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SCHOOL EMPLOYEES RETIREMENT SYSTEM  
OF OHIO

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ACTUARIAL VALUATION  
JUNE 30, 1977

**HUGGINS**  
& COMPANY, INC.

CONSULTING ACTUARIES • EMPLOYEE BENEFIT PLAN CONSULTANTS

PHILADELPHIA

**HUGGINS**  
& COMPANY, INC.

CONSULTING ACTUARIES • EMPLOYEE BENEFIT PLAN CONSULTANTS

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December 15, 1977

The Retirement Board  
School Employees Retirement System of Ohio  
88 East Broad Street  
Columbus, Ohio 43215

Gentlemen:

We are pleased to present herein the report on our actuarial valuation of the School Employees Retirement System of Ohio as of June 30, 1977.

We wish to take this opportunity of expressing our appreciation for the very fine cooperation which we received from Mr. Brennan, Mr. Wilson and the other members of the staff.


Respectfully submitted,

HUGGINS & COMPANY, INC.

By



ROBERT H. SMITH, F.S.A.  
Member American Academy of Actuaries



E. HOWARD HILL, F.C.A.  
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PART I - ACTUARIAL BALANCE SHEET

Using the various monetary tables developed in connection with the 1975 Investigation and the data prepared by the staff and submitted to us, a complete valuation of the system was made as of June 30, 1977 in which the present and prospective assets and liabilities were calculated, based on legislation enacted by that date. The results are shown in the actuarial balance sheet on the following page.

It will be noted that the assets in the balance sheet consist of not only the present assets but also future assets represented by prospective contributions and future State appropriations to fund House Bill 284. The various fund balances included in the total present assets of \$707,434,278 obtained from the financial reports of the Board are shown in the balance sheet and the physical distribution of the present assets according to cash, investments, accrual items and furniture and equipment is shown in the footnote. The present value of future contributions of the present members and the present value of future employer contributions is shown in a combined total of \$1,120,202,212. In Part II we discuss the proper allocation of this total between the normal and deficiency contributions.

On the liability side of the balance sheet the major components of the total liability of \$1,836,616,085 are the liability for the benefits currently payable on account of present retirants and beneficiaries amounting to \$535,289,890 and the liability for present active and inactive members amounting to \$1,301,198,486. In addition, there is a minor reserve of \$127,709. An analysis of the various liability items and a comparison of liabilities with the corresponding fund balances follow the balance sheet, beginning on page 3.

ACTUARIAL BALANCE SHEET SHOWING PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES  
OF THE SCHOOL EMPLOYEES RETIREMENT SYSTEM - JUNE 30, 1977

A S S E T S

Present Assets:

Employees' Savings Fund .....	\$ 219,672,043
Annuity and Pension Reserve Fund .....	277,292,903
Survivors' Benefit Fund .....	46,191,118
Health Care Fund .....	15,917,826
Employers' Trust Fund .....	148,232,679
General Fixed Assets .....	<u>127,709</u>

Total present assets ..... \$ 707,434,278\*

Future assets:

Present value of future state appropriations to finance House Bill 284 (1971) .....	\$ 8,979,595
Present value of prospective member and employer contributions .....	<u>1,120,202,212</u>

Total future assets ..... \$ 1,129,181,807

TOTAL ASSETS ..... \$ 1,836,616,085

\*Distributed as follows:

Cash .....	\$ 204,628
Investments (at Book Value) .....	680,825,608**
Accounts Receivable .....	26,166,681
Furniture and equipment .....	<u>237,361</u>

\*\* Market Value - \$642,622,203.

L I A B I L I T I E S

Present value of benefits payable on account of present retirees and beneficiaries from the -

Annuity and Pension Reserve Fund:	
Superannuation retirees .....	\$ 360,787,463
Beneficiaries under option .....	13,959,257
Disability retirees .....	37,663,461
Death Benefit .....	<u>5,592,748</u>
Total Annuity & Pension Reserve Fund .....	\$ 418,002,929
Health Care Fund .....	66,527,882
Survivors' Benefit Fund .....	<u>50,759,079</u>

Total retirees and beneficiaries .....

\$ 535,289,890

Present value of benefits payable on account of active and inactive members -

Superannuation pensions .....	\$ 886,122,639
Disability pensions .....	42,155,209
Survivor benefits .....	52,560,306
Refunds .....	173,135,020
Health care .....	141,198,628
Retiree death benefit .....	<u>6,026,684</u>

Total active and inactive members .....

\$1,301,198,486

Reserve for contingencies; miscellaneous .....

127,709

TOTAL LIABILITIES .....

\$1,836,616,085

Liability related to present retirants and beneficiaries ..... \$535,289,890

A breakdown of the \$535,289,890 of liability related to present retirants and beneficiaries according to the type of benefit payment is shown in the following table. The costs of providing the Death Benefit and the Health Care Benefit are shown separately.

	<u>Liability for Retirants and Beneficiaries</u>			
	<u>Total Allowance</u>	<u>Death Benefit</u>	<u>Health Care</u>	<u>Total</u>
Superannuation retirants ...	\$360,787,463	\$5,193,150	\$50,406,755	\$416,387,368
Beneficiaries receiving optional allowances .....	13,959,257	-	2,238,287	16,197,544
Disability retirants .....	<u>37,663,461</u>	<u>399,598</u>	<u>6,069,166</u>	<u>44,132,225</u>
Sub-total .....	\$412,410,181	\$5,592,748	\$58,714,208	\$476,717,137
Survivors' Benefit Fund beneficiaries .....	<u>50,759,079</u>	<u>-</u>	<u>7,813,674</u>	<u>58,572,753</u>
Total Liability .....	\$463,169,260	\$5,592,748	\$66,527,882	\$535,289,890

Included in the \$412,410,181 of liability for present retirants and beneficiaries is \$14,333,670 related to past cost-of-living increases. Included in the \$50,759,079 of liability for present survivors is \$1,723,675 related to past cost-of-living increases. The Health Care liability includes the cost of Medicare B reimbursement. It is informative to compare the above liabilities with the corresponding fund balances shown in the actuarial balance sheet. The liabilities charged against the Annuity and Pension Reserve Fund result from the allowances payable to superannuation and disability retirants, the optional allowances payable to surviving beneficiaries of deceased retirants and retirant death benefits. The total of these liabilities is \$418,002,929 related to benefits to be paid from the Annuity and Pension Reserve Fund, which compares with \$286,272,498 (the total of the A & PRF balance of \$277,292,903 and the anticipated House Bill 284 state appropriations), leading to a deficiency of \$131,730,431. The corresponding deficiency a year earlier was \$146,428,057

so there was a decrease in this deficiency during the year of \$14,697,626.

It will also be noted that the Survivors' Benefit Fund had a fund balance of \$46,191,118 as compared with the liability of \$50,759,079 indicating a deficiency of \$4,567,961 in that Fund compared with a deficiency of \$7,206,766 a year earlier, a decrease of \$2,638,805.

The total deficiency in these two Funds is \$136,298,392.

A similar analysis of the Health Care Fund is not possible, since that fund covers liabilities of the active members as well as the retirants and survivors.

The status of that Fund is discussed in Part II of this report.

The number of retirants and beneficiaries and their annual allowances as of June 30, 1977, corresponding to the liabilities shown on the previous page, are shown in the following table:

CATEGORY	ANNUAL ALLOWANCES AS OF JUNE 30, 1977			
	NUMBER	BASIC	C-O-L INCREASES	TOTAL
Superannuation retirants .....	18,653	\$32,065,957	\$1,527,060	\$33,593,017
Beneficiaries receiving optional allowances ....	1,150	1,684,734	111,239	1,795,973
Disability retirants ....	<u>1,530</u>	<u>3,254,262</u>	<u>109,986</u>	<u>3,364,248</u>
Sub-Total .....	21,333	\$37,004,953	\$1,748,285	\$38,753,238
Survivors' Benefit Fund beneficiaries .....	<u>2,414</u>	<u>4,397,969</u>	<u>201,317</u>	<u>4,599,286</u>
Total Allowances on June 30, 1977 .....	<u>23,747</u>	<u>\$41,402,922</u>	<u>\$1,949,602</u>	<u>\$43,352,524</u>

Age distributions of the retirants and beneficiaries in the various categories are shown in schedules at the end of this report, as follows:

	<u>SCHEDULE</u>
Superannuation retirants - men .....	A
Superannuation retirants - women .....	B
Beneficiaries receiving optional allowances	C
Disability retirants - men and women .....	D
Survivor beneficiaries:	
Receiving allowances .....	E
Entitled to deferred allowances .....	F

Liability related to present active and inactive members ..... \$1,301,198,486

The \$1,301,198,486 of liability related to the active and inactive members of the system compares with \$1,201,678,257 one year earlier and is based on the data summarized briefly in the table below:

	<u>M e n</u>	<u>W o m e n</u>	<u>T o t a l</u>
Active members:			
Number .....	27,815	68,325	96,140
Salaries .....	\$191,428,973	\$245,545,915	\$436,974,888
Present value of 1% of future salaries .....	17,932,202	27,772,412	45,704,614
Number of inactive members:			
(a) Eligible for pensions ....	2,345	2,987	5,332
(b) Eligible for refunds only.	23,557	39,605	63,162

Age distributions of the members are shown at the end of this report in Schedule G for active members and in Schedule H for inactive members.

Reserve for contingencies; miscellaneous ..... \$ 127,709

This is the Investment in General Fixed Assets.

Total liabilities ..... \$1,836,616,085

The total liability represents the present value of all obligations of the System for all future benefits, both those related to service prior to June 30, 1977 and those that will be related to subsequent service, based on legislation enacted by that date, summarized in Schedule I.

The actuarial assumptions used in this valuation are summarized in Schedule J at the end of this report.

PART II - RATES OF CONTRIBUTIONS

In connection with the 1977 valuation, a New Entrant study was made (based on members with less than two years of service) in order to determine the normal contribution rate. The results of that study, adjusted for changes in benefits and assumed future interest, indicate a total normal rate of 15.96% of salary, with the breakdown shown in the table below:

Superannuation retirement benefit .....	9.28%
Disability retirement benefit .....	.66
Survivor benefit .....	1.15
Refund of contributions .....	3.12
Health care .....	1.62
Retirant death benefit .....	<u>.13</u>
 Total normal contribution rate .....	 <u>15.96%</u>

This total normal cost of 15.96% of payroll is slightly higher than the corresponding rate of 15.87% determined in the valuation as of June 30, 1976.

The age distribution of the new entrants used in our study appears in Schedule G(2). This schedule shows the number and total salaries of the new entrants separately for men and women. In the following summary we show the totals from that schedule along with the total present value of 1% of their future salaries.

	<u>Men</u>	<u>Women</u>	<u>Total</u>
Number .....	7,817	18,003	25,820
Salaries .....	\$21,196,845	\$24,723,363	\$45,920,208
Present Value of 1% of Future Salaries .....	2,289,080	3,418,603	5,707,683
Average Salary ...	2,712	1,373	1,778
Average Age .....	34.7	37.2	36.5

In our 1976 valuation, the average salary of the new entrants was \$2,603 for men and \$1,327 for women, so the average increased slightly for both men and women this year. Last year the average age at entry for men was 34.5 years and for women, 37.0 years so these average ages both increased slightly this year.



In order to determine what portion of the future asset item of \$1,120,202,212 will be funded by the total normal contribution rate of 15.96% of salary, we have determined that the present value of 1% of the present members' future salaries is \$45,704,614. The present value of future normal contributions is, therefore, 15.96 times \$45,704,614, or \$729,445,639. This leaves a deficiency of \$390,756,573 to be funded by the remainder of the future contributions. The corresponding figure a year earlier was \$353,122,096, which means that the total system deficiency increased by \$37,634,477.

In order to analyze the deficiency funding, let us start with the present total contribution rate of 20.50% of payroll, of which the member pays 8.00% and the State 12.50%. If we deduct the normal contribution rate of 15.96%, we are left with a balance of 4.54% available for funding the deficiency. The question to be answered is over how long a period will this rate of 4.54% be required in order to fund the deficiency of \$390,756,573.

Before making this calculation, we should be aware of the consistently large increases in total payroll of the members in recent years, which have been as shown below.

<u>Year Ending June 30</u>	<u>Total Payroll of Members</u>	<u>Percentage Increase</u>
1968 .....	\$199,733,000	13.2
1969 .....	220,278,000	10.3
1970 .....	247,774,000	12.5
1971 .....	276,782,000	11.7
1972 .....	305,167,000	10.3
1973 .....	323,600,000	6.0
1974 .....	342,400,000	5.8
1975 .....	382,000,000	11.6
1976 .....	416,600,000	9.1
1977 .....	444,500,000	6.7

These increases, which have averaged almost 10% annually during the past ten years, have generally reflected both the effect of inflation on individual compensation and an increase in the membership. This year, however, there was only a 0.6% increase in the number of active members.

We have made our calculations on three different bases at substantially lower rates than those listed above, as follows:

1. Assuming that payrolls will continue at the 1976 - 1977 level of approximately \$444,500,000.
2. Assuming that payrolls will increase in the future at the rate of 3% per annum, compounded annually.
3. Assuming that payrolls will increase in the future at the rate of 5% per annum, compounded annually.

Our calculations indicate that, for the present total contribution rate of 20.50% of payroll, of which 15.96% is on account of the normal cost and 4.54% is on account of the deficiency, the funding periods on the three different assumptions as to future payrolls are as follows:

	<u>Assumptions as to Future Payrolls</u>		
	<u>No</u>	<u>3% Annual</u>	<u>5% Annual</u>
	<u>Increase</u>	<u>Increase</u>	<u>Increase</u>
		Over 50	
Period of deficiency funding ...		years	
		25.5 years	20.3 years

These calculations indicate that the total employer rate of 12.50% of payroll, along with a member contribution rate of 8.0%, will fund the normal cost each year and complete the funding of the deficiency in periods varying from 20.3 years to over 50 years, depending on the assumption as to future payroll increases.

In connection with this valuation, we made an actuarial valuation of the Health Care Benefits. Based on the present benefit provisions including Medicare "B" reimbursement, we have determined that the normal contribution rate for Health Care Benefits should be 1.62% of payroll, and this figure is included in our total normal contribution rate of 15.96%.

We have also determined that the liabilities for these benefits are as follows:

	<u>Liability 6/30/77</u>
Retirants and other beneficiaries .....	\$ 66,527,882
Active and inactive members .....	<u>141,198,628</u>
Total liabilities .....	\$207,726,510
Health Care Fund balance .....	<u>15,917,826</u>
Unfunded liability for Health Care .....	\$191,808,684
Present value of 1.62% future Normal Contributions .....	<u>74,041,475</u>
Deficiency for Health Care benefits .....	\$117,767,209

When this deficiency of \$117,767,209 for future Health Care benefits is funded in the same manner as the total deficiency (over a period of 25.5 years assuming 3% annual increases in total payroll) we arrive at a deficiency contribution rate for Health Care of 1.37% of payroll.

To summarize, we find that the total employer cost for Health Care benefits included in the overall employer rate of 12.50%, is as follows:

Normal contribution rate for Health Care .....	1.62%
Deficiency contribution rate .....	<u>1.37</u>
Total employer rate for Health Care .....	<u>2.99%</u>

Last year the total employer rate for Health Care was 3.14%.

When the Health Care Fund was established as of January 1, 1974, the Board was crediting 0.75% of payroll to it each month, charging it with premiums paid to Aetna and crediting the premiums paid by the beneficiaries.

Subsequently, this Fund was established on an actuarial basis and credited with the total rate determined from time to time. This rate is 2.99% as shown above and is subject to change upon subsequent valuation. The Fund should also be credited with interest at 5% annually in the same manner as the other funds.

In our valuation of future Health Care benefits, we have taken into account a number of factors, as follows:

1. We have assumed that active members becoming covered in the future will, on the average, be eligible for Medicare benefits to the extent of 90% of the males and 85% of the females.
2. We have arrived at a composite monthly premium rate of \$26.25 taking into account a number of variables such as sex, age at retirement, percentage of members electing joint pensions and percentage not eligible for Medicare benefits.
3. By expressing \$26.25 as a percent of the average monthly superannuation pension for new retirees (we used the figure \$179.78 applicable for retirees from July 1976 through June 1977) we calculated liabilities as 14.60% of the liabilities for superannuation, disability and survivor benefit. Since our liability for superannuation allows for future increases in the average pension due to salary increases prior to retirement and cost-of-living increases after retirement, our method provides a built-in adjustment for future premium increases.

PART III - SUMMARY

This valuation reveals a continuing expansion of the retirement system due to the continued increases in payroll.

Using the results for the deficiency funding period based on assumed 3% annual increases in total payroll of covered members in the future, we find that the funding period for the deficiency remained at the 25.5 years determined in the previous valuation.

The total increase in the deficiency during this period was \$37,634,477, broken down as follows:

	<u>Increase</u>
Annuity and Pension Reserve Fund .....	\$(-)14,697,626
Survivor Benefit Fund .....	(-) 2,638,805
Employers' Trust Fund .....	<u>54,970,908</u>
Total .....	<u>\$ 37,634,477</u>

A major portion of the decrease in the deficiency in the Annuity and Pension Reserve Fund and the Survivor Benefit Fund and the increase in the Employers' Trust Fund resulted from the transfer of funds from the Employers' Trust Fund to the other two Funds to compensate for insufficient transfers made in prior years.

As a result the balance in the Employers' Trust Fund has decreased in the past year from \$177,447,247, to \$148,232,679 and is approximately 67% of the balance of \$219,672,043 in the Employees' Savings Fund. This means that, on the average, the System has a reserve of \$1,461 in addition to the employees' personal account, for each of the 101,472 out of the 164,634 active and inactive members entitled to pensions in the future. This average was \$1,757 as of June 30, 1976. It is important, therefore, to build up this reserve. Consequently, we recommend that, unless changes are made by 1977-1978 legislation, the contribution rates be continued at present levels, namely:

Rate of member contribution .....	8.00%
Rate of employer contribution .....	<u>12.50</u>
Total rate of contribution .....	<u>20.50%</u>

SUPERANNUATION RETIRANTS - JUNE 30, 1977 - MEN

Age	Straight Life		Options		Total	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
45	1	\$ 6,355	-	\$ -	1	\$ 6,355
51	-	-	3	21,309	3	21,309
52	-	-	2	8,153	2	8,153
53	-	-	3	31,214	3	31,214
54	-	-	4	29,816	4	29,816
55	2	10,952	6	40,414	8	51,366
56	5	11,797	8	40,366	13	52,163
57	6	21,892	8	38,099	14	59,991
58	8	26,360	12	68,083	20	94,443
59	7	35,129	18	97,146	25	132,275
60	13	61,606	34	137,067	47	198,673
61	47	86,702	50	156,376	97	243,078
62	63	129,668	90	197,329	153	326,997
63	119	246,035	133	269,384	252	515,419
64	122	245,708	160	383,304	282	629,012
65	180	363,614	210	441,938	390	805,552
66	209	412,349	229	521,127	438	933,476
67	266	520,018	237	530,537	503	1,050,555
68	244	500,920	255	566,798	499	1,067,718
69	256	486,687	239	577,195	495	1,063,882
70	222	426,482	224	519,678	446	946,160
71	285	583,244	210	493,453	495	1,076,697
72	229	425,491	199	423,645	428	849,136
73	234	439,776	155	299,024	389	738,800
74	261	463,590	142	345,333	403	808,923
75	186	364,984	122	242,995	308	607,979
76	168	287,953	89	172,623	257	460,576
77	147	284,599	81	215,627	228	500,226
78	161	318,275	76	161,801	237	480,076
79	154	306,606	57	121,201	211	427,807
80	132	316,035	54	115,526	186	431,561
81	122	231,546	37	88,097	159	319,643
82	106	239,588	44	96,860	150	336,448
83	111	240,445	26	59,799	137	300,244
84	100	211,987	16	34,734	116	246,721
85	96	211,694	21	40,067	117	251,761
86	61	144,567	18	34,256	79	178,823
87	65	146,556	15	37,594	80	184,150
88	41	93,979	9	22,177	50	116,156
89	36	83,197	11	18,495	47	101,692
90	33	63,515	10	22,916	43	86,431
91	25	60,863	11	22,707	36	83,570
92	18	33,651	-	-	18	33,651
93	10	19,313	3	4,991	13	24,304
94	6	14,411	1	4,022	7	18,433
95	2	4,913	-	-	2	4,913
96	2	4,926	-	-	2	4,926
97	2	6,995	-	-	2	6,995
98	1	2,041	-	-	1	2,041
99	-	-	-	-	-	-
100	2	6,448	-	-	2	6,448
102	-	-	2	2,415	2	2,415
Total	<u>4,566</u>	<u>\$9,203,462</u>	<u>3,334</u>	<u>\$7,755,691</u>	<u>7,900</u>	<u>\$16,959,153</u>

SUPERANNUATION RETIRANTS - JUNE 30, 1977 - WOMEN

Age	Straight Life		Options		Total	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
46	-	\$ -	1	\$ 5,017	1	\$ 5,017
49	1	3,521	-	-	1	3,521
50	2	19,048	-	-	2	19,048
51	-	-	1	7,235	1	7,235
52	1	8,732	1	7,338	2	16,070
53	4	14,415	-	-	4	14,415
54	2	11,951	1	5,932	3	17,883
55	1	2,631	2	12,504	3	15,135
56	2	10,471	-	-	2	10,471
57	10	46,166	4	16,100	14	62,266
58	11	51,671	4	14,354	15	66,025
59	16	64,866	8	23,665	24	88,531
60	67	129,075	35	49,915	102	178,990
61	276	374,017	87	131,819	363	505,836
62	351	499,750	100	122,917	451	622,667
63	456	580,382	134	199,571	590	779,953
64	494	635,720	133	149,340	627	785,060
65	466	599,759	150	167,671	616	767,430
66	497	689,969	147	180,915	644	870,884
67	585	885,458	150	195,719	735	1,081,177
68	539	771,556	109	141,232	648	912,788
69	535	756,189	90	122,116	625	878,305
70	480	748,845	77	105,257	557	854,102
71	507	794,373	56	111,111	563	905,484
72	448	751,677	42	62,217	490	813,894
73	409	652,617	31	72,822	440	725,439
74	389	596,217	19	28,208	408	624,425
75	346	553,251	31	59,267	377	612,518
76	269	429,510	20	33,495	289	463,005
77	273	462,999	16	31,039	289	494,038
78	223	383,059	12	18,967	235	402,026
79	228	398,452	4	3,955	232	402,407
80	209	368,365	5	8,654	214	377,019
81	187	363,189	5	8,806	192	371,995
82	180	297,926	6	10,227	186	308,153
83	172	283,591	3	5,078	175	288,669
84	135	245,913	1	1,247	136	247,160
85	118	234,585	5	6,587	123	241,172
86	92	195,725	5	9,673	97	205,398
87	57	117,793	2	2,867	59	120,660
88	54	104,218	1	1,166	55	105,384
89	52	99,094	1	3,776	53	102,870
90	32	72,493	-	-	32	72,493
91	29	66,238	1	3,378	30	69,616
92	18	44,941	-	-	18	44,941
93	7	24,179	1	1,326	8	25,505
94	8	17,797	-	-	8	17,797
95	6	15,769	-	-	6	15,769
96	4	7,588	-	-	4	7,588
97	2	3,175	-	-	2	3,175
98	2	2,455	-	-	2	2,455
Total	<u>9,252</u>	<u>\$14,491,381</u>	<u>1,501</u>	<u>\$2,142,483</u>	<u>10,753</u>	<u>\$16,633,864</u>

SCHEDULE B

BENEFICIARIES RECEIVING OPTIONAL ALLOWANCES - JUNE 30, 1977

Age	Optional Life Pensions				Optional Term Certain Pensions		
	Men		Women		Year of Expiry	Number	Annual Allowance
	Number	Annual Allowance	Number	Annual Allowance			
39	-	\$ -	1	\$ 303			
40	-	-	-	-	76	1	\$ 1,243
41	-	-	-	-			
42	-	-	-	-			
43	-	-	-	-			
44	-	-	-	-	77	6	9,938
45	-	-	-	-			
46	-	-	1	974			
47	-	-	1	1,201			
48	-	-	-	-	78	13	27,072
49	-	-	-	-			
50	-	-	-	-			
51	-	-	-	-	79	13	30,742
52	-	-	-	-			
53	-	-	1	678			
54	-	-	2	2,323			
55	-	-	3	7,801	80	16	21,741
56	-	-	-	-			
57	1	1,280	-	-			
58	-	-	3	3,196			
59	-	-	2	2,817	81	11	30,826
60	-	-	3	3,190			
61	2	2,502	10	10,946			
62	3	3,471	4	10,949			
63	7	13,471	3	3,323	82	18	33,224
64	7	8,852	12	16,458			
65	11	15,331	11	9,552			
66	12	17,405	15	25,359			
67	25	20,128	14	15,903	83	19	20,329
68	16	23,346	19	20,038			
69	23	35,633	18	30,335			
70	25	28,174	14	18,874			
71	29	32,691	26	39,101	84	8	14,201
72	26	47,922	26	37,815			
73	20	29,351	24	34,522			
74	22	28,490	38	49,682			
75	21	31,100	32	43,528	85	7	11,760
76	10	14,514	34	60,595			
77	23	29,789	6	8,391			
78	19	31,399	25	42,501			
79	12	19,730	35	55,075	87	3	3,833
80	12	24,309	33	57,970			
81	9	12,690	27	52,264			
82	14	18,363	35	61,324			
83	6	8,279	21	39,569	89	1	758
84	8	10,591	25	43,669			
85	2	1,686	22	37,494			
86	4	5,065	17	31,002			
87	3	4,103	15	29,011	90	2	1,654
88	6	6,593	8	12,653			
89	6	11,759	11	19,635			
90	3	3,863	12	25,260			
91	4	7,408	6	17,148	91	3	9,582
92	1	922	7	15,810			
93	4	8,576	3	4,569			
94	1	1,306	1	1,851			
95	1	1,491	1	3,049			
96	-	-	2	4,635			
97	1	4,143	1	1,001			
Total	399	\$565,726	630	\$1,013,344		121	\$216,903

SCHEDULE C



DISABILITY RETIRANTS - JUNE 30, 1977

Age	M E N		W O M E N	
	Number	Annual Allowance	Number	Annual Allowance
32	-	\$ -	1	\$ 2,132
33	1	5,912	-	-
34	1	910	1	3,957
35	3	10,910	-	-
36	1	2,387	1	4,321
37	-	-	1	3,325
38	4	13,349	2	5,944
39	2	10,066	3	10,230
40	5	19,604	1	2,602
41	2	5,510	9	21,499
42	3	10,659	4	8,072
43	5	30,091	5	10,834
44	5	31,258	7	18,051
45	7	32,712	12	29,041
46	7	31,025	11	26,270
47	8	19,446	9	16,015
48	17	60,568	10	20,495
49	11	35,582	21	37,968
50	20	52,141	10	19,261
51	20	59,804	28	52,936
52	21	73,192	21	38,247
53	26	81,035	23	43,183
54	37	146,952	31	63,269
55	34	108,555	33	62,052
56	40	89,612	26	43,591
57	49	117,639	53	98,274
58	46	137,426	35	56,205
59	37	112,190	58	90,005
60	49	128,144	66	105,246
61	50	106,455	51	86,615
62	41	87,516	48	67,261
63	41	81,512	33	54,486
64	20	34,731	29	48,984
65	31	50,918	23	39,497
66	21	35,466	16	24,513
67	15	26,246	15	23,981
68	12	26,611	14	24,225
69	14	26,468	19	28,335
70	9	15,026	9	13,059
71	9	16,564	12	20,959
72	4	10,349	7	12,824
73	6	10,921	7	11,522
74	6	10,384	6	10,544
75	2	3,565	2	2,710
76	2	2,916	-	-
77	1	1,662	3	4,166
78	1	2,080	2	3,311
79	-	-	1	1,298
80	-	-	-	-
81	1	2,417	2	8,618
82	-	-	2	5,829
Total	<u>747</u>	<u>\$1,978,486</u>	<u>783</u>	<u>\$1,385,762</u>

SCHEDULE D

SURVIVORS' BENEFIT FUND - JUNE 30, 1977

BENEFICIARIES CURRENTLY RECEIVING ALLOWANCES - MEN

Age	OPTION 1 OR DEPENDENT PARENT OR SPOUSE WITH NO ELIGIBLE CHILD		SPOUSE WITH ELIGIBLE CHILDREN	
	Number	Annual Allowance	Number	Annual Allowance
18	1	\$ 1,799	-	\$ -
32	1	2,889	-	-
38	-	-	1	2,832
39	-	-	2	5,664
41	1	2,277	-	-
43	-	-	1	2,832
44	-	-	4	10,960
45	-	-	2	5,664
46	-	-	3	7,296
47	1	2,277	5	12,837
48	1	1,490	6	18,048
49	-	-	1	2,232
50	2	1,749	7	17,328
51	1	1,272	3	6,307
52	2	2,778	3	7,941
53	4	5,144	3	6,256
54	2	2,569	5	11,102
55	1	982	7	14,029
56	2	2,894	5	11,892
57	1	1,638	4	9,017
58	1	1,272	2	4,275
59	3	5,137	6	12,724
60	5	7,594	5	11,158
61	8	14,660	3	7,398
62	5	6,946	1	2,232
63	6	7,873	-	-
64	8	9,205	1	2,277
65	10	13,859	1	2,889
66	9	11,452	1	2,277
67	13	16,150	-	-
68	8	9,585	1	2,232
69	4	7,528	-	-
70	13	19,710	1	2,832
71	13	17,663	-	-
72	11	12,968	-	-
73	3	5,890	-	-
74	7	10,014	-	-
75	8	12,263	-	-
76	7	10,052	-	-
77	4	4,486	-	-
78	5	6,940	-	-
79	5	10,314	-	-
80	4	6,646	-	-
81	-	-	-	-
82	2	3,378	-	-
83	7	12,796	-	-
84	-	-	-	-
85	-	-	-	-
86	1	1,412	-	-
87	4	5,326	-	-
88	1	1,297	-	-
89	-	-	-	-
90	1	1,021	-	-
112	1	1,525	-	-
114	1	1,758	-	-
Total	<u>198</u>	<u>\$ 286,478</u>	<u>34</u>	<u>\$ 202,531</u>

SCHEDULE E(1)

SURVIVORS' BENEFIT FUND JUNE 30, 1977

BENEFICIARIES CURRENTLY RECEIVING ALLOWANCES - WOMEN

<u>Age</u>	<u>OPTION 1 OR DEPENDENT PARENT OR SPOUSE WITH NO ELIGIBLE CHILD</u>		<u>SPOUSE WITH ELIGIBLE CHILDREN</u>	
	<u>Number</u>	<u>Annual Allowance</u>	<u>Number</u>	<u>Annual Allowance</u>
22	1	\$ 302	-	\$ -
23	1	2,314	-	-
24	-	-	-	-
25	-	-	-	-
26	-	-	1	2,853
27	-	-	-	-
28	-	-	1	2,434
29	-	-	-	-
30	1	7,000	2	6,631
31	-	-	1	3,517
32	-	-	1	2,889
33	-	-	-	-
34	1	8,714	1	4,073
35	-	-	1	3,703
36	1	3,257	1	3,715
37	-	-	2	6,285
38	1	2,277	1	4,265
39	-	-	4	18,413
40	-	-	4	12,649
41	-	-	6	22,977
42	-	-	4	15,050
43	-	-	4	14,157
44	1	2,232	7	22,499
45	-	-	6	21,125
46	-	-	4	13,376
47	2	3,809	10	44,408
48	3	9,441	10	36,853
49	3	2,062	8	30,724
50	5	11,001	12	40,097
51	3	6,922	13	45,192
52	7	18,372	4	12,076
53	15	32,687	10	31,637
54	15	25,717	7	22,377
55	21	38,711	13	41,439
56	16	31,550	19	61,884
57	19	42,403	7	17,312
58	21	43,305	9	27,741
59	31	55,212	11	32,654
60	36	71,260	3	10,291
61	33	69,703	3	8,685
62	52	97,273	2	5,419
63	89	160,000	2	6,188
64	74	123,931	2	6,285

SCHEDULE E(2)

SURVIVORS' BENEFIT FUND JUNE 30, 1977

BENEFICIARIES CURRENTLY RECEIVING ALLOWANCES - WOMEN  
(continued)

<u>Age</u>	<u>OPTION 1 OR DEPENDENT PARENT OR SPOUSE WITH NO ELIGIBLE CHILD</u>		<u>SPOUSE WITH ELIGIBLE CHILDREN</u>	
	<u>Number</u>	<u>Annual Allowance</u>	<u>Number</u>	<u>Annual Allowance</u>
65	69	\$ 105,935	-	\$ -
66	61	103,598	-	-
67	68	111,453	-	-
68	69	121,911	-	-
69	72	122,508	1	2,931
70	78	133,616	-	-
71	64	118,046	-	-
72	59	97,291	-	-
73	48	98,548	-	-
74	59	115,560	-	-
75	46	93,434	-	-
76	38	68,516	-	-
77	32	57,448	-	-
78	29	68,178	-	-
79	30	60,772	-	-
80	30	63,691	-	-
81	26	55,816	-	-
82	22	55,843	-	-
83	20	46,829	-	-
84	8	22,362	-	-
85	13	30,038	-	-
86	11	25,163	-	-
87	8	16,519	-	-
88	6	11,956	-	-
89	5	8,325	-	-
90	4	6,681	-	-
91	2	3,546	-	-
92	-	-	-	-
93	1	1,881	-	-
94	1	1,551	-	-
<b>Total</b>	<b><u>1,431</u></b>	<b><u>\$2,696,470</u></b>	<b><u>197</u></b>	<b><u>\$ 664,804</u></b>

SCHEDULE E(2)  
(concluded)

SURVIVORS' BENEFIT FUND - JUNE 30, 1977

BENEFICIARIES CURRENTLY RECEIVING ALLOWANCES - CHILDREN WITH NO ELIGIBLE PARENT

AGE OF YOUNGEST CHILD	NUMBER OF CHILDREN AGE																						ANNUAL ALLOWANCE
	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	TOTAL		
3	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	\$ 2,277	
5	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2,277	
6	-	-	-	5	-	-	1	-	1	1	1	-	-	-	-	-	-	-	-	-	12	10,533	
7	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1,210	
8	-	-	-	-	-	5	-	-	-	-	-	1	1	-	-	-	-	-	-	-	7	10,317	
9	-	-	-	-	-	-	1	-	-	-	-	1	1	-	-	-	-	-	-	-	3	2,601	
10	-	-	-	-	-	-	-	4	-	-	2	1	1	-	-	-	-	-	-	-	7	9,063	
11	-	-	-	-	-	-	-	-	8	1	3	1	1	-	-	-	-	-	-	-	14	20,066	
12	-	-	-	-	-	-	-	-	-	4	-	2	1	1	-	-	-	-	-	-	8	9,194	
13	-	-	-	-	-	-	-	-	-	-	2	-	-	2	1	1	-	-	-	-	7	4,775	
14	-	-	-	-	-	-	-	-	-	-	-	12	1	3	-	-	-	-	-	-	20	26,973	
15	-	-	-	-	-	-	-	-	-	-	-	-	10	3	-	1	1	1	-	-	16	22,149	
16	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-	1	1	-	-	-	13	22,153	
17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	3	1	1	-	-	18	24,653	
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	2	-	-	-	15	19,962	
19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2	-	3	3,442	
20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	-	-	8	12,632	
21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	4	4,769	
22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	3	4,414	
Total	1	1	1	7	1	1	5	2	4	9	6	8	17	16	22	15	21	8	10	7	3	\$213,460	

SURVIVORS' BENEFIT FUND - JUNE 30, 1977

BENEFICIARIES CURRENTLY RECEIVING ALLOWANCES - INCOMPETENTS

Age of Incompetent	INCOMPETENT CHILD		INCOMPETENT SPOUSE			SPOUSE WITH INCOMPETENT CHILD		
	Number	Annual Allowance	Age	Number	Annual Allowance	Spouse Age	Number	Annual Allowance
17	1	\$ 2,724	52	2	\$ 4,516	51	1	\$ 2,674
20	1	2,566	55	1	1,639	54	1	1,210
27	1	2,709	57	1	2,386	56	1	2,232
29	1	1,698	58	2	2,795	58	3	9,055
33	1	1,948	59	1	1,582	60	1	2,310
38	1	1,671	60	2	2,405	61	1	2,632
40	2	3,199	61	1	1,192	62	1	2,976
46	1	1,818	62	5	7,931	63	4	14,143
53	1	1,937	63	2	2,406	64	2	6,194
56	1	1,937	64	2	2,705	65	2	5,915
			65	2	2,767	69	1	2,232
						70	1	2,232
						71	1	2,813
						72	2	5,085
						73	1	3,535
						87	1	3,188
<b>Total</b>	<b>11</b>	<b>\$22,207</b>		<b>21</b>	<b>\$32,324</b>		<b>24</b>	<b>\$68,426</b>

SCHEDULE E(4)

SURVIVORS' BENEFIT FUND - JUNE 30, 1977

BENEFICIARIES NOW ENTITLED TO DEFERRED ALLOWANCE ONLY

<u>DEFERRED TO AGE 65</u>			<u>DEFERRED TO AGE 62</u>		<u>DEFERRED TO AGE 50</u>	
<u>Age</u>	<u>Number</u>	<u>Annual Allowance</u>	<u>Number</u>	<u>Annual Allowance</u>	<u>Number</u>	<u>Annual Allowance</u>
41	-	\$ -	1	\$ 2,447	-	\$ -
42	-	-	-	-	-	-
43	-	-	1	1,948	1	1,999
44	-	-	4	6,417	-	-
45	-	-	1	1,152	-	-
46	1	1,849	2	2,599	-	-
47	-	-	1	1,210	2	5,596
48	-	-	6	8,482	2	4,700
49	-	-	7	11,702	1	1,524
50	1	1,187	3	3,866	4	6,498
51	3	4,210	5	7,014	-	-
52	3	3,583	9	13,275	-	-
53	3	3,700	11	16,483	-	-
54	1	1,152	13	18,915	-	-
55	1	1,577	8	12,422	-	-
56	3	3,447	15	22,138	-	-
57	2	2,638	24	36,506	-	-
58	2	2,124	23	33,366	-	-
59	4	4,752	28	42,455	-	-
60	3	3,405	22	30,177	-	-
61	4	4,754	27	38,320	-	-
62	2	3,029	12	16,183	-	-
63	6	7,287	-	-	-	-
64	6	7,460	-	-	-	-
65	7	9,038	-	-	-	-
<b>Total</b>	<b><u>52</u></b>	<b><u>\$65,192</u></b>	<b><u>223</u></b>	<b><u>\$327,077</u></b>	<b><u>10</u></b>	<b><u>\$20,317</u></b>

SCHEDULE F

CONTRIBUTING ACTIVE MEMBERS - JUNE 30, 1977

AGE	MEN		WOMEN	
	NUMBER	SALARIES	NUMBER	SALARIES
17	15	\$ 7,920	11	\$ 3,140
18	51	39,368	70	43,257
19	216	430,729	293	592,636
20	440	1,484,501	425	1,032,798
21	491	2,024,504	482	1,337,953
22	527	2,498,606	557	1,656,244
23	554	2,404,334	641	2,107,885
24	673	3,210,175	737	2,423,604
25	615	3,114,753	710	2,380,842
26	622	3,071,686	692	2,204,140
27	610	3,110,240	672	2,128,675
28	543	2,854,027	786	2,703,039
29	589	3,224,499	902	2,573,909
30	597	2,900,041	1,148	2,997,194
31	505	2,589,964	1,162	3,052,783
32	385	2,113,929	1,117	2,846,136
33	411	2,281,813	1,359	3,371,764
34	431	2,480,744	1,595	4,238,484
35	474	2,680,181	1,875	5,087,752
36	441	2,645,748	1,836	5,036,034
37	470	2,617,864	1,936	5,683,451
38	470	2,978,619	1,987	5,907,986
39	484	3,158,486	2,191	6,717,702
40	524	3,196,268	2,221	7,250,177
41	497	3,447,165	2,178	6,937,282
42	551	3,631,081	2,219	7,427,026
43	520	3,608,719	2,126	7,444,039
44	537	3,757,087	2,042	7,209,880
45	503	3,676,362	2,086	7,654,520
46	520	4,121,650	2,031	7,550,946
47	611	4,496,880	2,091	7,941,722
48	604	4,617,439	2,077	7,959,420
49	584	4,440,893	2,119	8,341,139
50	695	5,580,292	2,092	8,396,279
51	627	4,940,667	2,005	8,039,646
52	678	5,574,191	1,876	7,564,217
53	731	6,000,671	1,993	8,524,577
54	735	6,548,395	1,853	7,852,215
55	695	6,177,100	1,900	8,284,784
56	771	6,427,767	1,964	8,733,203
57	769	6,754,323	1,674	7,454,536
58	702	5,964,706	1,435	6,358,152
59	751	6,415,283	1,479	6,879,641

SCHEDULE G(1)



CONTRIBUTING ACTIVE MEMBERS - JUNE 30, 1977  
(continued)

AGE	MEN		WOMEN	
	NUMBER	SALARIES	NUMBER	SALARIES
60	664	\$ 5,623,517	1,260	\$ 5,815,827
61	686	5,926,529	988	4,444,845
62	651	5,890,333	920	4,306,727
63	562	4,890,552	651	3,049,305
64	501	4,433,881	541	2,494,396
65	442	3,731,757	434	1,919,719
66	292	2,430,324	290	1,245,370
67	224	1,700,340	183	790,158
68	168	1,191,037	131	505,516
69	121	839,120	100	404,663
70	109	679,620	72	285,902
71	51	251,604	37	126,923
72	32	176,188	22	56,721
73	26	105,312	13	37,243
74	25	83,631	6	9,873
75	20	64,801	7	13,153
76	10	34,438	3	3,689
77	12	76,319	22	105,076
Total	<u>27,815</u>	<u>\$191,428,973</u>	<u>68,325</u>	<u>\$245,545,915</u>

SCHEDULE G(1)  
(concluded)

NEW ENTRANTS

AGE	MEN		WOMEN	
	NUMBER	SALARIES	NUMBER	SALARIES
17	14	\$ 4,942	11	\$ 3,140
18	51	39,368	70	43,257
19	215	426,023	289	581,955
20	370	1,060,424	345	613,315
21	351	1,013,204	344	669,478
22	322	970,197	353	614,345
23	347	918,597	394	755,951
24	423	1,155,540	439	767,460
25	331	903,854	410	752,225
26	325	835,100	389	578,524
27	316	725,864	355	468,576
28	269	640,520	401	612,125
29	280	762,711	535	749,586
30	299	655,682	662	843,341
31	212	399,959	631	848,276
32	159	380,116	598	734,486
33	159	400,671	670	844,378
34	151	335,780	705	864,860
35	161	341,915	779	1,014,684
36	140	371,123	694	882,886
37	150	313,435	655	823,760
38	128	329,795	621	771,832
39	126	300,703	695	927,259
40	157	421,676	597	825,722
41	135	327,234	574	788,350
42	140	353,375	504	677,045
43	120	388,305	525	808,218
44	126	378,397	443	538,347
45	114	354,770	394	505,320
46	75	256,896	389	520,662
47	102	333,217	375	482,410
48	112	318,926	336	459,205
49	99	341,654	292	422,644
50	114	392,585	327	386,708
51	98	308,270	298	336,920
52	92	307,497	274	407,573
53	103	394,492	254	300,103
54	80	324,737	212	264,257
55	85	344,354	221	286,518
56	118	409,527	209	256,518
57	85	353,302	165	184,055
58	85	273,666	121	115,987
59	92	326,470	99	110,926
60	36	217,077	78	100,212
61	69	215,821	68	43,276
62	43	141,802	53	32,345
63	43	123,626	27	29,207
64	32	71,306	33	28,237
65	38	76,225	23	3,659
66	24	44,313	22	16,299
67	21	35,651	21	7,610
68	18	25,119	8	3,021
69	12	19,039	5	2,745
70	7	12,324	4	3,862
71	11	2,894	3	4,557
72	3	4,801	2	35
73	1	620	-	-
74	2	918	-	-
75	3	2,824	-	-
76	1	2,300	1	27
77	2	5,312	1	84
Total	<u>7,317</u>	<u>\$21,196,845</u>	<u>13,003</u>	<u>\$24,723,363</u>

Average  
Age

34.7

37.2

SCHEDULE G(2)

INACTIVE MEMBERS - JUNE 30, 1977

ELIGIBLE FOR FUTURE ALLOWANCE

<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>
25	1	3	60	105	169
26	1	4	61	72	82
27	1	6	62	56	40
28	3	5	63	48	34
29	7	10	64	41	34
30	4	6	65	33	29
31	6	7	66	16	13
32	7	11	67	16	11
33	13	13	68	10	9
34	20	9	69	9	6
35	16	16	70	5	6
36	25	23	71	1	2
37	17	26	72	3	3
38	28	22	73	4	4
39	41	29	74	2	1
40	32	41	75	3	-
41	39	45	76	2	1
42	53	53	77	7	3
43	63	58			
44	58	66	Totals	<u>2,345</u>	<u>2,987</u>
45	62	68			
46	54	69			
47	82	76			
48	72	93			
49	112	111			
50	86	115			
51	105	108			
52	131	141			
53	121	154			
54	102	170			
55	97	163			
56	118	188			
57	106	208			
58	123	196			
59	106	227			

SCHEDULE H(1)

INACTIVE MEMBERS - JUNE 30, 1977

NOT ELIGIBLE FOR FUTURE ALLOWANCE

<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>
			55	365	759
			56	529	958
17	5	9	57	328	740
18	8	1	58	273	667
19	27	19	59	324	640
20	77	109	60	278	540
21	146	206	61	251	498
22	255	270	62	241	452
23	324	398	63	211	421
24	383	609	64	193	325
25	585	875	65	203	294
26	728	1,085	66	162	197
27	783	1,171	67	148	218
28	883	1,245	68	109	177
29	912	1,291	69	95	147
30	889	1,476	70	84	100
31	782	1,126	71	76	92
32	611	850	72	77	95
33	606	868	73	55	68
34	685	903	74	50	52
35	639	1,010	75	58	41
36	598	980	76	42	34
37	558	1,013	77 &		
38	576	1,007	over	587	343
39	512	1,048			
40	509	1,029	TOTAL	<u>23,557</u>	<u>39,605</u>
41	522	1,000			
42	496	1,045			
43	485	1,029			
44	493	917			
45	503	993			
46	500	933			
47	508	1,014			
48	528	898			
49	463	888			
50	486	919			
51	474	846			
52	444	876			
53	410	936			
54	425	855			

SCHEDULE H(2)

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Summary of the Benefit Provisions of the Retirement System  
as of June 30, 1977

The School Employees Retirement System of Ohio makes provision for retirement, disability, death, survivor and health care benefits to all non-certificated employees of the public school system. The major provisions of the System may be summarized as follows:

I. Service Retirement

A. Eligibility

- (1) Attainment of age 60 and completion of 5 or more years of service; or
- (2) Attainment of age 55 and completion of 25 or more years of service; or
- (3) Completion of 30 or more years of service.

B. Annual Allowance

- (1) Greater of 2% of the average annual compensation during the 3 years (whether or not consecutive) of highest compensation or \$86 times total service. Annuity is reduced unless member has 30 years of service or has attained age 65. Maximum allowance is 90% of the final average compensation, or
- (2) An annuity with a reserve equal to twice the member's accumulated contributions plus \$180 if member had at least ten years of service on October 1, 1956, if larger than (1).

C. Optional forms of annuity

Option 1 - A joint-life annuity payable during the lifetime of the member, with the designated beneficiary to continue to receive 100% thereof if living at the death of the member. If the beneficiary is the spouse and dies before the member or if marriage is terminated by divorce the member will get the same benefit he would have if he had not elected any option.

Option 2 - A joint-life annuity payable during the lifetime of the member, with the designated beneficiary to receive a lesser annuity if living at the death of the member. If the beneficiary is the spouse and dies before the member or if marriage is terminated by divorce the member will get the same benefit he would have if he had not elected any option.

SCHEDULE I

Summary of the Benefit Provisions of the Retirement System  
as of June 30, 1977

(continued)

Option 3 - A life annuity payable during the lifetime of the member, with a guarantee that at least an elected number of monthly payments will be paid in any event.

Option 4 - Any other benefit arrangement approved by the Board and certified by the actuary to be an actuarially equivalent benefit.

II. Disability Retirement

A. Eligibility

- (1) Completion of 5 or more years of service and less than 60 years of age, and
- (2) Determination by a physician that member is mentally or physically incapable of performing his duty.

B. Annual Allowance

- (1) An annuity with a reserve equal to the member's accumulated contributions plus
- (2) The difference between (1) and the greater of 2% of the average compensation during the 3 years of highest compensation or \$86 times total service plus years and months from date of disability to age 60. Maximum allowance is 75% of final average salary. Minimum allowance is 30% of final average salary.

III. Death Benefit

Upon the death of a retirant receiving a service or disability allowance a lump sum payment of \$500 is paid.

IV. Survivor Benefit

- A. If member was eligible for service retirement, surviving spouse or other sole dependent beneficiary may elect to receive the allowance that would have been payable had the member retired on date of death and elected Option 1.
- B. If member had completed at least 1½ years of service with at least ¼ year of contributing service within the 2½ years prior to death or was on disability retirement at date of death, survivors may elect to receive an allowance depending on number of eligible survivors as follows:

SCHEDULE I  
(continued)

Summary of the Benefit Provisions of the Retirement System  
as of June 30, 1977

(continued)

<u>Number</u>	<u>Benefit as Percent of Final Average Salary</u>	<u>Minimum Benefit</u>
1	25%	\$1,152*
2	40%	2,232
3	50%	2,832
4	55%	2,832
5 or more	60%	2,832

\*If recipient is spouse and member had 10 or more years of service minimum is \$1,272.

Eligible survivors are:

- (1) Spouse (as long as not remarried) age 62 or age 50 if member had 10 or more years of service or any age if caring for dependent (or adjudged mentally or physically incompetent) child.
- (2) Unmarried child under age 18 (under age 22 if attending school).
- (3) Parent age 65 or over who received at least one-half of his support from the member in the year prior to death.

C. Beneficiary may elect to receive the member's accumulated contributions instead of A or B.

V. Cost-of-Living Adjustment

Effective 24 months after receiving or becoming eligible to receive an allowance, such allowance will be increased by 2% of the basic allowance in any year in which the Consumer Price Index has increased at least 2%.

VI. Minimum Payments

If the total benefits paid are less than the member's accumulated contributions, the difference will be paid to the member's beneficiary.

VII. Member's Contribution

Member contributes 8% of his compensation.

VIII. Health Care

Each benefit recipient is provided health insurance which supplements medicare benefits if the recipient is covered by medicare and provides comprehensive coverage if not. Premiums for Part B of medicare are reimbursed.

SCHEDULE I  
(concluded)

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

ACTUARIAL ASSUMPTIONS - JUNE 30, 1977

SUPERANNUATION RETIRANTS, BENEFICIARIES,  
AND SURVIVOR BENEFICIARIES

INTEREST: 5% per annum, compounded annually.

MORTALITY: 1955 American Annuity Table, with ages set up one year for men and set back three years for women.

DISABILITY RETIRANTS

INTEREST: 5% per annum, compounded annually.

MORTALITY: Rates developed in 1975 Investigation, based on 1970-1975 experience.

ACTIVE AND INACTIVE MEMBERS

INTEREST: 5% per annum, compounded annually.

RATES OF WITHDRAWAL, MORTALITY, DISABILITY, SUPERANNUATION AND COMPENSATION INCREASE: Rates developed in 1975 Investigation, based on 1970-1975 experience. Values at specimen ages are shown in the table below.

	AGE	RATES OF SEPARATION DUE TO:				RATES OF COMPENSATION INCREASE
		Withdrawal	Death	Disability	Superannuation	
<u>MEN</u>	20	.1691	.0008	-	-	.0689
	30	.0826	.0011	.0002	-	.0567
	40	.0581	.0020	.0005	-	.0473
	50	.0394	.0049	.0038	.0002	.0387
	55	.0331	.0083	.0059	.0072	.0347
	60	.0288	.0123	-	.0544	.0307
	65	.0288	.0163	-	.1711	.0267
	70	-	.0203	-	.1436	.0227
	75	-	-	-	1.0000	-
<u>WOMEN</u>	20	.1507	.0002	-	-	.0879
	30	.0858	.0003	-	-	.0823
	40	.0620	.0006	.0002	-	.0691
	50	.0396	.0023	.0015	.0003	.0498
	55	.0315	.0041	.0030	.0016	.0399
	60	.0267	.0060	-	.1171	.0311
	65	.0246	.0072	-	.1406	.0248
	70	-	.0096	-	.1739	.0189
	75	-	-	-	1.0000	-

SCHEDULE J