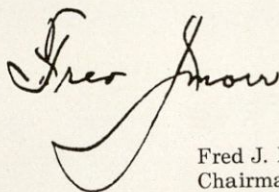


INTRODUCTION

The success of any retirement system can be measured by the soundness of its financing, its sensitivity to changing needs and the efficiency and promptness with which it serves its members and retirants. These have been attributes of the Ohio Public Employees Retirement System which in 1966 completed its 32nd year of service to the public employees and employers of this state. This report contains an accounting of PERS operations during that year, and brief comments on its continued progress as one of the best public employee retirement systems in the nation.



Fred J. Morr
Chairman, 1967
Public Employees
Retirement Board
of Ohio

THE COVER *The State House, meeting place of Ohio's General Assembly, is shown in the center of this aerial view of downtown Columbus, Ohio. It is here that the original act and subsequent amendments to the Public Employees Retirement System were enacted.*



STATE OF OHIO PUBLIC EMPLOYEES
Retirement System

35 EAST GAY STREET, COLUMBUS, OHIO

FILE COPY
 OHIO LEGISLATIVE

REC'D. JUN 1 1967

June 1,

SERVICE COMMISSION
 STATE HOUSE

Dear Ohioan:

Here at PERS we take a great deal of pride in doing a good job. And nothing pleases us more than being able to talk about it. Ohio has one of the finest public employees retirement systems in the nation and we like to take an opportunity now and then to remind folks such as you of that fact. That's why we are sending you our 1966 Annual Report.

We passed the billion dollar mark in our - or perhaps we should say your - assets last year. We sent monthly benefits to 30,000 retirants, beneficiaries and survivors. During the year 10,740 new members were added to the rolls; we were 190,601 at the close of the year.

These figures and other details on our 32nd year are in the enclosed Report. I'm privileged to send it to you on behalf of the Retirement Board.

Sincerely,

Fred L. Schneider
 Executive Director

FLS/hr

RETIREMENT
 BOARD

FRED J. MORR, Chmn.
 County Employees
 Cincinnati

ROBERT D. McKEAN
 Municipal Employees
 Cleveland

PAUL E. MOYER
 State Employees
 Bowling Green

ELMA A. WHITNEY
 Miscellaneous Employees
 Worthington

ROGER CLOUD
 Auditor of State

WILLIAM B. SAXBE
 Attorney General

WAYNE WARD
 Director
 Ohio Personnel Dept.

FRED L. SCHNEIDER
 Executive Director

J. DOUGLASS PETERS
 Deputy Director

NORMAN E. LUST
 Comptroller

FILE COPY
OHIO LEGISLATIVE

REC'D - JULY 1 1983

SERVICE COMMISSION
STATE HOUSE

Dear Sir:

At PERB we have a great deal of work to do. We are
and nothing is done. Our goal is to have
Ohio has one of the best public employee systems
in the nation and we like to take advantage of that
reputation like you do. That's why we
and you our 1983 Annual Report.

We passed the million dollar mark in our - or perhaps
my year - awards last year. We sent monthly checks
35,000 retirement, health and insurance. During
10,740 new members were added to the rolls, we had
190,601 at the close of the year.

These figures and many details on our 1983 year are
closed Report. I'm delighted to send this to you on behalf
Retirement Board.

Sincerely,

James J. Blunk
Executive Director

FLB:hr

STATE LIBRARY OF OHIO
65 SOUTH FRONT STREET
COLUMBUS, OHIO 43266-0334

REC'D JUN 1 1967

STATE LIBRARY OF OHIO
65 SOUTH FRONT STREET
COLUMBUS, OHIO 43266-0334

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3	A Billion-Dollar Fund
4	Funds and Reserves
5	190,601 Members
6-7	Financial Statements
8	Income Received During Year
9	How PERS Funds are Invested
10	Benefits and Other Payments
11	PERS Administrative Costs
12	Summary Changes in Reserves
13	Statement of Actuary
Back Cover	Ohio Firsts

MANAGEMENT

THE RETIREMENT BOARD



FRED J. MORR
Chairman
Auditor of Hamilton County
Cincinnati
Representing County Employees
Term expires December 31, 1969



ROBERT D. McKEAN
Senior Cashier, City Treasurer's Office
Cleveland
Representing Municipal Employees
Term expires December 31, 1970



ROGER CLOUD
Auditor of State



ELMA A. WHITNEY
Head Librarian
Worthington
Representing Miscellaneous Group
Term expires December 31, 1969



WILLIAM B. SAXBE
Attorney General



CAROL LONG
Representing Mr. Cloud



PAUL E. MOYER
Treasurer, Bowling Green State University
Bowling Green
Representing State Employees
Term expires December 31, 1970



GERALD A. DONAHUE
Representing Mr. Saxbe



WAYNE WARD
Director, Ohio Department of Personnel

THE EXECUTIVE STAFF



FRED L. SCHNEIDER
Executive Director

NORMAN E. LUST
Comptroller

WILLIAM G. WILCOX
Administrative Assistant



J. DOUGLASS PETERS
Deputy Director

RICHARD W. BOSWORTH
Investment Officer

CONSULTANTS

GABRIEL, ROEDER, SMITH & CO.
Consulting Actuaries

RAYMOND W. BETHEL, M.D.
Medical Consultant

MOODY'S INVESTORS SERVICE
Investment Counsel

A BILLION-DOLLAR FUND

Assets of PERS passed the billion-dollar mark in November 1966. At the close of the year the total of all investments, deposits and accounts receivable, which go to make up these assets, stood at \$1,007,650,411.19, an increase of more than \$86 million over last year.

This total represents the accumulated funds contributed by employees and employers, plus income earned on PERS investments. These funds assure the solvency of the retirement system in meeting its present and future obligations to the enlarging group of active members, retirants and dependent survivors. The continuing growth over the years of these assets is illustrated by the receipts in the three years shown in the bar graphs.

\$ IN
MILLIONS

60

55

50

45

40

35

30

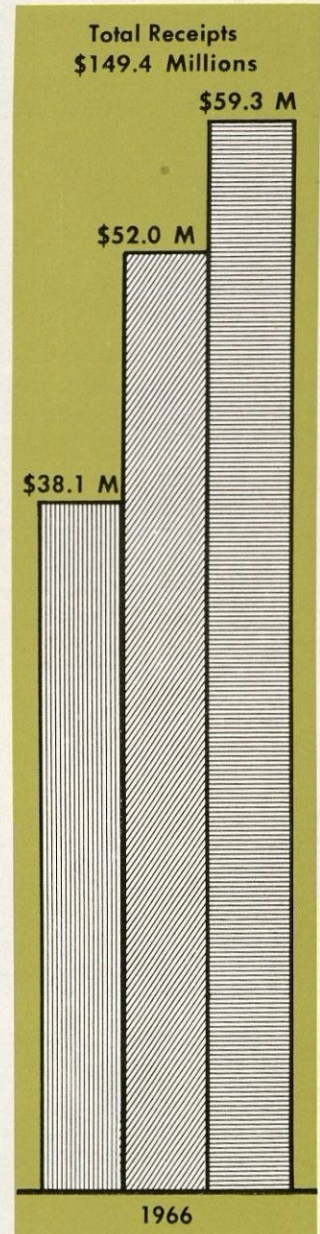
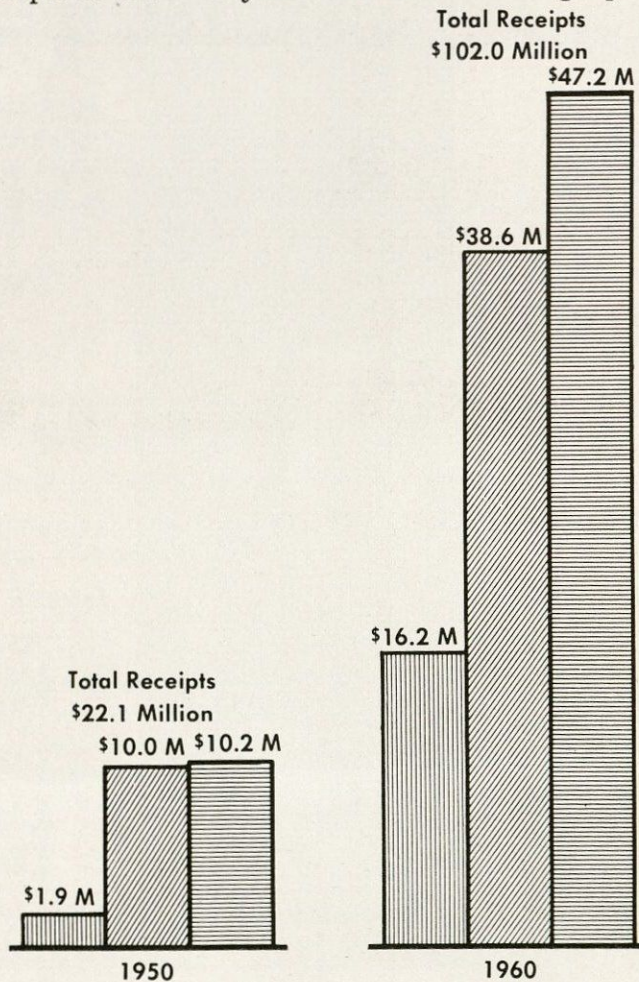
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


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15

10

5



-  Employer Contributions
-  Employee Contributions
-  Income on Investments

FUNDS AND RESERVES

Members of the retirement system share in its resources in two important ways.

First, as a source of benefit payments. All of the funds—those contributed by both employees and employers, and income earned by the investments—are reserves guaranteeing the payment of benefits in whatever form they may take—retirement, disability or to survivors.

Second, as a savings account. Every cent a member has contributed is refundable, either when he leaves public employment or retires, should he elect to take his money that way.

The following portions of the PERS financial statements for 1966 and 1965 show the various accumulated funds and reserves designated for members and how the two years compare.

	1966	1965
FUNDS		
Members' Savings Fund	\$ 318,175,626.11	\$298,663,190.00
Employers' Accumulation Fund	217,466,950.23	200,519,772.98
Annuity and Pension Reserve Fund	368,471,265.35	328,989,023.20
Survivor Benefit Fund	88,369,430.94	80,718,371.37
Income Fund	1,141,282.80	827,655.20
Interest Reserve for Members Retiring in Next Year	1,500,000.00	1,500,000.00
Expense Fund (balance remaining from previous year's Administration expenses)	33,667.20	54,344.80
Total Funds	<u>\$ 995,158,222.63</u>	<u>\$911,272,357.56</u>
RESERVES*		
For Guarantee of Interest Maintenance	\$ 1,902,939.00	\$ 1,902,939.00
For Guarantee of Investments	1,677,052.00	1,677,052.00
For Guarantee of Mortality Contingencies	3,453,249.00	3,453,249.00
For Contribution Rate Increase Contingency	5,458,948.56	2,835,902.13
Total of Reserves	<u>12,492,188.56</u>	<u>9,869,142.13</u>
Total of Funds and Reserves	<u>\$1,007,650,411.19</u>	<u>\$921,141,499.69</u>

* Reserves: Like prudent management of sound private organizations, the PERS Board guards against unforeseen costs by setting up reserves to meet special situations. Your Board considers this assurance of stability of the system good business and responsible trusteeship.

190,601 MEMBERS

All public employees in Ohio who do not belong to another public retirement system are members of this System. Federal employees, employees of boards of education, policemen and firemen, State Highway patrolmen and some employees of the City of Cincinnati have their own systems. PERS membership is classified in four groups according to employer units: State, County, Municipal and Miscellaneous. Each group elects its own representative to the Retirement Board.

At the end of 1966, the System had 190,601 members, including those on "membership leave of absence" status—the "inactives". It is by far the largest of the four state-wide systems. Membership is mandatory for appointed public employees. Elected officials can join if they want to, and more than 80 per cent of them have.

The employer groups and the number of members in each group are listed in the following tables:

MEMBERSHIP IN PERS — 1966-1965

EMPLOYER GROUPS	NUMBER OF UNITS		NUMBER OF MEMBERS	
	1966	1965	1966	1965
State of Ohio	194	192	64,611	61,444
County Governments	181	183	41,060	38,231
Municipal Governments	763	842	43,000	42,516
Miscellaneous				
Metropolitan Housing Authorities	23	20	1,141	1,101
Public Libraries	251	252	5,527	5,302
Townships	1,223	1,210	6,608	6,096
Park, Conservancy Sanitary and Health Districts; Union Cemeteries and Joint Hospitals	269	275	7,395	6,888
TOTALS	2,904	2,974	169,342	161,578
*Inactives			21,259	18,283
TOTAL MEMBERSHIP			190,601	179,861

* INACTIVES—Refers to those members who have separated from public employment but have left their accumulated contributions on deposit with PERS.



NOTES TO FINANCIAL STATEMENT

CASH Only enough cash is on deposit at the State Treasury to meet the checks to be written for benefit payments, refunds and expenses.

ACCOUNTS RECEIVABLE These are contributions due for the last quarter of the year.

EQUIPMENT DEVELOPMENT Last Year the Board began a program of modernizing methods and equipment. The cost of this new equipment will be amortized over a six-year period.

BONDS Most (81%) of PERS money is invested in bonds—U. S. Government, municipals and those of corporations rated AA or higher. The corporate holdings include bonds issued by industries and utilities; railroad equipment trust certificates; general and terminal bonds and U.S. insured steamship bonds. These bonds are listed at their par value. Purchases are not always made at par, so adjustments must be made to show "book value." When PERS buys a bond at a "premium" it pays more than par value because the earnings make it profitable. PERS adds this "premium" to the par value to get "book value." When PERS purchases a bond at a "discount", this "discount" is deducted from the par value to get "book value."

MORTGAGES PERS buys only Capehart Mortgages. These mortgages secure loans made to provide dependent housing on armed forces bases and are guaranteed and paid by the U.S. Government.

CORPORATE STOCK Of the many stocks available, only about 100 meet the high quality requirements of PERS standards; of these PERS buys only 46 stocks, which represent 5.60% of the portfolio.

FUNDS

Member's Savings Fund—The 7% deducted from the pay of all employee members is held in trust in this fund. Return of his entire account, as a benefit or as a refund is guaranteed to each member or his beneficiary or his estate.

Employers' Accumulation Fund—The 9% of payroll paid by the State and the 8% of payroll paid by local governments are held in this fund for later transfer to the Annuity and Pension Reserve Fund when a member retires or his survivors qualify for benefits.

Annuity and Pension Reserve Fund—When a member retires, enough money is set aside in this fund to guarantee monthly benefits for the rest of his life. The amount set aside for each retiree includes:

- 1) all retirement deductions from his pay;
- 2) his employer's "matching" contributions;
- 3) interest earned by these funds.

Income Fund—Includes all income from investment. Interest is credited from this fund to the other funds each year. 1966 interest has been credited. The remainder shown in the fund is for transfer to the Expense Fund to operate the system during 1967 and to guarantee special interest requirements for 1967 retirements.

EXPENSE FUND Each January the Retirement Board adopts a budget to pay operating costs for the coming year. The money for this budget is in the expense fund. The amount shown is the remainder from 1966.

STATEMENT OF ASSETS,

ASSETS

Cash	
Office Cash Fund	
Deposits with State Treasurer	
Total Cash	
Accounts Receivable	
Equipment Development and Improvement	
<u>Investments</u>	
Bonds—Par Value	
United States Gov't.	
U. S. Treasury	
Federal Land Bank	
F. N. M. A.	
U. S. Gov't Ins.	
Merchant Marine	
Corporate	
Municipal	
Total Bonds at Par	
Add Premium	
Deduct Discount	
Book Value Bond Investments	
Short Term Investments	
Mortgages (Capehart) Par	
Add Premium	
Deduct Discount	
Book Value Mortgages	
Common Stocks (At Cost)	

TOTAL ASSETS

Funds

Members' Savings Fund	
Employers' Accumulation Fund	
Annuity and Pension Reserve Fund	
Survivor Benefit Fund	
Income Fund	
Interest Reserve for	
Members Retiring in 1967	
Expense Fund	
Total Funds	
Short Term Investment Income	

Reserves

For Guarantee of Interest Maintenance	
For Guarantee of Investments	
For Guarantee of Mortality Contingencies	
For Contribution Rate Increase Contingency	
Total Reserves	

TOTAL LIABILITIES AND RESERVES

ASSETS, LIABILITIES AND RESERVES

1966

1965

\$ 20.00
109,419.61

\$ 109,439.61
17,772,982.38
130,740.00

\$ 20.00
71,763.01

\$ 71,783.01
15,201,017.48

\$211,412,000.00
15,735,000.00
4,550,000.00

1,949,000.00
540,375,000.00
22,936,700.00

\$796,957,700.00
6,861,134.37
3,502,115.86

\$211,619,000.00
15,735,000.00
3,875,000.00

1,998,000.00
488,617,000.00
23,400,900.00

\$745,244,900.00
6,819,442.64
3,051,376.89

800,316,718.51
14,500,000.00

749,012,965.75
6,200,000.00

\$121,815,497.14
183,843.34
2,463,351.04

119,535,989.44
55,316,766.95

\$1,007,682,636.89

\$120,771,914.01
189,609.63
2,588,590.20

118,372,933.44
32,318,639.26

\$921,177,338.94

\$318,175,626.11
217,466,950.23
368,471,265.35
88,369,430.94
1,141,282.80

1,500,000.00
33,667.20

995,158,222.63
32,225.70

\$298,663,190.01
200,519,772.98
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80,718,371.37
827,655.20

1,500,000.00
54,344.80

911,272,357.56
35,839.25

\$ 1,902,939.00
1,677,052.00
3,453,249.00
5,458,948.56

12,492,188.56

\$1,007,682,636.89

\$ 1,902,939.00
1,677,052.00
3,453,249.00
2,835,902.13

9,869,142.13

\$921,177,338.94

INCOME RECEIVED DURING THE YEAR

The soundness of PERS financing in today's expanding society is reflected in the continued growth year by year of its annual income. Public employment grows in response to public need. This means greater future demands on PERS. More people will be receiving benefits each year. Recipients of disability benefits will increase and so will the number of those receiving survivor benefits.

PERS financing has been planned to meet these mounting eventualities. As the number of members of the system and the size of public payrolls increase so does the income of the Retirement

Fund. Members deposit 7% of their salaries; employers contribute 9% of payroll in the case of State of Ohio units, and 8% in the case of all other public employers (municipal, county and miscellaneous).

The increases shown in following tables provide continued assurance that the Retirement System will be able to meet its future as well as current responsibilities and obligations. During 1966 income was \$149,387,758 compared with \$133,551,951 the previous year. Following is a listing of income according to sources during 1966 and 1965:

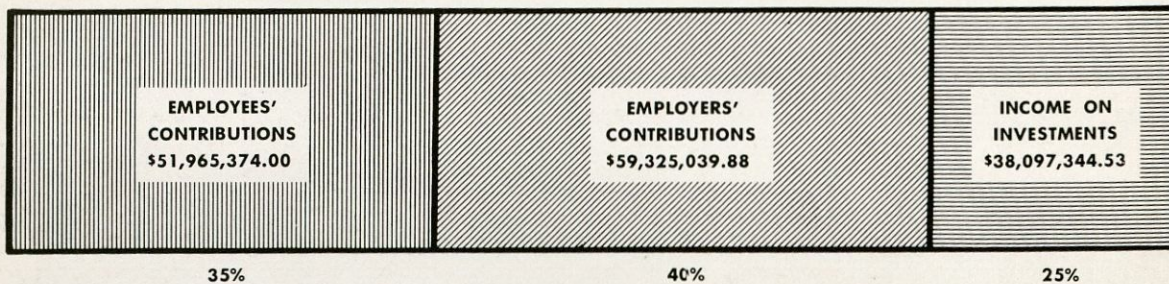
ANNUAL INCOME OF PERS

EMPLOYING UNIT	EMPLOYERS' CONTRIBUTIONS		EMPLOYEES' CONTRIBUTIONS		TOTAL	
	1966	1965	1966	1965	1966	1965
State of Ohio	\$26,232,345.30	\$20,582,425.01	\$20,594,699.26	\$18,175,294.93	\$ 46,827,044.56	\$ 38,757,719.94
Municipalities	14,753,941.28	13,987,145.94	14,012,701.15	13,284,401.45	28,766,642.43	27,271,547.39
Counties	12,775,248.94	11,883,712.95	12,133,360.26	11,286,645.44	24,908,609.20	23,170,358.39
Miscellaneous	5,563,504.36	5,185,941.13	5,224,613.33	4,869,913.41	10,788,117.69	10,055,854.54
Total Contributions	\$59,325,039.88	\$51,639,225.03	\$51,965,374.00	\$47,616,255.23	\$111,290,413.88	\$ 99,255,480.26

TYPE OF INVESTMENT	INVESTMENT INCOME	
	1966	1965
Bonds	\$ 31,254,717.83 ⁽¹⁾	\$ 28,882,852.86 ⁽¹⁾
Commercial Paper (short term)	121,681.61	118,642.36
Mortgages	5,123,713.49 ⁽¹⁾	4,434,877.44 ⁽¹⁾
Stocks	1,597,231.60	860,098.86
Total Investment Income	\$ 38,097,344.53	\$ 34,296,471.52
TOTAL CONTRIBUTIONS AND INVESTMENT INCOME	\$149,387,758.41	\$133,551,951.78

(1) Net of premium amortization and discount accumulation.

INCOME BY SOURCE - 1966



PERS FUNDS ARE INVESTED IN HIGH-GRADE SECURITIES

All money received by the Retirement System, except that kept on deposit with the State Treasurer to meet current obligations, is invested in income-producing, high-grade securities. As of the close of 1966 these investments totaled \$989,669,475. Eighty-one per cent of this was in bonds. Based on average purchase yields for the lifetime of these investments the income rate will be 4.21%.

The Retirement Board has been conservative in its investments, staying well

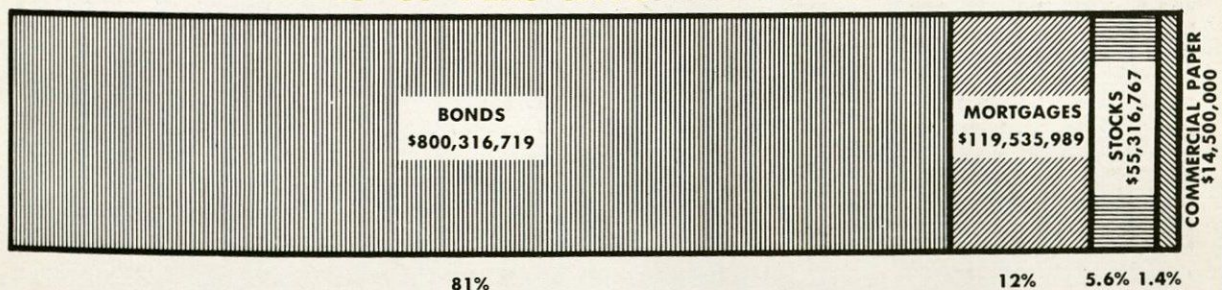
within the limitations specified in the law. For example, the statute limits stock investments to 25 per cent of the total. Current stock investments are only 5.60 per cent. In making its decisions the Board uses the advice of specialists on the PERS staff and consults Moody's Investors Service of New York, nationally-recognized investment counsel.

PERS investments as of the close of 1966 are summarized in the tables following:

	INVESTMENTS		% OF TOTAL INVESTMENTS	
	TOTAL INVESTED		1966	1965
	1966	1965	1966	1965
Bonds — Par Value				
U. S. Treasury	\$211,412,000	\$211,619,000	21.38	23.40
Federal Land Bank	15,735,000	15,735,000	1.59	1.74
F. N. M. A.	4,550,000	3,875,000	.46	.43
U. S. Gov't. Ins. Merchant Marine	1,949,000	1,998,000	.20	.22
Corporate	540,375,000	488,617,000	54.66	54.01
Municipal	22,936,700	23,400,900	2.32	2.59
Total	\$796,957,700	\$745,244,900		
Add Premium	6,861,134	6,819,443		
Deduct Discount	3,502,115	3,051,377		
Book Value Bonds	\$800,316,719	\$749,012,966		
Commercial Paper	14,500,000	6,200,000	1.47	.69
Mortgages (Capehart) Par	121,815,497	120,771,914	12.32	13.35
Add Premium	183,843	189,609		
Deduct Discount	2,463,351	2,588,590		
Book Value Mortgages	\$119,535,989	\$118,372,933		
Common Stock (At Cost)	55,316,767	32,318,639	5.60	3.57
TOTAL INVESTMENTS BOOK VALUE	\$989,669,475	\$905,904,538	100.00	100.00

(1) Based on Bonds, Mortgages and Commercial Paper at Par Value, and Common Stocks at Cost.

TYPES OF PERS INVESTMENTS—1966



BENEFITS AND OTHER PAYMENTS

PERS operations are sensitive to the society it serves. Ohio is a prosperous and growing state. For example, personal income for Ohio's working population rose by \$6.2 billion to a total of \$28.9 billion in 1965, compared to 1960. The population grew by 934,845 to a total of 10,641,242 between 1960 and 1966.

This continuing growth calls for more consumer goods and services, including services rendered by state and local governments. During 1966 PERS served the largest membership in its history; issued benefit allowances and refund checks to 62,476 individuals, compared with 53,230 in 1965. Payments to these individuals totaled \$63,263,134. A year ago the total was \$52,703,296.

A tabulation of expenditures appears below.

EXPENDITURES

TYPE	1966	1965
	AMOUNT	AMOUNT
Retirement Allowances	\$ 36,735,394.15	\$ 31,142,549.86
Beneficiary Allowances	4,067,168.71	3,541,998.56
Survivor Benefits	1,843,983.64	1,544,323.08
Disability Benefits	1,850,473.03	1,537,472.96
Refunds to Members	17,530,240.71	13,683,240.51
Refunds to Beneficiaries	1,235,874.40	1,253,711.15
TOTALS	63,263,134.64	52,703,296.12
Investment Purchases	151,157,746.21	164,077,028.57
Administrative Expenses	951,973.39	820,343.44
TOTALS	\$215,372,854.24	\$217,600,668.13

NOTE: Folders and pamphlets explaining when one may apply for retirement, disability or survivor benefits and how the amounts of these benefits are determined are available at principal auditor and payroll offices in state, county and municipal headquarters throughout Ohio. Copies also may be obtained by writing to PERS, 35 East Gay Street, Columbus, Ohio 43215.



PERS ADMINISTRATIVE COSTS DURING 1966

Increases in administrative costs in 1966 reflect a number of factors related to the growth of the Retirement System and its continuing effort to serve its membership efficiently and promptly, as well as the general advances in costs of equipment, supplies, rent and salaries.

The purchase of new automatic bookkeeping equipment was authorized during the year by the Retirement Board. These six machines coordinate with automatic data processing equipment already in use. They enable a consolidation of record keeping and a speed up in the processing of members' accounts, the calculation and issuance of payments, and also make readily available the data needed by the actuary. The cost is being amortized over a six-year period.

A computer is on order. Further modernization of PERS is planned. This is to assure that the operation of the System keeps pace with the increasing complexity resulting from constant growth in functions as well as numbers.

Following is a comparative listing of administrative expenses for 1966 and 1965:

OPERATING COSTS

	1966	1965
Salaries	\$628,395.97	\$544,361.25
Rent	57,005.45	55,701.36
Equipment (Includes Rental, Repair, Replacement)	60,882.61	47,466.77
Stationery and Printing	33,864.04	22,416.12
Office Supplies	22,338.71	12,973.65
Telephone, Telegraph, Power Freight and Express	14,742.31	13,752.38
Postage	34,309.04	26,241.26
Insurance and Workmen's Compensation	1,340.23	1,217.46
Employer's Contribution (PERS)	46,102.15	39,426.77
Medical Examinations and Investigations	9,690.17	8,182.30
Actuarial Service	7,150.00	15,725.00
Audit Service (Bureau of Inspection)	4,265.16	2,948.98
Investment Service	6,500.00	6,500.00
Microfilm	1,251.17	1,129.60
Travel (Staff, Secretary Board)	7,676.22	7,400.83
Publications (Subscriptions)	1,517.73	1,076.99
Bond Charges	3,889.93	10,476.11
Miscellaneous and Remodeling	11,052.50	3,346.61
Total	\$951,973.39	\$820,343.44
Number on PERS staff	113	104



STATEMENT OF CHANGES IN FUNDS AND RESERVES FOR YEAR ENDED DECEMBER 31, 1966

Transfers of funds to meet the pension requirements of members who retired or qualified for other allowances during the year are reflected in the figures on the following table. These transfers are in line with an actuarial formula calculated to guarantee sufficient reserves for payments in full to retirees and beneficiaries.

For example, \$18,264,339.34 which had been contributed by those who started drawing benefits in 1966 was transferred to the various benefit reserves. Employers' contributions of \$58,946,388.63 (refers to \$49,968,361.84 and \$8,978,027.79 shown under "Deductions" in "Transfers" column) were also

transferred to reserves for payment of retirement allowances and survivor benefits.

As will be noted in the second column, income received by PERS during the year exceeded expenditures by \$86,508,911.50, and was credited to various fund accounts shown on the statistical table.

A balance of \$318,175,626.11 remained in the employees' savings account (Member Contributions) as of December 31, 1966, a net increase of \$19,512,436.10 over a year ago.

FUNDS	Balance January 1 1966	Income in Excess of Expenditures	Interest Distribution		Transfers		Balance December 31 1966
			Additions	Deductions	Additions	Deductions	
Member Contributions	\$298,663,190.01	\$33,918,112.83	\$ 3,858,662.61		\$18,264,339.34		\$ 318,175,626.11
Future Service Retirement Annuities	200,519,772.98	50,452,578.09	16,462,961.00		49,968,361.84		217,466,950.23
Future Survivor Annuities	17,100,981.84	8,971,027.33	549,725.00		8,978,027.79		17,643,706.38
Disability Benefits	30,629,845.58	(1,843,235.51)*	1,088,624.00		\$ 5,864,152.75		35,739,386.82
Retirement Annuities in Force	298,214,536.19	(36,189,660.52)*	10,190,087.00		60,425,334.45		332,640,297.12
Statutory Cost of Living Adjustments	144,641.43	(53,060.02)*					91,581.41
Beneficiary Annuities in Force	44,604,737.83	(4,067,168.71)	1,504,519.00		7,283,092.12		49,325,180.24
Survivor Annuities in Force	19,012,651.70	(1,843,683.03)	652,813.00		3,578,762.65		21,400,544.32
Administrative Expenses	54,344.80	(942,832.24)			922,154.64		33,667.20
Income Fund	2,327,655.20	38,106,833.28					2,641,282.80
RESERVES for Guarantee of Interest	1,902,939.00			\$34,307,391.61		3,485,814.07	1,902,939.00
RESERVES for Guarantee of Investments	1,677,052.00						1,677,052.00
RESERVES for Guarantee of Mortality Contingencies	3,453,249.00						3,453,249.00
RESERVES for Guarantee of Rate Increase Contingency	2,835,902.13						5,458,948.56
TOTALS	\$921,141,499.69	\$86,508,911.50	\$34,307,391.61	\$34,307,391.61	\$80,696,543.04	\$80,696,543.04	\$1,007,650,411.19

*Disbursement account only.

ACTUARIAL AND AUDITING STATEMENTS

From the Actuary

GABRIEL, ROEDER, SMITH & COMPANY
CONSULTING ACTUARIES
FIRST NATIONAL BUILDING
DETROIT, MICHIGAN 48226
AREA 313-961-3346

April 21, 1967

The Retirement Board
Public Employees Retirement System of Ohio
Columbus, Ohio

Ladies and Gentlemen:

The last completed annual actuarial valuation of the System's liabilities covering retirants and beneficiaries is the June 30, 1966 valuation.

This valuation indicates that the mortality table in use continues to be a reasonable measure of mortality being experienced among retirants and beneficiaries.

The last completed biennial actuarial valuation of the System's members is the December 31, 1965 valuation.

This valuation indicates that the employee and employer contribution rates specified in the Code are sufficient to (i) fully fund the costs of benefit commitments being made to members for their service currently being rendered, and (ii) to fund over a reasonable period of future years the unfunded portion of liabilities for their service already rendered.

Based upon these valuations it is our opinion that the Public Employees Retirement System of Ohio is in sound financial condition in accordance with accepted actuarial principles.

Respectfully submitted,

R. G. Roeder

Richard G. Roeder

RGR:MM

$\sum C_w + \sum I_w - \sum B_w - \sum E_w$

From the State Auditor

All receipts and disbursements of the Public Employees Retirement System are audited annually by the Bureau of Inspection and Supervision of Public Offices, Auditor of State. The Certificate of Examination submitted following the last audit, which covered the calendar year 1965, stated: "The accounts, records, and files of the Public Employees Retirement System of Ohio were found to be accurately and currently maintained."

OHIO FIRTS



- The system's first state-wide retirement system for public employees
- The system's first state-wide retirement system to include a comprehensive schedule of benefits for all covered employees—members, disability, service retirement, loan, and death benefits
- The system's first state-wide retirement system to include a comprehensive schedule of benefits for all covered employees—members, disability, service retirement, loan, and death benefits
- The system's first public retirement system to provide a comprehensive schedule of benefits for all covered employees—members, disability, service retirement, loan, and death benefits
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- The system's first, and only state, retirement system to include employer costs (about 10%)

THE PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO
25 East Lane Street
Columbus, Ohio 43212



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