>8.2</b>	<b>Oct-94</b>
<i>OSERS Policy BM</i>	4.8	8.4	23.6	23.6	10.9	10.5	8.6	6.8	8.2	
Value Added	0.7	1.0	3.2	3.2	0.7	0.9	0.5	0.0	-0.1	
<b>Global Equities</b>	<b>6.9</b>	<b>12.4</b>	<b>41.6</b>	<b>41.6</b>	<b>15.0</b>	<b>15.1</b>	<b>10.7</b>		<b>8.7</b>	<b>Jul-02</b>
<i>Custom Gbl Equities BM</i>	7.0	12.4	40.3	40.3	14.1	14.6	10.3		8.3	
Value Added	-0.1	-0.0	1.3	1.3	0.9	0.6	0.4		0.3	
<b>US Equity</b>	<b>7.8</b>	<b>13.9</b>	<b>41.5</b>	<b>41.5</b>	<b>17.9</b>	<b>17.3</b>	<b>14.3</b>	<b>8.6</b>	<b>10.5</b>	<b>Oct-94</b>
<i>Russell 3000 Index</i>	8.2	15.1	44.2	44.2	18.7	17.9	14.7	8.9	10.9	
Value Added	-0.5	-1.3	-2.7	-2.7	-0.8	-0.6	-0.4	-0.4	-0.4	
<b>Developed Non-US Equity</b>	<b>5.7</b>	<b>11.5</b>	<b>39.3</b>	<b>39.3</b>	<b>10.7</b>	<b>12.2</b>	<b>7.6</b>		<b>7.3</b>	<b>Jul-20</b>
<i>MSCI World ex-U.S. Index (Net)</i>	5.6	9.9	33.6	33.6	8.6	10.4	5.7		6.8	
Value Added	0.1	1.6	5.7	5.7	2.1	1.8	1.9		0.5	
<b>Emerging Markets Equity</b>	<b>6.6</b>	<b>9.0</b>	<b>50.1</b>	<b>50.1</b>	<b>16.3</b>	<b>15.6</b>	<b>5.3</b>	<b>11.7</b>	<b>7.9</b>	<b>Jul-97</b>
<i>MSCI Emerging Markets Index (Net)</i>	5.0	7.4	40.9	40.9	11.3	13.0	4.3	10.1		
Value Added	1.5	1.5	9.2	9.2	5.0	2.6	1.0	1.6		
<b>Global Fixed Income</b>	<b>2.2</b>	<b>-0.7</b>	<b>3.6</b>	<b>3.6</b>	<b>6.7</b>	<b>4.4</b>	<b>4.3</b>	<b>5.5</b>	<b>6.1</b>	<b>Oct-94</b>
<i>Bloomberg U.S. Aggregate</i>	1.8	-1.6	-0.3	-0.3	5.3	3.0	3.4	4.6	5.4	
Value Added	0.4	0.9	4.0	4.0	1.4	1.3	1.0	0.9	0.6	
<b>Multi-Asset Strategies</b>	<b>4.1</b>	<b>4.7</b>	<b>16.6</b>	<b>16.6</b>	<b>6.2</b>	<b>6.3</b>	<b>4.6</b>		<b>4.3</b>	<b>Jun-08</b>
<i>Custom MAS BM</i>	3.0	5.3	19.2	19.2	7.3	7.1	4.6		3.8	
Value Added	1.1	-0.6	-2.6	-2.6	-1.1	-0.8	0.0		0.5	
<b>Global Private Credit</b>	<b>4.8</b>	<b>9.1</b>	<b>17.5</b>	<b>17.5</b>					<b>17.5</b>	<b>Jul-20</b>
<i>3 Mo. LIBOR + 4.5%</i>	1.2	2.3	4.8	4.8					4.8	
Value Added	3.6	6.8	12.8	12.8					12.8	
<b>Global Private Equity</b>	<b>8.2</b>	<b>20.7</b>	<b>45.8</b>	<b>45.8</b>	<b>19.9</b>	<b>19.2</b>	<b>17.6</b>	<b>8.2</b>	<b>13.1</b>	<b>Oct-94</b>
<i>Custom Gbl Private Equity BM</i>	7.4	22.7	47.3	47.3	17.8	16.7	14.9	10.2	13.0	
Value Added	0.8	-2.1	-1.5	-1.5	2.0	2.5	2.7	-2.0	0.0	
<b>Global Real Assets</b>	<b>3.7</b>	<b>5.2</b>	<b>8.0</b>	<b>8.0</b>	<b>7.1</b>	<b>7.8</b>	<b>9.5</b>	<b>6.3</b>	<b>7.4</b>	<b>Sep-94</b>
<i>Custom Gbl Real Assets BM</i>	1.7	2.9	2.6	2.6	4.9	5.8	8.8	8.4	9.2	
Value Added	2.0	2.3	5.3	5.3	2.2	2.0	0.7	-2.2	-1.8	
<b>Opportunistic &amp; Tactical</b>	<b>6.7</b>	<b>14.3</b>	<b>25.8</b>	<b>25.8</b>	<b>7.0</b>	<b>10.4</b>			<b>7.4</b>	<b>Jun-13</b>
<i>Opportunistic &amp; Tactical BM</i>	2.3	-0.6	1.7	1.7	3.9	6.3			6.2	
Value Added	4.4	14.9	24.1	24.1	3.0	4.1			1.1	
<b>Cash Equivalents*</b>	<b>0.0</b>	<b>2.2</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.2</b>	<b>1.0</b>		<b>1.7</b>	<b>Jul-02</b>
<i>FTSE 30 Day Treasury Bill</i>	0.0	0.0	0.1	0.1	1.2	1.1	0.6		1.2	
Value Added	0.0	2.2	1.5	1.5	0.5	0.1	0.5		0.5	
<b>Short-Term Cash</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.3</b>	<b>1.2</b>	<b>0.7</b>	<b>1.6</b>	<b>3.9</b>	<b>Mar-84</b>
<i>FTSE 30 Day Treasury Bill</i>	0.0	0.0	0.1	0.1	1.2	1.1	0.6	1.2	3.2	
Value Added	0.0	-0.0	-0.0	-0.0	0.1	0.1	0.1	0.3	0.7	

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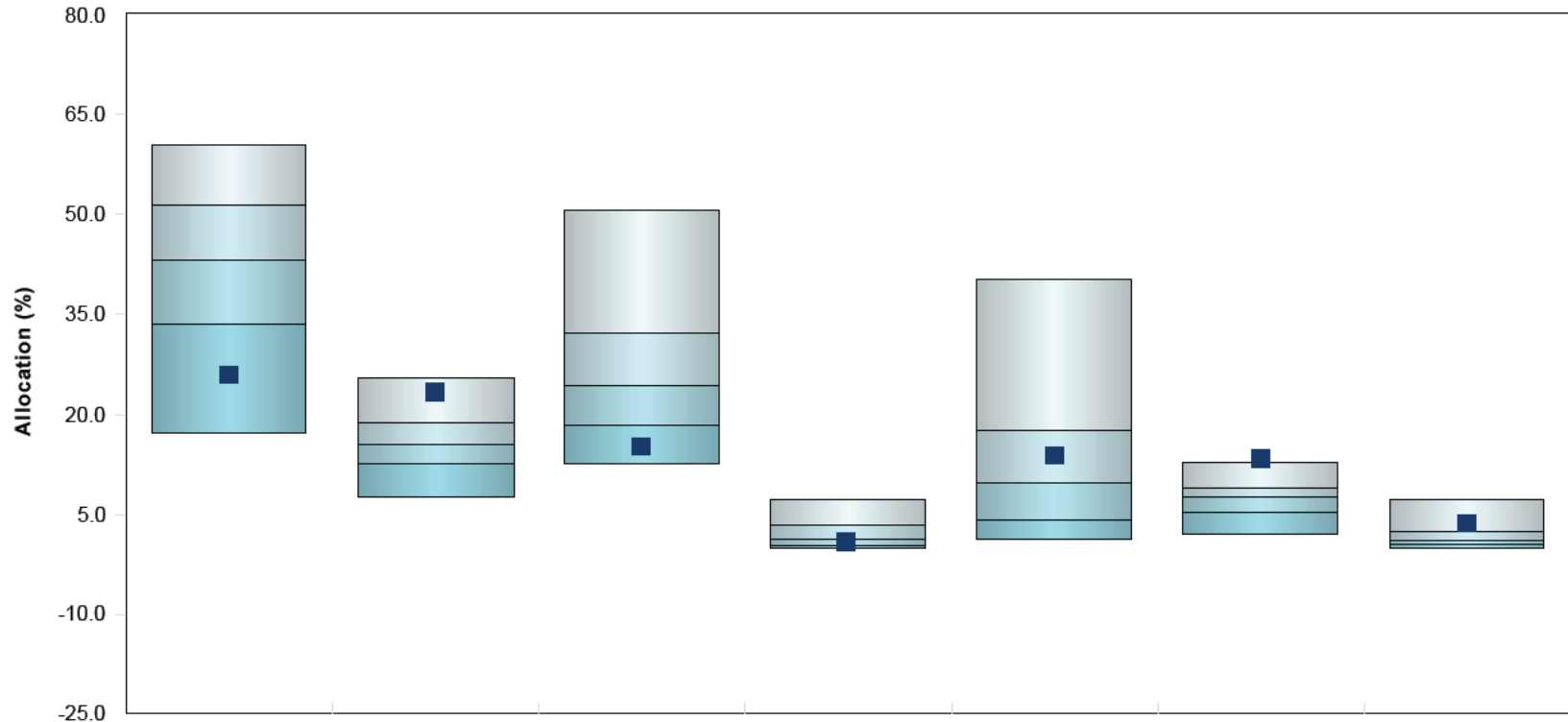
\*Cash Equivalents includes Russell Enhanced Allocation Overlay

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# Plan Sponsor TF Asset Allocation

Total Fund vs All Public Plans-Total Fund  
 Periods Ended June 30, 2021



	US Equity	Global ex-US Equity	US Fixed	Global ex-US Fixed	Alternatives	Total Real Estate	Cash & Equivalents
■ Total Fund	26.00	23.26	14.59	0.46	14.08	14.83	3.68
5th Percentile	60.57	25.37	50.69	7.29	40.29	12.74	7.24
1st Quartile	51.42	18.85	32.32	3.38	17.58	8.96	2.20
Median	43.33	15.30	24.44	1.35	9.58	7.44	1.08
3rd Quartile	33.47	12.47	18.30	0.23	4.24	5.26	0.54
95th Percentile	17.35	7.56	12.51	0.03	1.21	2.08	0.05

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 Global Private Credit and Multi-Asset Strategies included in Alternatives.  
 Global Real Assets included in Real Estate.



# US EQUITY



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# Performance Summary

## US Equity

Periods Ended June 30, 2021



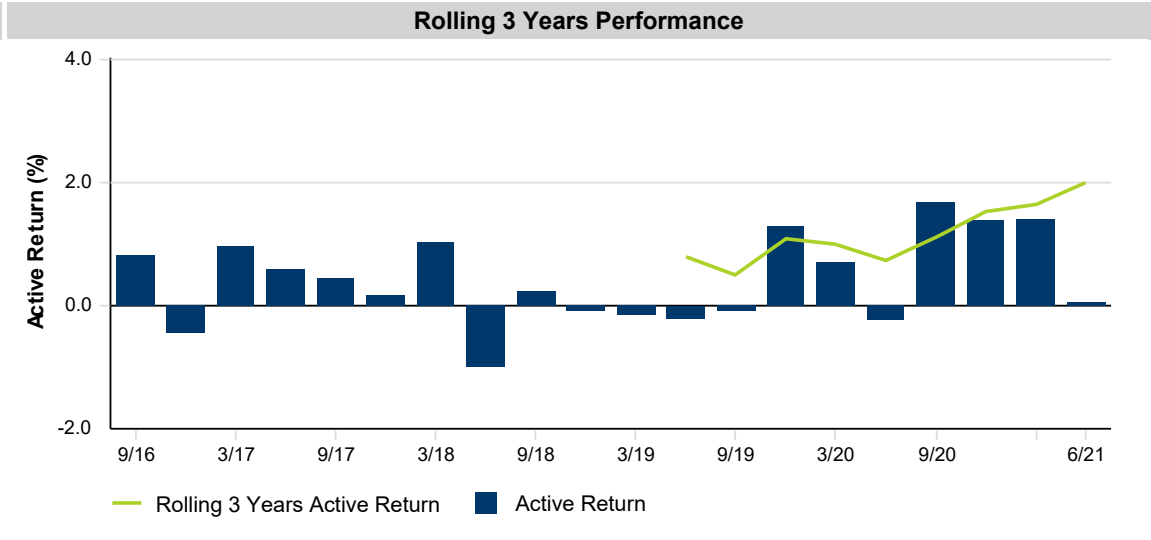
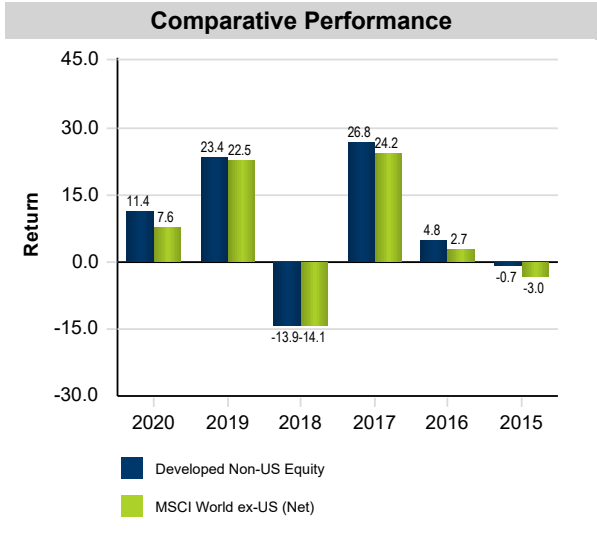
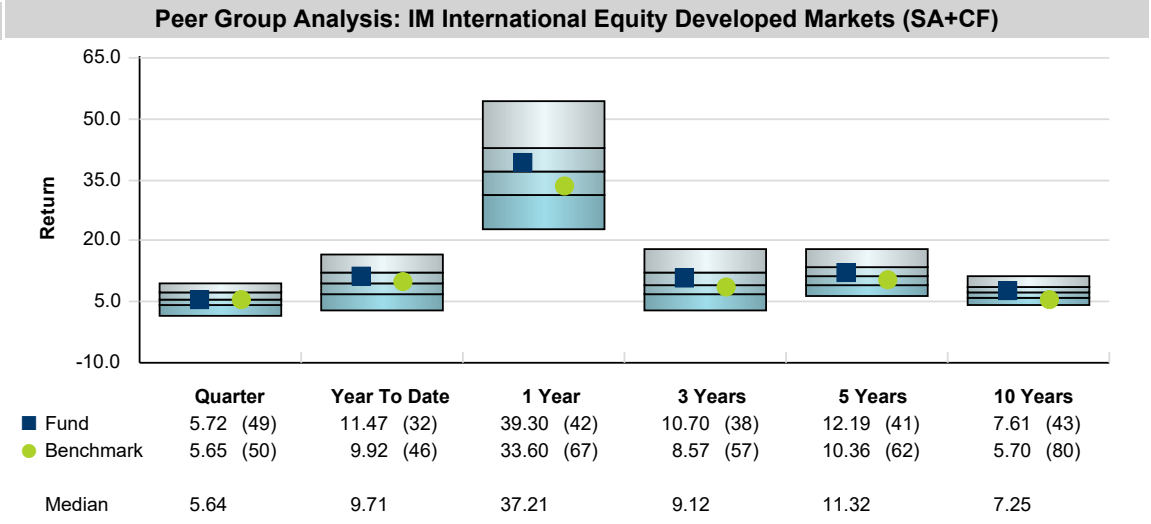
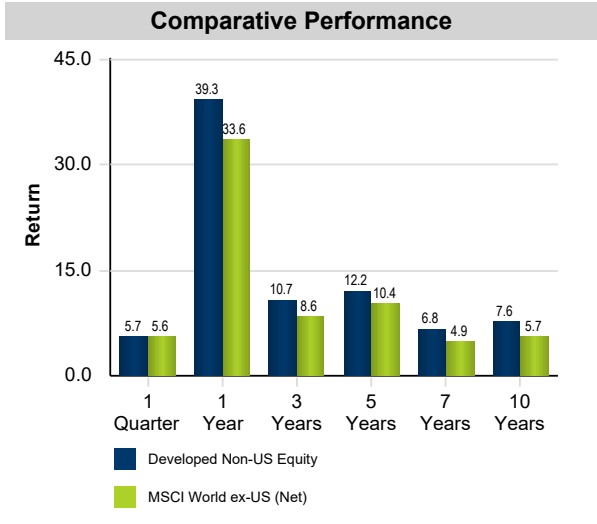


# DEVELOPED NON-US EQUITY

Wilshire Consulting

# Performance Summary

Developed Non-US Equity  
 Periods Ended June 30, 2021





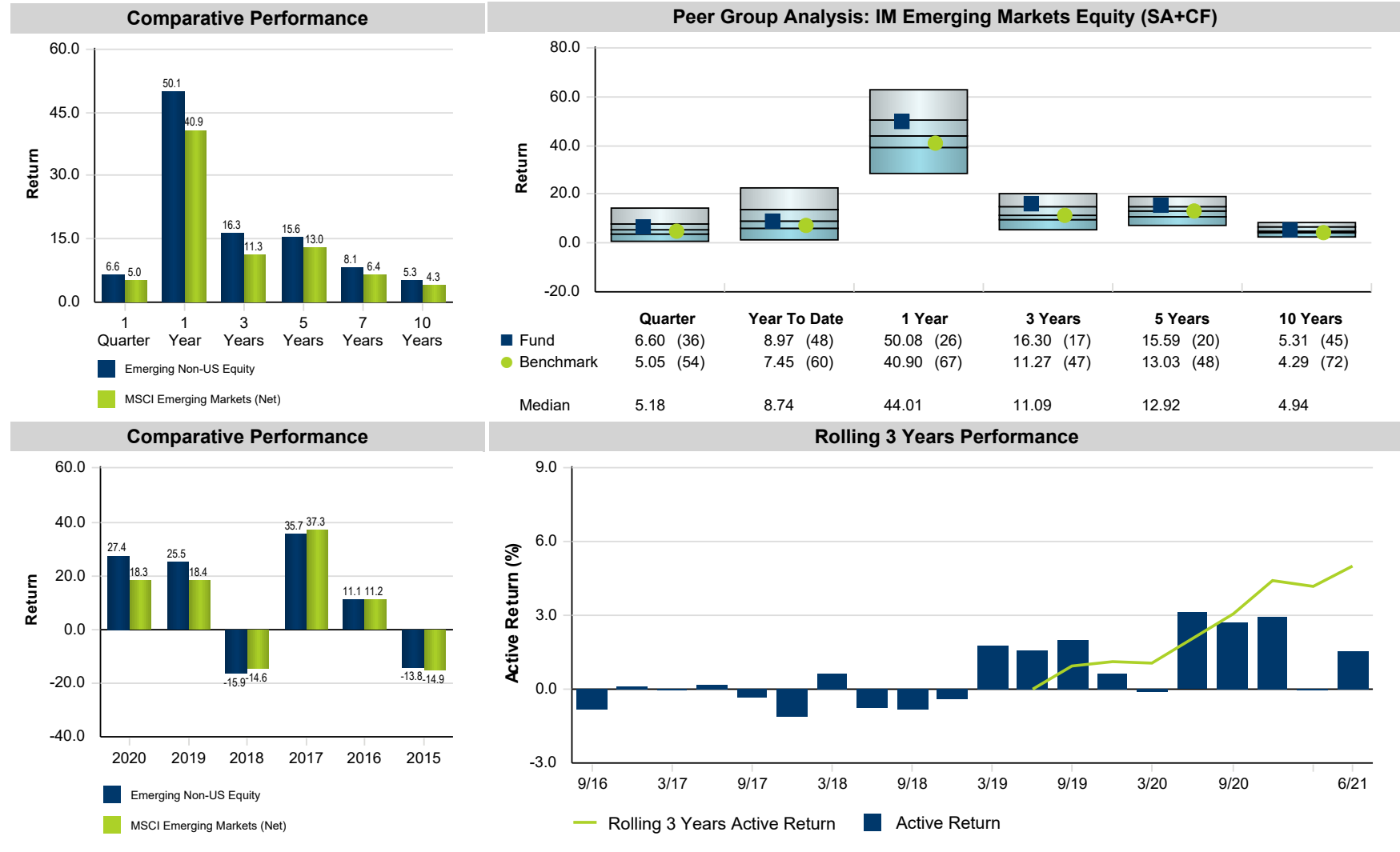
# EMERGING MARKETS EQUITY

Wilshire Consulting

# Performance Summary

## Emerging Non-US Equity

Periods Ended June 30, 2021





# GLOBAL FIXED INCOME

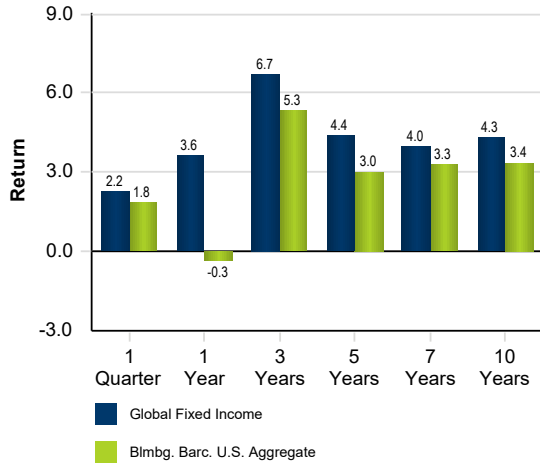
Wilshire Consulting

# Performance Summary

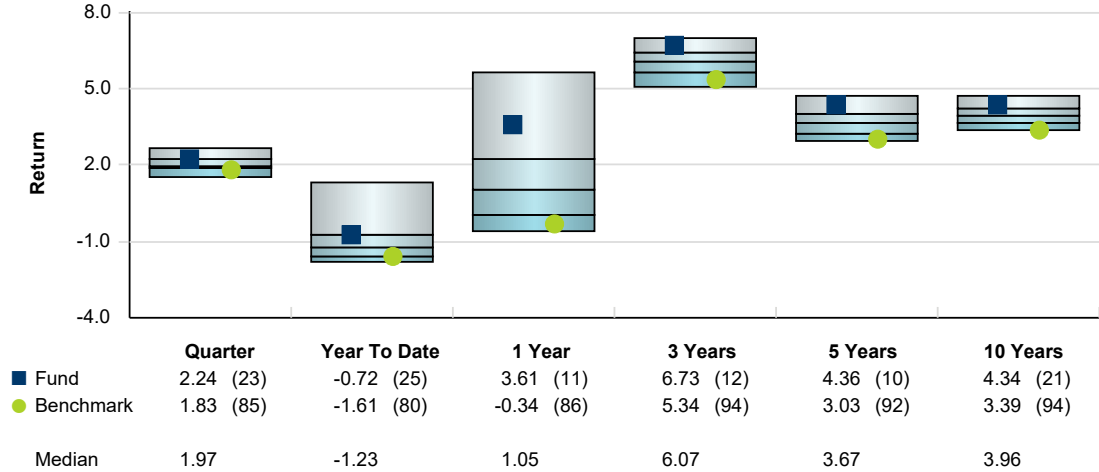
Global Fixed Income

Periods Ended June 30, 2021

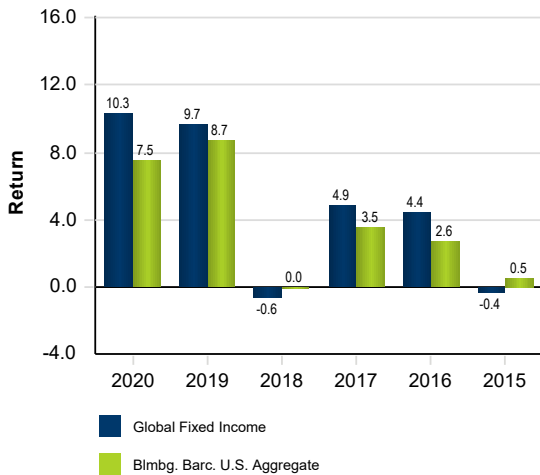
**Comparative Performance**



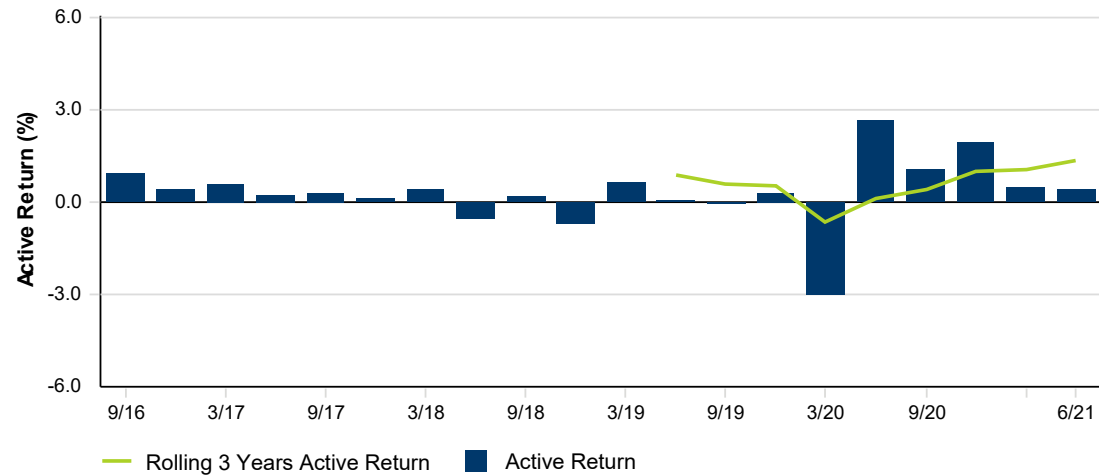
**Peer Group Analysis: IM U.S. Broad Market Core Fixed Income (SA+CF)**



**Comparative Performance**



**Rolling 3 Years Performance**





# GLOBAL PRIVATE CREDIT



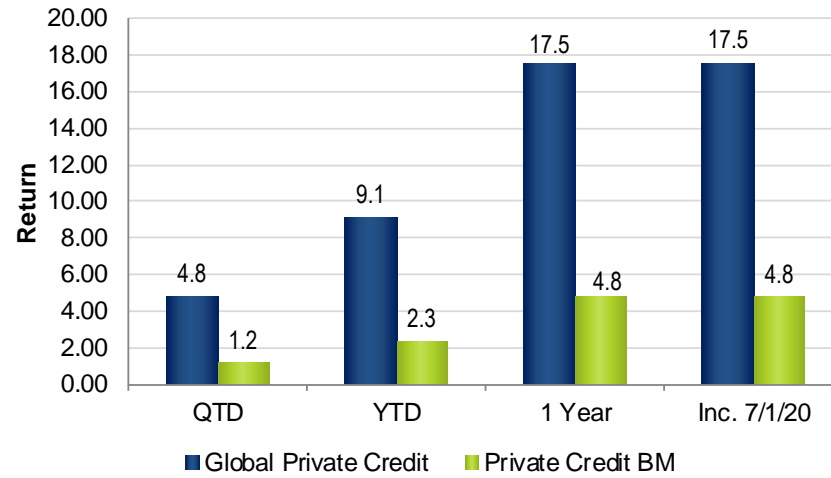
Wilshire Consulting

# Performance Summary

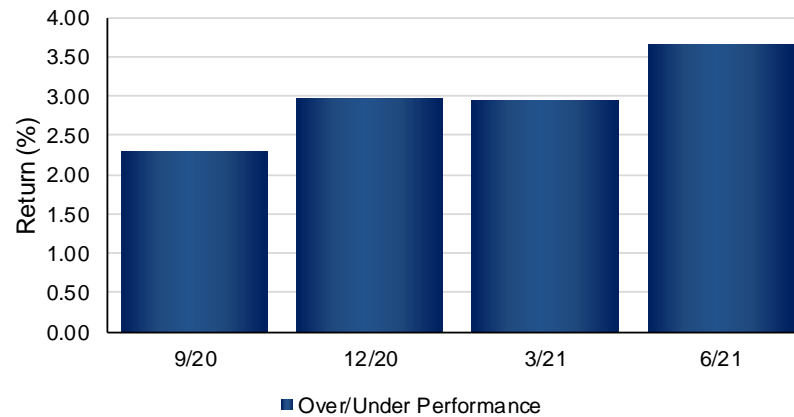
Global Private Credit

Periods Ended June 30, 2021

## Comparative Performance



## Relative Performance





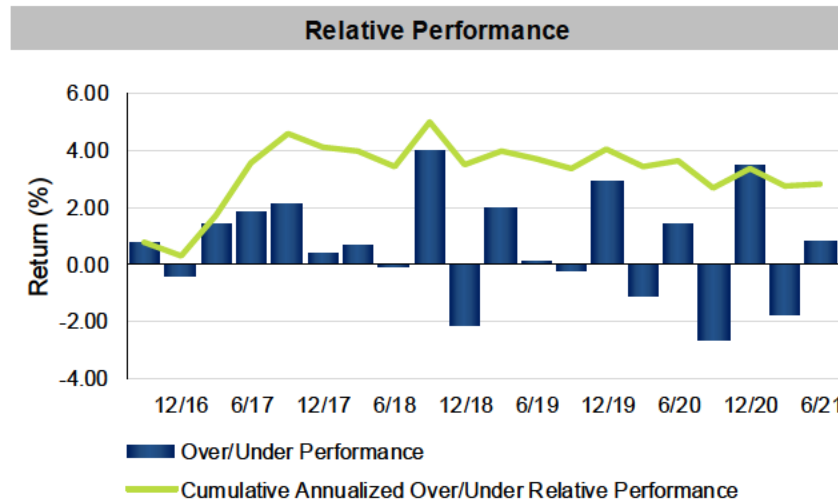
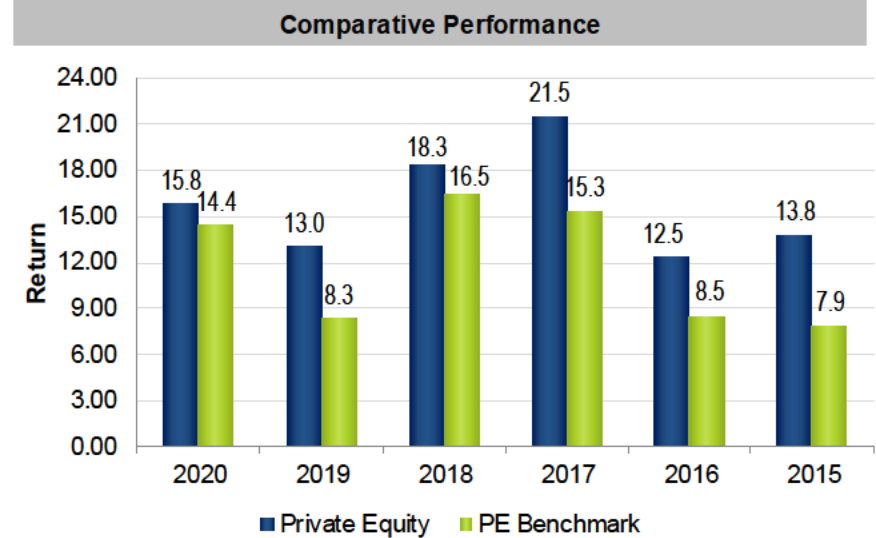
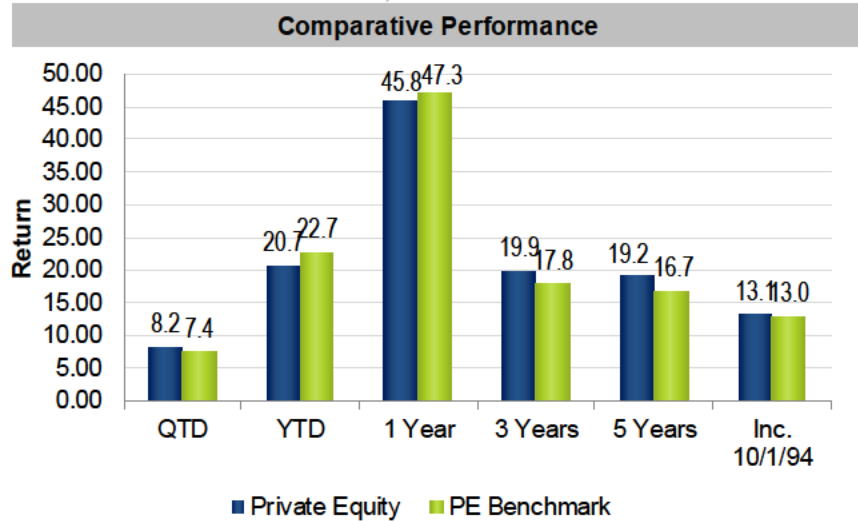
# GLOBAL PRIVATE EQUITY

Wilshire Consulting

# Performance Summary

Global Private Equity

Periods Ended June 30, 2021





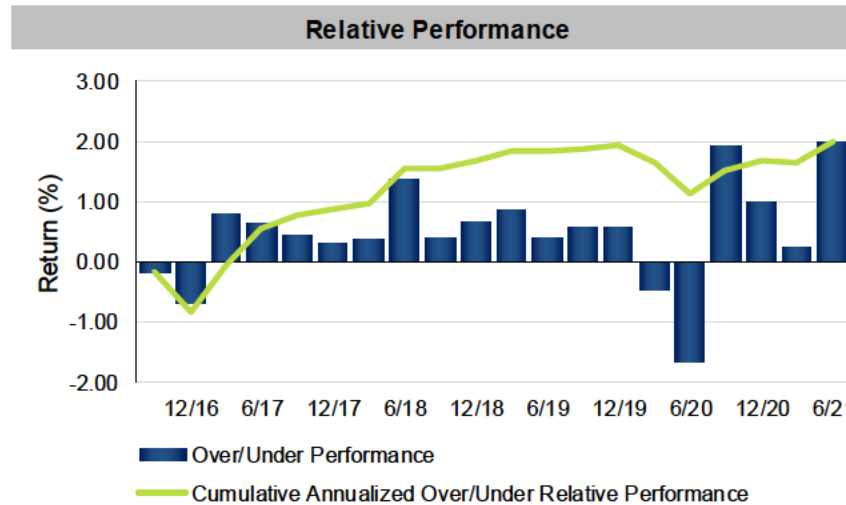
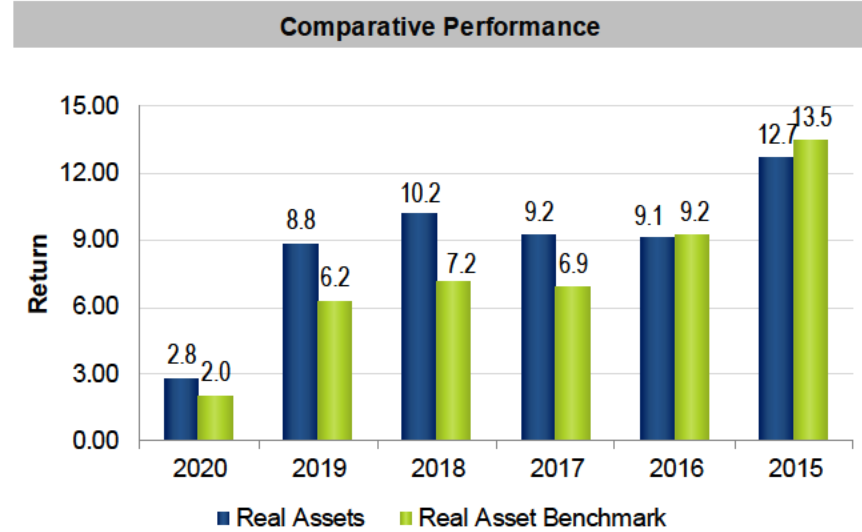
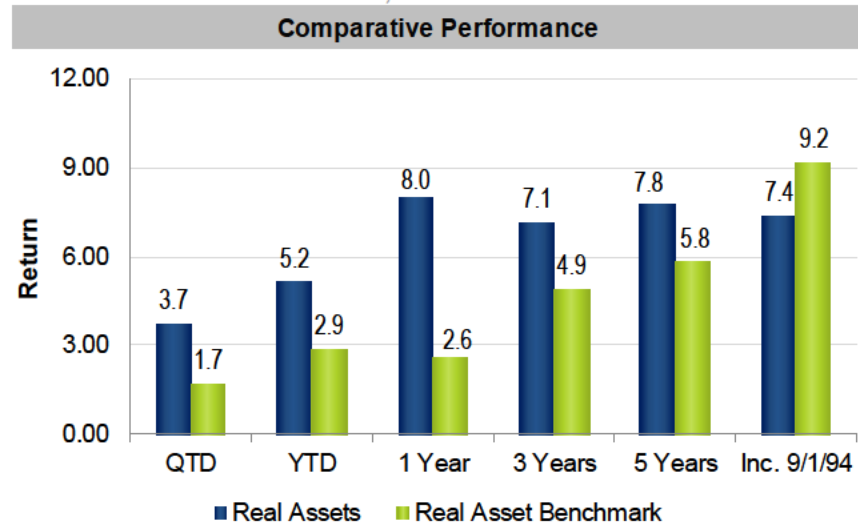
# GLOBAL REAL ASSETS

Wilshire Consulting

# Performance Summary

Global Real Assets

Periods Ended June 30, 2021





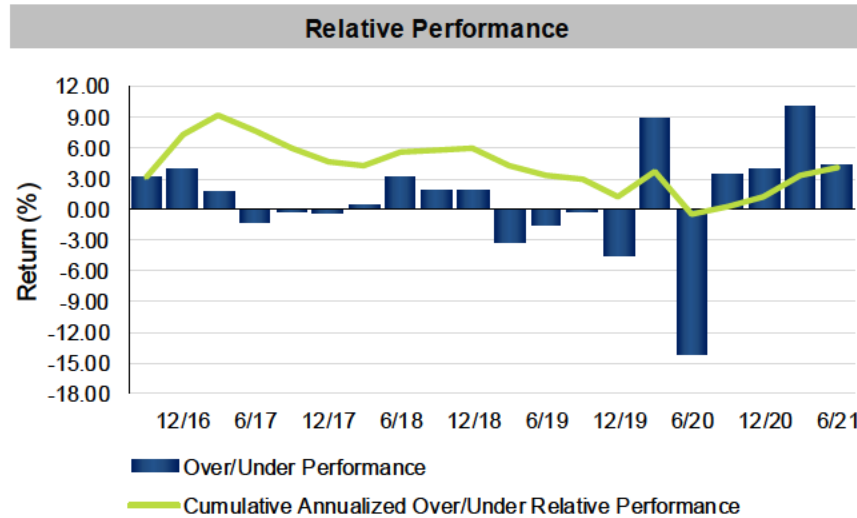
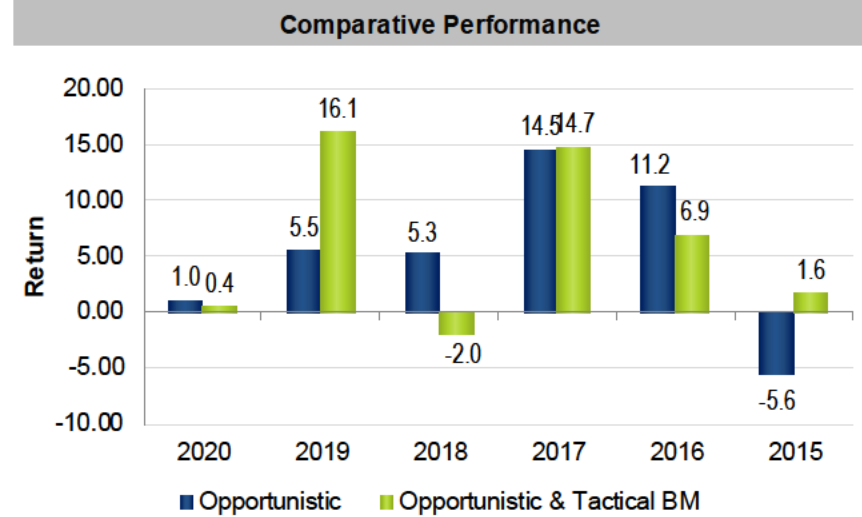
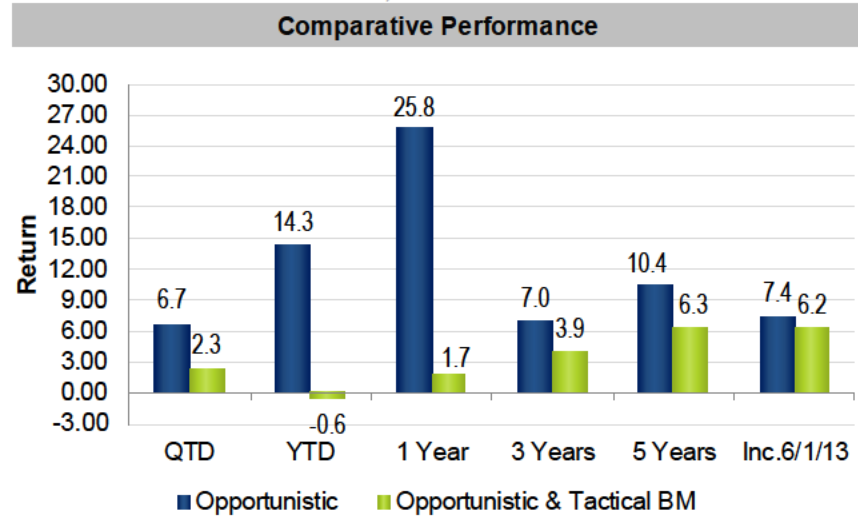
# OPPORTUNISTIC & TACTICAL

Wilshire Consulting

# Performance Summary

Opportunistic & Tactical

Periods Ended June 30, 2021







# MULTI-ASSET STRATEGIES

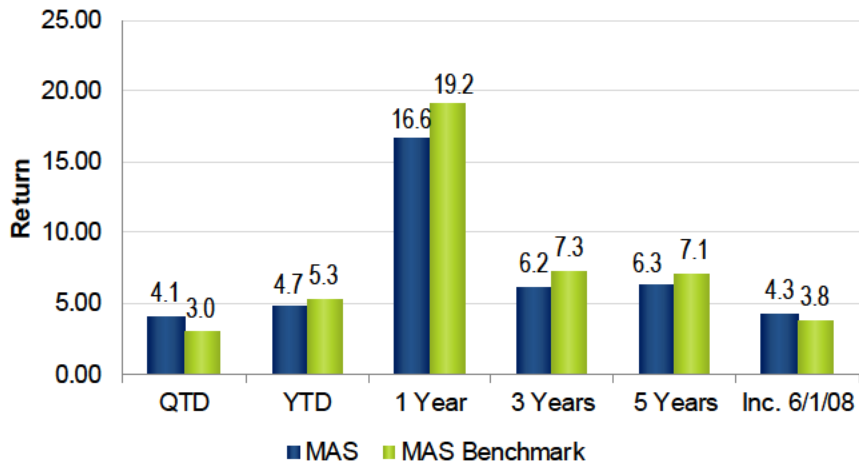
Wilshire Consulting

# Performance Summary

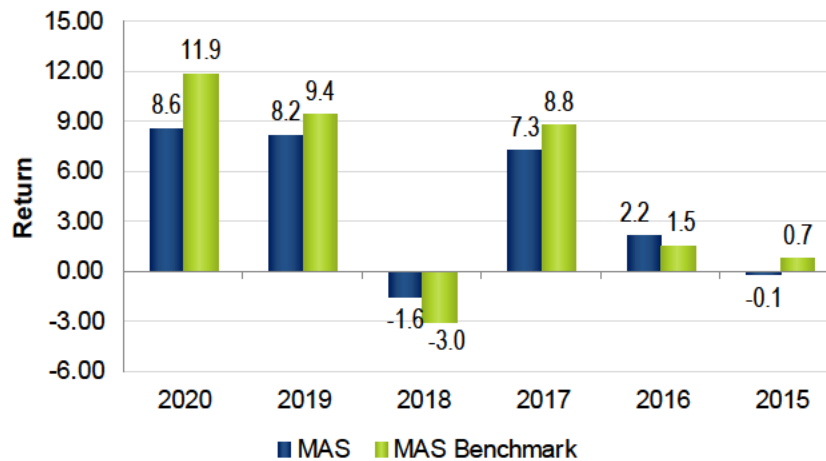
Multi-Asset Strategies

Periods Ended June 30, 2021

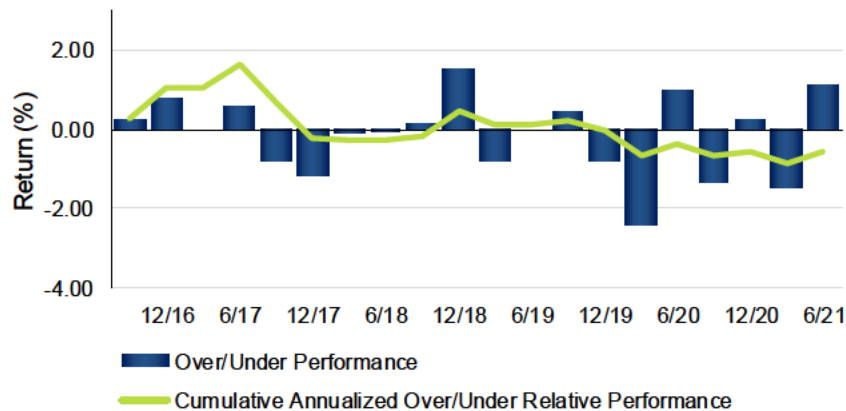
**Comparative Performance**



**Comparative Performance**



**Relative Performance**





# Ohio SERS Investment Report

## Monthly Report to the Board

For the periods ending: June 30 and July 31, 2021

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

*Meeting Date: September 2021*



# Investment Agenda

- Wilshire Quarterly Performance Report (June 30, 2021)
- Investment Report (June 30 & July 31, 2021)



## Economic and Financial Market Outlook

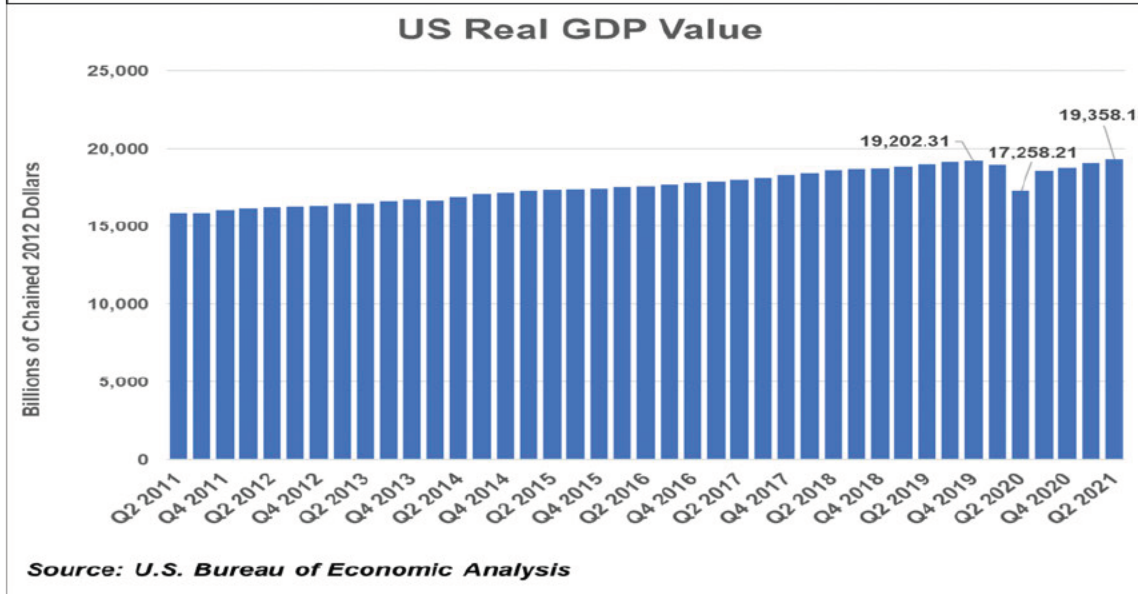
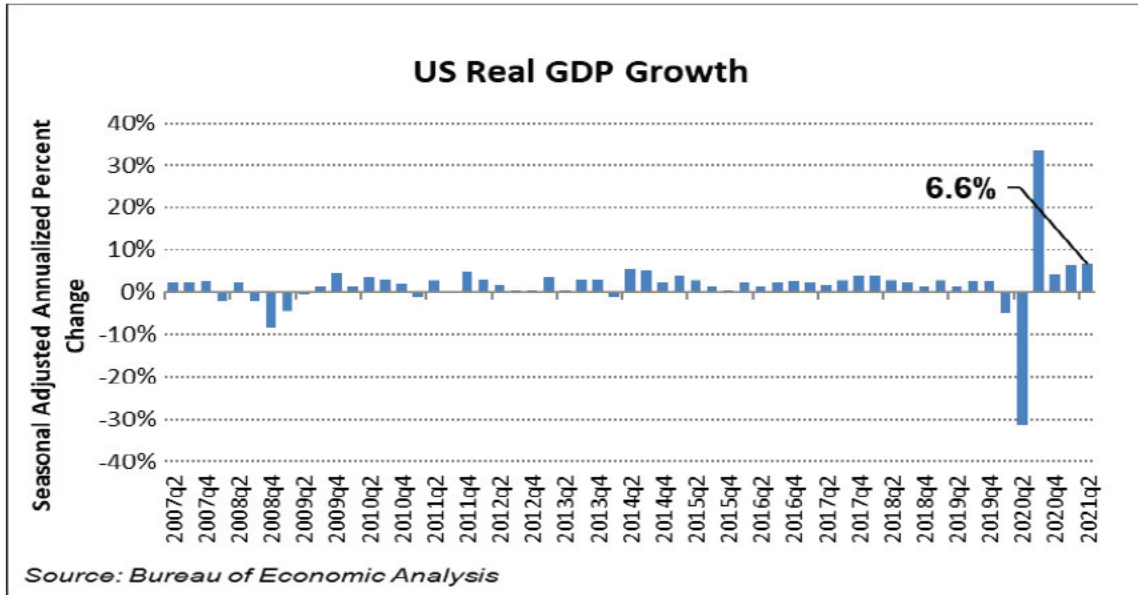
- US economy continued its solid recovery with an estimated 6.6% growth rate in Q2, slower than the expected rate of 8.2%. As of August 8th, 49.8% of the US population have fully vaccinated and 58.3% have at least one dose, thus helping minimize the need of lockdown. BlueChip Consensus forecasted a stronger growth in Q3, at 7.1%. (Source: *Bureau of Economic Analysis and August Blue Chip Indicators*)
- US labor market regained strong momentum adding 850,000 jobs in June and 943,000 jobs in July. The unemployment rate was down to 5.4% in July. (Sources: *Bureau of Labor Statistics and Department of Labor*)
- The US headline inflation increased to 5.4% in July, the highest level since July 2008. Factors such as supply constraints, labor shortage, and commodity price increase combined with demand increases as the economy opens up, are the major contributors to the inflation hike. The energy index increased 23.8% while the food index was up 3.4% for the last 12 months. BlueChip Consensus projected the headline inflation to slightly decrease to 5.1% in Q3. (Source: *Bureau of Labor Statistics and August Blue Chip Indicators*)
- The 10-year Treasury nominal yield was 1.24% in July. The 10-year real yield was (4.16%), a record negative level over several decades. (Source: <https://www.treasury.gov>)
- The housing price continued to rise. In March, the S&P Case-Shiller 20-City home price index posted an annual return of 19.1%, as the housing demand continued to outpace the supply.
- The Consumer Sentiment Index released by Thomson Reuters and University of Michigan declined to 81.2, a level slightly lower than the historical average. The US Economic Surprise index was down to a negative territory (13.8) as the economic data missed the expectation. The Leading Economic Index (LEI) issued by the Conference Board continued its upward trend, reaching 116 in July.
- The US and global manufacturing PMI remained strong at 57.5 and 55.7 in July, respectively. The data showed that US and most of the developed countries were able to maintain economic recovery while many emerging market countries, having lower Covid-19 vaccination rate, had to scale back business activities admit a massive resurgence of COVID-19 cases due to the Delta variant. (Source: *Institute for Supply Management, Markit*).
- Equity markets were mixed in July. While the US and developed markets were up 1.69% and 0.66%, respectively, the emerging markets were down 6.73%. The market valuation remained rich by major indicators, although retreated from the recent high.
- The US fixed income market, Bloomberg Barclay's US Aggregate Bond Index, was up 1.12% for July.

Notes: Acronym – PMI – Purchasing-Managers' Index



**ECONOMY**

**US Real Gross Domestic Product**

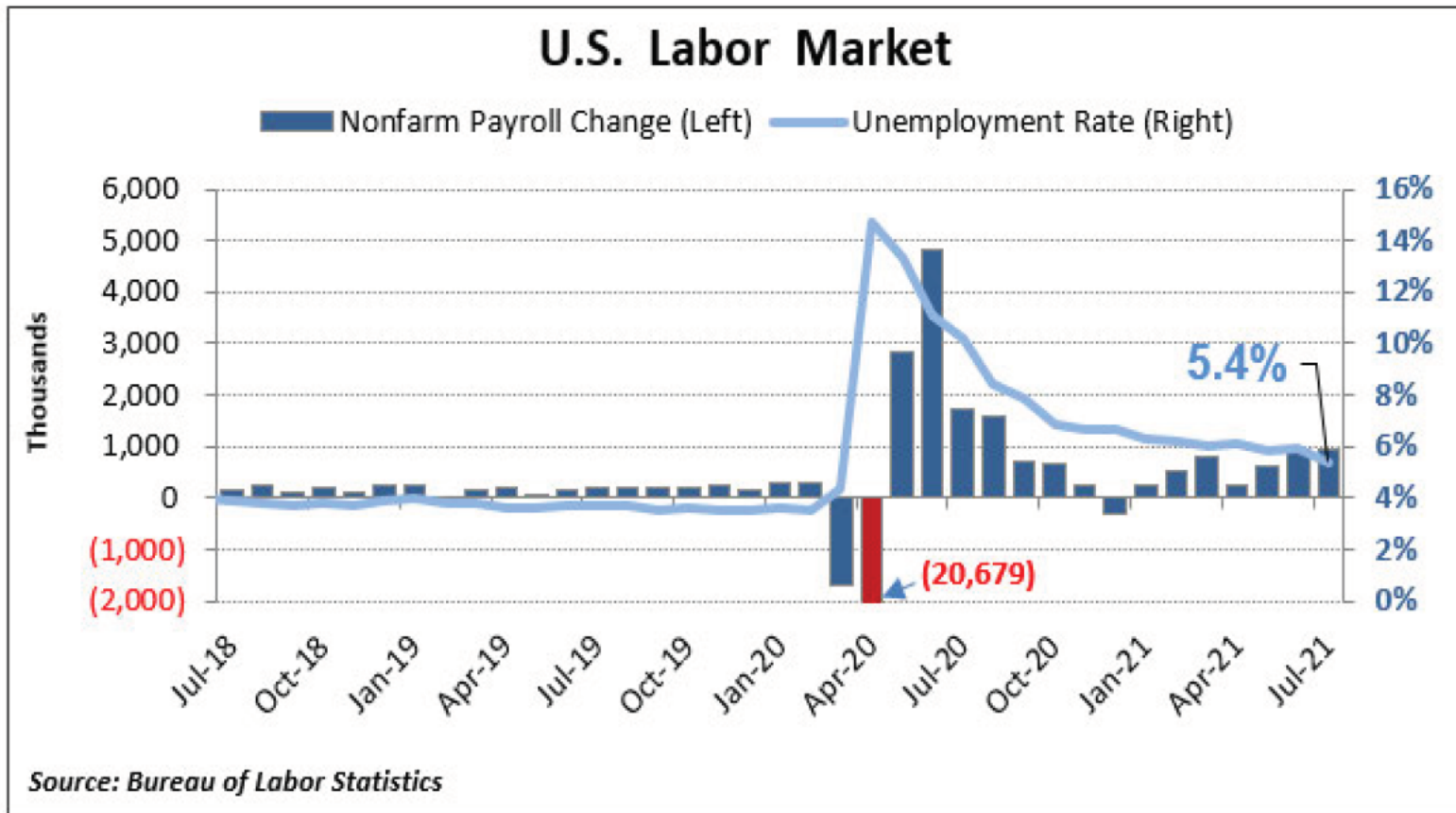






**ECONOMY**

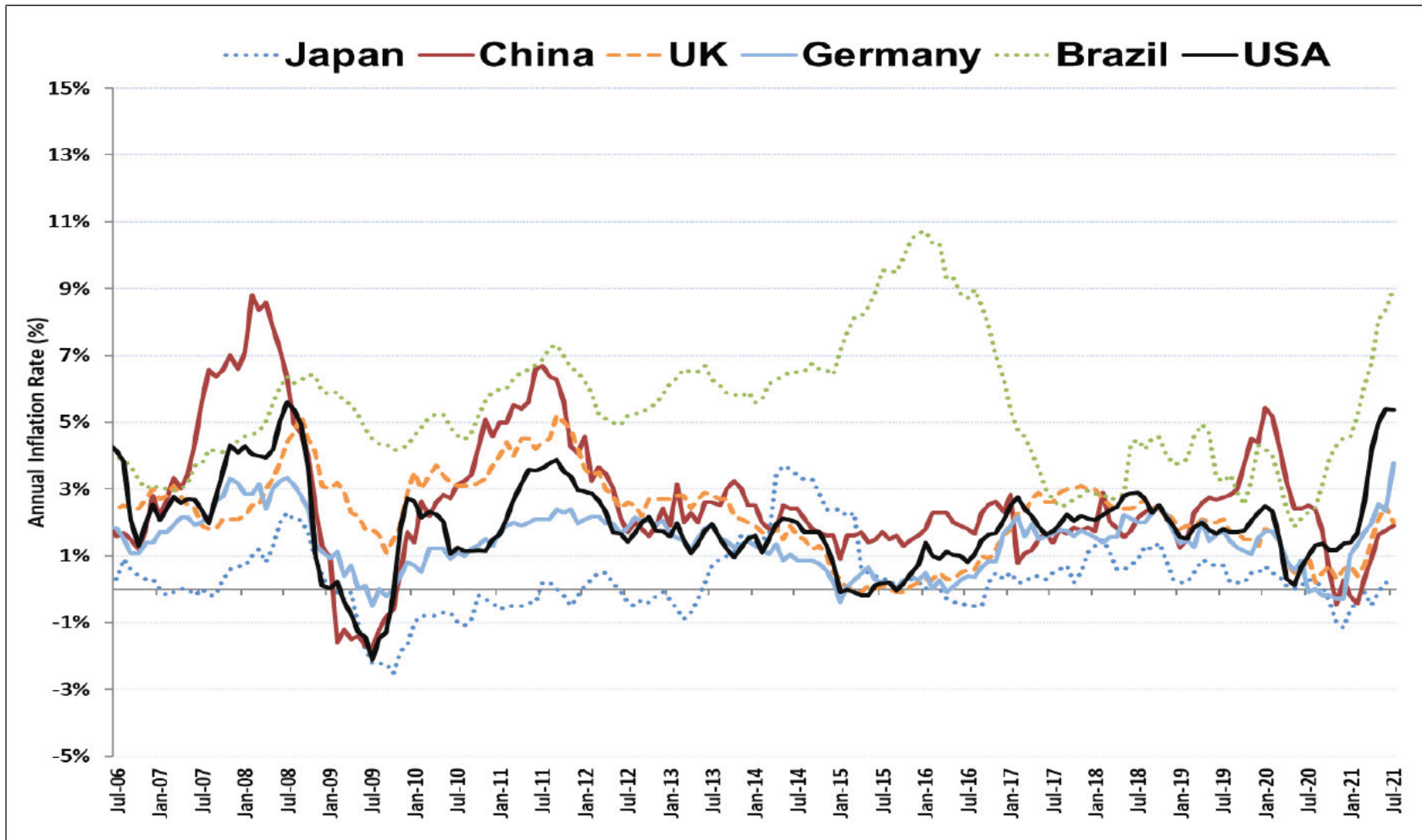
**US Labor Market**





**ECONOMY**

**Headline Inflation**



	Japan	China	UK	Germany	Brazil	USA
Jul-21	0.2	1.9	2.0	3.8	9.0	5.4

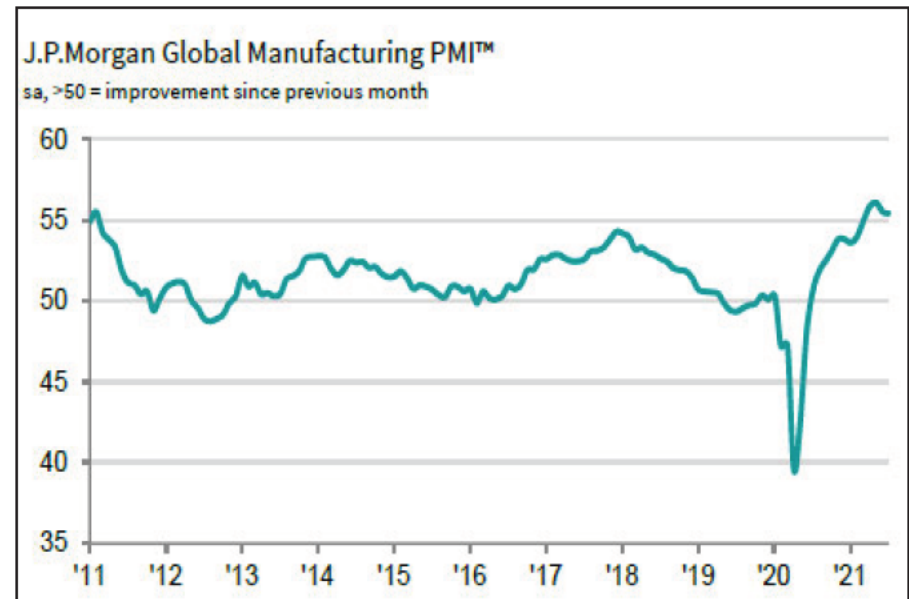
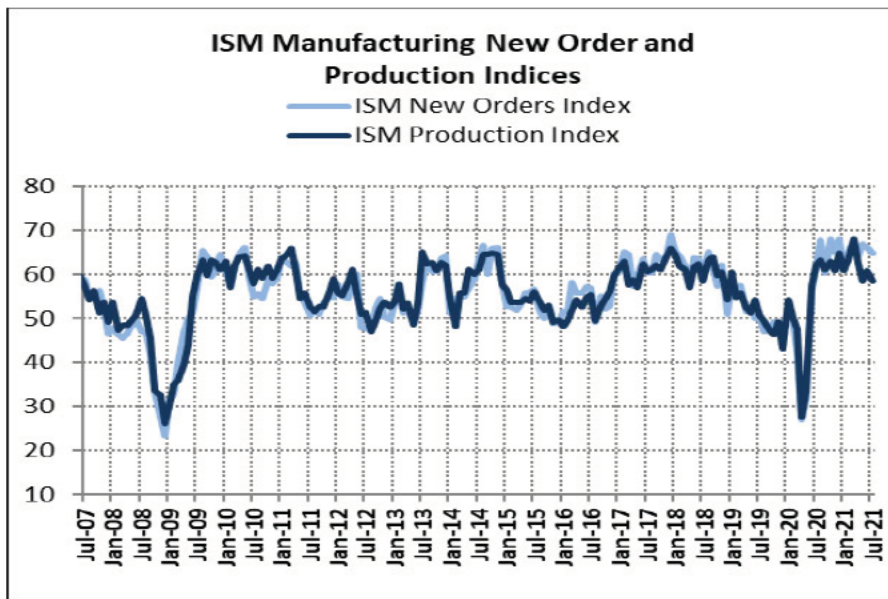
Sources: [www.ons.gov.uk](http://www.ons.gov.uk), [www.oecd.org](http://www.oecd.org), [www.inflation.eu](http://www.inflation.eu), and [www.tradingeconomics.com](http://www.tradingeconomics.com)





**ECONOMY**

**US & Global Manufacturing Activities**

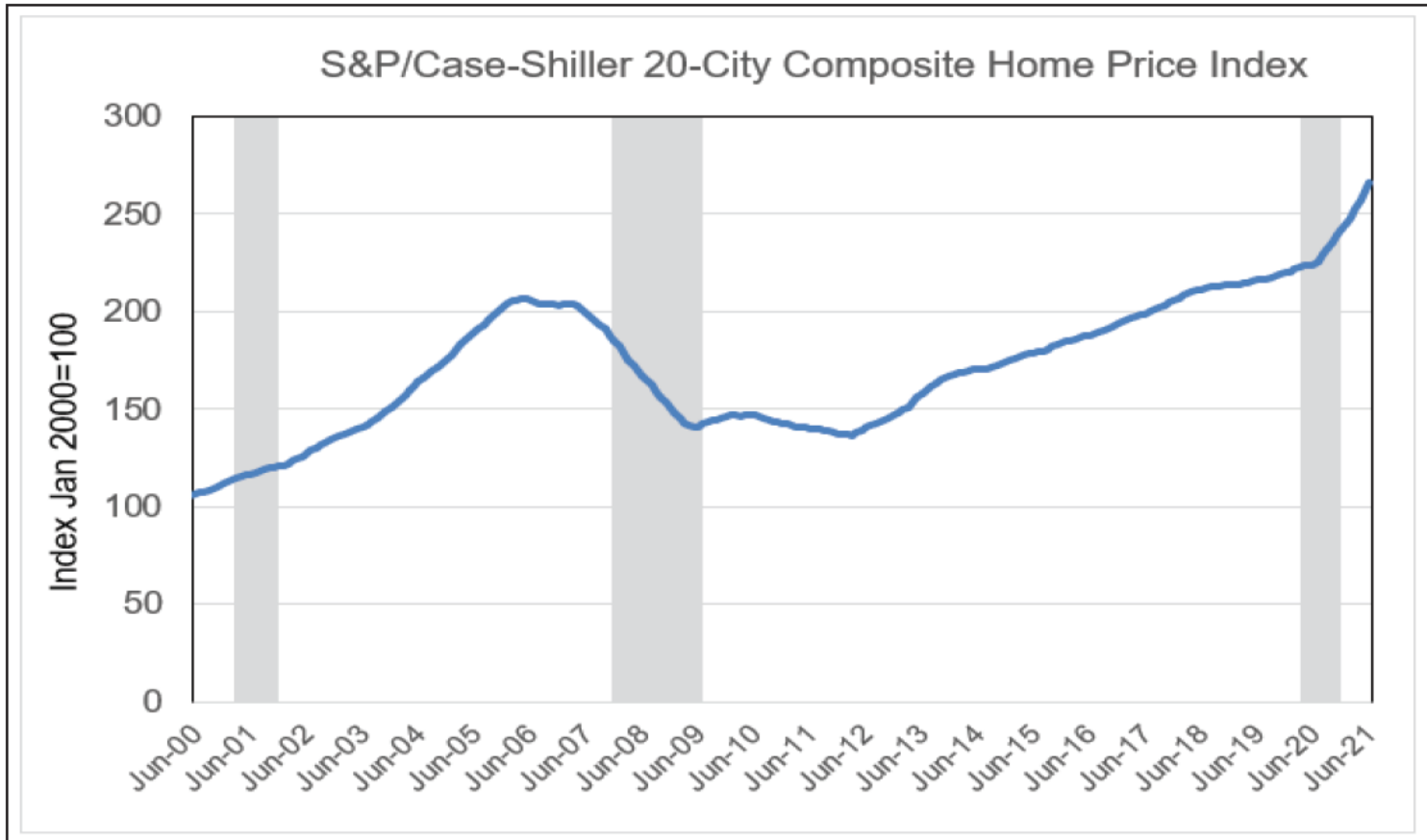


Source: Manufacturing ISM Report On Business & JPMorgan Global Manufacturing PMI™  
Notes: Acronym – ISM – Institute of Supply Management; PMI – Purchasing Managers Index



**ECONOMY**

**US Housing Market**



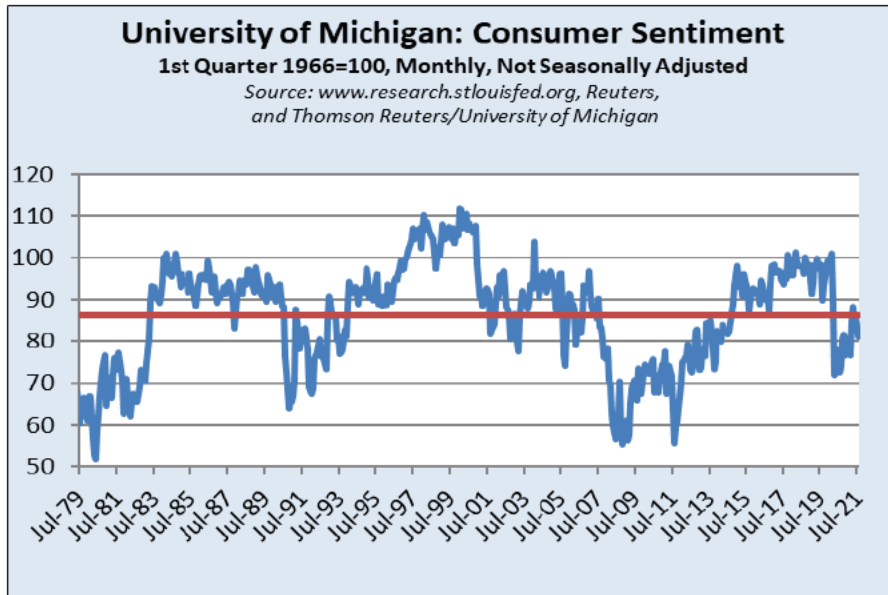
Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-17	200.06
Jul-18	212.05
Jul-19	216.09
Jul-20	225.64
Jun-21	266.56

Source: [www.research.stlouisfed.org](http://www.research.stlouisfed.org)



**ECONOMY**

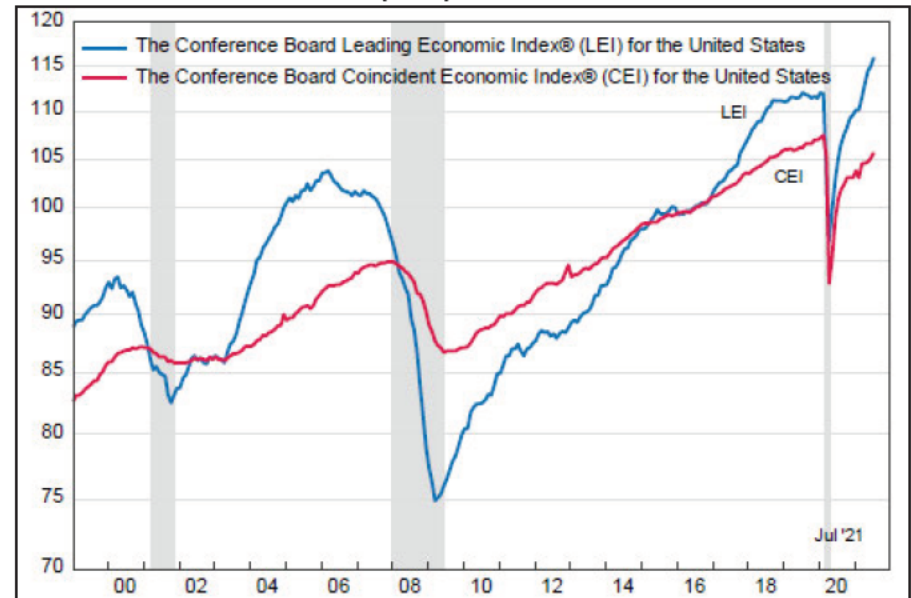
**Consumer Sentiment**



Index of Consumer Sentiment				
Jun-21	Jul-21	Jul-20	M-M Change	Y-Y Change
85.5	81.2	72.5	-5.0%	12.0%

Sources: Thomson Reuters / University of Michigan

**The Leading Economic Index (LEI) and Coincident Economic Index (CEI) for the United States**



Shaded areas represent US recessions

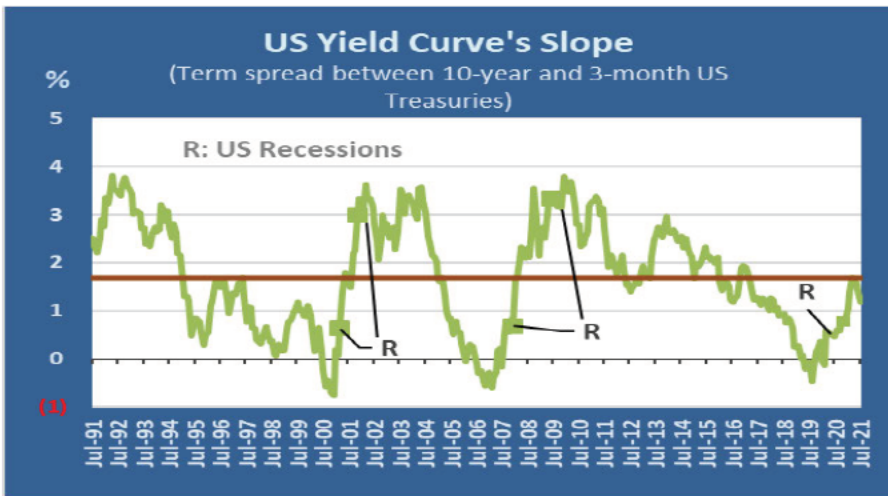
Index	Mar-21	Jun-21	Jul-21	Month -Month Percent Change	6-Month Percent Change
LEI	114.4 r	115.0 r	116.0 p	0.9	5.4
CEI	104.6 r	105.0 r	105.6 p	0.6	1.8

p Preliminary; r Revised; Indexes equal 100 in 2016

Sources: The Conference Board and advisorperspectives.com



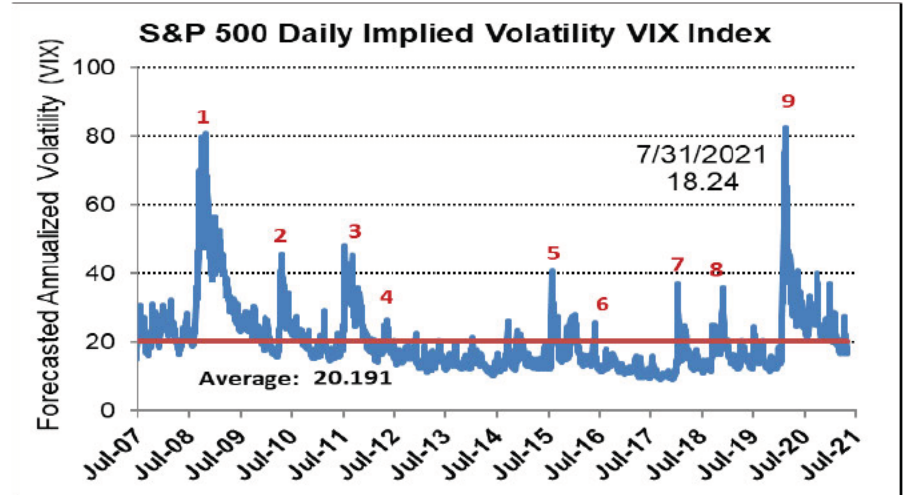
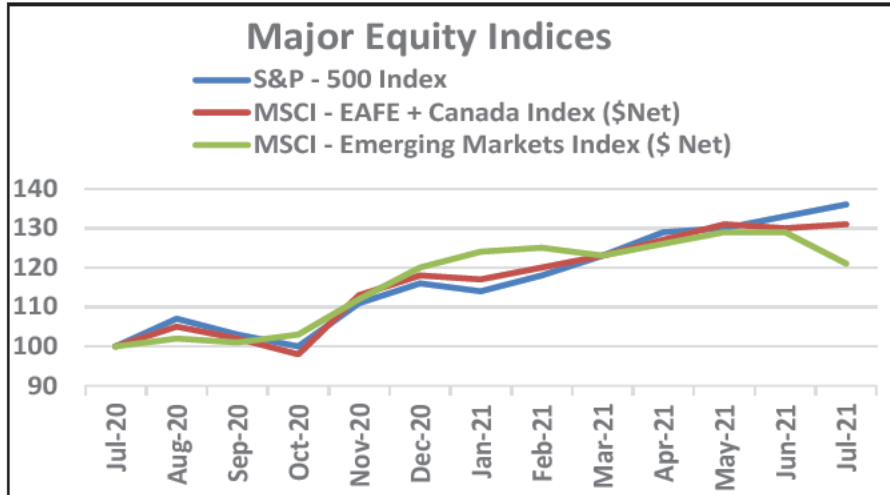
**ECONOMY**





**MARKETS**

**Equity**



	Return as of 7/31/2021	
	1 Year	FYTD
S&P 500	36.45	2.38
MSCI - EAFE + Canada Index (\$Net)	31.00	0.66
MSCI - Emerging Markets Index (\$Net)	20.64	(6.73)

- 1 2008 (Nov.) Financial Crisis S&P 500: -48.8%
- 2 2010 (May) Flash crash; Europe/ Greece debt S&P 500: -16%
- 3 2011 (Aug.) US downgrade, Europe periphery S&P 500: -19.4%
- 4 2012 (June) Eurozone double dip S&P 500: -9.9%
- 5 2015 (Aug.) Global slowdown, China, Fed S&P 500: -12.4%
- 6 2016 (Feb.) Oil crash, US recession fear, China S&P 500: -10.5%
- 7 2018 (Feb.) Inflation, trade, tech S&P 500 : -10.2%
- 8 2018 (Dec.) Interest rate hike, trade tension, global slowdown S&P 500: -10.5%
- 9 2020 (Mar.) Coronavirus, S&P 500 : -23.7%

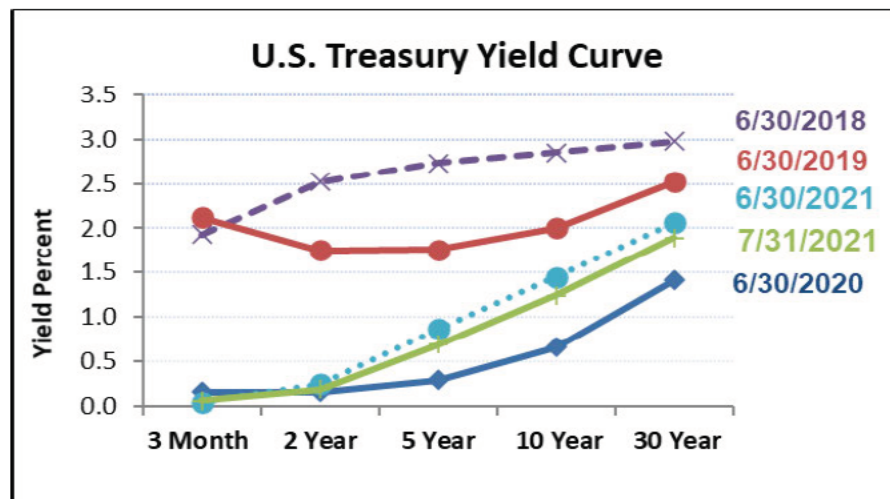
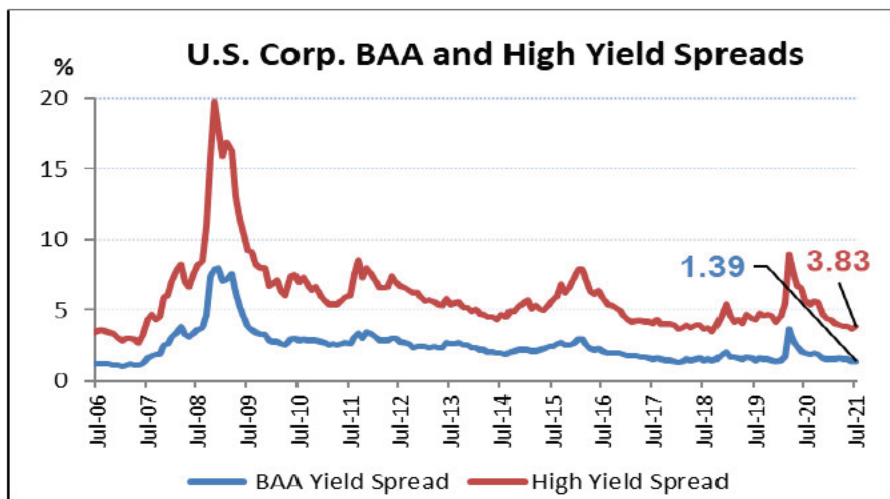
Sources: [www.research.stlouisfed.org](http://www.research.stlouisfed.org), and Wilshire Compass





**MARKETS**

**Fixed Income**

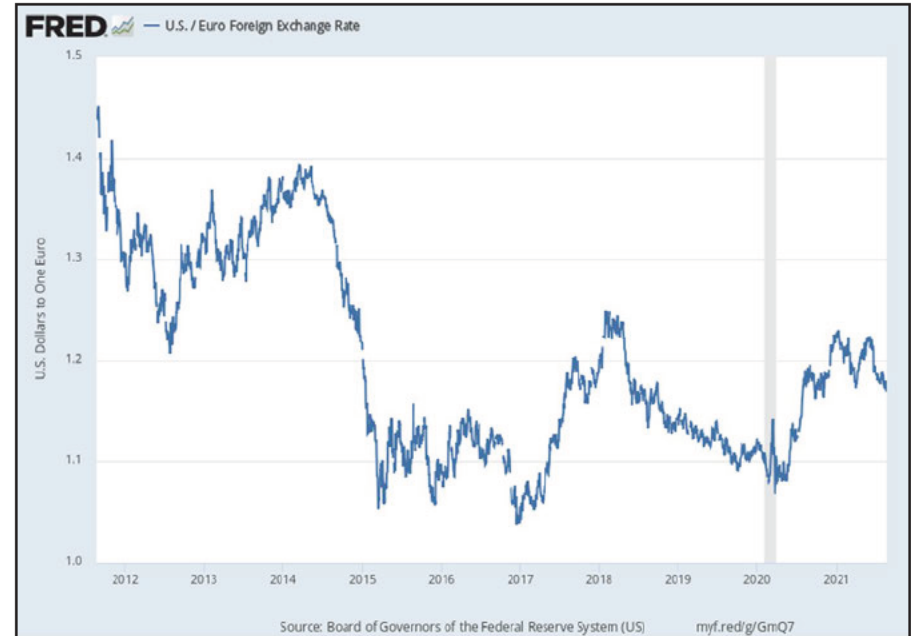
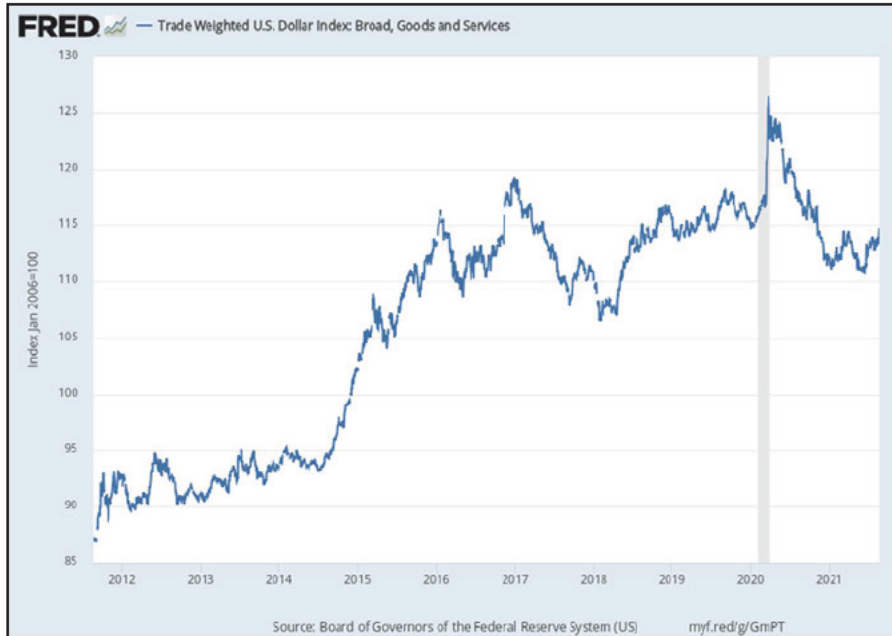


Sources: Wilshire Compass, ThomsonReuters, and Bloomberg



**MARKETS**

**Foreign Exchange**



Date	Trade Weighted Broad U.S. Dollar Index January 1997=100
June-17	111.97
June-18	113.27
June-19	114.56
June-20	120.86
June-21	112.85
July-21	112.94

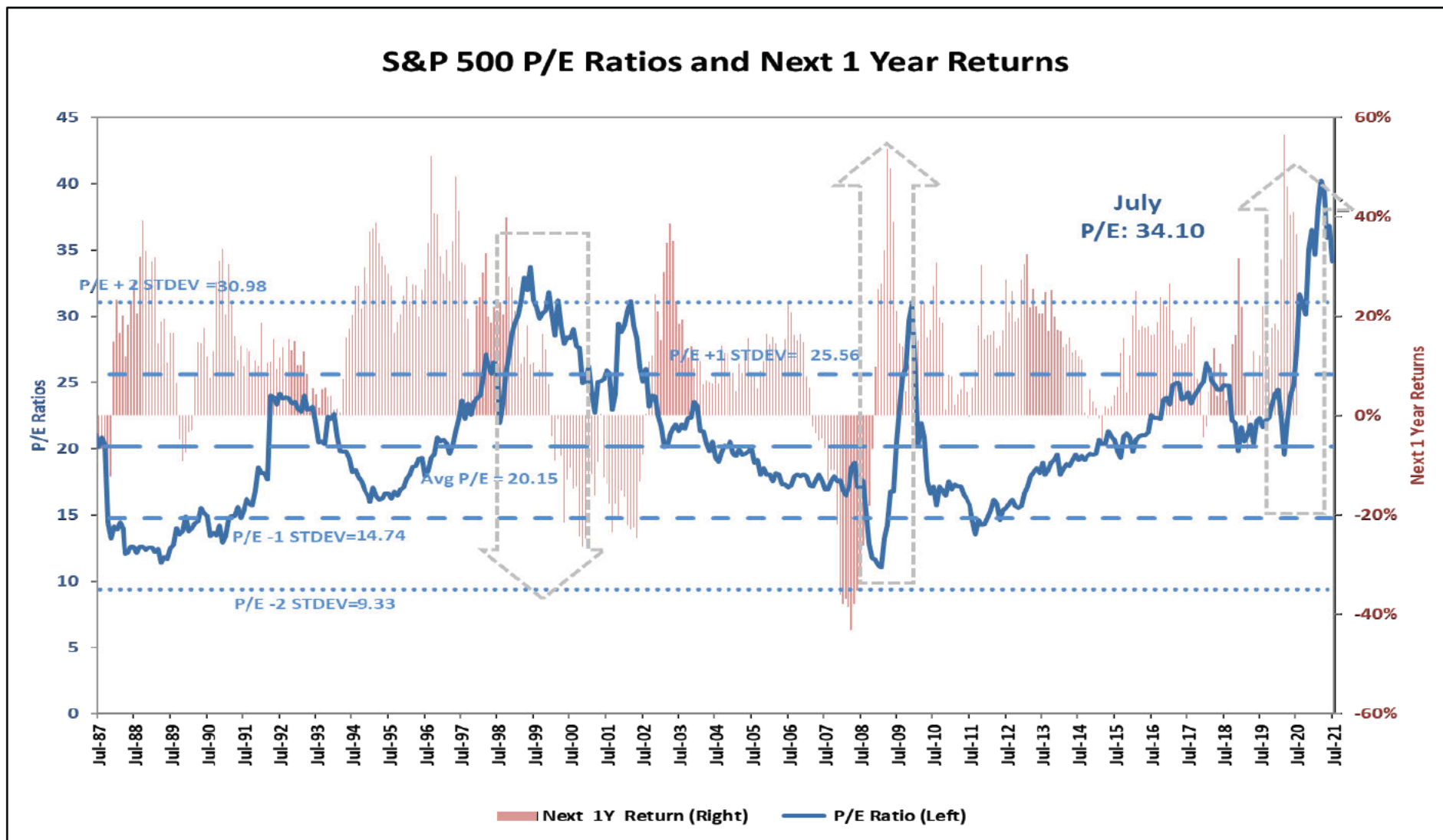
Date	U.S. / Euro Foreign Exchange Rate U.S. Dollars to One Euro
June-17	1.14
June-18	1.17
June-19	1.14
June-20	1.12
June-21	1.18
July-21	1.19

Source: [www.research.stlouisfed.org](http://www.research.stlouisfed.org)



**VALUATION** **US Equity**

**S&P 500 P/E Ratios and Next 1 Year Returns**



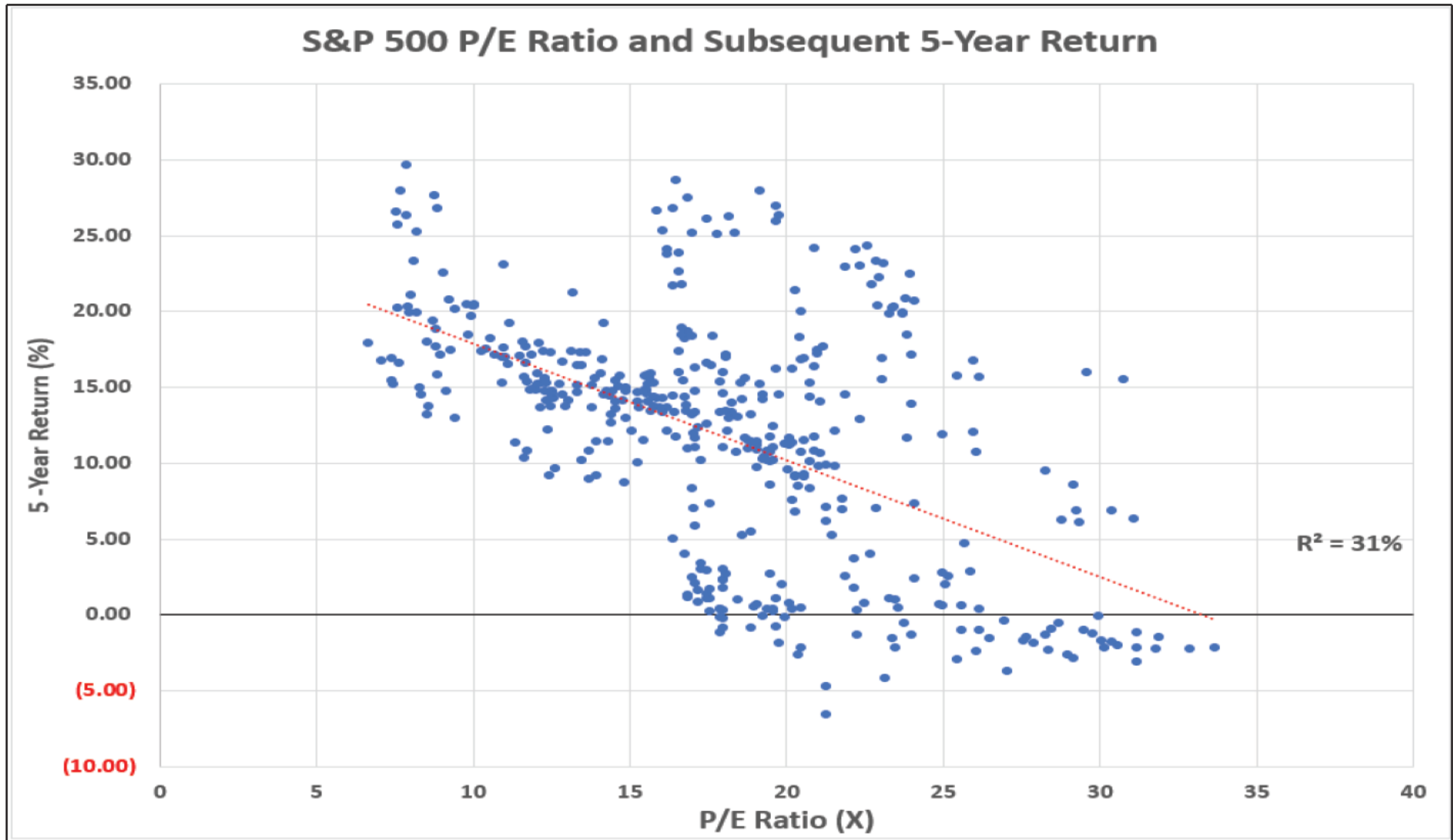
Source: Wilshire Compass





**VALUATION**

**US Equity**

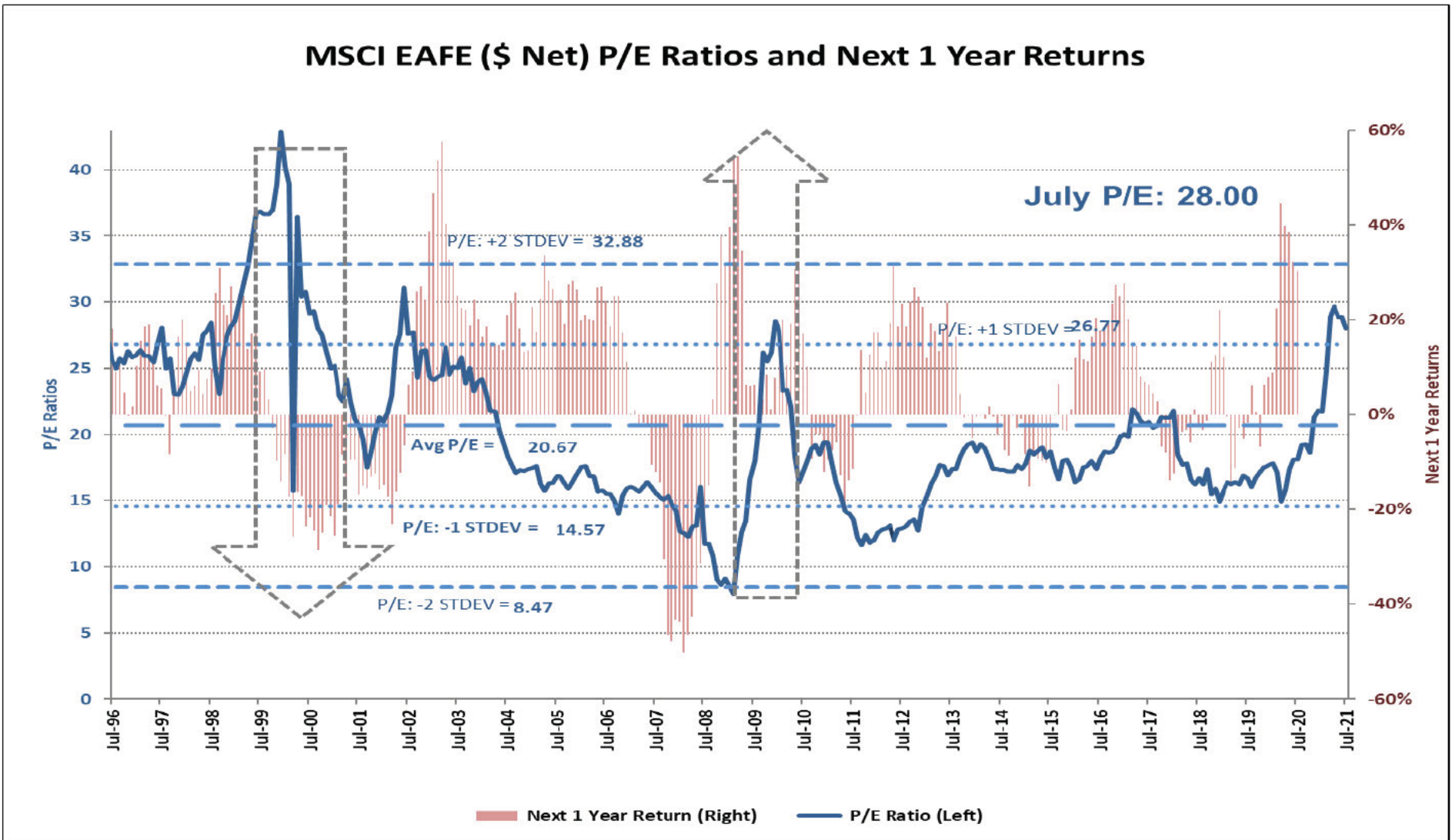




**VALUATION**

**Non US Developed Market Equity**

**MSCI EAFE (\$ Net) P/E Ratios and Next 1 Year Returns**

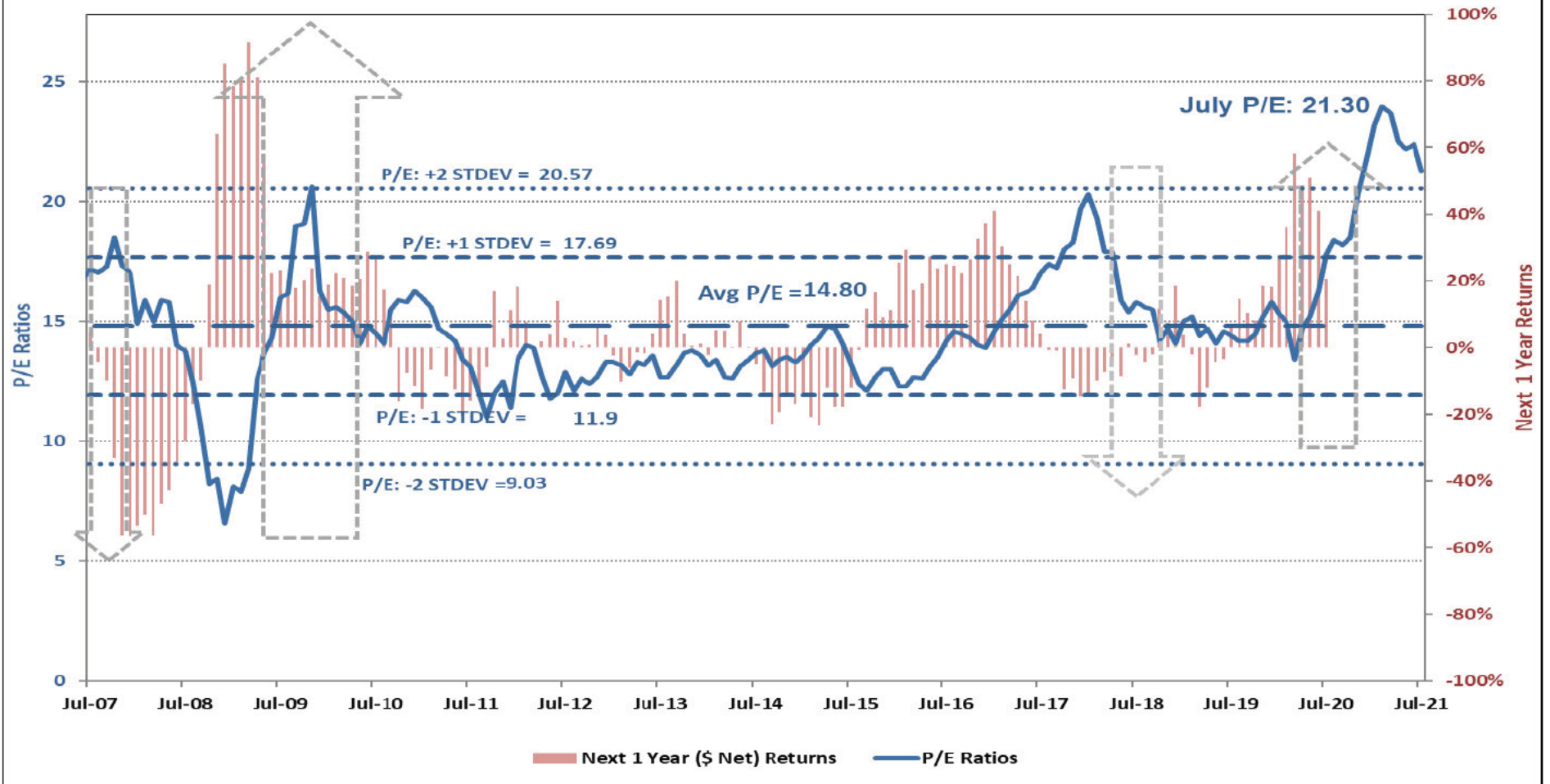


Source: Wilshire Compass



**VALUATION** Emerging Market Equity

**MSCI EM P/E Ratios and Next 1 Year (\$ Net) Returns**



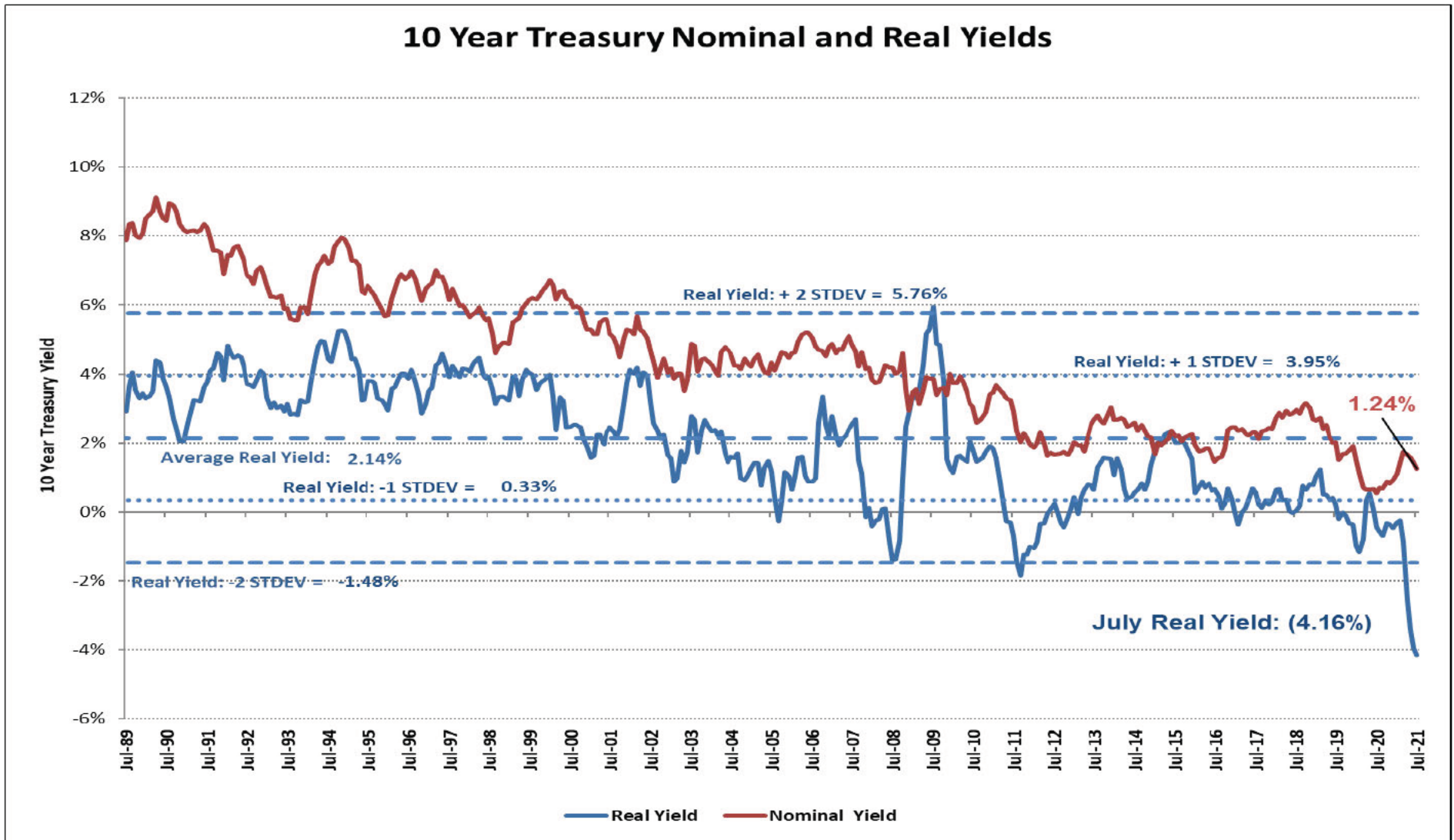
Source: Wilshire Compass



**VALUATION**

**US Treasury Bonds**

**10 Year Treasury Nominal and Real Yields**



Sources: Wilshire Compass and U.S. Bureau of Labor Statistics





# SERS' Investment Portfolios Review

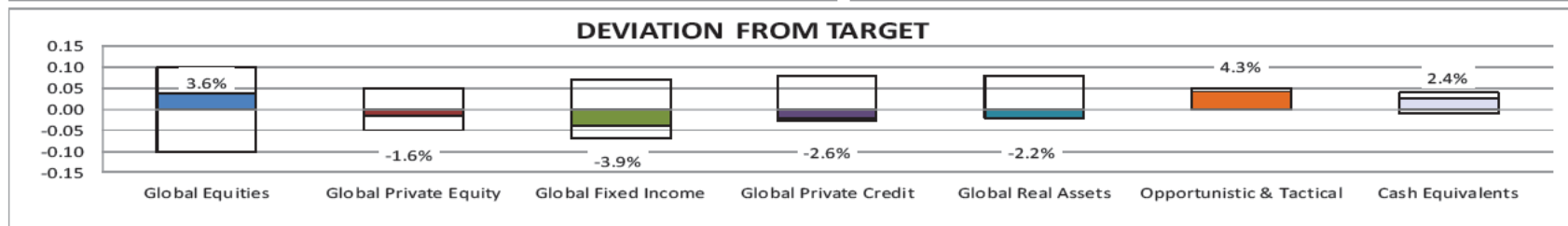
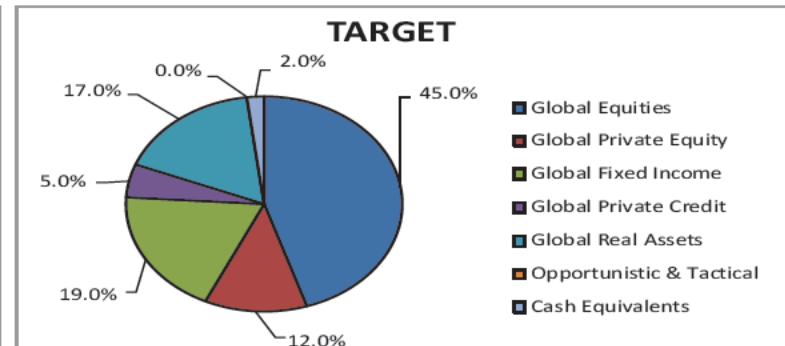
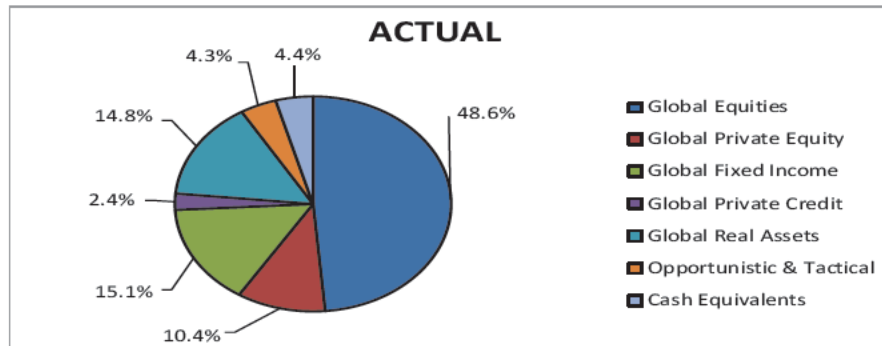
Ohio SERS Investment Report | Month Ending: 07/31/2021



# Total Fund Asset Allocation

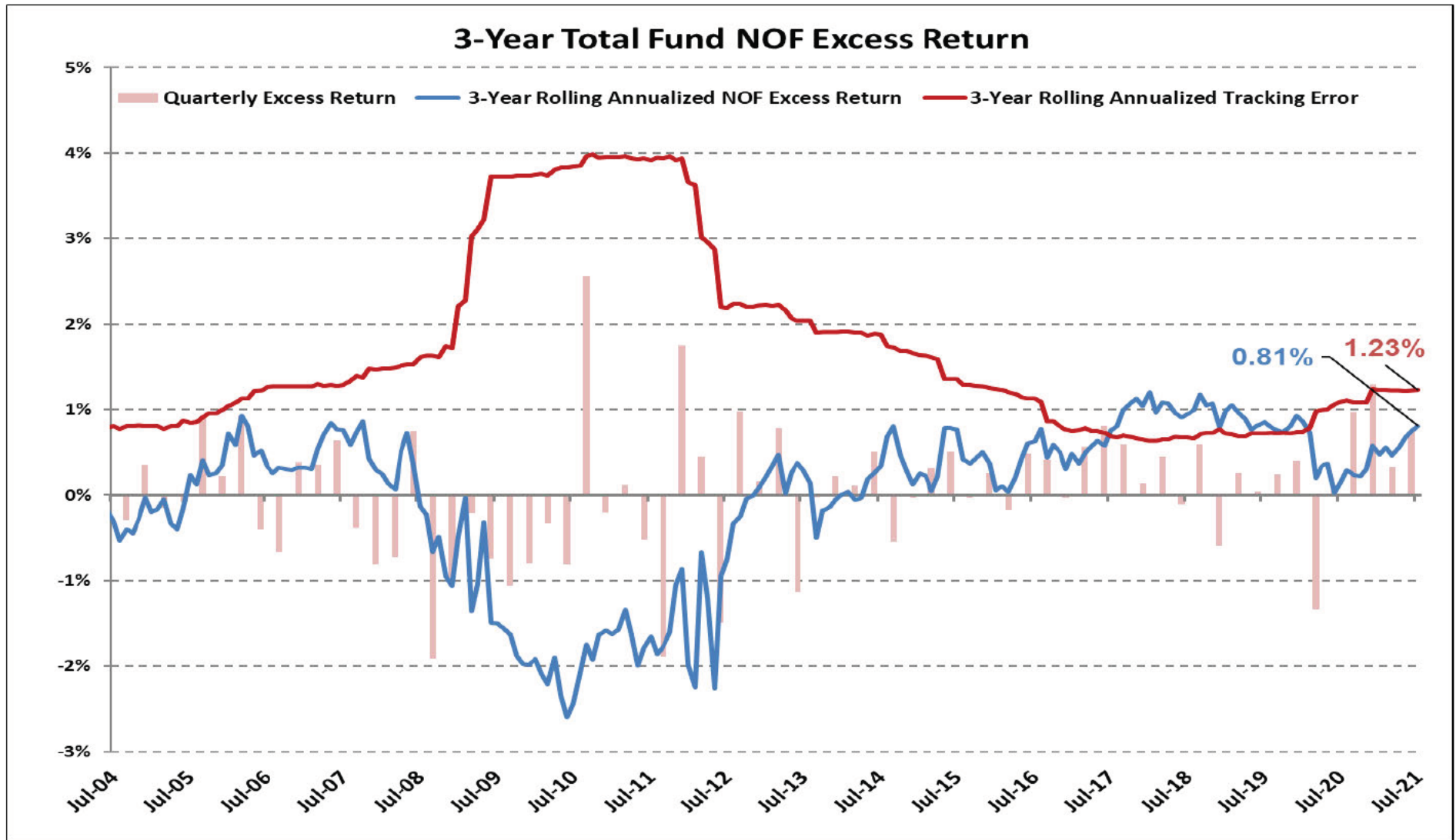
Asset Class	Market Value \$	Actual	Target	Range
<b>Global Equities</b>	<b>8,654,845,487</b>	<b>48.6%</b>	<b>45.0%</b>	35% - 55%
US Equity	4,702,512,225	26.4%	24.8%	19.25% - 30.25%
Non-US Equity Developed Market	3,027,200,532	17.0%	13.5%	10.50% - 16.50%
Non-US Equity Emerging Market	925,132,730	5.2%	6.8%	5.25% - 8.25%
<b>Global Private Equity</b>	<b>1,851,227,975</b>	<b>10.4%</b>	<b>12.0%</b>	8% - 16%
<b>Global Fixed Income</b>	<b>2,693,677,810</b>	<b>15.1%</b>	<b>19.0%</b>	12% - 26%
<b>Global Private Credit</b>	<b>435,127,534</b>	<b>2.4%</b>	<b>5.0%</b>	1% - 7%
<b>Global Real Assets</b>	<b>2,637,057,154</b>	<b>14.8%</b>	<b>17.0%</b>	14% - 20%
<b>Opportunistic &amp; Tactical</b>	<b>759,113,733</b>	<b>4.3%</b>	<b>0.0%</b>	0% - 5%
<b>Cash Equivalents</b>	<b>776,933,219</b>	<b>4.4%</b>	<b>2.0%</b>	0% - 5%
Short-Term	747,438,136	4.2%	2.0%	
Russell EA Overlay	-1,529,983	0.0%	0.0%	
Aegis - Alpha Overlay	5,138,808	0.0%	0.0%	
Direct Rebalance Overlay	0	0.0%	0.0%	
Transition / Operational Account	6,679,739	0.0%	0.0%	
Currency Overlay	19,206,519	0.1%	0.0%	
<b>Total Fund</b>	<b>17,807,982,913</b>	<b>100.0%</b>	<b>100.0%</b>	

Source: BNY Mellon GRS



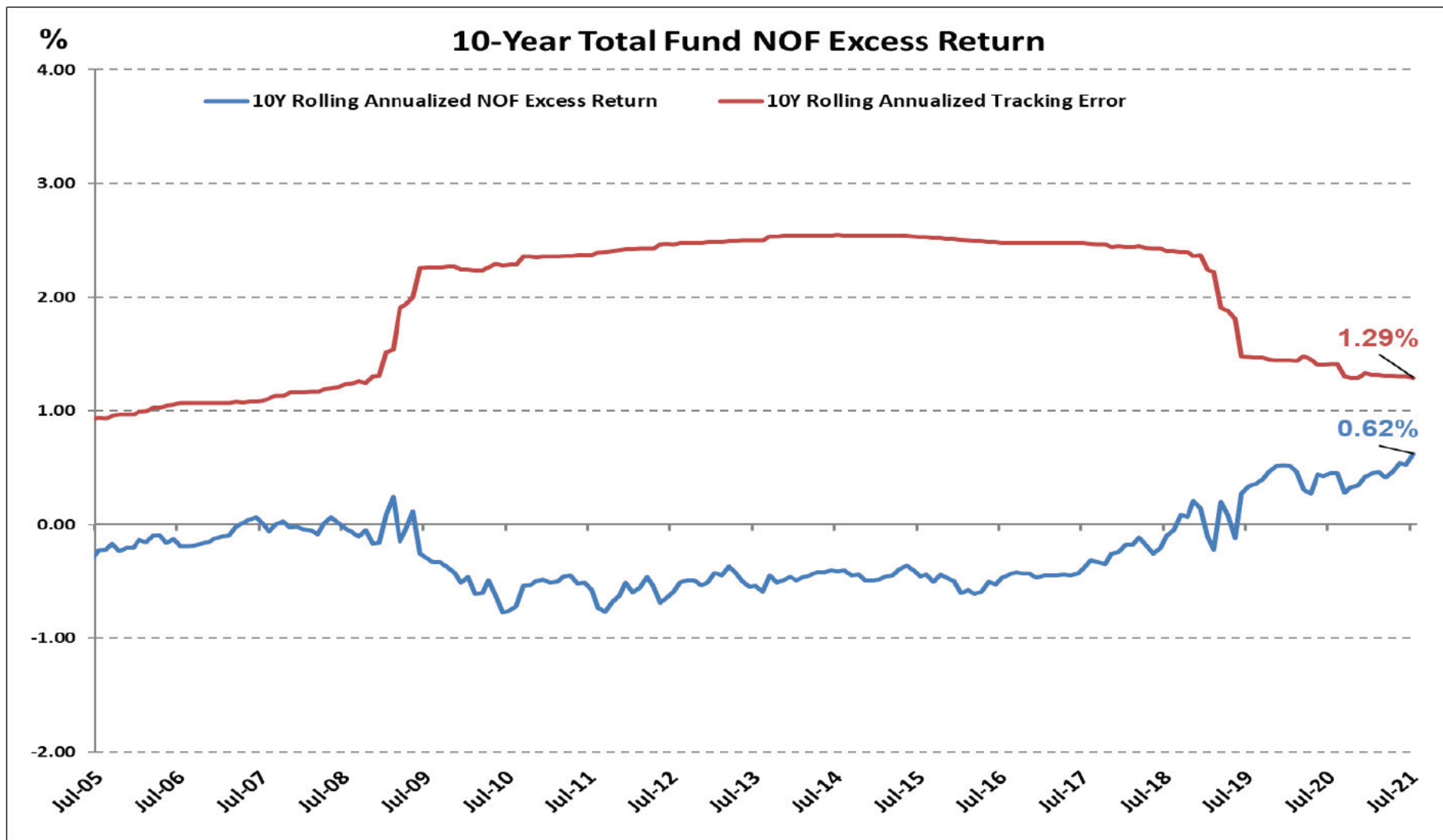


# Total Fund Performance





# Total Fund Performance



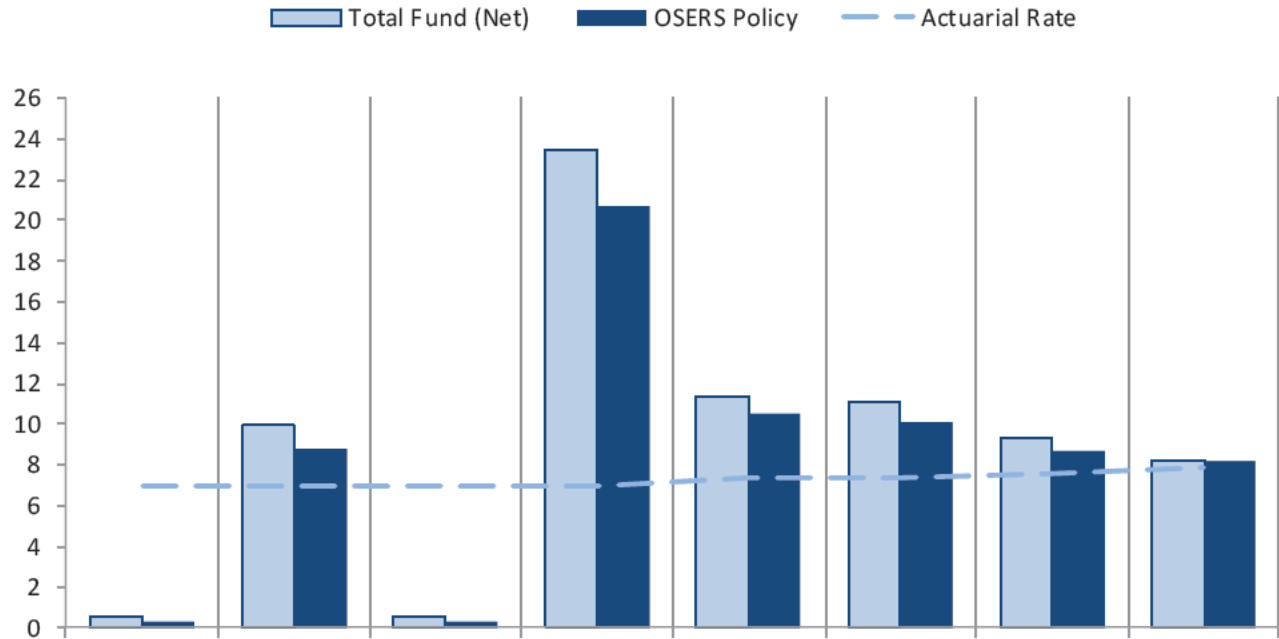




# Total Fund Performance

## Current Benchmark:

- 24.75% Russell 3000
- 13.50% MSCI World Ex US Index  
(net dividends)
- 6.75% MSCI Emerging Markets Index  
(net dividends)
- 11.00% Burgiss All Private Equity  
benchmark (1q lag) (BAPE)
- 19.00% Bloomberg Barclays  
Aggregate Bond
- 16.00% NCREIF Property (1q lag)
- 4.00% HFRI Fund of Funds  
Composite plus 1%
- 3.00% LIBOR + 4.5%
- 2.00% Citigroup 30 Day US T-Bill



### Actuarial Rate

(7.0% adopted 4/15/21)

	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	0.51	10.31	0.51	24.14	11.98	11.74	9.99	8.67
Total Fund (Net)	0.51	9.97	0.51	23.51	11.33	11.06	9.29	8.15
OSERS Policy	0.29	8.74	0.29	20.71	10.52	10.10	8.67	8.21
Value Added (Net of Fee)	0.23	1.23	0.23	2.80	0.81	0.96	0.62	(0.06)

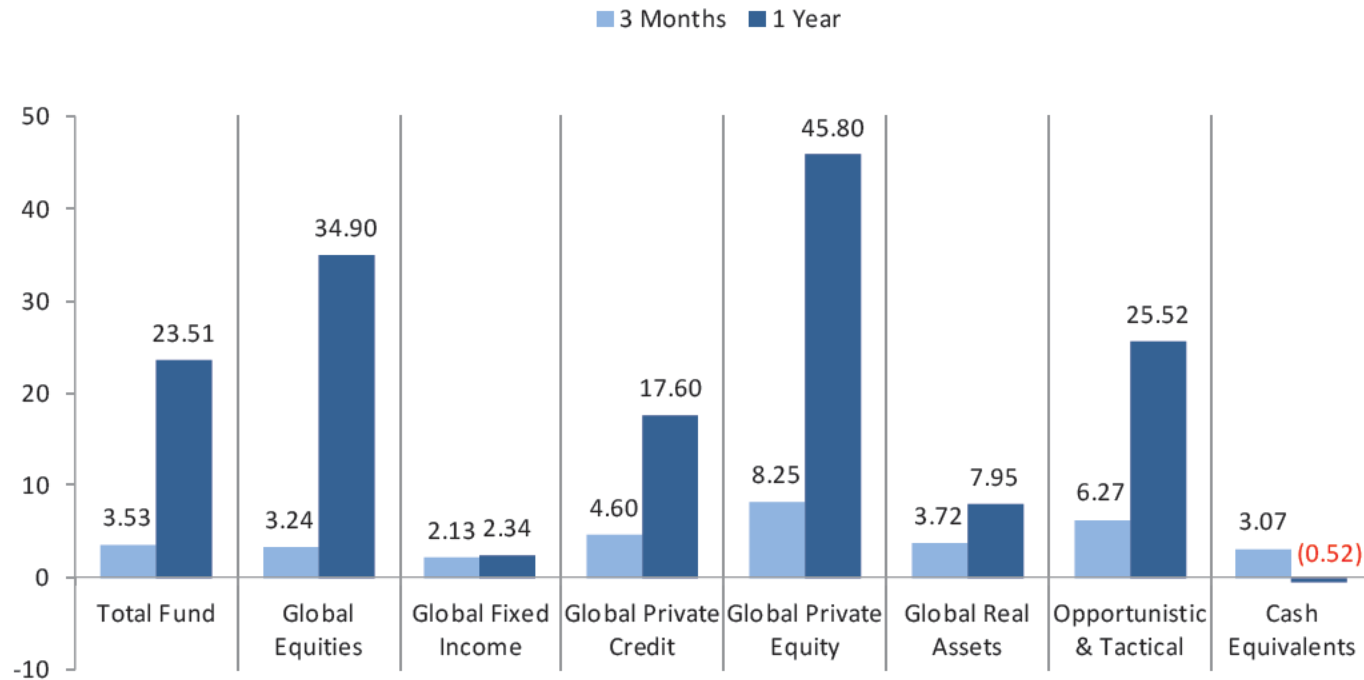
Source: BNY Mellon GRS

\*ITD is Inception date 10/1/1994 (26 years and 10 months)



# Total Fund and Asset Class Performance (Net)

## Total Fund and Asset Class Performance Summary (Net)



Source: BNY Mellon GRS



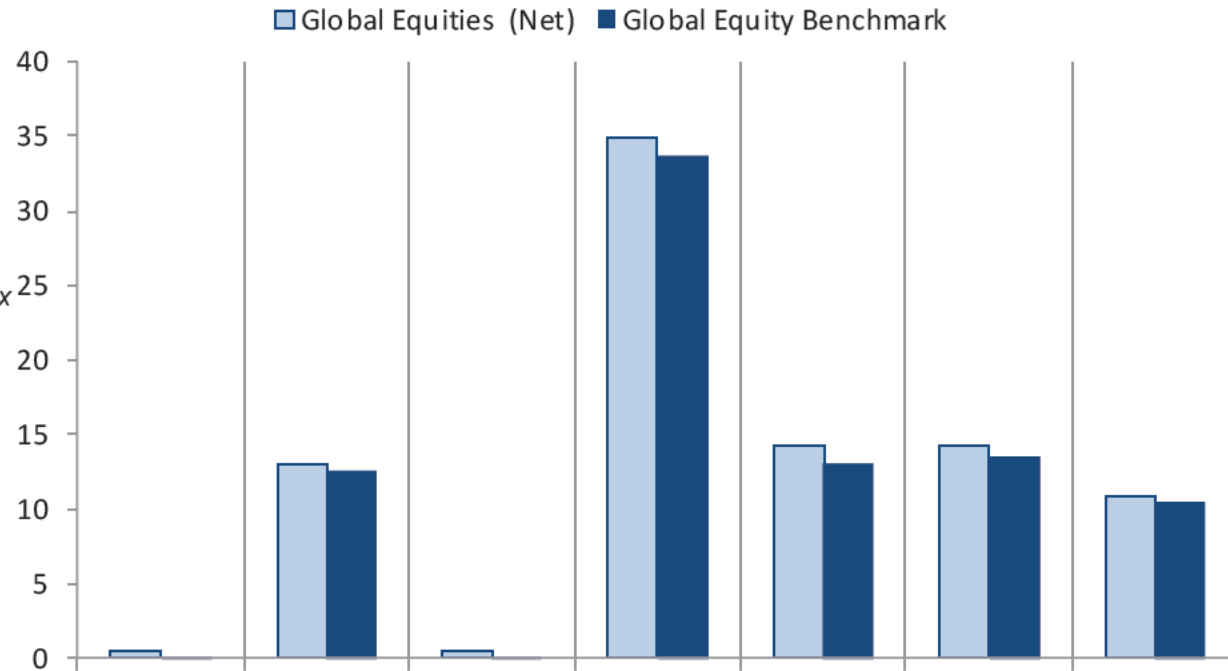
# Global Equities Performance

**Current Benchmark:**

55% Russell 3000

30% MSCI World Ex United States  
Index (Net dividends)

15% MSCI Emerging Markets Index  
(Net dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities (Gross)	0.61	13.22	0.61	35.30	14.59	14.63	11.31
Global Equities (Net)	0.59	13.04	0.59	34.90	14.25	14.27	10.94
Global Equity Benchmark	0.12	12.56	0.12	33.70	13.12	13.60	10.57
MSCI ACWI	0.72	13.37	0.72	33.75	14.27	14.39	10.74
Value Added (Net of Fee)	0.47	0.48	0.47	1.21	1.13	0.67	0.37

Source: BNY Mellon GRS

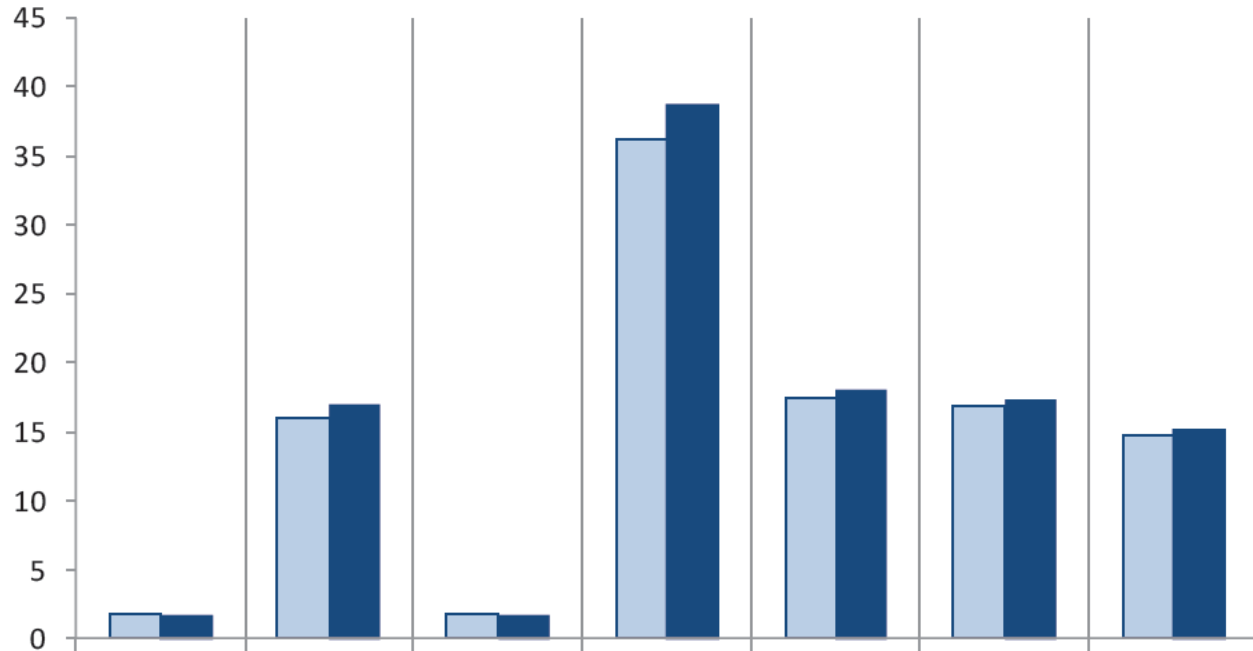


# US Equity Performance

■ US Equity Portfolio (Net)    ■ US Equity Policy Benchmark

**Current Benchmark:**

*Russell 3000*

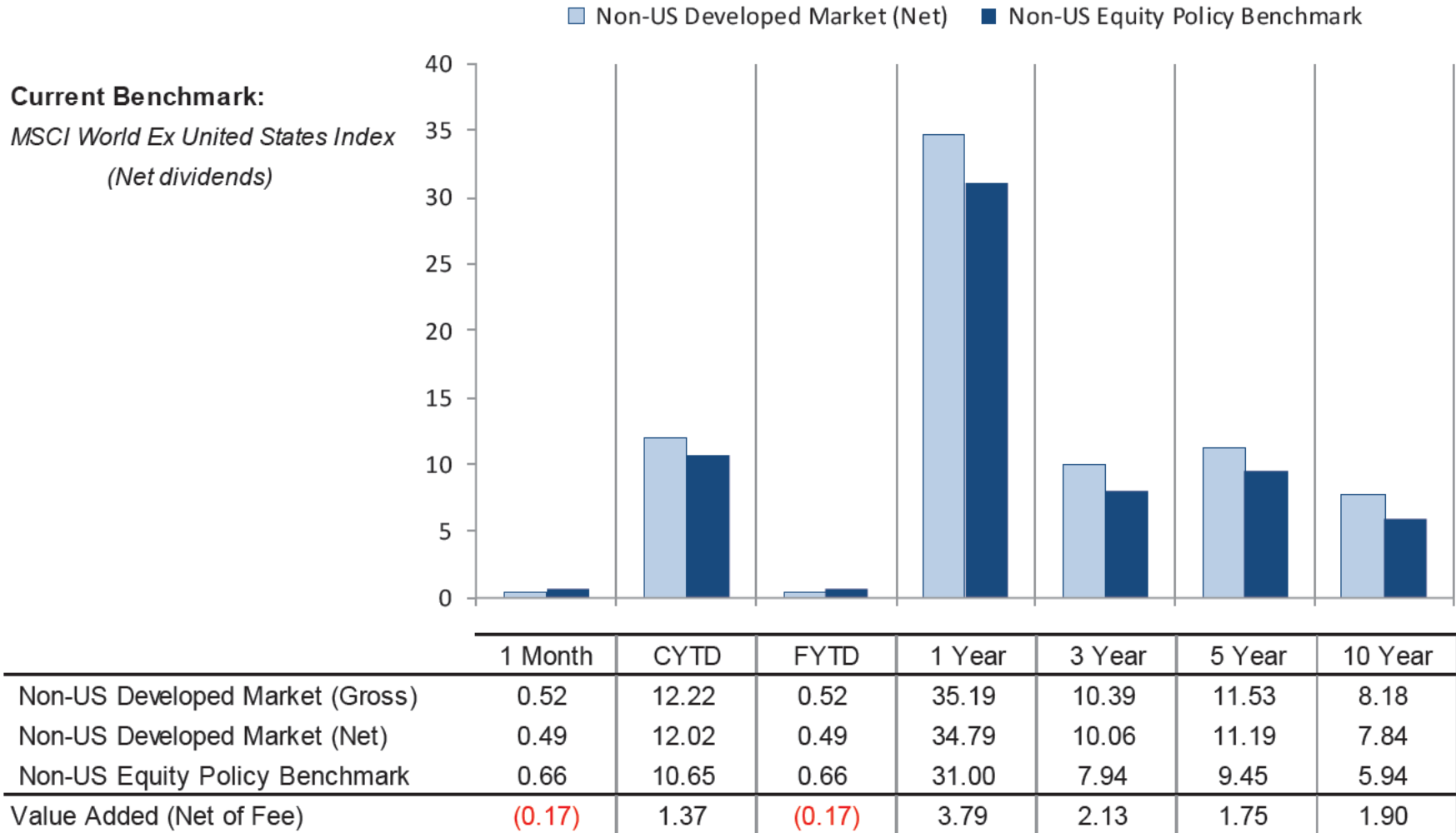


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
US Equity Portfolio (Gross)	1.90	16.11	1.90	36.46	17.66	17.09	15.05
US Equity Portfolio (Net)	1.89	16.00	1.89	36.20	17.44	16.84	14.75
US Equity Policy Benchmark	1.69	17.06	1.69	38.73	18.10	17.36	15.16
Value Added (Net of Fee)	0.20	(1.05)	0.20	(2.52)	(0.66)	(0.53)	(0.41)

Source: BNY Mellon GRS



# Non-US Equity Developed Market Performance

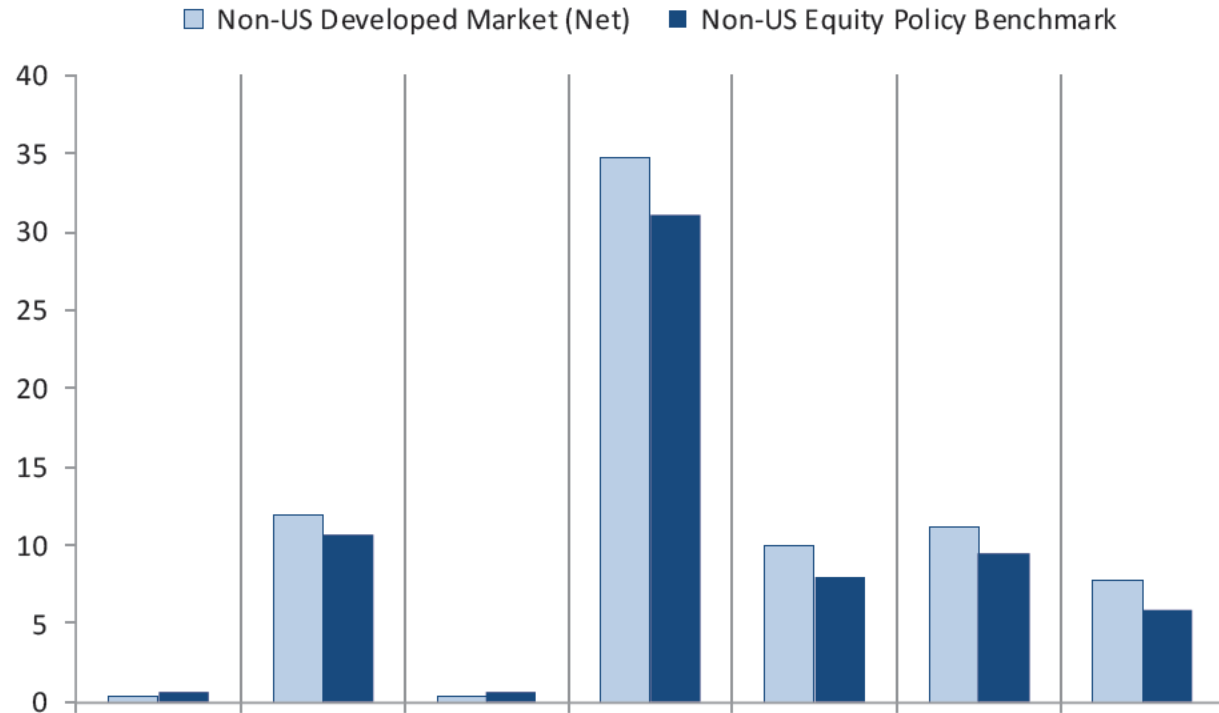


Source: BNY Mellon GRS



# Non-US Equity Emerging Market Performance

**Current Benchmark:**  
*MSCI Emerging Markets Index*  
 (Net dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Non-US Emerging Market (Gross)	(5.21)	3.68	(5.21)	30.28	14.48	14.11	5.55
Non-US Emerging Market (Net)	(5.27)	3.22	(5.27)	29.30	13.59	13.22	4.78
Non-US Equity Policy Benchmark	(6.73)	0.22	(6.73)	20.64	7.93	10.38	3.61
Value Added (Net of Fee)	1.46	3.00	1.46	8.66	5.66	2.85	1.18

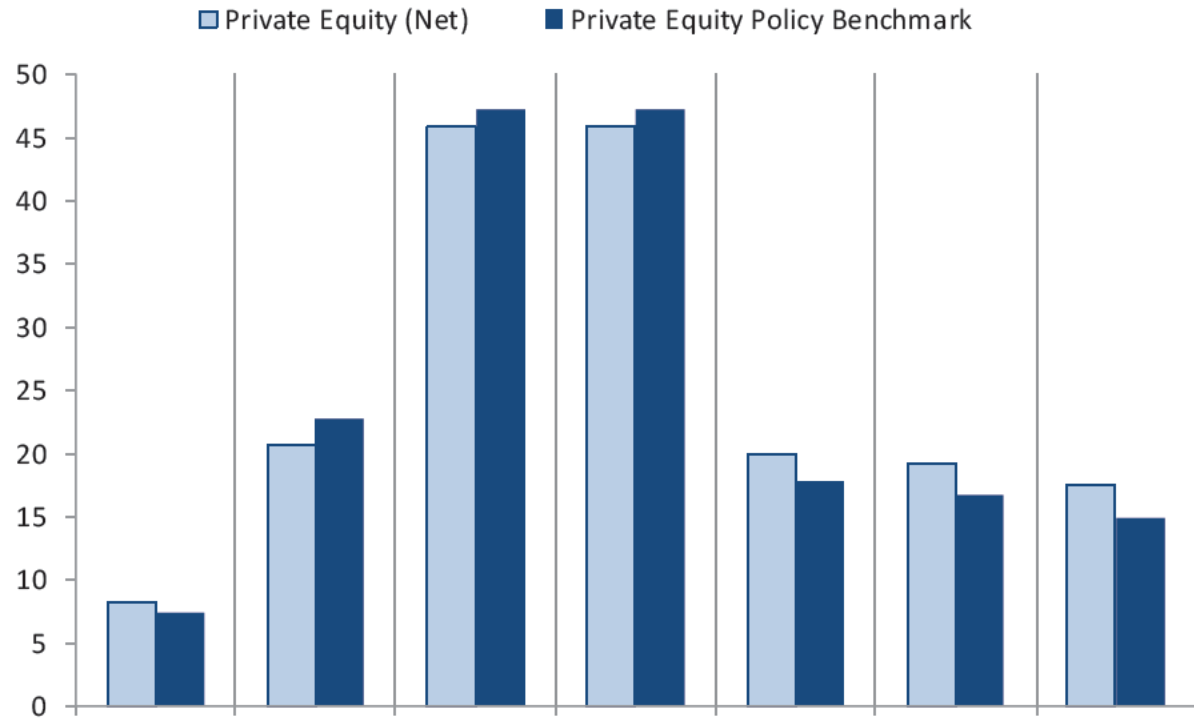
Source: BNY Mellon GRS



# Global Private Equity Performance

**Results as of: 06/30/2021**

**Current Benchmark:**  
*Burgiss All Private Equity Index*



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	8.92	21.80	48.14	48.14	21.62	20.90	19.28
Private Equity (Net)	8.25	20.65	45.80	45.80	19.87	19.25	17.60
Private Equity Policy Benchmark	7.42	22.75	47.27	47.27	17.83	16.74	14.92
Value Added (Net of Fee)	0.83	(2.10)	(1.47)	(1.47)	2.04	2.50	2.69

Source: BNY Mellon GRS

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

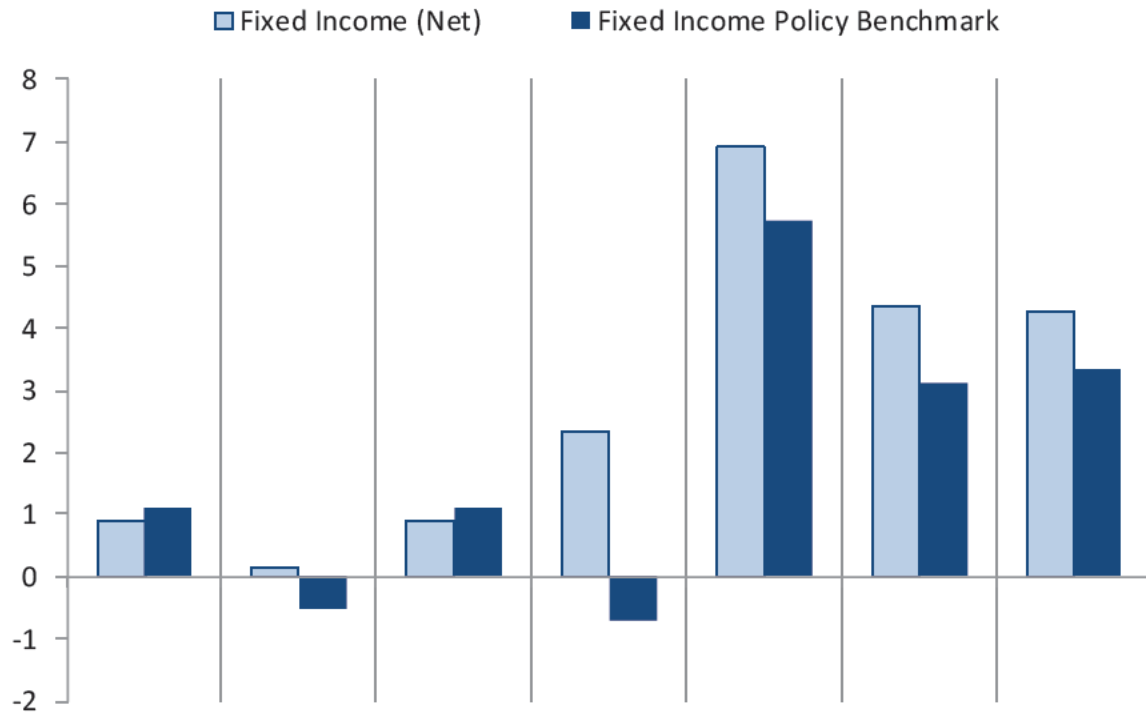
Global Private Equity performance is reported one quarter in arrears.



# Global Fixed Income Performance

**Current Benchmark:**

*Bloomberg Barclays Aggregate  
Bond Index*



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	0.91	0.33	0.91	2.61	7.18	4.57	4.52
Fixed Income (Net)	0.89	0.16	0.89	2.34	6.94	4.35	4.29
Fixed Income Policy Benchmark	1.12	(0.50)	1.12	(0.70)	5.73	3.13	3.35
Value Added (Net of Fee)	(0.23)	0.67	(0.23)	3.04	1.21	1.22	0.94

Source: BNY Mellon GRS





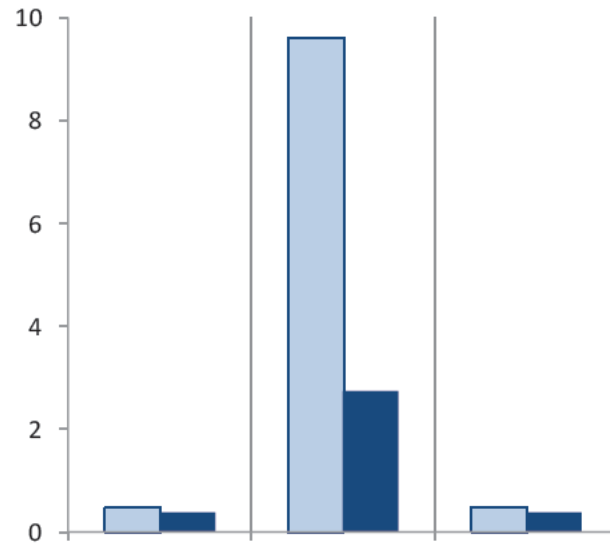
# Global Private Credit Performance

## Global Private Credit

**Current Benchmark:**

3 Month LIBOR plus 4.5%

■ Global Private Credit (Net)  
■ Global Private Credit Policy Benchmark



	1 Month	CYTD	FYTD	1 Year
Global Private Credit (Gross)	0.47	10.82	0.47	19.57
Global Private Credit (Net)	0.46	9.59	0.46	17.60
Global Private Credit Policy Benchmark	0.39	2.73	0.39	4.73
Value Added (Net of Fee)	0.08	6.87	0.08	12.87

Source: BNY Mellon GRS

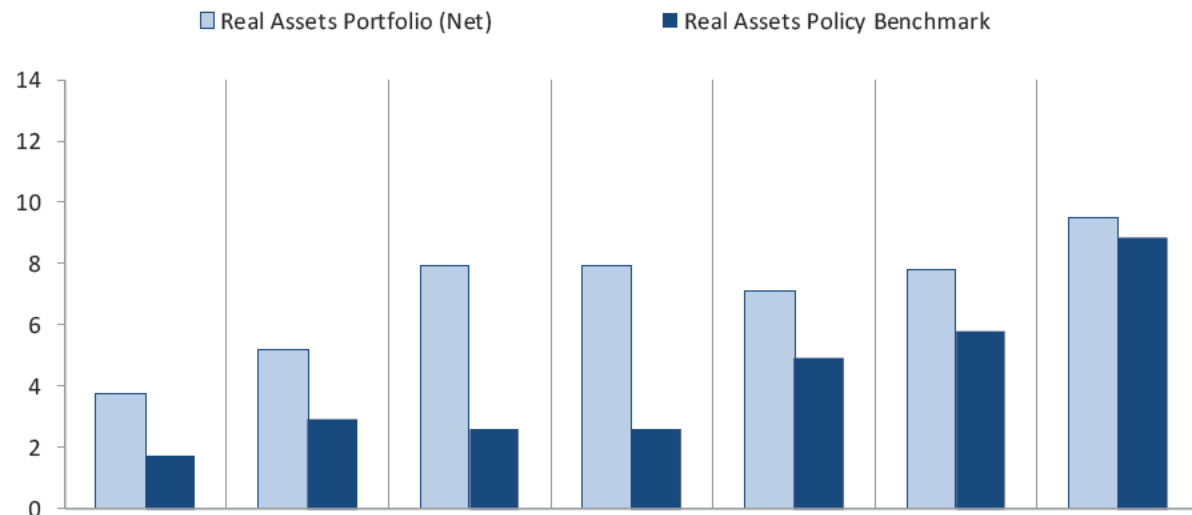
Ohio SERS Investment Report | Month Ending: 07/31/2021



# Global Real Assets Performance

Results as of: 06/30/2021

**Current Benchmark:**  
NCREIF Property Index (1q lag)



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Real Assets Portfolio (Gross)	4.00	5.66	8.72	8.72	8.04	8.79	10.58
Real Assets Portfolio (Net)	3.72	5.16	7.95	7.95	7.14	7.78	9.48
Real Assets Policy Benchmark	1.72	2.88	2.61	2.61	4.89	5.81	8.82
Real Assets Value Added (NOF)	2.01	2.27	5.34	5.34	2.25	1.98	0.65
Real Assets Core (Net)	2.61	4.39	4.09	4.09	6.27	7.21	9.72
Real Assets Policy Benchmark	1.72	2.88	2.61	2.61	4.89	5.81	8.82
Real Assets Core Value Added (NOF)	0.89	1.51	1.48	1.48	1.38	1.40	0.90
Real Assets Non-Core (Net)	1.47	1.21	1.32	1.32	5.51	6.26	8.72
Real Assets Policy Benchmark	1.72	2.88	2.61	2.61	4.89	5.81	8.82
Real Assets Non-Core Value Added (NOF)	(0.25)	(1.67)	(1.29)	(1.29)	0.62	0.45	(0.10)
Real Assets Infrastructure (Net)	6.32	6.84	19.08	19.08	10.42	n/a	n/a
Real Assets Policy Benchmark	1.72	2.88	2.61	2.61	4.89	n/a	n/a
Real Assets Infrastructure Value Added (NOF)	4.60	3.96	16.47	16.47	5.53	n/a	n/a

Source: BNY Mellon GRS

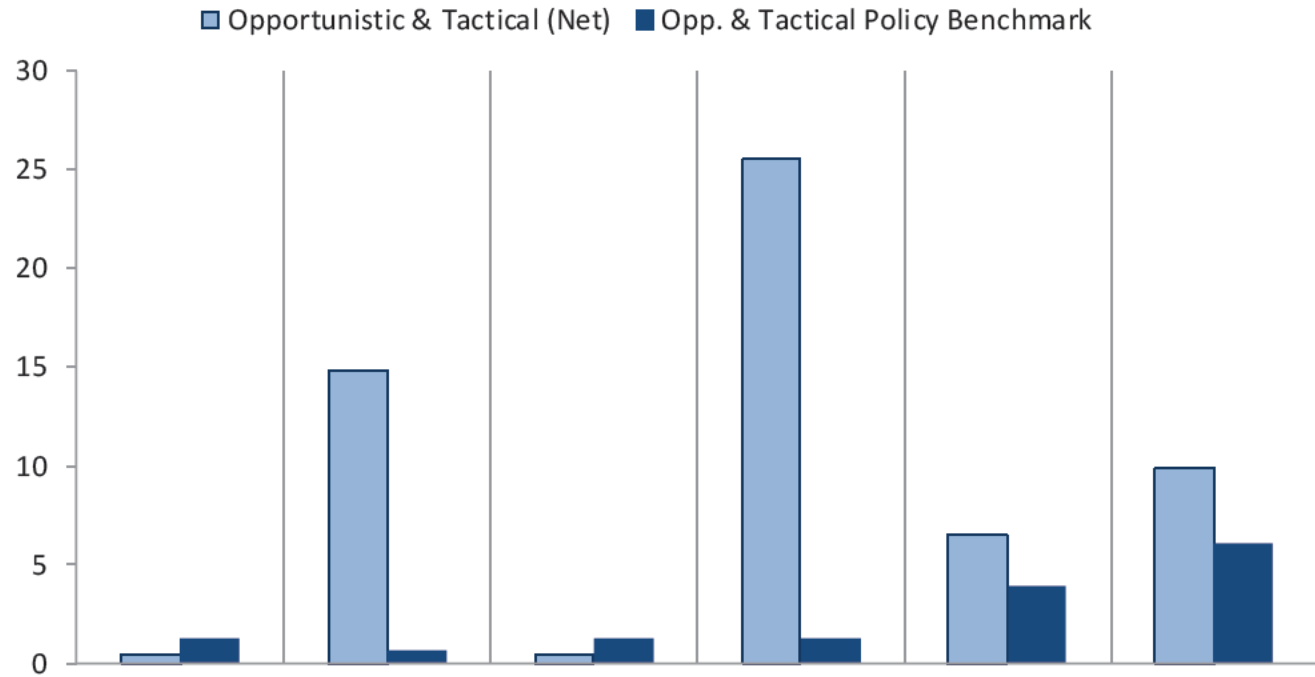
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Real Assets performance is reported one quarter in arrears.



# Opportunistic & Tactical Performance

**Current Benchmark:**  
*Bloomberg Barclays Aggregate  
 Bond Index + 2%*



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Opportunistic & Tactical (Gross)	0.46	15.73	0.46	26.97	8.02	11.40
Opportunistic & Tactical (Net)	0.46	14.83	0.46	25.52	6.45	9.90
Opp. & Tactical Policy Benchmark	1.29	0.68	1.29	1.30	3.90	6.10
Value Added (Net of Fee)	(0.83)	14.16	(0.83)	24.22	2.54	3.81

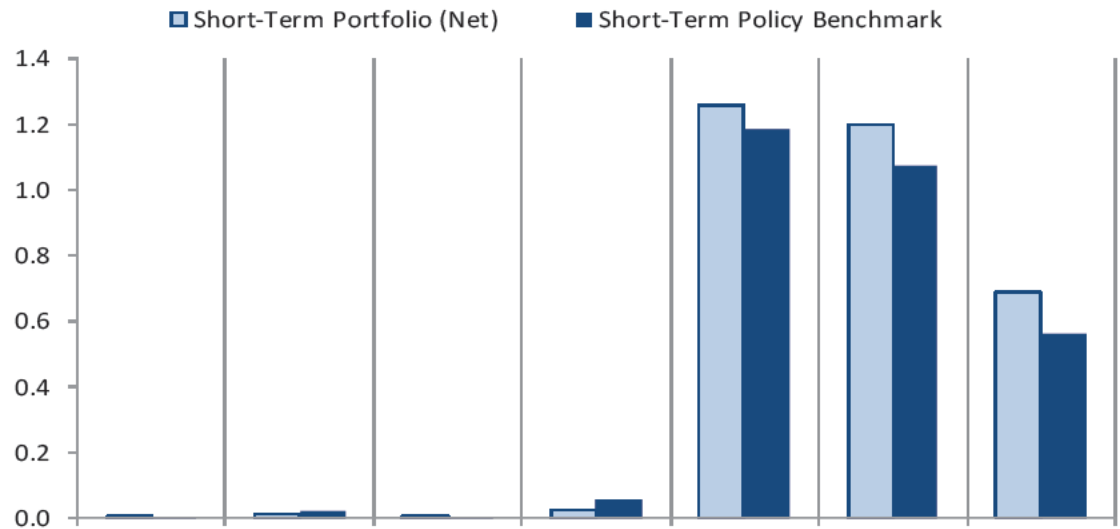
Source: BNY Mellon GRS



# Short-Term Performance

**Current Benchmark:**

*Citigroup 30 Day Treasury Bill Index*

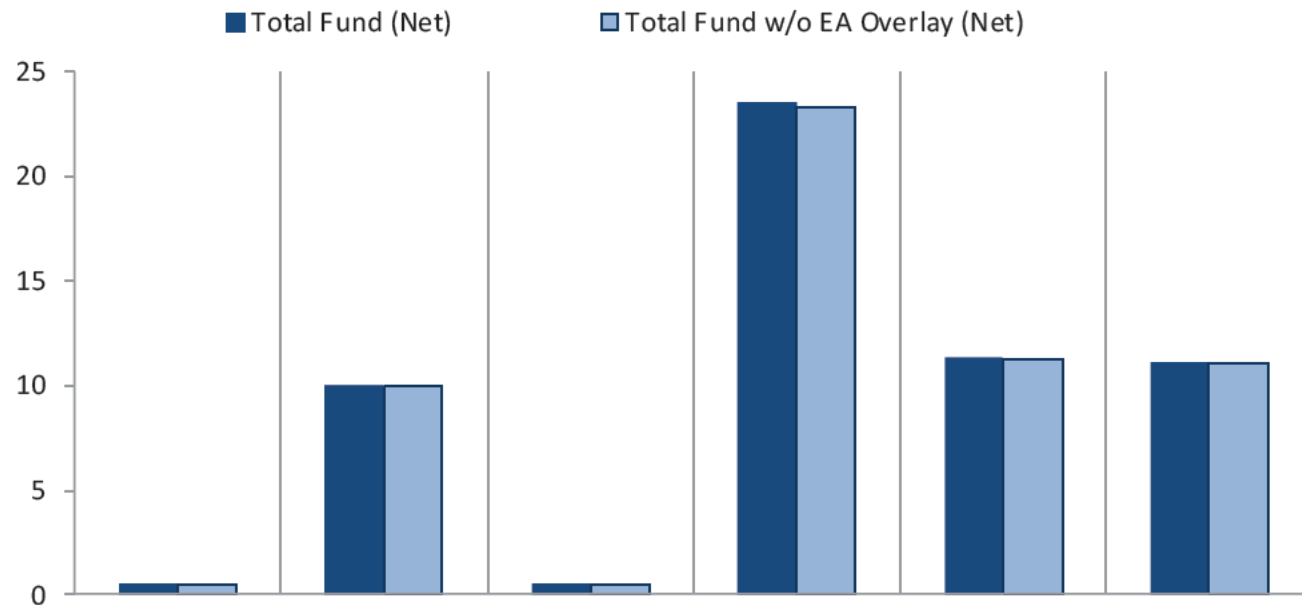


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Short-Term Portfolio (Gross)	0.00	0.01	0.00	0.02	1.26	1.20	0.69
Short-Term Portfolio (Net)	0.00	0.01	0.00	0.02	1.26	1.20	0.69
Short-Term Policy Benchmark	0.00	0.02	0.00	0.06	1.18	1.08	0.56
Value Added (Net of Fee)	(0.00)	(0.01)	(0.00)	(0.03)	0.07	0.12	0.13

Source: BNY Mellon GRS



# Enhanced Asset Overlay Performance

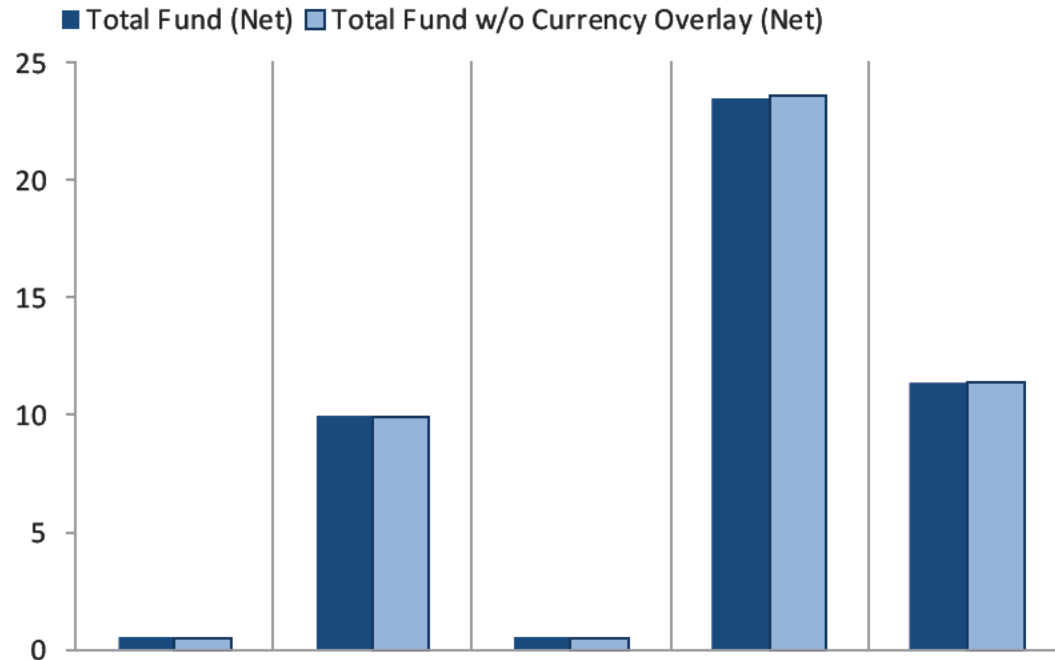


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Total Fund (Gross)	0.51	10.31	0.51	24.14	11.98	11.74
Total Fund w/o EA Overlay (Gross)	0.51	10.27	0.51	23.90	11.91	11.68
Total Fund (Net)	0.51	9.97	0.51	23.51	11.33	11.06
Total Fund w/o EA Overlay (Net)	0.51	9.93	0.51	23.30	11.28	11.02
EA Overlay Impact (Net of Fee)	0.00	0.04	0.00	0.22	0.05	0.05

Source: BNY Mellon GRS



# Currency Overlay Performance



	1 Month	CYTD	FYTD	1 Year	3 Year
Total Fund (Gross)	0.51	10.31	0.51	24.14	11.98
Total Fund w/o Currency Overlay (Gross)	0.48	10.23	0.48	24.32	12.03
Total Fund (Net)	0.51	9.97	0.51	23.51	11.33
Total Fund w/o Currency Overlay (Net)	0.49	9.89	0.49	23.69	11.41
Currency Overlay Impact (Net of Fee)	0.03	0.08	0.03	(0.17)	(0.08)

Source: BNY Mellon GRS



# SERS' Investment Portfolios Review

Ohio SERS Investment Report | Quarter Ending: 06/30/2021

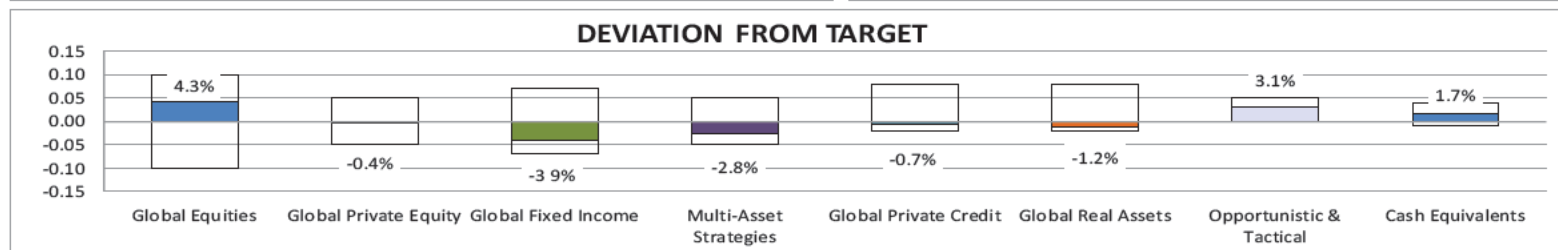
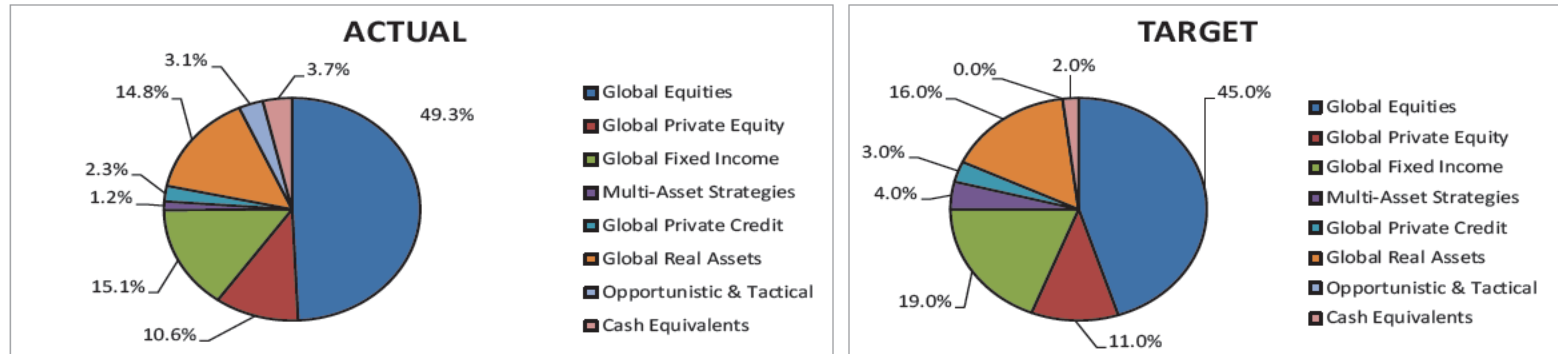




# Total Fund Asset Allocation

Asset Class	Market Value \$	Actual	Target	Range
<b>Global Equities</b>	<b>8,751,864,083</b>	<b>49.3%</b>	<b>45.0%</b>	35% - 55%
US Equity	4,619,033,507	26.0%	24.8%	19.25% - 30.25%
Non-US Equity Developed Market	3,130,271,468	17.6%	13.5%	10.50% - 16.50%
Non-US Equity Emerging Market	1,002,559,108	5.6%	6.8%	5.25% - 8.25%
<b>Global Private Equity</b>	<b>1,880,160,921</b>	<b>10.6%</b>	<b>11.0%</b>	8% - 16%
<b>Global Fixed Income</b>	<b>2,674,206,864</b>	<b>15.1%</b>	<b>19.0%</b>	12% - 26%
<b>Multi-Asset Strategies</b>	<b>221,520,918</b>	<b>1.2%</b>	<b>4.0%</b>	0% - 0%
<b>Global Private Credit</b>	<b>400,854,425</b>	<b>2.3%</b>	<b>3.0%</b>	3% - 7%
<b>Global Real Assets</b>	<b>2,635,967,056</b>	<b>14.8%</b>	<b>16.0%</b>	14% - 20%
<b>Opportunistic &amp; Tactical</b>	<b>548,554,038</b>	<b>3.1%</b>	<b>0.0%</b>	0% - 5%
<b>Cash Equivalents</b>	<b>653,364,390</b>	<b>3.7%</b>	<b>2.0%</b>	0% - 5%
Short-Term	611,279,230	3.4%	2.0%	
Russell EA Overlay	-1,528,764	0.0%	0.0%	
Aegis - Alpha Overlay	5,091,879	0.0%	0.0%	
Direct Rebalance Overlay	0	0.0%	0.0%	
Currency Overlay	38,522,045	0.2%	0.0%	
<b>Total Fund</b>	<b>17,766,492,694</b>	<b>100.0%</b>	<b>100.0%</b>	

Source: BNY Mellon GRS







# Total Fund Change in Net Assets

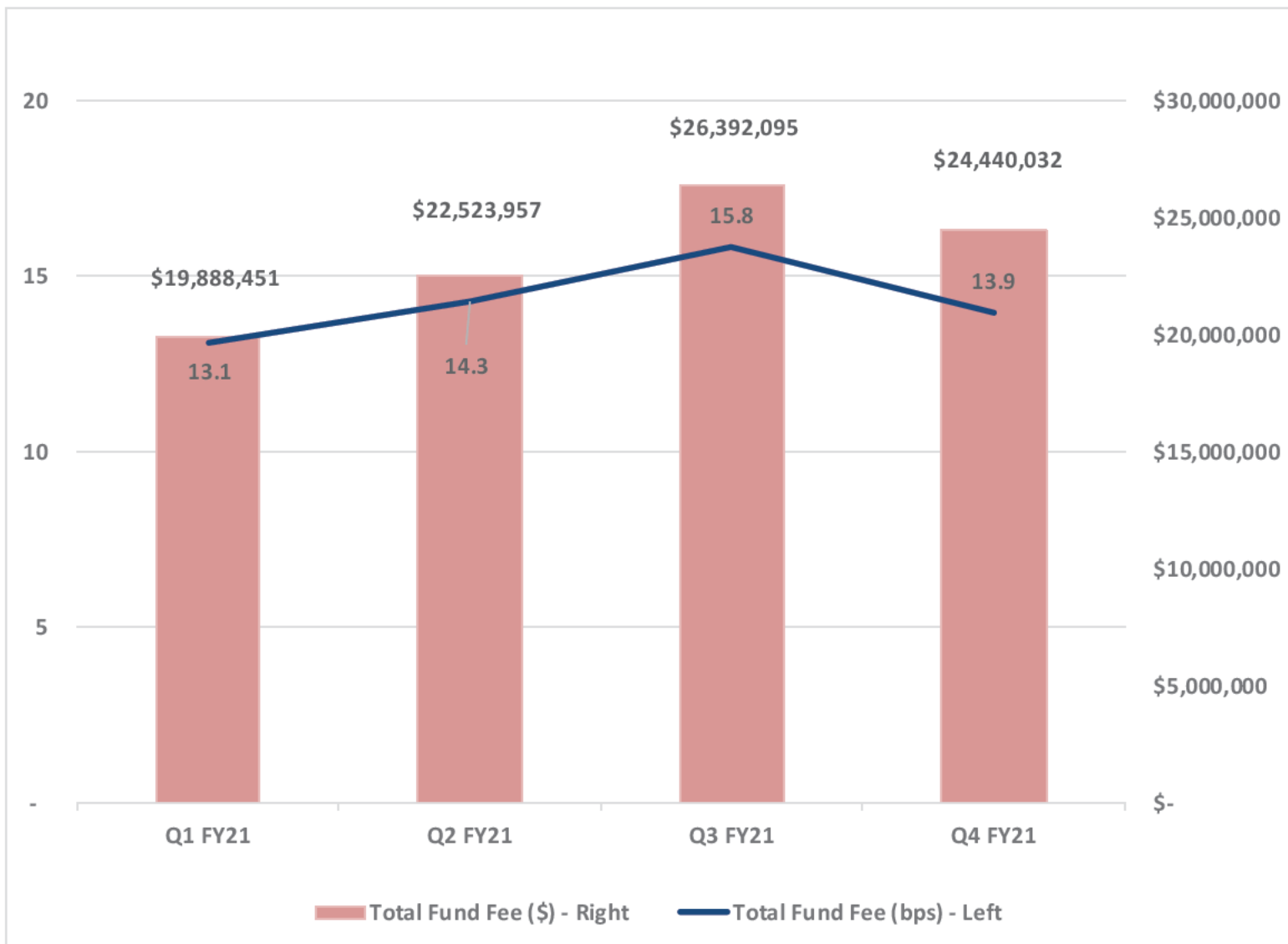
	<i>vs. One Year Ago, since 7/1/2020</i>	<i>vs. Three Years Ago, since 7/01/2018</i>
<b>Beginning Market Value</b>	14,542,909,405	14,293,520,296
<b>Gain/Loss</b>	3,898,614,959	5,365,445,787
<b>Expenses</b>	(75,001,908)	(196,193,627)
<b>Net Transfer</b>	(600,000,000)	(1,696,250,000)
<b>End of Period Market Value</b>	<b>17,766,522,455</b>	<b>17,766,522,455</b>

***\*Origins of the Net Transfer***

<i>Dividends/Interest</i>	<i>172,287,015</i>
<i>Net Distributions</i>	<i>427,712,985</i>
<i>Cash on Hand</i>	<i>Not Required</i>



# Total Fund Fees by Quarter

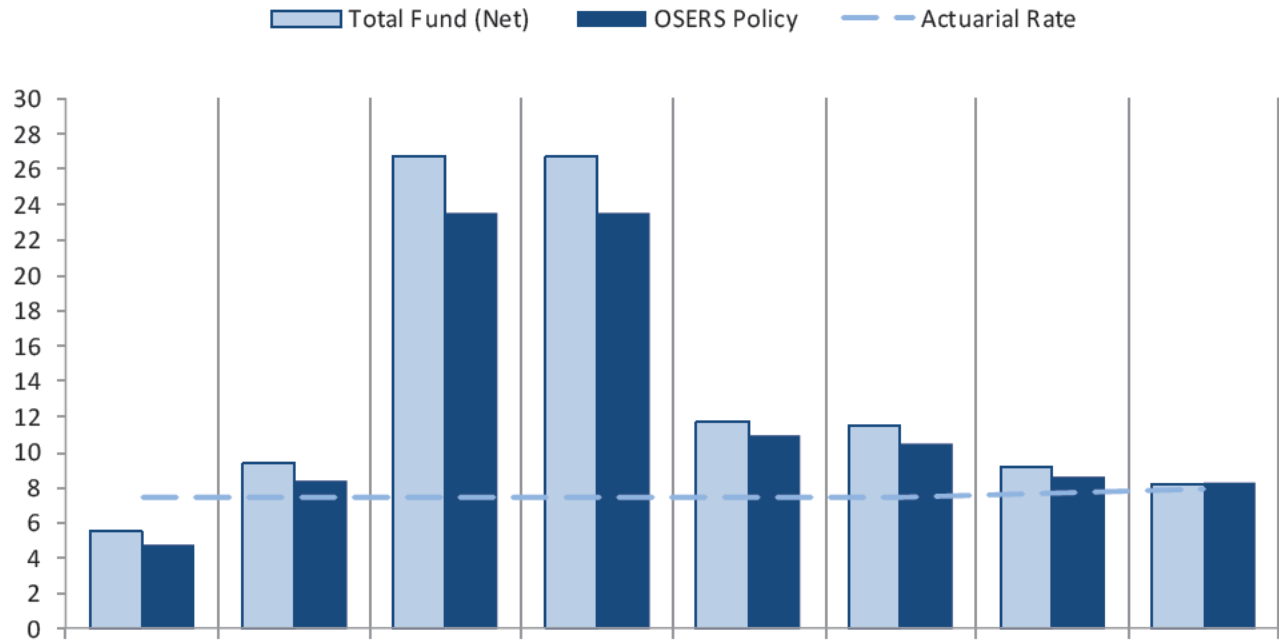




# Total Fund Performance

## Current Benchmark:

- 24.75% Russell 3000
- 13.50% MSCI World Ex US Index  
(net dividends)
- 6.75% MSCI Emerging Markets Index  
(net dividends)
- 11.00% Burgiss All Private Equity  
benchmark (1q lag) (BAPE)
- 19.00% Bloomberg Barclays  
Aggregate Bond
- 16.00% NCREIF Property (1q lag)
- 4.00% HFRI Fund of Funds  
Composite plus 1%
- 3.00% LIBOR + 4.5%
- 2.00% Citigroup 30 Day US T-Bill



### Actuarial Rate

(7.5% adopted 4/21/16)

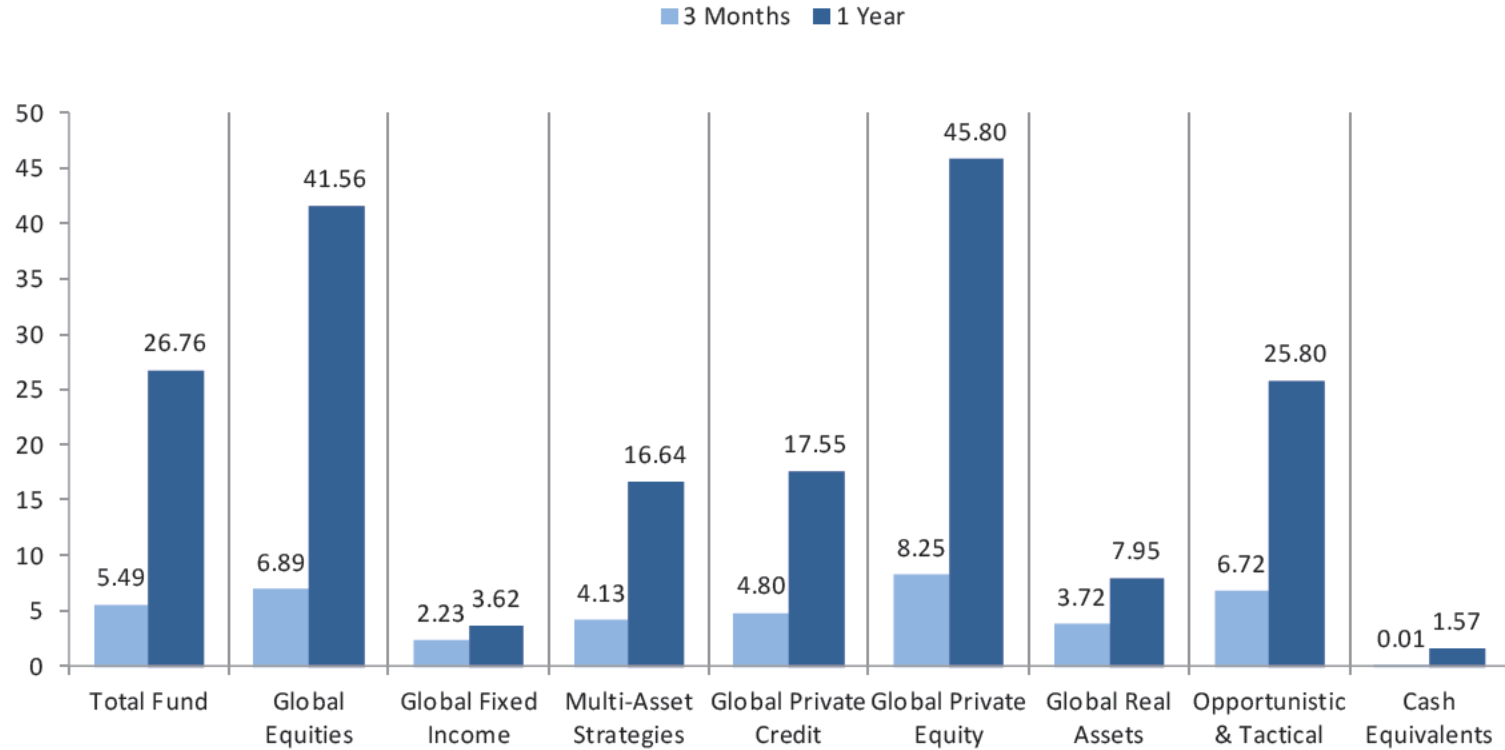
	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	5.67	9.74	27.45	27.45	12.31	12.14	9.86	8.68
Total Fund (Net)	5.49	9.40	26.76	26.76	11.64	11.45	9.15	8.16
OSERS Policy	4.75	8.42	23.58	23.58	10.90	10.53	8.62	8.22
Value Added (Net of Fee)	0.74	0.98	3.19	3.19	0.75	0.92	0.53	(0.07)

Source: BNY Mellon GRS

\*ITD is Inception date 10/1/1994 (26 years and 9 months)



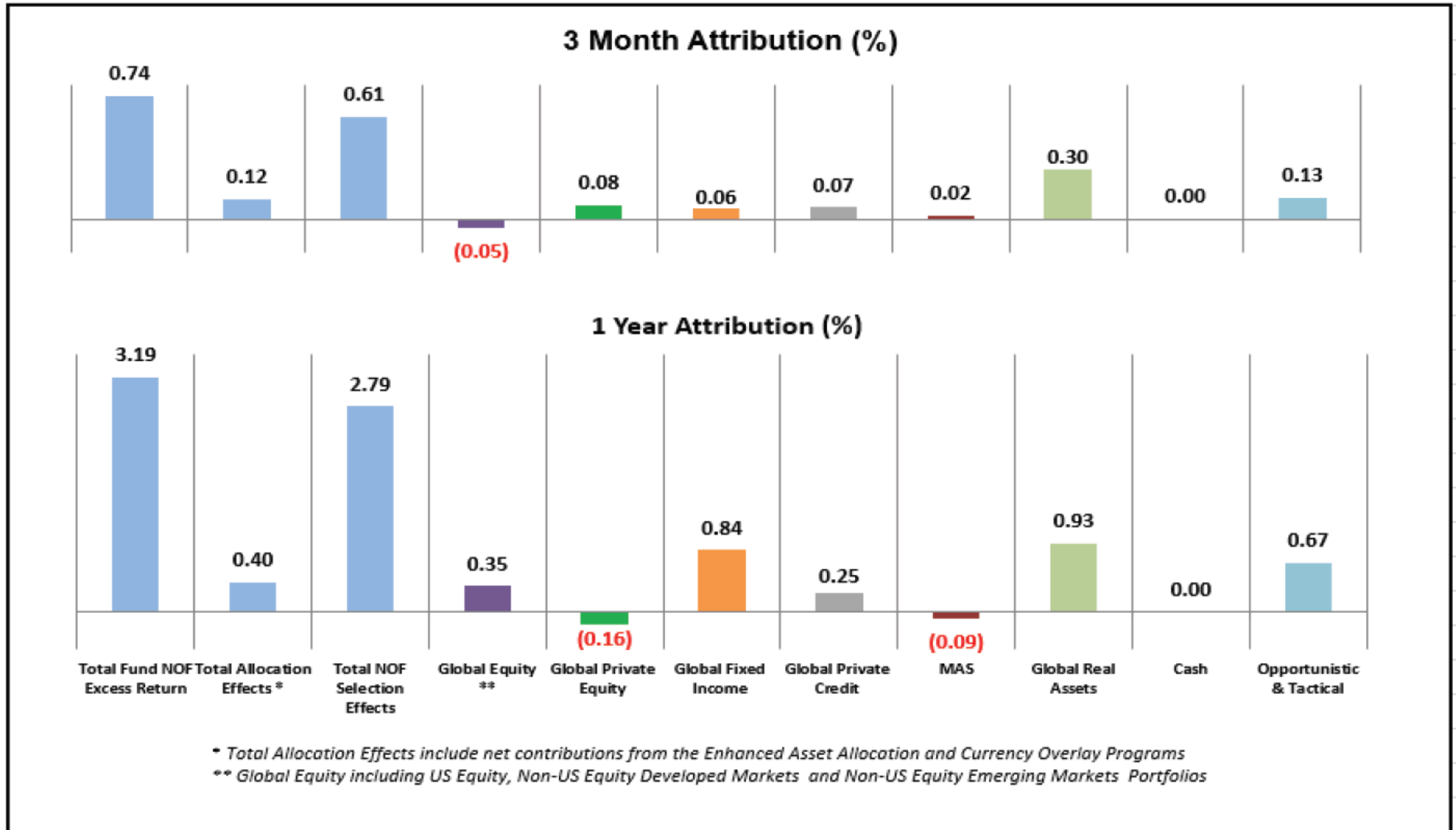
# Total Fund and Asset Class Performance (Net)



Source: BNY Mellon GRS

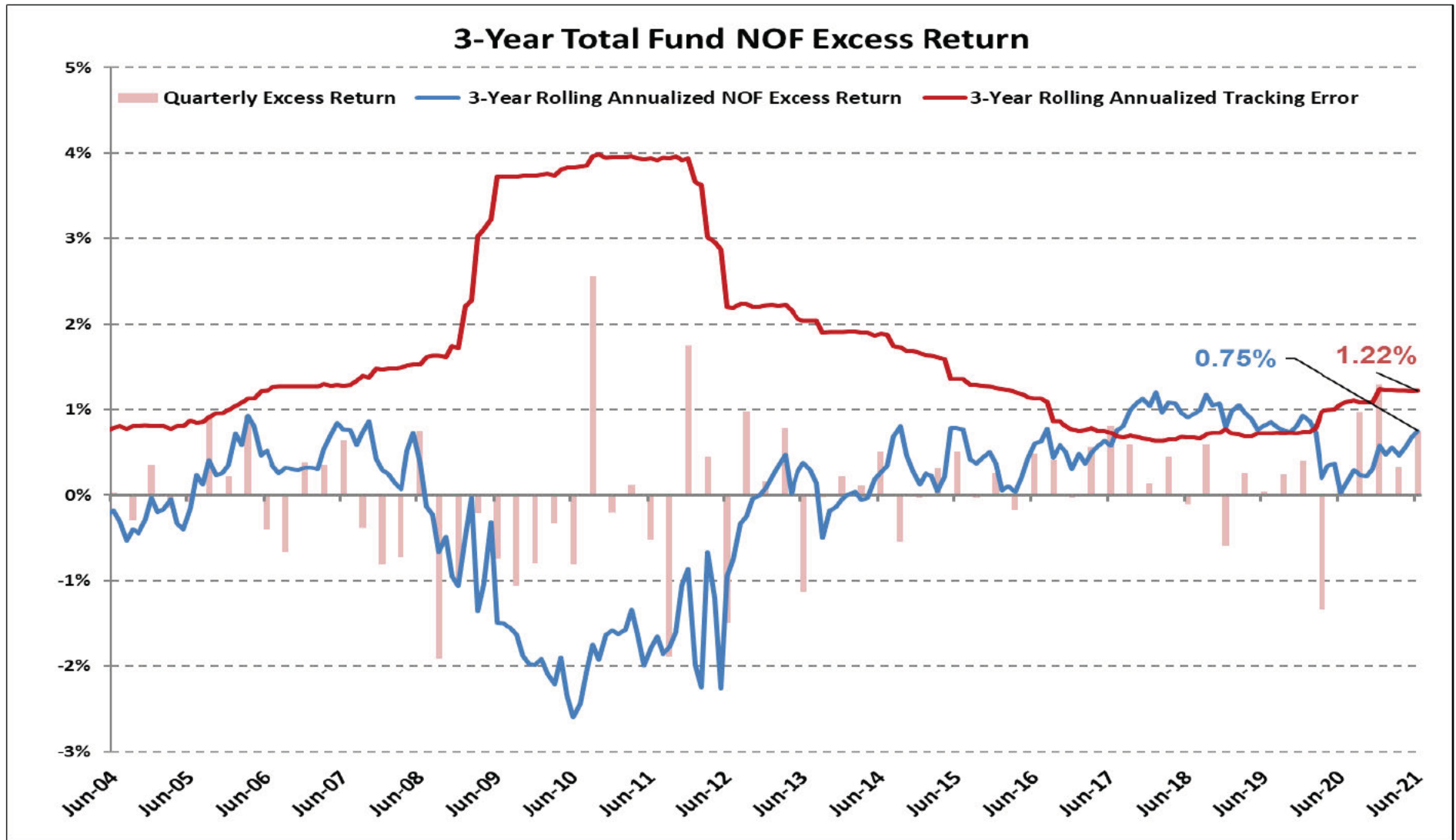


# Total Fund Attribution



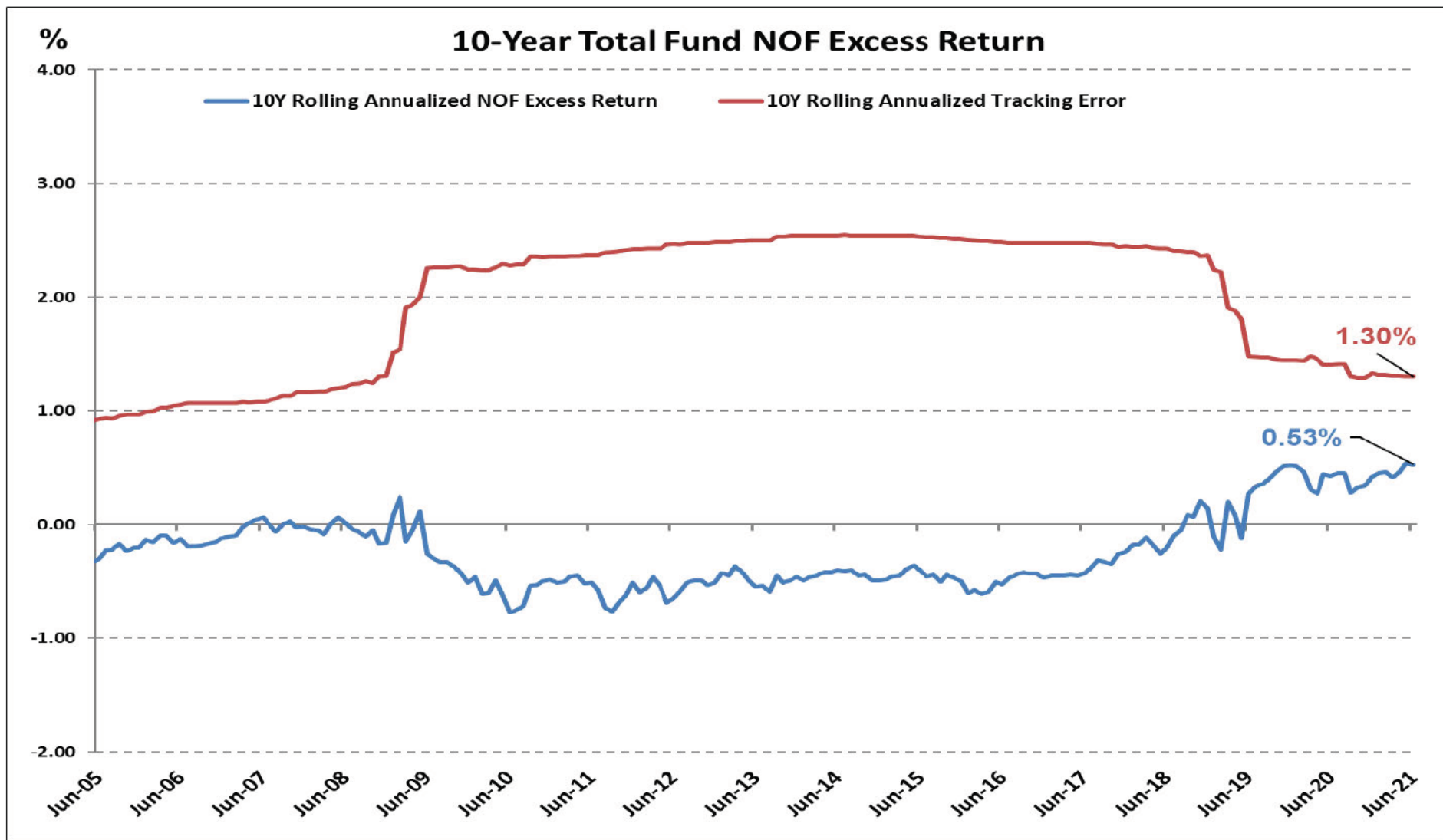


# Total Fund Performance



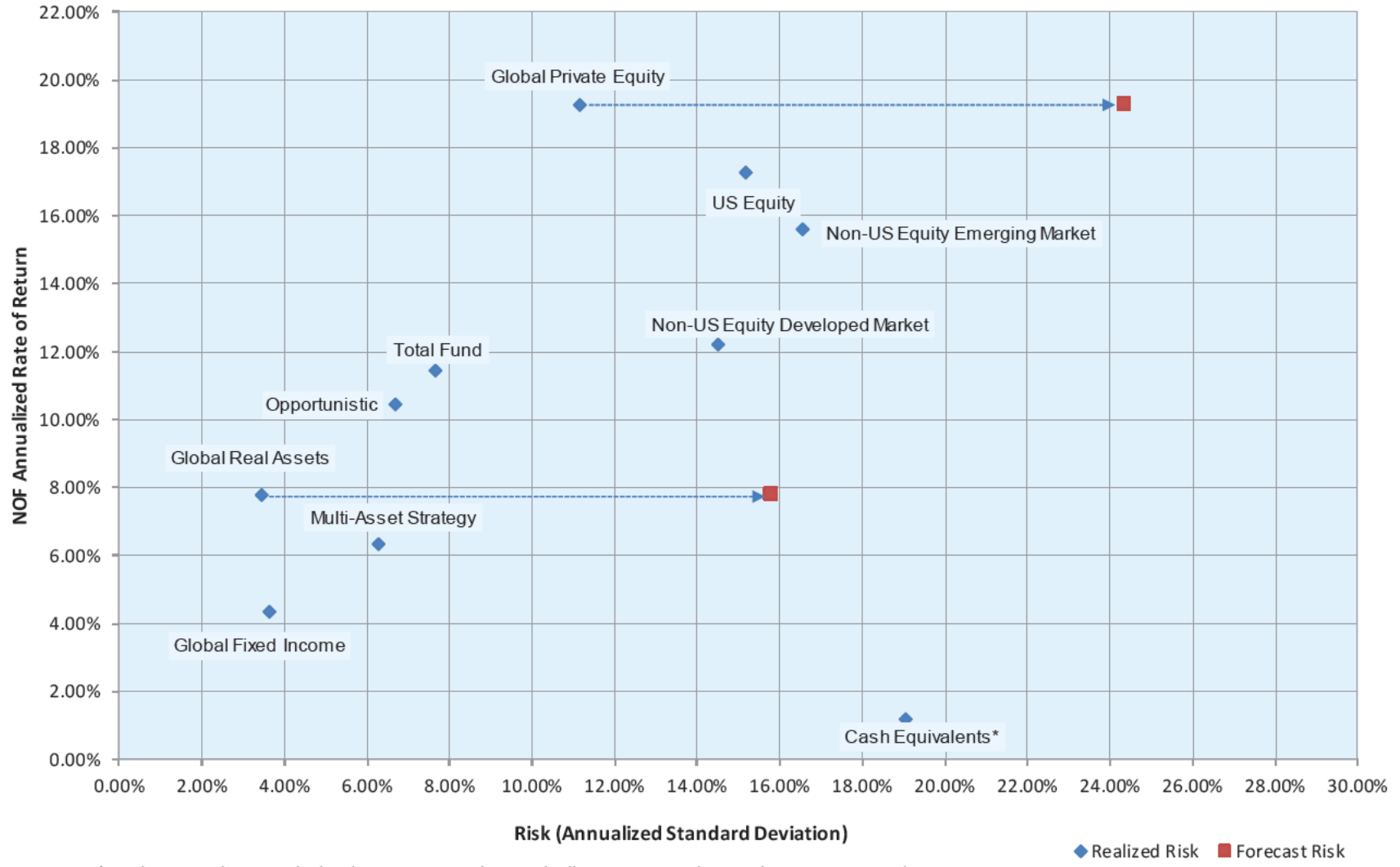


# Total Fund Performance





# 5 Year Risk and Return

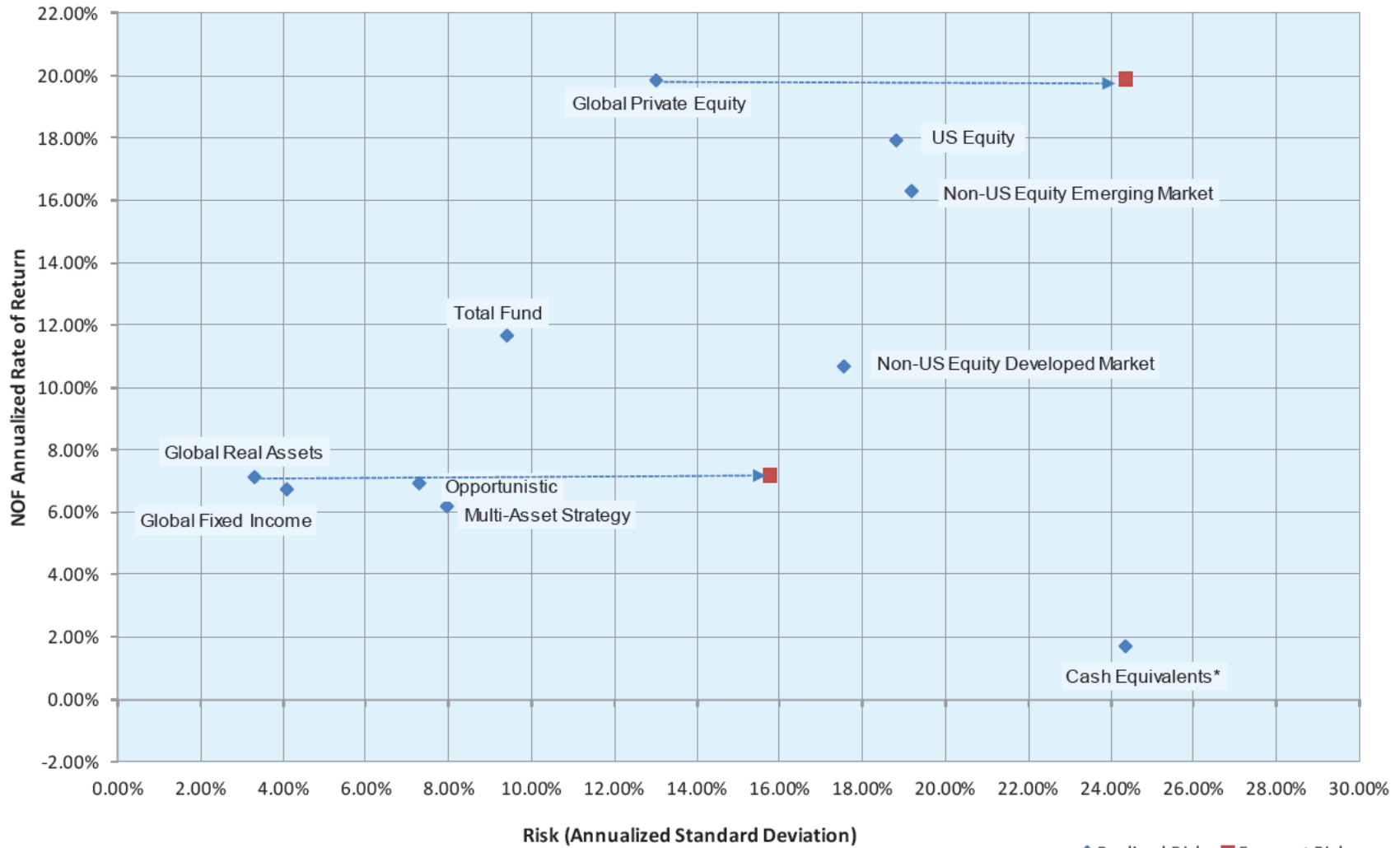


\*Cash Equivalents include Short-Term, Enhanced Allocation Overlay and Currency Overlay





# 3 Year Risk and Return



\*Cash Equivalents include Short-Term, Enhanced Allocation Overlay and Currency Overlay



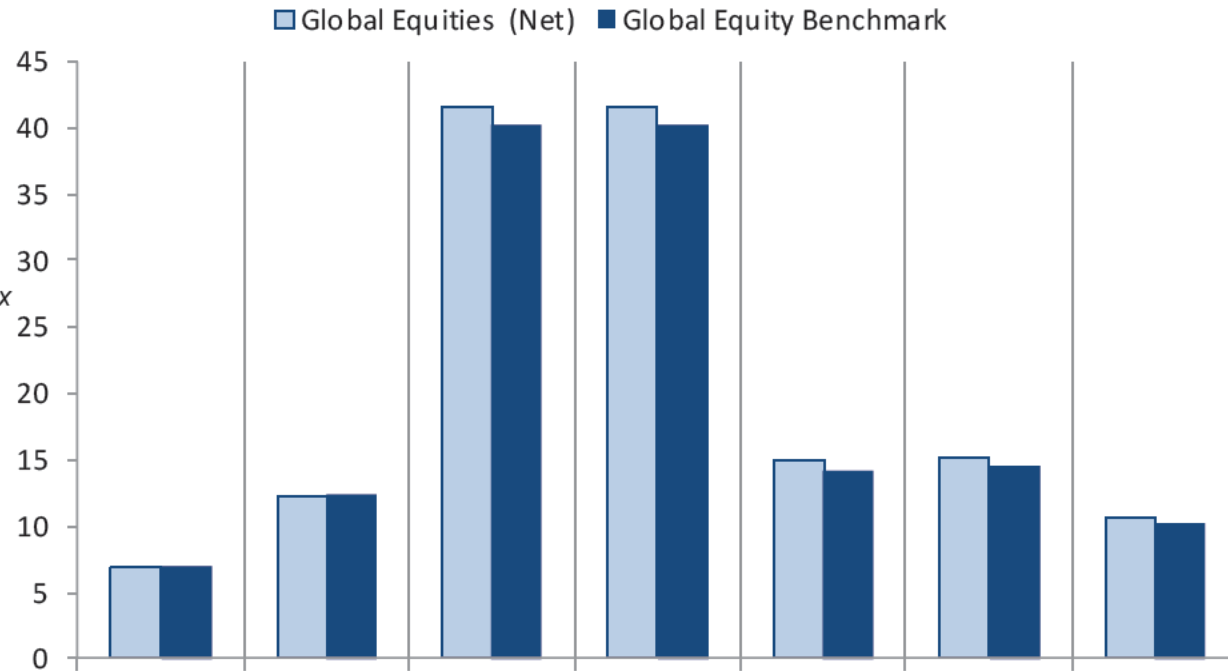
# Global Equities Performance

**Current Benchmark:**

55% Russell 3000

30% MSCI World Ex United States  
Index (Net dividends)

15% MSCI Emerging Markets Index  
(Net dividends)



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities (Gross)	6.96	12.53	41.93	41.93	15.35	15.49	11.04
Global Equities (Net)	6.89	12.38	41.56	41.56	15.01	15.13	10.67
Global Equity Benchmark	7.00	12.42	40.31	40.31	14.14	14.57	10.31
MSCI ACWI	7.53	12.56	39.87	39.87	15.14	15.20	10.48
Value Added (Net of Fee)	(0.11)	(0.04)	1.25	1.25	0.88	0.56	0.36

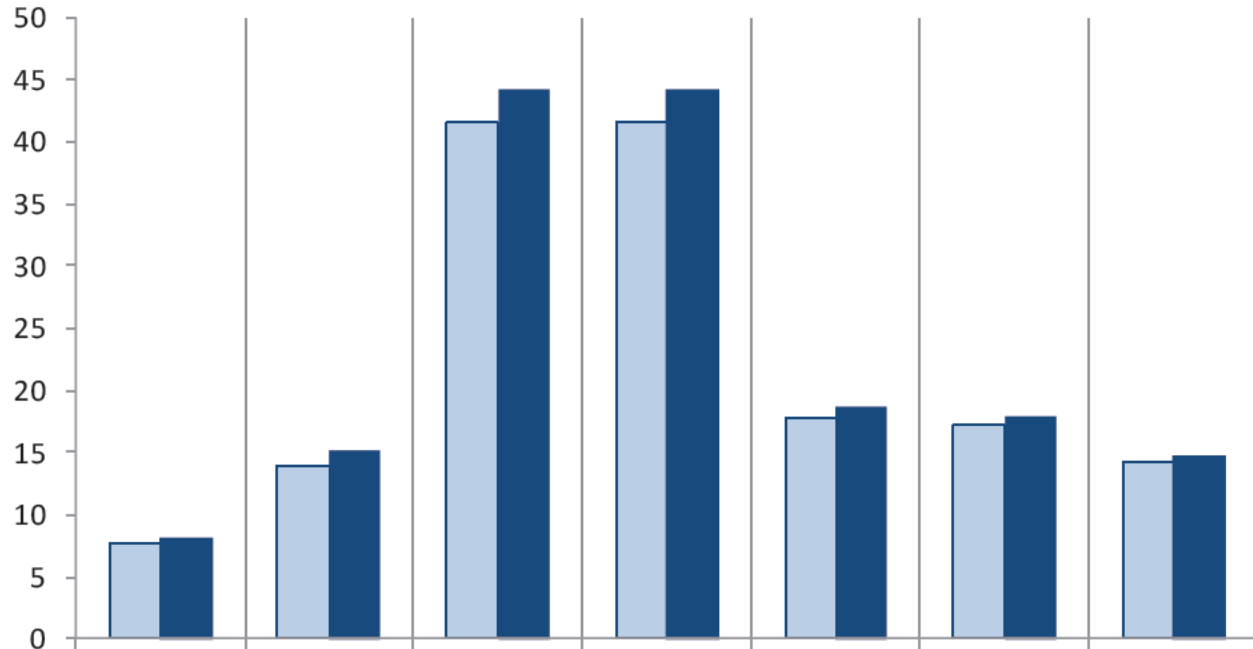
Source: BNY Mellon GRS



# US Equity Performance

■ US Equity Portfolio (Net)    ■ US Equity Policy Benchmark

**Current Benchmark:**  
*Russell 3000*

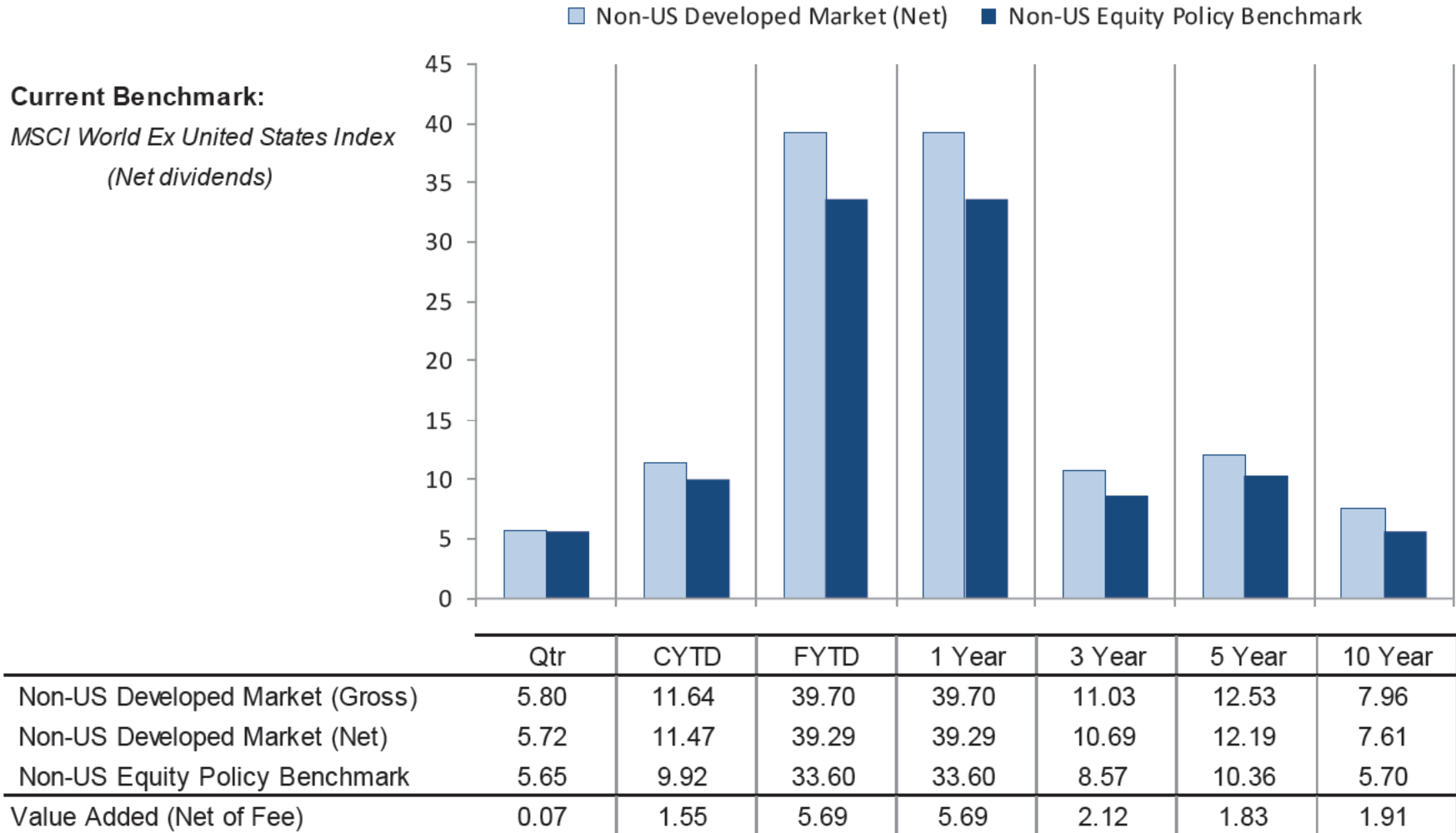


	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
US Equity Portfolio (Gross)	7.80	13.95	41.72	41.72	18.13	17.53	14.56
US Equity Portfolio (Net)	7.76	13.85	41.51	41.51	17.91	17.28	14.26
US Equity Policy Benchmark	8.24	15.11	44.16	44.16	18.73	17.89	14.70
Value Added (Net of Fee)	(0.48)	(1.26)	(2.65)	(2.65)	(0.83)	(0.61)	(0.44)

Source: BNY Mellon GRS



# Non-US Equity Developed Market Performance

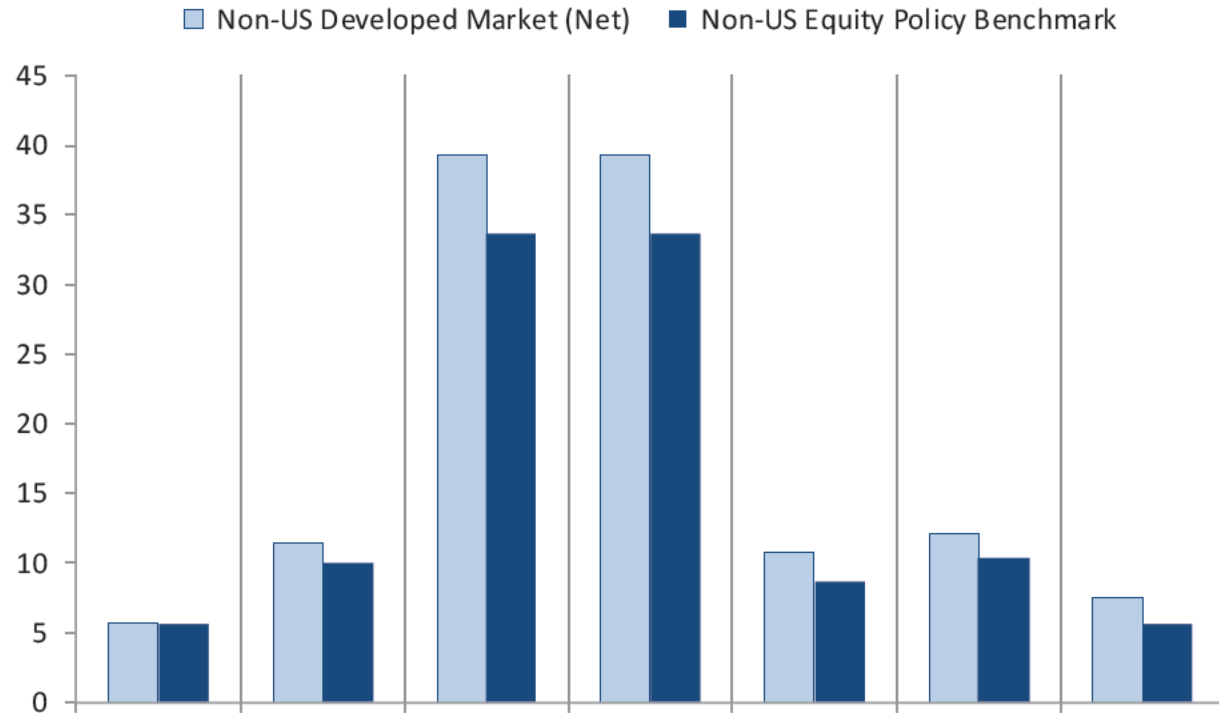


Source: BNY Mellon GRS



# Non-US Equity Emerging Market Performance

**Current Benchmark:**  
*MSCI Emerging Markets Index*  
 (Net dividends)



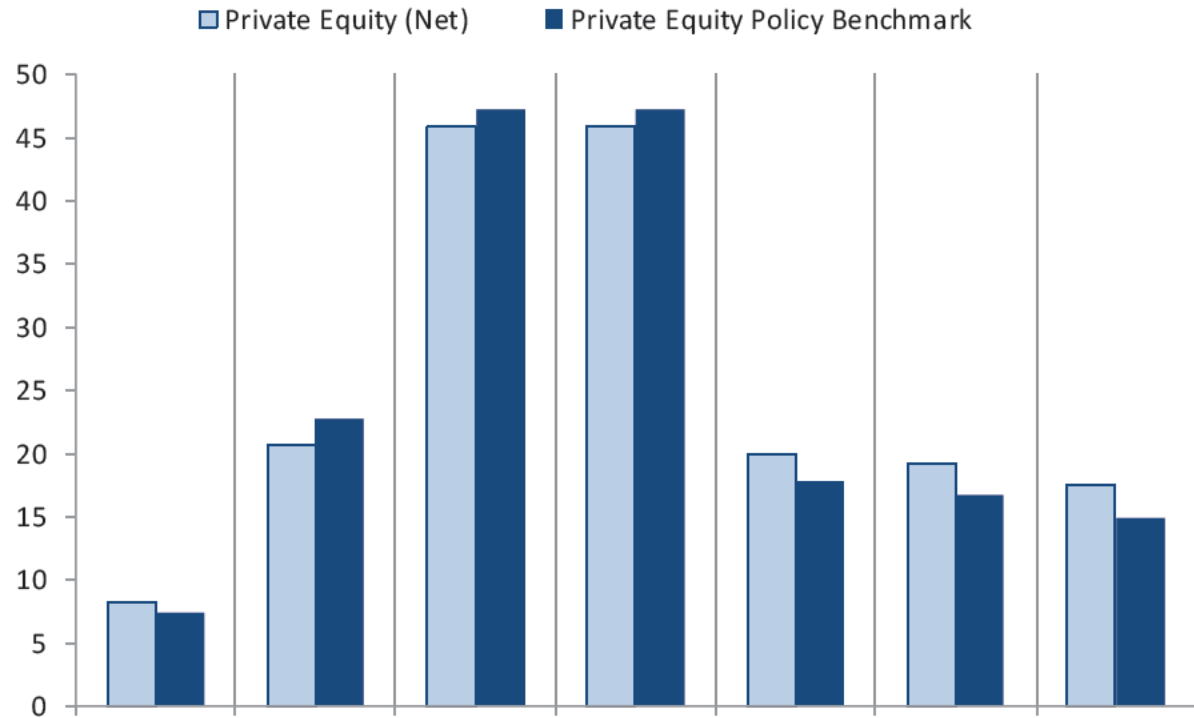
	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Non-US Emerging Market (Gross)	6.79	9.38	51.17	51.17	17.21	16.49	6.08
Non-US Emerging Market (Net)	6.60	8.96	50.07	50.07	16.30	15.59	5.31
Non-US Equity Policy Benchmark	5.05	7.45	40.90	40.90	11.27	13.03	4.28
Value Added (Net of Fee)	1.55	1.52	9.16	9.16	5.03	2.56	1.02

Source: BNY Mellon GRS



# Global Private Equity Performance

**Current Benchmark:**  
*Burgiss All Private Equity Index*



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	8.92	21.80	48.14	48.14	21.62	20.90	19.28
Private Equity (Net)	8.25	20.65	45.80	45.80	19.87	19.25	17.60
Private Equity Policy Benchmark	7.42	22.75	47.27	47.27	17.83	16.74	14.92
Value Added (Net of Fee)	0.83	(2.10)	(1.47)	(1.47)	2.04	2.50	2.69

Source: BNY Mellon GRS

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

Global Private Equity performance is reported one quarter in arrears.



## Public vs Private Equity Performance (Net)

	3 Year	5 Year	10 Year
US Equity	17.91	17.28	14.26
Non-US Equity Developed Market	10.69	12.19	7.61
Non-US Equity Emerging Market	16.30	15.59	5.31
Global Equity	15.01	15.13	10.67
Private Equity	19.87	19.25	17.60

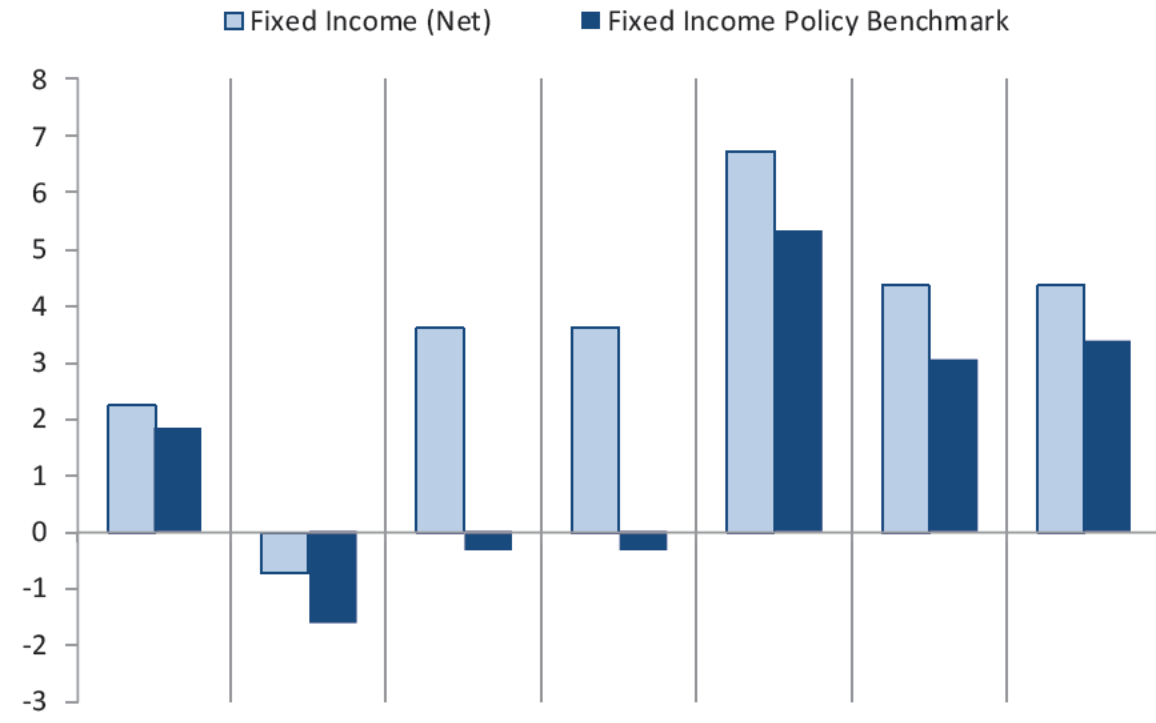
\* Private Equity returns are lagged one quarter



# Global Fixed Income Performance

**Current Benchmark:**

*Bloomberg Barclays Aggregate  
Bond Index*



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	2.31	(0.57)	3.90	3.90	6.97	4.60	4.58
Fixed Income (Net)	2.23	(0.72)	3.62	3.62	6.74	4.37	4.35
Fixed Income Policy Benchmark	1.83	(1.60)	(0.33)	(0.33)	5.34	3.03	3.39
Value Added (Net of Fee)	0.40	0.88	3.96	3.96	1.39	1.34	0.95

Source: BNY Mellon GRS



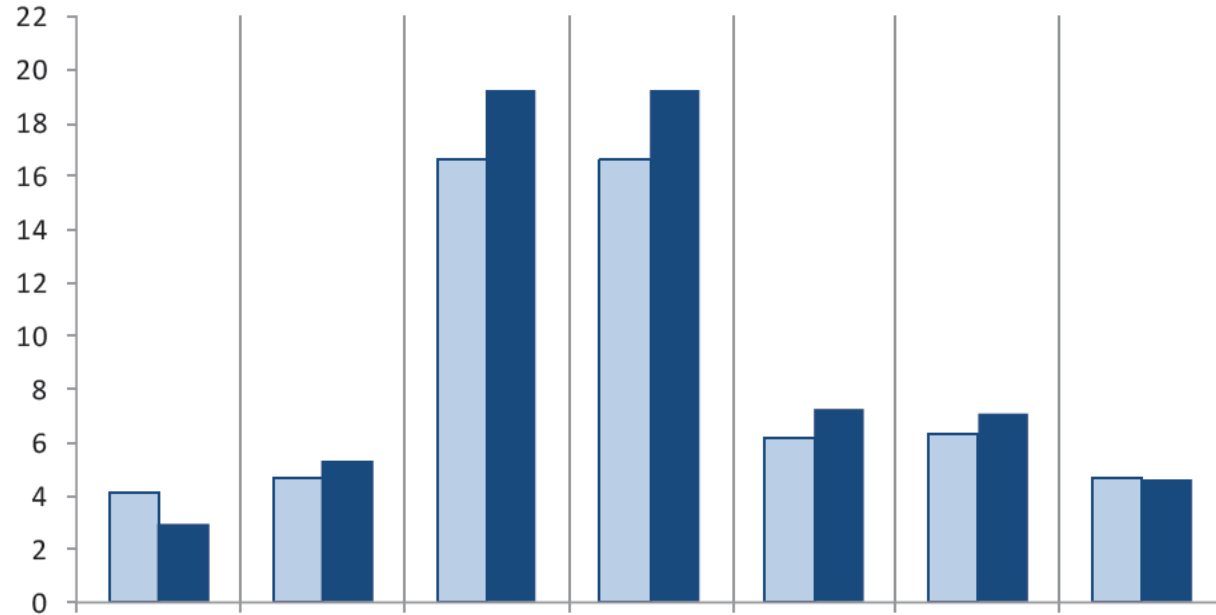


# Multi-Asset Strategies Performance

■ Multi-Asset Strategies (Net)
 ■ Multi-Asset Strategies Policy Benchmark

**Current Benchmark:**

*HFRI Fund of Funds Composite plus 1%*



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Multi-Asset Strategies (Gross)	4.29	5.03	17.39	17.39	7.30	7.61	6.07
Multi-Asset Strategies (Net)	4.13	4.70	16.64	16.64	6.18	6.34	4.65
Multi-Asset Strategies Policy Benchmark	2.99	5.34	19.20	19.20	7.30	7.11	4.64
Value Added (Net of Fee)	1.14	(0.64)	(2.56)	(2.56)	(1.12)	(0.77)	0.01

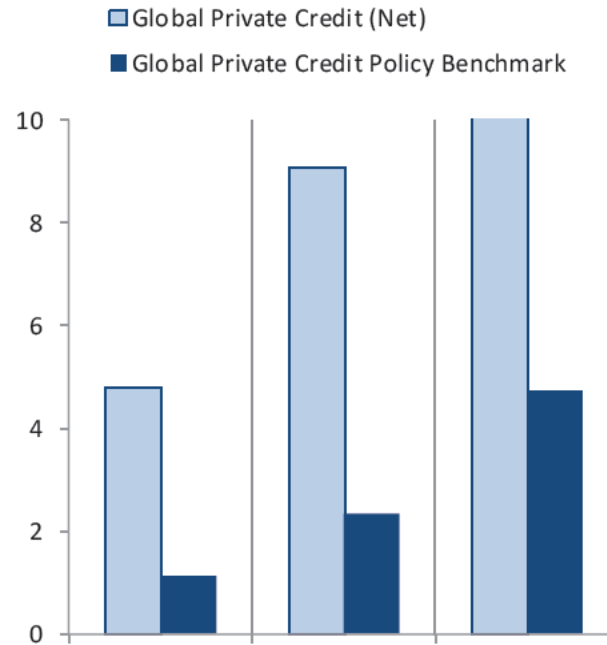
Source: BNY Mellon GRS

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



# Global Private Credit Performance

**Current Benchmark:**  
3 Month LIBOR plus 4.5%



	Qtr	CYTD	FYTD	1 Year
Global Private Credit (Gross)	5.45	10.29	19.51	19.51
Global Private Credit (Net)	4.80	9.09	17.55	17.55
Global Private Credit Policy Benchmark	1.15	2.33	4.75	4.75
Value Added (Net of Fee)	3.65	6.76	12.80	12.80

Source: BNY Mellon GRS

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

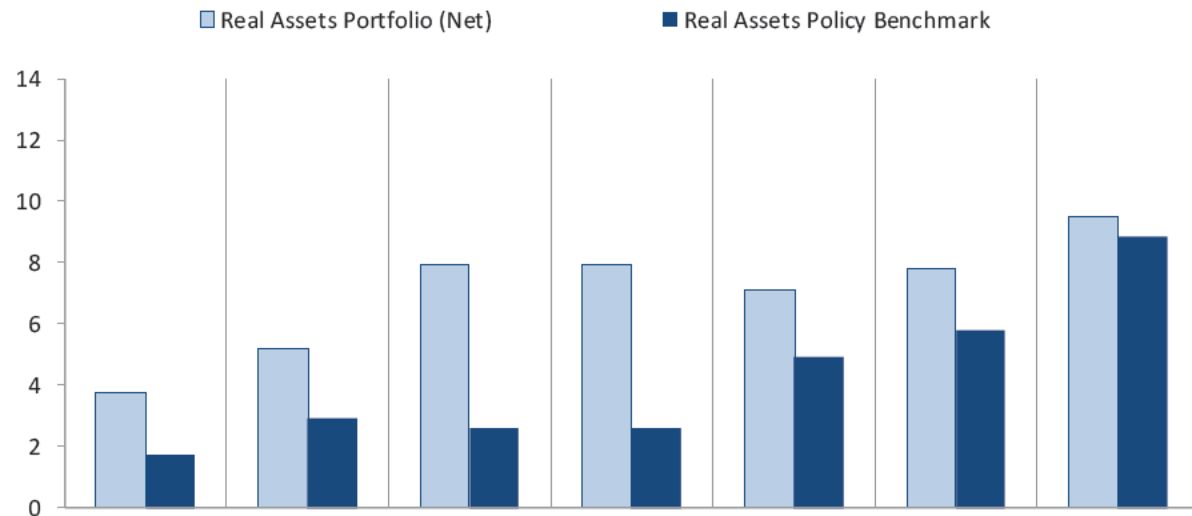
Ohio SERS Investment Report | Quarter Ending: 06/30/2021



# Global Real Assets Performance

## Current Benchmark:

*NCREIF Property Index (1q lag)*



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Real Assets Portfolio (Gross)	4.00	5.66	8.72	8.72	8.04	8.79	10.58
Real Assets Portfolio (Net)	3.72	5.16	7.95	7.95	7.14	7.78	9.48
Real Assets Policy Benchmark	1.72	2.88	2.61	2.61	4.89	5.81	8.82
Real Assets Value Added (NOF)	2.01	2.27	5.34	5.34	2.25	1.98	0.65
Real Assets Core (Net)	2.61	4.39	4.09	4.09	6.27	7.21	9.72
Real Assets Policy Benchmark	1.72	2.88	2.61	2.61	4.89	5.81	8.82
Real Assets Core Value Added (NOF)	0.89	1.51	1.48	1.48	1.38	1.40	0.90
Real Assets Non-Core (Net)	1.47	1.21	1.32	1.32	5.51	6.26	8.72
Real Assets Policy Benchmark	1.72	2.88	2.61	2.61	4.89	5.81	8.82
Real Assets Non-Core Value Added (NOF)	(0.25)	(1.67)	(1.29)	(1.29)	0.62	0.45	(0.10)
Real Assets Infrastructure (Net)	6.32	6.84	19.08	19.08	10.42	n/a	n/a
Real Assets Policy Benchmark	1.72	2.88	2.61	2.61	4.89	n/a	n/a
Real Assets Infrastructure Value Added (NOF)	4.60	3.96	16.47	16.47	5.53	n/a	n/a

Source: BNY Mellon GRS

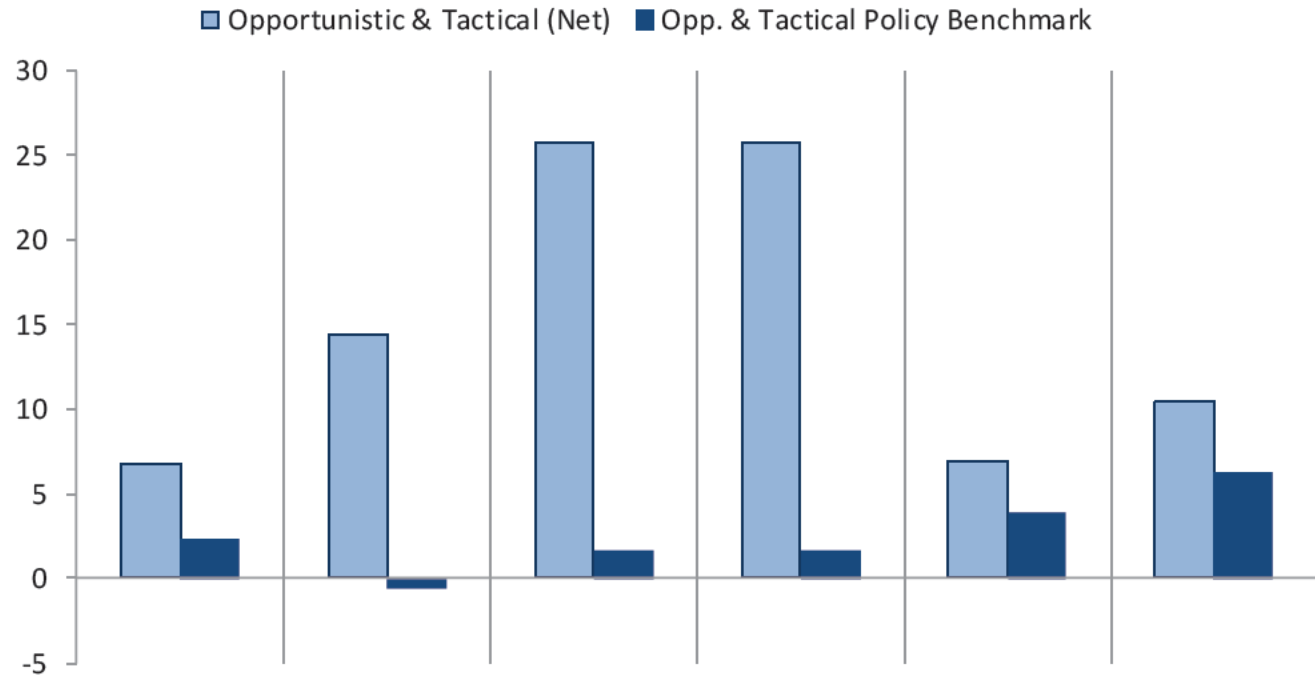
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Real Assets performance is reported one quarter in arrears.



# Opportunistic & Tactical Performance

**Current Benchmark:**  
 Bloomberg Barclays Aggregate  
 Bond Index + 2%

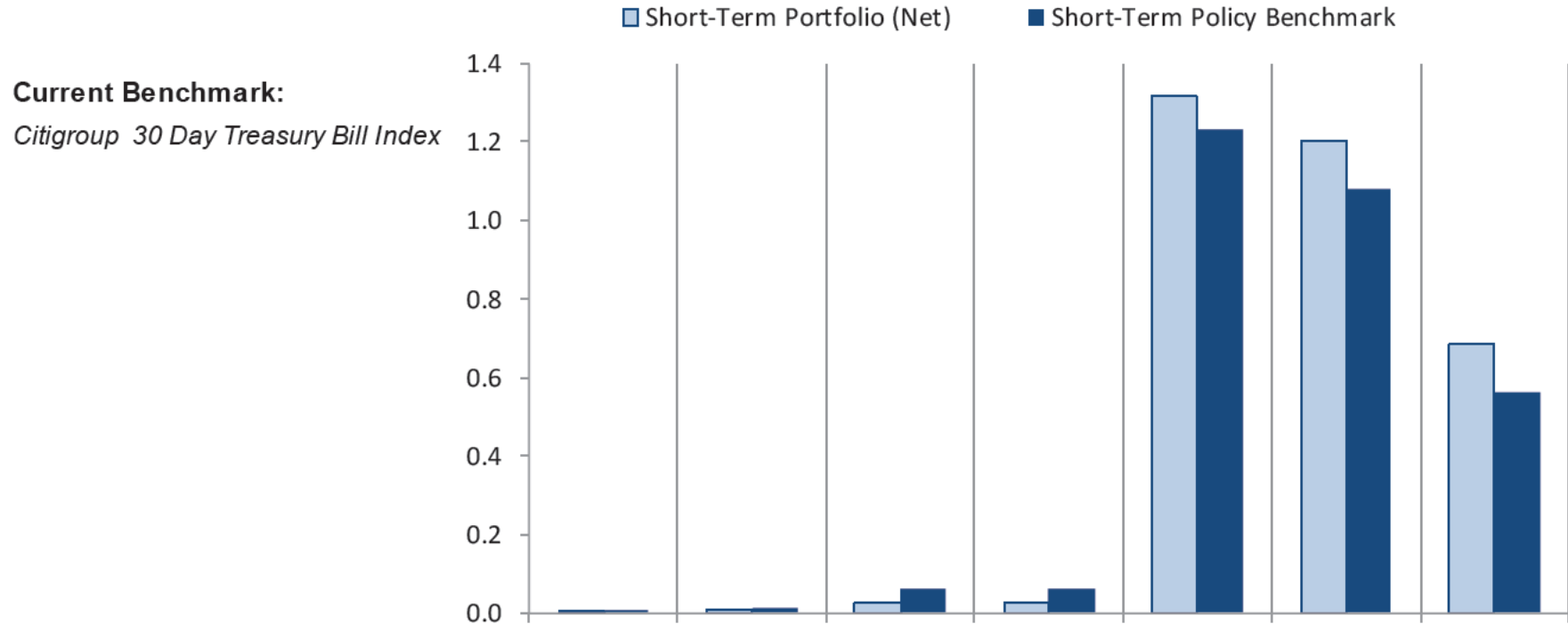


	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year
Opportunistic & Tactical (Gross)	7.10	15.20	27.34	27.34	8.58	11.97
Opportunistic & Tactical (Net)	6.72	14.30	25.80	25.80	6.95	10.44
Opp. & Tactical Policy Benchmark	2.31	(0.61)	1.67	1.67	3.91	6.30
Value Added (Net of Fee)	4.41	14.91	24.13	24.13	3.04	4.14

Source: BNY Mellon GRS



# Short-Term Performance

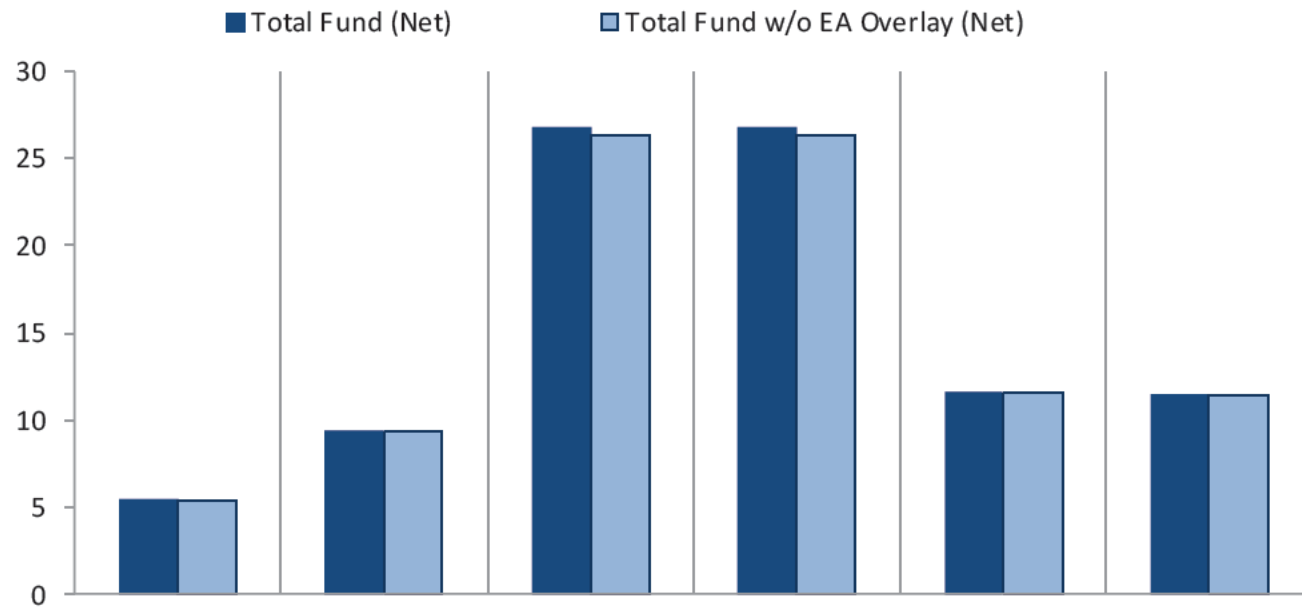


	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Short-Term Portfolio (Gross)	0.00	0.01	0.03	0.03	1.31	1.20	0.69
Short-Term Portfolio (Net)	0.00	0.01	0.03	0.03	1.31	1.20	0.69
Short-Term Policy Benchmark	0.00	0.01	0.06	0.06	1.23	1.08	0.56
Value Added (Net of Fee)	0.00	(0.00)	(0.04)	(0.04)	0.08	0.12	0.14

Source: BNY Mellon GRS



# Enhanced Asset Overlay Performance

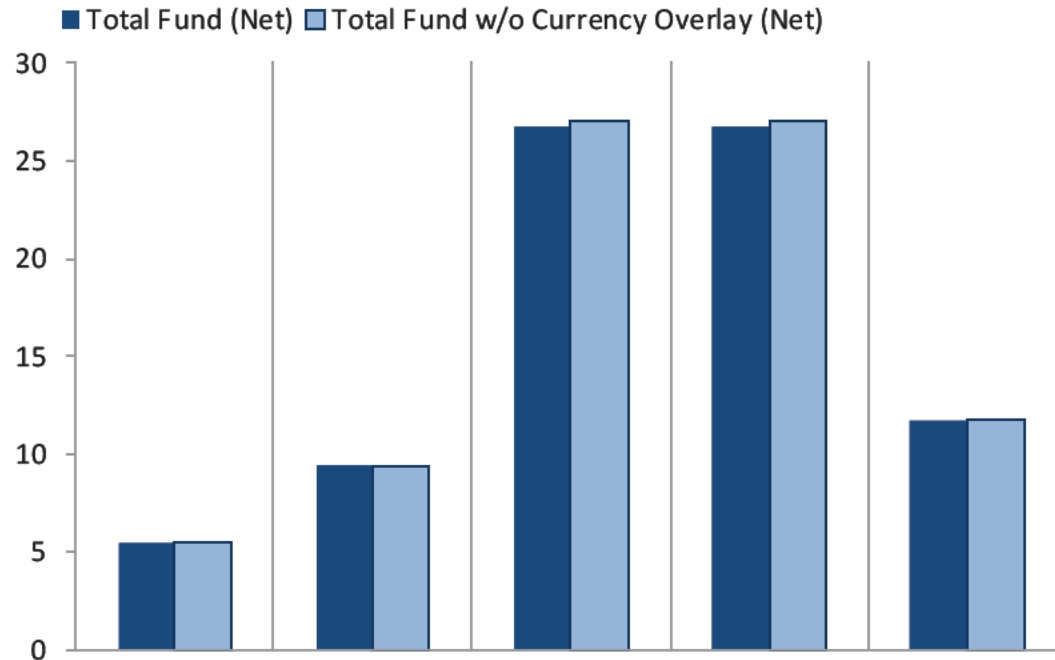


	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year
Total Fund (Gross)	5.67	9.74	27.45	27.45	12.31	12.14
Total Fund w/o EA Overlay (Gross)	5.66	9.70	27.03	27.03	12.25	12.08
Total Fund (Net)	5.49	9.40	26.76	26.76	11.64	11.45
Total Fund w/o EA Overlay (Net)	5.48	9.36	26.37	26.37	11.59	11.41
EA Overlay Impact (Net of Fee)	0.01	0.04	0.39	0.39	0.05	0.05

Source: BNY Mellon GRS



# Currency Overlay Performance



	Qtr	CYTD	FYTD	1 Year	3 Year
Total Fund (Gross)	5.67	9.74	27.45	27.45	12.31
Total Fund w/o Currency Overlay (Gross)	5.69	9.70	27.78	27.78	12.38
Total Fund (Net)	5.49	9.40	26.76	26.76	11.64
Total Fund w/o Currency Overlay (Net)	5.51	9.36	27.08	27.08	11.74
Currency Overlay Impact (Net of Fee)	(0.02)	0.05	(0.32)	(0.32)	(0.09)

Source: BNY Mellon GRS

Ohio SERS Investment Report | Month Ending: 07/31/2021

## Proposed Investment Agenda – Next Meeting



- Annual Portfolio Review – Private Equity
- Monthly Investment Report (August 31, 2021)



**FEDERAL LEGISLATION BOARD REPORT**  
**117<sup>th</sup> United States Congress**  
**(Prepared by Chris Collins as of September 3, 2021)**

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**H.R. 82**

SPONSOR: Rep. Rodney Davis (R-IL)

LAST ACTIONS: House - 01/04/2021 Referred to the Subcommittee on Social Security.

CAPTION: Social Security Fairness Act of 2021

COMMENT: Repeals the GPO and WEP. 214 co-sponsors; six Ohioans

---

**H.R.328**

SPONSOR: Rep. Peter DeFazio (D-OR)

LAST ACTION: House - 01/15/2021 Referred to the House Committee on Ways and Means.

CAPTION: To amend the Internal Revenue Code of 1986 to impose a tax on certain trading transactions.

COMMENT: 28 co-sponsors; one Ohioan

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**H.R. 1319**

SPONSOR: Rep. John Yarmuth (D-KY)

LAST ACTIONS: 03/11/2021 Became Public Law No: 117-2.

CAPTION: American Rescue Plan Act of 2021

COMMENT: Provides additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses.

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**H.R. 2337**

SPONSOR: Rep. Richard Neal (D-MA)

LAST ACTIONS: House - 04/01/2021 Referred to the House Committee on Ways and Means.

CAPTION: To amend title II of the Social Security Act to provide an equitable Social Security formula for individuals with noncovered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision.

COMMENT: 176 cosponsors; three Ohioans

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**S. 1302**

SPONSOR: Sen. Sherrod Brown (D-OH)

LAST ACTIONS: Senate - 04/22/2021 Read twice and referred to the Committee on Finance.

CAPTION: A bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

COMMENT: 33 cosponsors

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**H.R. 3**

SPONSOR: Rep. Frank Pallone (D-NJ)

LAST ACTIONS: House - 04/27/2021 Referred to the Subcommittee on Oversight and Investigations

CAPTION: Elijah E. Cummings Lower Drug Costs Now Act

COMMENT: 79 cosponsors; three Ohioans

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**STATE LEGISLATION BOARD REPORT**  
**(Prepared by Chris Collins as of September 3, 2021)**

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**133<sup>rd</sup> General Assembly**

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**HB308** POST-TRAUMATIC STRESS FUND Tom Patton (R-Strongsville) To provide compensation and benefits to first responders with post-traumatic stress disorder and to study the financial and administrative requirements for that fund.

Current Status: 01/09/2021 SIGNED BY GOVERNOR; eff. 90 days

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**HB442** OCCUPATIONAL REGULATIONS Bill Roemer (R-Richfield) and Thomas West (D-Canton) Requires pupil services personnel to register with the Department of Education, rather than hold a separate license from the State Board of Education as under prior law. The change applies to school speech language pathologists, audiologists, school nurses, physical therapists, occupational therapists, and social workers, who are licensed by their respective professional boards.

Current Status: 01/07/2021 SIGNED BY GOVERNOR; eff. 90 days

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**134<sup>th</sup> General Assembly**

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**HB110** OPERATING BUDGET Scott Oelslager (R- North Canton) To make operating appropriations for the biennium beginning July 1, 2021, and ending June 30, 2023, to levy taxes, and to provide authorization and conditions for the operation of state programs.

Current Status: 07/01/2021 SIGNED BY GOVERNOR; effective 7/1/21

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**HB14** REGARDS STATE RETIREMENT SYSTEM Diane Grendell (R – Chesterland) Regarding state retirement system fiduciary duties, Public Employees Retirement System management fees and employee pay, and creating the Committee on Pension Salaries and Fees.

Current Status: 02/04/2021 Referred to Financial Institutions Committee

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**School Employees  
Retirement System**

# Memo

**To:** Retirement Board  
**From:** Chris Collins  
**cc:** Richard Stensrud  
**Date:** September 3, 2021  
**Re:** Proxy Voting Activity for the Quarter ending June 30, 2021

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## Proxy Voting Update

Attached please find a list of SERS' proxy voting activity for the quarter ending June 30, 2021. SERS had the opportunity to vote on proposals for 1,775 companies that held shareholder meetings during the quarter. Our proxy voting agent, Institutional Shareholder Services (ISS), voted on 21,534 different proxy issues according to our instructions.

## Corporate Governance Activities

In May, SERS issued an RFP for a proxy voting advisory firm because it had been five years since we had requested bids for these services. SERS received two responses. After careful consideration, members of the internal proxy committee chose to renew our contract with Institutional Shareholder Services (ISS). Their new contract will begin at the end of October.

SERS continues its involvement in both the Investors for Opioid & Pharmaceutical Accountability (IOPA) Group and the Midwest Investors Diversity Initiative (MIDI). Both groups have monthly teleconferences and continue to have successful engagements with companies on their target lists.

The IOPA coalition has grown to a group of 67 institutional investors that engages with public companies associated with the opioid crisis and encourages corporate governance reforms that include increased oversight and transparency.

The MIDI group is comprised of 16 Midwestern institutional investors that engage public companies that are also located in the Midwest with the goal of encouraging diversity on their boards of directors. This is accomplished by asking companies to adopt changes to their nominating and governance charters to encourage diversity on their boards. For the 2020-2021 engagement season, MIDI engaged 21 companies, resulting in 7 companies adopting diverse director search policy language and 6 companies adding women or persons of color to their board.

An update for the quarter ending September 30, 2021 will be provided to you in November. Please let me know if you have any questions.

## School Employees Retirement System

# Memo

**To:** SERS Retirement Board  
**From:** Richard Stensrud  
**cc:** Karen Roggenkamp  
**Date:** September 9, 2021  
**Re:** COLA Impact Information

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Attached for your review, consideration and discussion at the Board Meeting is information prepared by the actuary regarding the estimated fiscal impact of different possible COLA levels and how the picture would change under different possible levels of investment return in FY 21-22.

Please note that the numbers in the table are projections for the fiscal year ending June 30, 2022 under the different COLA/investment return scenarios. That is because the COLA granted for 2022 will not be factored into the actuarial valuation until June 30, 2022. Also, please keep in mind that the Funded Ratio projections do not consider possible actuarial losses related to demographic assumptions, which can pull down the projected Funded Ratio.

Under the COLA statute the 'default' COLA is the CPI-W for the measuring period based on an end of year to end of year comparison, capped at 2.5%. In the current case, due to an increase in inflation late in the measuring period, the CPI-W was 6.1%. If the measuring methodology had been an annual average to annual average comparison, the CPI-W would have been 2.74%. Either way, under the statute the default COLA is 2.5%. Pursuant to the statute however, the Board can adopt a COLA that is less than the CPI-W if the actuary attests that to do so would protect the fiscal integrity of the fund. The actuary will be participating in the meeting remotely and will be available to answer any questions you might have.

Finally, as you will recall, the actuarial assumption for the annual COLA was recently changed from 2.5% to 2.0%. As a result, granting a COLA greater than 2.0% will result in an actuarial loss, which will pull the Funded Ratio downward.

### Information in the Table

The estimates in the table are based on an investment return of 26% on the market value of assets for FY 20-21. As a result of the strong investment performance, the Funded Ratio is projected to increase to 74% as of June 30, 2021.

The information presents the estimated Funded Ratio, Benefit Payments, Contributions, Cash Flow, and the Negative Cash Flow Percentage (the percentage of cash flow relative to the market

value of assets) under different possible 2022 COLAs. With respect to the Negative Cash Flow Percentage, the actuary generally considers a percentage greater than -4% as warranting more attention. The COLA options are presented in 25 basis point increments, ranging from a 0% COLA to the 2.5% maximum COLA authorized by statute.

As you will see:

- The level of Benefit Payments increases as COLA levels increase.
- The Funded Ratio decreases as COLA levels increase.
- The Negative Cash Flow (both in dollars and as a percentage) increases as COLA levels increase.

The table also shows how the metrics would change under different levels of assumed investment return in FY 21-22, ranging from a 0% return to the actuarial assumed return of 7%.

As you will see:

- The Funded Ratio decreases as investment returns decrease.
- The Negative Cash Flow Percentage increases as investment returns decrease.

**Observations Regarding the Data**

- Because of the strong investment performance in FY 20-21, positive investment returns will continue to be 'smoothed' into the fund over the next 3 years. As a result, under all scenarios, including the highest possible COLA and the lowest investment return in FY 21-22, the Funded Ratio is projected to increase above the estimated June 30, 2021, ratio of 74%.
  - With a 0% COLA/7% return, the Funded Ratio is projected to increase to 77.63%.
  - With a 2.5% COLA/0% return, the Funded Ratio is projected to increase to 75.54%.
  - The Funded Ratio is projected to fall between these levels based on the combination of the amount of the COLA and the amount of the investment return.
- The Funded Ratio decreases by approximately 0.07% to 0.08% for each 25-basis point increase in the COLA.
  - The Funded Ratio decreases by approximately 0.72% to 0.73% with a 2.5% COLA.
  - The Funded Ratio decreases by approximately 0.58% with a 2.0% COLA (a 0.14% to 0.15% difference).
- A similar result can be seen with the Negative Cash Flow, both in dollars and as a percentage.
  - With a 0% COLA/7% return, the Negative Cash Flow is projected to be \$578,928,031 and the percentage is projected to be -3.19%.
  - With a 2.5% COLA/0% return, the Negative Cash Flow is projected to be \$592,524,641 and the percentage is projected to be -3.49%.
  - The Negative Cash Flow is projected to fall between these levels based on the combination of the amount of the COLA and the amount of the investment return.

- The dollar increase in Benefit Payments with the statutory maximum 2.5% COLA would be approximately \$13,596,610.
  - For each 25-basis point increase in the COLA, Benefit Payments increase by approximately \$1,359,661.
- The dollar increases in Benefit Payments with a COLA of 2.0% (the actuarial assumption) would be approximately \$10,877,288.
  - The dollar difference in benefit payments between a 2.5% and 2.0% COLA would be approximately \$2,719,322.
- The dollar increase in Negative Cash Flow is the same as the dollar increase in Benefit Payments.
  - \$13,596,610 with a 2.5% COLA.
  - \$1,359,661 for each 25-basis point increase in the COLA.
  - \$10,877,288 with a 2.0% COLA.
- The Negative Cash Flow Percentage increases by approximately 0.07% to 0.08% if the statutory maximum 2.5% COLA is provided.
  - The Percentage increases by approximately 0.01% to 0.02% for each 25-basis point increase in the COLA.
  - The Percentage difference between a 2.0% and 2.5% COLA would be approximately the same – 0.01% to 0.02%.

I hope this information is helpful. Please let me know if you have any questions.



Richard Stensrud



# COLA SCENARIO IMPACT ON JUNE 30, 2022 VALUATION

- Reflects 26% Rate of Return on Market Value of Assets for Year Ended June 30, 2021 and 0.5% COLA for 2021 Calendar Year

- Estimated Funded Ratio as of June 30, 2021 is 74%

2021/2022 Market Value Return	Projected Results June 30, 2022	2022 COLA										
		0%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%
0%	Funded Ratio	76.26%	76.19%	76.11%	76.04%	75.97%	75.90%	75.82%	75.75%	75.68%	75.61%	75.54%
	Benefit Payments	\$1,420,230,912	\$1,421,590,573	\$1,422,950,234	\$1,424,309,895	\$1,425,669,556	\$1,427,029,217	\$1,428,388,878	\$1,429,748,539	\$1,431,108,200	\$1,432,467,861	\$1,433,827,522
	Contributions	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881
	Cash Flow	(\$578,928,031)	(\$580,287,692)	(\$581,647,353)	(\$583,007,014)	(\$584,366,675)	(\$585,726,336)	(\$587,085,997)	(\$588,445,658)	(\$589,805,319)	(\$591,164,980)	(\$592,524,641)
	Negative CF %	-3.41%	-3.42%	-3.43%	-3.44%	-3.45%	-3.45%	-3.46%	-3.47%	-3.48%	-3.49%	-3.49%
1%	Funded Ratio	76.46%	76.38%	76.31%	76.24%	76.16%	76.09%	76.02%	75.95%	75.87%	75.80%	75.73%
	Benefit Payments	\$1,420,230,912	\$1,421,590,573	\$1,422,950,234	\$1,424,309,895	\$1,425,669,556	\$1,427,029,217	\$1,428,388,878	\$1,429,748,539	\$1,431,108,200	\$1,432,467,861	\$1,433,827,522
	Contributions	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881
	Cash Flow	(\$578,928,031)	(\$580,287,692)	(\$581,647,353)	(\$583,007,014)	(\$584,366,675)	(\$585,726,336)	(\$587,085,997)	(\$588,445,658)	(\$589,805,319)	(\$591,164,980)	(\$592,524,641)
	Negative CF %	-3.38%	-3.39%	-3.39%	-3.40%	-3.41%	-3.42%	-3.43%	-3.44%	-3.44%	-3.45%	-3.46%
2%	Funded Ratio	76.65%	76.58%	76.51%	76.43%	76.36%	76.29%	76.21%	76.14%	76.07%	76.00%	75.93%
	Benefit Payments	\$1,420,230,912	\$1,421,590,573	\$1,422,950,234	\$1,424,309,895	\$1,425,669,556	\$1,427,029,217	\$1,428,388,878	\$1,429,748,539	\$1,431,108,200	\$1,432,467,861	\$1,433,827,522
	Contributions	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881
	Cash Flow	(\$578,928,031)	(\$580,287,692)	(\$581,647,353)	(\$583,007,014)	(\$584,366,675)	(\$585,726,336)	(\$587,085,997)	(\$588,445,658)	(\$589,805,319)	(\$591,164,980)	(\$592,524,641)
	Negative CF %	-3.34%	-3.35%	-3.36%	-3.37%	-3.38%	-3.38%	-3.39%	-3.40%	-3.41%	-3.42%	-3.43%
3%	Funded Ratio	76.85%	76.77%	76.70%	76.63%	76.56%	76.48%	76.41%	76.34%	76.26%	76.19%	76.12%
	Benefit Payments	\$1,420,230,912	\$1,421,590,573	\$1,422,950,234	\$1,424,309,895	\$1,425,669,556	\$1,427,029,217	\$1,428,388,878	\$1,429,748,539	\$1,431,108,200	\$1,432,467,861	\$1,433,827,522
	Contributions	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881
	Cash Flow	(\$578,928,031)	(\$580,287,692)	(\$581,647,353)	(\$583,007,014)	(\$584,366,675)	(\$585,726,336)	(\$587,085,997)	(\$588,445,658)	(\$589,805,319)	(\$591,164,980)	(\$592,524,641)
	Negative CF %	-3.31%	-3.32%	-3.33%	-3.34%	-3.34%	-3.35%	-3.36%	-3.37%	-3.38%	-3.38%	-3.39%
4%	Funded Ratio	77.04%	76.97%	76.90%	76.82%	76.75%	76.68%	76.61%	76.53%	76.46%	76.39%	76.32%
	Benefit Payments	\$1,420,230,912	\$1,421,590,573	\$1,422,950,234	\$1,424,309,895	\$1,425,669,556	\$1,427,029,217	\$1,428,388,878	\$1,429,748,539	\$1,431,108,200	\$1,432,467,861	\$1,433,827,522
	Contributions	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881
	Cash Flow	(\$578,928,031)	(\$580,287,692)	(\$581,647,353)	(\$583,007,014)	(\$584,366,675)	(\$585,726,336)	(\$587,085,997)	(\$588,445,658)	(\$589,805,319)	(\$591,164,980)	(\$592,524,641)
	Negative CF %	-3.28%	-3.29%	-3.29%	-3.30%	-3.31%	-3.32%	-3.33%	-3.33%	-3.34%	-3.35%	-3.36%
5%	Funded Ratio	77.24%	77.17%	77.09%	77.02%	76.95%	76.87%	76.80%	76.73%	76.66%	76.58%	76.51%
	Benefit Payments	\$1,420,230,912	\$1,421,590,573	\$1,422,950,234	\$1,424,309,895	\$1,425,669,556	\$1,427,029,217	\$1,428,388,878	\$1,429,748,539	\$1,431,108,200	\$1,432,467,861	\$1,433,827,522
	Contributions	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881
	Cash Flow	(\$578,928,031)	(\$580,287,692)	(\$581,647,353)	(\$583,007,014)	(\$584,366,675)	(\$585,726,336)	(\$587,085,997)	(\$588,445,658)	(\$589,805,319)	(\$591,164,980)	(\$592,524,641)
	Negative CF %	-3.25%	-3.25%	-3.26%	-3.27%	-3.28%	-3.29%	-3.29%	-3.30%	-3.31%	-3.32%	-3.33%
6%	Funded Ratio	77.44%	77.36%	77.29%	77.22%	77.14%	77.07%	77.00%	76.92%	76.85%	76.78%	76.70%
	Benefit Payments	\$1,420,230,912	\$1,421,590,573	\$1,422,950,234	\$1,424,309,895	\$1,425,669,556	\$1,427,029,217	\$1,428,388,878	\$1,429,748,539	\$1,431,108,200	\$1,432,467,861	\$1,433,827,522
	Contributions	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881
	Cash Flow	(\$578,928,031)	(\$580,287,692)	(\$581,647,353)	(\$583,007,014)	(\$584,366,675)	(\$585,726,336)	(\$587,085,997)	(\$588,445,658)	(\$589,805,319)	(\$591,164,980)	(\$592,524,641)
	Negative CF %	-3.22%	-3.22%	-3.23%	-3.24%	-3.25%	-3.25%	-3.26%	-3.26%	-3.28%	-3.29%	-3.29%
7%	Funded Ratio	77.63%	77.56%	77.49%	77.41%	77.34%	77.27%	77.19%	77.12%	77.05%	76.97%	76.90%
	Benefit Payments	\$1,420,230,912	\$1,421,590,573	\$1,422,950,234	\$1,424,309,895	\$1,425,669,556	\$1,427,029,217	\$1,428,388,878	\$1,429,748,539	\$1,431,108,200	\$1,432,467,861	\$1,433,827,522
	Contributions	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881	\$841,302,881
	Cash Flow	(\$578,928,031)	(\$580,287,692)	(\$581,647,353)	(\$583,007,014)	(\$584,366,675)	(\$585,726,336)	(\$587,085,997)	(\$588,445,658)	(\$589,805,319)	(\$591,164,980)	(\$592,524,641)
	Negative CF %	-3.19%	-3.19%	-3.20%	-3.21%	-3.22%	-3.22%	-3.23%	-3.24%	-3.25%	-3.25%	-3.26%



**SERS COLA - 2022**

It was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_ that eligible SERS allowances, pensions and benefits shall receive a 2.5% cost-of-living adjustment in calendar year 2022, which is the percentage increase as set forth in R.C. 3309.374(B).

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**SERS COLA - 2022**

It was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_ that eligible SERS allowances, pensions and benefits shall receive a \_\_\_\_% cost-of-living adjustment in calendar year 2022, a percentage increase which SERS' actuary, Cavanaugh Macdonald, determined is necessary to preserve the fiscal integrity of the retirement system as set forth in R.C. 3309.374(G).

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**School Employees  
Retirement System**

# Memo

**To:** Retirement Board  
**From:** Tracy Valentino, Chief Financial Officer  
**cc:** Richard Stensrund Executive Director  
**Date:** August 27, 2021  
**Re:** Actuarial Factors

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Following are recommendations for various actuarial factors, resulting from the 5-year actuarial experience study which was presented by Todd Green and John Garrett of Cavanaugh Macdonald Consulting at the April, 2021, Board meeting. A brief discussion on each factor and recommendation is addressed in this memo. Proposed resolutions are also attached. The effective date of the factors is January 1, 2022.

### **Optional Benefit Plan and PLOP Reduction Factors**

Option factors are percentages applied against the single life allowance pension calculation to determine a new retiree's and beneficiary's lifetime pension amounts for those who select a joint survivor plan of payment. A PLOP, or partial lump sum option payment, is a cash payment available to a new retiree of 6 to 36 times the unreduced monthly pension. A PLOP reduces the pension based upon age. The option and PLOP factors change in conjunction with mortality tables and the assumed investment return.

The PLOP factors supplied by the actuary are higher than the current factors, resulting in slightly higher pensions for retirees who choose a PLOP. The joint and survivor factors are slightly lower than the current factors resulting in lower pensions for retirees who select a joint and survivor plan of payment. We recommend that the new option and PLOP factors be effective for initial benefits paid on and after January 1, 2022.

### **Early Retirement Incentive Rates**

Percentages of pay charged to employers that have adopted an early retirement incentive plan (ERI) and the additional lump sum health care liability charge for those who were not eligible to retire without the ERI credit are established by the actuary every 5 years.

The new ERI percentage of pay factors are slightly smaller than the current factors. We recommend that the new ERI factors apply to all new ERI plans with an effective date on and after January 1, 2022.

### **Re-employed Retiree Annuity Factors**

Annuity factors are numbers supplied by the actuary that convert the lump sum annuity into monthly lifetime payments. They are based on mortality tables and the assumed investment return. The factors are slightly higher, which means the monthly annuity would be slightly lower. We recommend that the annuity factors be effective for initial monthly annuities paid on and after January 1, 2022.

### **Re-employed Retiree Annuity Interest on Contributions**

SERS has been paying 3.00% on re-employed retiree contributions since 2016. This is a competitive short-term rate, but less than the assumed investment return to allow for fluctuations. We recommend continuing to pay 3% on re-employed retiree contributions.

### **Re-employed Retiree Annuity – Employer Contributions**

Currently, a re-employed retiree receives their own 10% contribution plus 8% from the employer. We recommend continuing with the employer contribution match at 8% for the next five years. The rationale for 8% is that a re-employed retiree is similar to a college employee who selects an alternative retirement plan (ARP). For ARP participants, SERS collects 3.48% of the 14% employer contribution for unfunded accrued liabilities.

### **Interest Rates and Factors**

We are recommending no changes in the following rates:

- Interest credited to additional annuity contributions and used in the money purchase calculation is 3.00%.
- Percent of salary required for purchase of exempted credit has been set at 24.00% since 2016. We recommend this be maintained at 24.00% to ensure the pension funds receives the appropriate amount of contributions.

We are recommending a change to the following rate:

- Interest charged on purchased service and unpaid ERI balances is currently 7.50%. We recommend reducing this rate to 7.00% to be consistent with the System's assumed rate of return.

### **Money Purchase Annuity Factors**

Money purchase annuity factors are numbers supplied by the actuary to convert the lump sum annuity amount to a lifetime money benefit. They are based on mortality tables and assumed investment return. The new factors are larger than the old, which means that the lifetime benefit is lower. We recommend that the new factors be effective for benefits paid on and after January 1, 2022.

### **School Board Service Credit Purchase - Liability Factors**

Members who wish to purchase school board service rendered prior to July 1991, pay a percentage of final average salary, and if the purchase makes them eligible for health care, an additional lump sum amount based on age. The percentages and lump sum amount are calculated by the actuary to be the liability incurred by the system due to the purchase. These percentages are affected by mortality tables. The actuary does not recommend making any changes to these factors. There are very few members that can utilize this.

**OPTIONAL BENEFIT PLAN AND PARTIAL LUMP OPTION PLAN REDUCTION FACTORS**

SERS staff and the actuary discussed with the Board the factors for optional benefit plans and partial lump-sum option plans (PLOPs) for retirees as provided by Section 3309.46 of the Revised Code, and the statutory requirement that the factors maintain actuarial equivalence. Using the long-term assumptions adopted by the Board in April 2021, the actuary has calculated revised actuarial equivalent benefit plan and PLOP reduction factors.

\_\_\_\_\_ moved and \_\_\_\_\_ seconded to adopt the revised actuarial equivalent benefit plan and PLOP reduction factors, as developed by the actuary, to become effective for initial benefits that are paid on and after January 1, 2022.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**EARLY RETIREMENT INCENTIVE RATES**

SERS staff and the actuary discussed with the Board the early retirement incentive program under Section 3309.33 of the Revised Code and the actuary's recommendations regarding the percentage of salary required for the purchase of one to five years of additional service credit and for the cost of the additional health care liability. The actuary's recommendation was developed using the long-term assumptions adopted by the Board in April 2021.

\_\_\_\_\_ moved and \_\_\_\_\_ seconded that the percentage of salary rates and additional health care liability costs, as recommended by the actuary, be adopted for early retirement incentive programs effective on and after January 1, 2022.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**RE-EMPLOYED RETIREE ANNUITY FACTORS**

SERS staff and the actuary discussed with the Board the re-employed retiree annuity as provided by Section 3309.344 of the Revised Code, and the factors used to calculate the annuity. Using the long-term assumptions adopted by the Board in April 2021, the actuary has calculated revised re-employed retiree annuity factors.

\_\_\_\_\_ moved and \_\_\_\_\_ seconded that these revised re-employed retiree annuity factors, as developed by the actuary, be adopted, and become effective for initial re-employed retiree annuities paid on and after January 1, 2022.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**RE-EMPLOYED RETIREE ANNUITY – INTEREST ON CONTRIBUTIONS**

SERS staff and the actuary discussed with the Board the re-employed retiree annuity as provided by Section 3309.344 of the Revised Code and the statutory requirement that the board determine the rate to be used to credit interest on re-employed retiree annuity account balances prior to the date of retirement.

\_\_\_\_\_ moved and \_\_\_\_\_ seconded that the rate to be used for crediting interest to re-employed retiree annuity account balances continue to be set at 3.00%.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____



**RE-EMPLOYED RETIREE ANNUITY - AMOUNT OF EMPLOYER CONTRIBUTIONS**

SERS staff and the actuary discussed with the Board the re-employed retiree annuity as provided by Section 3309.344 of the Revised Code and the statutory requirement that the Board determine the amount of employer contributions to be credited to the re-employed retiree annuity accounts during periods of employment.

\_\_\_\_\_ moved and \_\_\_\_\_ seconded that the amount of employer contributions credited to re-employed retiree annuity accounts remain at 8.00%.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**INTEREST RATES AND PERCENTAGES**

SERS staff and the actuary discussed with the Board the need to review and adjust, as necessary, various rates and percentages used in the calculation of purchased service and in various benefit calculations, and the statutory requirement that the Board determine the rates and percentages. After consultation with the actuary, SERS staff made recommendation to the Board that the following rates and percentages remain unchanged:

Interest credited on Additional Annuity contributions and interest rate used to calculate Money Purchase annuity	3.00%
Percentage of Salary Rate for Purchase of Exempt Service	24.00%

SERS staff made recommendation to the Board the following rate change:

Interest charged on all purchased service and unpaid ERI balances be reduced from 7.50% to 7.00% effective January 1, 2022.

\_\_\_\_\_ moved and \_\_\_\_\_ seconded that the recommendations set forth above be adopted.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**MONEY PURCHASE ANNUITY FACTORS**

SERS staff and the actuary discussed with the Board the factors used to calculate the amount of the money purchase annuity as provided by Section 3309.36 of the Revised Code. Using the long-term assumptions adopted by the Board in April, 2021, and an interest rate of 3.00%, the actuary has calculated revised money purchase annuity factors.

\_\_\_\_\_ moved and \_\_\_\_\_ seconded by that these revised money purchase factors, as developed by the actuary, be adopted, and become effective for initial benefits that are paid on and after January 1, 2022.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**SCHOOL BOARD SERVICE CREDIT PURCHASE**

SERS staff and the actuary discussed with the Board the purchase of school board service under Section 3309.311 of the Revised Code and that the cost of the purchase is required to be the additional liability to the system. Using the long-term assumptions adopted by the Board in April 2021, the factors used in the liability calculation will be established by the actuary on an individual basis.

\_\_\_\_\_ moved and \_\_\_\_\_ seconded that the factors used in the liability calculation for any purchase of school board service credit will be established by the actuary on an individual basis.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

September 2021 SERS Board Book - Executive Director's Report

**FY2021 Administrative Budget**  
**Board Expense to Budget Reporting**  
**Year-to-Date Through June 30, 2021 (Final)**

Major Category/Sub-Major Category	Line Item	Vendor	FY2021 Budget	YTD Expense	Budgeted Y/N?	Additional Information
<b>PROFESSIONAL SERVICES</b>			<b>\$ 6,393,785</b>	<b>\$ 5,658,728.97</b>		
ACTUARIAL ADVISORS			\$ 390,660	\$ 339,054.00		
	Actuarial	Cavanaugh Macdonald	344,660	339,054.00	Y	Actuarial Consultant
AUDITING			\$ 195,020	\$ 185,539.20		
	Auditing	RSM US LLP	145,020	174,878.00	Y	External Auditor
BANKING FEES			\$ 986,223	\$ 1,054,127.92		
	Custodial Banking		835,543	881,323.81	Y	
		Huntington/Fifth Third	450,000	237,540.99	Y	Domestic Custodian
		BNYM	656,543	643,782.82	Y	International Custodian
	Administrative Banking	Huntington National Bank	150,680	172,804.11	Y	Banking Services
INVESTMENT RELATED			\$ 2,818,137	\$ 2,497,478.39		
	Master Recordkeeper		1,151,600	989,247.70	Y	
	Investment Consulting & Advisory Services		825,000	650,000.00		
		Aksia	375,000	200,000.00	Y	Investment Consulting
		Wilshire	450,000	450,000.00	Y	Investment Consulting
	Performance Analytics Services		704,820	687,514.92		
		Barra-One Risk Mgmt Sys	254,000	238,445.00	Y	Investment Risk Analytics
		BNY Mellon GRS	414,820	412,819.92	Y	Investment Performance Analytics
TECHNICAL			\$ 1,963,745	\$ 1,540,029.42		
	Special Counsel		226,000	285,996.55	Y	
	Technical		1,252,300	840,503.21		
		IBM	118,000	118,000.00	Y	Data Warehouse
		Sagitec	583,200	442,728.00	Y	SMART Development Resources
	Other Professional Services		585,445	413,529.66		
		Contoural	100,000	93,748.30	Y	Record Retention Project
<b>OTHER OPERATING EXPENSE</b>			<b>\$ 2,919,049</b>	<b>\$ 2,525,437.15</b>		
COMPUTER SUPPORT SERVICES			\$ 1,808,505	\$ 1,852,833.00		
	Hardware Maintenance		189,771	199,201.74	Y	
	Software Maintenance		972,185	906,111.08		
		Hyland	111,500	107,310.62	Y	ImageNow
		Dell	188,830	195,590.32	Y	Microsoft Enterprise Agreement
		Sagitec	420,000	420,000.00	Y	SMART Silver Support
	Software Subscription		548,572	636,268.78	Y	
<b>PROJECT ITEMS</b>						
Major Category/Sub-Major Category	Line Item	Project	FY2021 Budget	YTD Expense	Budgeted Y/N?	Additional Information
<b>PROFESSIONAL SERVICES</b>						
TECHNICAL						
	Technical					
		AWS/Cloud Compute - POC	100,000	-	Y	Consulting Services
		SMART Mobile Application	100,000	-	Y	Consulting Services
	Other Professional Services					
		Pension/HC Sustainability	100,000	-	Y	Consulting Services

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SERS

UNBUDGETED PROJECT ITEMS						
Major Category/Sub-Major Category	Line Item	Project	FY2021 Budget	YTD Expense	Budgeted Y/N?	Expense Reallocation
<b>PROFESSIONAL SERVICES</b>			\$ -	\$ 70,351.25		
TECHNICAL			\$ -	\$ 70,351.25		
	Technical					
		VOIP Expansion - Needed to provide improved member service/reduce voice mails	-	143.75	N	Travel & Transportation
		SMART Framework Upgrade Consultant	-	70,207.50	N	Technical
<b>COMMUNICATIONS EXPENSE</b>			\$ -	\$ 5,320.00		
TELECOMMUNICATIONS SERVICES			\$ -	\$ 5,320.00		
	Telecommunications Services					
		VOIP Expansion - Needed to provide improved member service/reduce voice mails	-	5,320.00	N	Travel & Transportation
<b>OTHER OPERATING EXPENSE</b>			\$ -	\$ 24,343.64		
COMPUTER SUPPORT SERVICES			\$ -	\$ 24,343.64		
	Hardware <\$5,000					
		VOIP Expansion - Needed to provide improved member service/reduce voice mails	-	13,943.64	N	Travel & Transportation
	Software Subscription	eSignature capabilities to send and sign documents		10,400.00	N	Travel & Transportation
		VMWare Horizon Air Cloud Hosted solution		96,266.66	N	Technical
		Logic Manager ERM Risk Repository		50,887.50		Technical and Other Professional Services

OSERS BROAD STREET, LLC

UNBUDGETED PROJECT ITEMS						
Major Category	Line Item	Project	FY2021 Budget	YTD Expense	Budgeted Y/N?	Expense Reallocation
<b>ADMINISTRATIVE SERVICES</b>			\$ -	\$ 54,530.00		
	Hardware <\$5,000					
		Board Room Tech Upgrade - to add virtual capabilities (Zoom) for public and Board members	-	19,794.00	N	Janitorial Services and Security
		O'Keefe Tech Upgrade - to add virtual capabilities (Zoom) for public and Board members	-	34,736.00	N	Janitorial Services and Security

**FINAL FILING OF PROPOSED AMENDED ADMINISTRATIVE RULE**

Legal Counsel discussed with the Retirement Board the following proposed amended rules: 3309-1-18 Payment of contributions; and 3309-1-35 Health Care, that have been reviewed by JCARR and are ready for final adoption by the Board.

\_\_\_\_\_ moved and \_\_\_\_\_ seconded that proposed amended rules 3309-1-18 and 3309-1-35 be adopted.

**3309-1-18 Payment of contributions.**

- (A) For purposes of this rule:
- (1) "Employer" has the same meaning as in section 3309.01 of the Revised Code.
  - (2) "Contribution report" means payroll data for each pay date that has been cleared of any errors or warnings.
  - (3) "Surcharge" means the employer minimum compensation contribution amount determined pursuant to section 3309.491 of the Revised Code.
- (B) Payments due under section 3309.47 of the Revised Code shall be remitted to the school employees retirement system by the fifth business day following the pay date.
- (C) Contribution reports shall be submitted to the retirement system by the fifth business day following the pay date.
- (D) Payments due under section 3309.51 of the Revised Code and paid by an employer directly to the employers' trust fund shall be remitted by the fifth business day following the pay date.
- (E) Payments due to the employers' trust fund pursuant to section 3309.51 of the Revised Code and received from the amounts allocated under Chapter 3317. of the Revised Code, section 3314.08 of the Revised Code, and section 3326.33 of the Revised Code shall be remitted each month and attributed to that month.
- (F) Annually, the retirement system shall issue a final school year statement that reconciles the estimated employer payments received with the employer payments owed. Within thirty days of the statement's issuance, the employer shall directly pay to the employers' trust fund any balance owed, or the retirement system shall directly refund to the employer any overpayments made. The retirement system shall not issue a refund to an employer whose reports or payments are delinquent.
- (G) Surcharge payments due to the employers' trust fund shall be collected in one of the following ways:
- (1) An employer who does not receive amounts allocated under section 3314.08 or 3326.33 of the Revised Code may choose to pay its surcharge directly to the employers' trust fund. An employer who chooses this option must pay its surcharge

within thirty days after receipt of the certified amount due from the retirement system.

(2) For those employers who do not choose the direct pay option under paragraph (G)(1) of this rule, as well as employers who receive amounts allocated under section 3314.08 or 3326.33 of the Revised Code, the retirement system shall include surcharge payments in the estimated payments certified to the superintendent of public instruction pursuant to section 3309.51 of the Revised Code.

(H) For any payments made pursuant to paragraphs (B), (D), (F) and (G)(1) of this rule, payment remittance information shall be submitted in the manner specified by the retirement system no later than the date the payment is remitted.

(I) The retirement system may extend a due date for an employer upon a finding that good cause has been shown.

(J) For purposes of section 3309.571 of the Revised Code, "days" refers to "business days."

(K) An employer shall repay the retirement system for any amounts paid by the retirement system as the result of employer errors in reporting or certifying information to the retirement system.

History: 5/3/19, 5/15/17, 2/27/17 (Emer.), 12/4/14, 1/7/13, 7/1/10  
Promulgated Under: 111.15  
Statutory Authority: 3309.04  
Rule Amplifies: 3309.47, 3309.49, 3309.491, 3309.51, 3309.55, 3309.571  
Review Date: 2/1/24

### **3309-1-35 Health care.**

#### (A) Definitions

As used in this rule:

- (1) "Benefit recipient" means an age and service retirant, disability benefit recipient, or a beneficiary as defined in section 3309.01 of the Revised Code, who is receiving monthly benefits due to the death of a member, age and service retirant or disability benefit recipient.
- (2) "Member" has the same meaning as in section 3309.01 of the Revised Code.
- (3) "Age and service retirant" means a former member who is receiving a retirement allowance pursuant to section 3309.34, 3309.35, 3309.36 or 3309.381 of the Revised Code. A former member with an effective retirement date after June 13, 1986 must have accrued ten years of service credit, exclusive of credit obtained after January 29, 1981 pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code.



- (4) "Disability benefit recipient" means a member who is receiving a benefit or allowance pursuant to section 3309.35, 3309.39, 3309.40 or 3309.401 of the Revised Code.
- (5) "Dependent" means an individual who is either of the following:
  - (a) A spouse of an age and service retirant, disability benefit recipient, or member,
  - (b) A biological, adopted or step-child of an age and service retirant, disability benefit recipient, member, deceased age and service retirant, deceased disability benefit recipient, or deceased member or other child in a parent-child relationship in which the age and service retirant, disability benefit recipient, member, deceased age and service retirant, deceased disability benefit recipient, or deceased member has or had custody of the child, so long as the child:
    - (i) Is under age twenty-six, or
    - (ii) Regardless of age is permanently and totally disabled, provided that the disability existed prior to the age and service retirant's, disability benefit recipient's, or member's death and prior to the child reaching age twenty-six. For purposes of this paragraph "permanently and totally disabled" means the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than twelve months.
- (6) "Health care coverage" means any of the following group plans offered by the system:
  - (a) A medical and prescription drug plan;
  - (b) Limited wraparound coverage, which provides limited benefits that wrap around an individual health insurance plan; or
  - (c) An excepted benefit health reimbursement arrangement, which provides reimbursement of medical expenses incurred under an individual health insurance plan.
- (7) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment for health care coverage for the recipient or the recipient's eligible dependents.
- (8) "Employer" and "public employer" have the same meaning as in section 3309.01 of the Revised Code.

(B) Eligibility

- (1) A person is eligible for health care coverage under the school employees retirement system's health care plan so long as the person qualifies as one of the following:
  - (a) An age and service retirant or the retirant's dependent,

- (b) A disability benefit recipient or the recipient's dependent,
  - (c) The dependent of a deceased member, deceased age and service retirant, or deceased disability benefit recipient, if the dependent is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code,
  - (d) The dependent child of a deceased member, deceased disability benefit recipient, or deceased age and service retirant if the spouse is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code and the spouse elects to be covered.
- (2) Eligibility for SERS health care coverage shall terminate when the person ceases to qualify as one of the persons listed in paragraph (B)(1) of this rule, except that a dependent described in paragraph (A)(5)(b)(i) of this rule shall cease to qualify on the first day of the calendar year following the dependent's twenty-sixth birthday.
- (3) Except for a dependent described in paragraph (A)(5)(b) of this rule, eligibility for SERS health care coverage shall terminate when the person is not enrolled in medicare part B and on or after January 1, 2016 commences employment that provides access to a medical plan with prescription coverage through the employer, or if employees of that employer in comparable positions have access to a medical plan available through the employer, provided the medical plan with prescription drug coverage available through the employer is equivalent to the medical plan with prescription coverage at the cost available to fulltime employees as defined by the employer. For purposes of this paragraph, employer means a public or private employer.
- (4) On or after January 1, 2021, eligibility for SERS health care coverage shall terminate when a person listed in paragraph (B)(1) of this rule becomes eligible for medicaid and is ineligible for medicare. For purposes of this rule, a benefit recipient and their dependent(s) shall be presumed to be eligible for medicaid if their gross monthly SERS benefit is less than the percentage of the federal poverty level used by the Ohio department of medicaid to determine medicaid eligibility under agency 5160 and division 5160:1 of the Administrative Code. Upon request, a benefit recipient presumed to be eligible for medicaid must provide SERS with satisfactory proof of ineligibility for medicaid in their state of residence within ninety days from the date of SERS' request.

(5) Eligibility for SERS health care coverage shall terminate when a person eligible for medicare part B fails to:

(a) Enroll in medicare part B during the person's initial enrollment period or special enrollment period under 42 U.S.C. 1395p that includes a date on or after January 1, 2019. If the failure to enroll occurred on or after January 1, 2019 and prior to January 1, 2022, the person must enroll in medicare part B during the general enrollment period ending March 31, 2022; or

(b) Enroll in medicare part B during the general enrollment period available under 42 U.S.C. 1395p immediately following a loss of medicare part B coverage that

began on or after January 1, 2019. If the loss of medicare part B coverage began on or after January 1, 2019 and prior to January 1, 2022, the person must enroll in medicare part B during the general enrollment period ending March 31, 2022.

(C) Enrollment

- (1) Except as otherwise provided in this rule, an eligible benefit recipient may enroll in school employees retirement system's health care coverage only at the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefits pursuant to section 3309.45 of the Revised Code.
- (2) An eligible spouse of an age and service retirant or disability benefit recipient may only be enrolled in the system's health care coverage at the following times:
  - (a) At the time the retirant or disability benefit recipient enrolls in school employees retirement system's health care coverage.
  - (b) Within thirty-one days of the eligible spouse's:
    - (i) Marriage to the retirant or disability benefit recipient; or
    - (ii) Involuntary termination of health care coverage under another plan, including a medicare advantage plan, or medicare part D plan.
  - (c) Within ninety days of becoming eligible for medicare.
- (3) An eligible dependent child of an age and service retirant, disability benefit recipient, or deceased member may be enrolled in the system's health care coverage at the following times:
  - (a) At the time the retirant, disability benefit recipient, or surviving spouse enrolls in school employees retirement system's health care coverage.
  - (b) Within thirty-one days of the eligible dependent child's:
    - (i) Birth, adoption, or custody order; or
    - (ii) Involuntary termination of health care coverage under another plan, including a medicare advantage plan, or medicare part D plan.
  - (c) Within ninety days of becoming eligible for medicare.

(D) Cancellation of health care coverage

- (1) Health care coverage of a person shall be cancelled when:
  - (a) The person's eligibility terminates as provided in paragraph (B)(2) of this rule;
  - (b) The person's eligibility terminates as provided in paragraph (B)(3) of this rule;
  - (c) The person's eligibility terminates as provided in paragraph (B)(4) of this rule;

(d) The person's eligibility terminates as provided in paragraph (B)(5) of this rule;

~~(ed)~~ The person's health care coverage is cancelled for default as provided in paragraph (F) of this rule;

~~(fe)~~ The person's health care coverage is waived as provided in paragraph (G) of this rule;

~~(gf)~~ The person's health care coverage is cancelled due to the person's enrollment in a medicare advantage plan or medicare part D plan as provided in paragraph (H) of this rule;

~~(hg)~~ The health care coverage of a dependent is cancelled when the health care coverage of a benefit recipient is cancelled; or

~~(ih)~~ The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45 of the Revised Code, division (F) of section 3309.39 of the Revised Code, division (D) of section 3309.41 of the Revised Code, or division (D) of section 3309.392 of the Revised Code.

(E) Effective date of coverage

(1) The effective date of health care coverage for persons eligible for health care coverage as set forth in paragraph (B) of this rule shall be as follows:

(a) For a disability benefit recipient or dependent of a disability benefit recipient, health care coverage shall be effective on the first of the month following the determination and recommendation of disability to the retirement board or on the benefit effective date, whichever is later.

(b) For an age and service retirant or dependent of an age and service retirant, health care coverage shall be effective on the first of the month following the date that the retirement application is filed with the retirement system or on the benefit effective date, whichever is later.

(c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retirant, health care coverage shall be effective on the effective date of the benefit if the appropriate application is received within three months of the date of the member's or retirant's death, or the first of the month following the date that the appropriate application is received if not received within three months of the date of the member's or retirant's death.

(F) Premiums

(1) Payment of premiums for health care coverage shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be

billed for the portion of the monthly premium due after any deduction from the monthly benefit.

- (2) Premium payments billed to a benefit recipient shall be deemed in default after the unpaid premiums for coverage under this rule and supplemental health care coverage under rule 3309-1-64 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums. The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage.
- (3) After cancellation for default, health care coverage can be reinstated as provided in paragraph (l) of this rule, or upon submission of an application for reinstatement supported by medical evidence acceptable to SERS that demonstrates that the default was caused by the benefit recipient's physical or mental incapacity. "Medical evidence" means documentation provided by a licensed physician of the existence of the mental or physical incapacity causing the default. Health care coverage reinstated after termination for default shall be effective on the first of the month following the date that the application for reinstatement is approved and payment for the total amount in default is received.
- (4) A person enrolled in SERS' health care plan cannot receive a premium subsidy unless that person is:
  - (a) A dependent child.
  - (b) An age and service retiree:
    - (i) An age and service retiree with an effective retirement date before August 1, 1989; or
    - (ii) An age and service retiree with an effective retirement date on or after August 1, 1989 and before August 1, 2008 who had earned fifteen years of service credit; or
    - (iii) An age and service retiree with an effective retirement date on or after August 1, 2008 who had earned twenty years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, and who;
      - (a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or
      - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.

- (c) A disability benefit recipient:
  - (i) A disability benefit recipient with an effective benefit date before August 1, 2008; or
  - (ii) A disability benefit recipient with an effective benefit date on or after August 1, 2008 who:
    - (a) Was eligible to participate in the health care plan of his or her employer at the time of separation from SERS service; or
    - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding separation from SERS service.
- (d) A spouse:
  - (i) A spouse or surviving spouse of an age and service retiree or disability benefit recipient with an effective retirement date or benefit date before August 1, 2008 who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code;
  - (ii) A spouse or surviving spouse of an age and service retiree or disability benefit recipient with an effective retirement date or benefit date on or after August 1, 2008 who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, and who:
    - (a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or
    - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.
  - (iii) A surviving spouse of a deceased member who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, with an effective benefit date before August 1, 2008; or
  - (iv) A surviving spouse of a deceased member who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, with an effective benefit date on or after August 1, 2008, and the member;
    - (a) Was eligible to participate in the health care plan of his or her employer at the time of death or separation from SERS service; or

(b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding the member's death or separation from SERS service.

(e) For purposes of determining eligibility for a subsidy under paragraph (F)(4) of this rule, when the last contributing service of an age and service retiree, disability benefit recipient, or member was as an employee as defined by division (B)(2) of section 3309.01 of the Revised Code, the health care plan participation requirement shall be if the individual would have been eligible for the public employer's health care plan if the individual were an employee as defined by division (B)(1) of section 3309.01 of the Revised Code.

(f) Any other individual covered under a SERS health care plan shall be eligible for a premium subsidy under the standard set forth for spouses.

(g) In all cases of doubt, the retirement board shall determine whether a person enrolled in a SERS health care plan is eligible for a premium subsidy, and its decision shall be final.

(G) Waiver

(1) A benefit recipient may waive health care coverage by completing and submitting a SERS waiver form to SERS.

(2) The health care coverage of a benefit recipient's dependent may be waived as follows:

(a) For non-medicare eligible dependents, the benefit recipient may waive their coverage by completing and submitting a signed written request to SERS on their behalf.

(b) For medicare eligible dependents, the dependent may waive their coverage by completing and submitting a signed written request to SERS.

(H) Medicare advantage or medicare part D

SERS shall cancel the health care coverage of a benefit recipient or dependent who enrolls in a medicare advantage or medicare part D plan that is not offered by the system.

(I) Reinstatement to SERS health care coverage

(1) An eligible benefit recipient, or dependent of a benefit recipient with health care coverage, whose coverage has been previously waived or cancelled may be reinstated to SERS health care coverage by filing a health care enrollment application as follows:

(a) The application is received no later than ninety days after becoming eligible for medicare. Health care coverage shall be effective the later of the first day of the month after becoming medicare eligible or receipt of the enrollment application by the system;

- (b) The application is received no later than thirty-one days after involuntary termination of coverage under medicaid. Health care coverage shall be effective the later of the first day of the month after termination of coverage or receipt of proof of termination and the enrollment application by the system; or
  - (c) The application is received no later than thirty-one days after involuntary termination of coverage under another plan, medicare advantage plan, or medicare part D plan with proof of such termination. Health care coverage shall be effective the later of the first day of the month after termination of the other plan or receipt of proof of termination and the enrollment application by the system.
- (2) An eligible person whose coverage was cancelled pursuant to paragraph (D)(1)(h) of this rule shall be reinstated to SERS health care plan when benefit payments are reinstated.
  - (3) An eligible person whose coverage was cancelled pursuant to paragraph (D)(1)(b) of this rule may be reinstated to SERS health care plan when they no longer have access to the medical plan of an employer by filing a health care enrollment application within thirty-one days of the employment ending.
  - (4) An eligible benefit recipient or dependent of a benefit recipient with health care coverage, whose coverage has been previously cancelled and who is enrolled in medicare parts A and B or medicare part B only on December 31, 2007 may be reinstated to SERS health care coverage by filing a healthcare enrollment application during the period of time beginning October 1, 2007 and ending November 30, 2007. Health care coverage shall be effective January 1, 2008.
  - (5) An eligible benefit recipient or dependent of a benefit recipient with health care coverage, whose coverage has been previously cancelled pursuant to paragraph (H) of this rule and who is enrolled in medicare parts A and B or medicare part B only on June 30, 2009 may be reinstated to SERS health care coverage by filing a health care enrollment application during the period of time beginning May 21, 2009 and ending July 15, 2009.
  - (6) An eligible benefit recipient who had an effective retirement or benefit date on or after August 1, 2008, who qualifies for a premium subsidy under paragraph (F)(4) of this rule, and whose coverage has previously been waived as provided in paragraph (G) of this rule, may be reinstated to school employees retirement system health care coverage by submitting a complete health care enrollment application on or before December 14, 2012. Health care coverage shall be effective January 1, 2013.
  - (7) An eligible benefit recipient for whom SERS is transferring funds to another Ohio retirement system in accordance with paragraph (G) of rule 3309-1-55 of the Administrative Code may be reinstated to SERS health care coverage by submitting a health care enrollment application during open enrollment periods for health care coverage starting January 1, 2015 or January 1, 2016.
- (J) Medicare part B



- (1) A person who is enrolled in SERS' health care shall enroll in medicare part B at the person's first eligibility date for medicare part B. A person who fails to enroll in or maintain medicare part B coverage shall be ineligible for SERS health care coverage in accordance with paragraph (B)(5) of this rule.
- (2)
  - (a) The board shall determine the monthly amount paid to reimburse an eligible benefit recipient for medicare part B coverage. The amount paid shall be no less than forty-five dollars and fifty cents, except that the board shall make no payment that exceeds the amount paid by the recipient for the coverage.
  - (b) As used in paragraph (J) of this rule, an "eligible benefit recipient" means:
    - (i) An eligible person who was a benefit recipient and was eligible for medicare part B coverage before January 7, 2013, or
    - (ii) An eligible person who is a benefit recipient, is eligible for medicare part B coverage, and is enrolled in SERS' health care.
- (3) The effective date of the medicare part B reimbursement to be paid by the board shall be as follows:
  - (a) For eligible benefit recipients who were a benefit recipient and were eligible for medicare B coverage before January 7, 2013 the later of:
    - (i) January 1, 1977; or
    - (ii) The first of the month following the date that the school employees retirement system received satisfactory proof of coverage.
  - (b) For eligible benefit recipients not covered under paragraph (J)(3)(a) of this rule, the later of:
    - (i) The first month following the date that the school employees retirement system received satisfactory proof of coverage, or
    - (ii) The effective date of SERS health care.
- (4) The board shall not:
  - (a) Pay more than one monthly medicare part B reimbursement when a benefit recipient is receiving more than one monthly benefit from this system; nor
  - (b) Pay a medicare part B reimbursement to a benefit recipient who is eligible for reimbursement from any other source.

History: 6/5/20, 1/2/20, 5/3/19, 10/13/16, 8/13/15, 12/4/14, 7/12/14, 1/1/14, 3/8/13, 1/7/13 (Emer.), 9/30/12, 8/14/11, 9/26/10, 7/1/10 (Emer.), 6/11/10, 8/10/09, 5/22/09 (Emer.), 1/8/09, 8/8/08, 12/24/07, 9/28/07 (Emer.), 3/1/07, 1/2/04, 6/13/03, 11/9/98, 8/10/98, 1/2/93, 7/20/89, 3/20/80, 1/1/77

Promulgated Under: 111.15

Statutory Authority: 3309.04  
Rule Amplifies: 3309.69  
Review Date: 2/1/24

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**EXECUTIVE SESSION**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits.

**IN EXECUTIVE SESSION AT \_\_\_\_\_ A.M. / P.M.**

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Jeffrey DeLeone	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Barbra Phillips	_____	_____	_____

**RETURNED TO OPEN SESSION AT \_\_\_\_\_ A.M. / P.M.**

**CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2021**

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**REMAINING CALENDAR DATES FOR 2021**

**AUDIT COMMITTEE MEETINGS**

September 15, 2021 - 2:30 p.m. (Weds.)

December 15, 2021 - 2:30 p.m. (Weds.)

**COMPENSATION COMMITTEE MEETINGS**

September 16, 2021 - 7:30 a.m. (Thurs.)

December 16, 2021 - 7:30 a.m. (Thurs.)

**TECHNOLOGY COMMITTEE MEETINGS**

September 16, 2021 – 2:00 p.m. (Thurs.)

December 16, 2021 – 2:00 p.m. (Thurs.)

**BOARD MEETINGS**

September 16 and 17, 2021 (Thurs. and Fri.)

October 21 and 22, 2021 (Thurs. and Fri.)

November 18 and 19, 2021 (Thurs. and Fri.)

December 16 and 17, 2021 (Thurs. and Fri.)

**\*\*NOTE: The above dates are *tentative*.**

**CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2022**

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**AUDIT COMMITTEE MEETINGS**

March 16, 2022 - 2:30 p.m. (Weds.)  
June 15, 2022 - 2:30 p.m. (Weds.)  
September 14, 2022 - 2:30 p.m. (Weds.)  
December 14, 2022 - 2:30 p.m. (Weds.)

**COMPENSATION COMMITTEE MEETINGS**

March 17, 2022 - 7:30 a.m. (Thurs.)  
June 16, 2022 - 7:30 a.m. (Thurs.)  
September 15, 2022 - 7:30 a.m. (Thurs.)  
December 15, 2022 - 7:30 a.m. (Thurs.)

**TECHNOLOGY COMMITTEE MEETINGS**

March 17, 2022 – 2:00 p.m. (Thurs.)  
June 16, 2022 – 2:00 p.m. (Thurs.)  
September 15, 2022 – 2:00 p.m. (Thurs.)  
December 15, 2022 – 2:00 p.m. (Thurs.)

**BOARD MEETINGS**

February 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)  
March 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)  
April 21-22, 2022 – 8:30 a.m. (Thurs. and Fri.)  
May 19-20, 2022 – 8:30 a.m. (Thurs. and Fri.)  
June 16-17, 2022 – 8:30 a.m. (Thurs. and Fri.)  
July 21-22, 2022 – 8:30 a.m. (Thurs. and Fri.)  
September 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)  
October 20-21, 2022 – 8:30 a.m. (Thurs. and Fri.)  
November 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)  
December 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)

**\*\*NOTE:** *The above dates are tentative.*

**CONTINUED OR NEW BUSINESS**

**Board Information Requested**

**BOARD INFORMATION REQUESTS AND FOLLOW-UP ITEMS**

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
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10. \_\_\_\_\_  
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**RECESS (R)**

\_\_\_\_\_ moved that the Board recess to reconvene on Friday, September 17, 2021 to continue the board meeting and discuss Pension Sustainability.

The meeting recessed at \_\_\_\_\_ a.m./p.m.

\_\_\_\_\_  
Barbra Phillips, Chair

\_\_\_\_\_  
Richard Stensrud, Secretary