

Library

SCHOOL EMPLOYEES RETIREMENT SYSTEM
OF OHIO

ACTUARIAL VALUATION
JUNE 30, 1978

HUGGINS
& COMPANY, INC.

CONSULTING ACTUARIES • EMPLOYEE BENEFIT PLAN CONSULTANTS

PHILADELPHIA

HUGGINS
& COMPANY, INC.

CONSULTING ACTUARIES • EMPLOYEE BENEFIT PLAN CONSULTANTS

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December 6, 1978

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, 1978.

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



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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, 1978 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 not only of 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 \$787,187,523 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 \$1,216,383,787. 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 \$2,011,692,479 are the liability for the benefits currently payable on account of present retirants and beneficiaries amounting to \$643,297,004 and the liability for present active and inactive members amounting to \$1,367,416,126. In addition, there is a miscellaneous reserve of \$979,349. 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, 1978

A S S E T S

L I A B I L I T I E S

Present Assets:

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

Employees' Savings Fund	\$ 228,743,248
Annuitiy and Pension Reserve Fund	333,734,442
Survivors' Benefit Fund	51,250,950
Health Care Fund	24,243,385
Employers' Trust Fund	148,236,149
Miscellaneous	<u>979,349</u>

Total present assets

\$ 787,187,523*

Future assets:

Present value of future state appropriations to finance House Bill 284 (1971)

\$ 8,121,169

Present value of prospective member and employer contributions

1,216,383,787

Total future assets

\$ 1,224,504,956

TOTAL ASSETS

\$ 2,011,692,479

*Distributed as follows:

Cash	\$ 416,095
Investments (at Book Value)	757,589,019
Accounts Receivable	27,959,668
Furniture and equipment	<u>1,222,741</u>

** Market Value - \$682,035,858.

Annuitiy and Pension Reserve Fund:	
Superannuation retirees	\$ 406,498,155
Beneficiaries under option	15,808,773
Disability retirees	44,872,997
Death Benefit	<u>6,003,529</u>
Total Annuitiy & Pension Reserve Fund	\$ 473,183,454
Health Care Fund	115,303,614
Survivors' Benefit Fund	<u>54,809,936</u>

Total retirees and beneficiaries

\$ 643,297,00

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

Superannuation pensions	\$ 821,560,942
Disability pensions	44,885,688
Survivor benefits	56,422,817
Refunds	187,287,076
Health care	251,035,652
Retiree death benefit	<u>6,223,951</u>

Total active and inactive members

\$1,367,416,12

979,34

Miscellaneous

TOTAL LIABILITIES

\$ 2,011,692,479

\$787,187,523

Liability related to present retirants and beneficiaries \$643,297,004

A breakdown of the \$643,297,004 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 ...	\$406,498,155	\$5,554,912	\$ 86,985,502	\$499,038,569
Beneficiaries receiving optional allowances	15,808,773	-	3,995,079	19,803,852
Disability retirants	<u>44,872,997</u>	<u>448,617</u>	<u>11,120,702</u>	<u>56,442,316</u>
Sub-total	\$467,179,925	\$6,003,529	\$102,101,283	\$575,284,737
Survivors' Benefit Fund beneficiaries	<u>54,809,936</u>	<u>-</u>	<u>13,202,331</u>	<u>68,012,367</u>
Total Liability	\$521,989,861	\$6,003,529	\$115,303,614	\$643,297,004

Included in the \$467,179,925 of liability for present retirants and beneficiaries is \$16,368,049 related to past cost-of-living increases. Included in the \$54,809,936 of liability for present survivors is \$1,998,915 related to past cost-of-living increases. The Health Care liability includes the cost of Medicare B reimbursement and includes the increase in premiums effective January 15, 1979. 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 \$473,183,454 related to benefits to be paid from the Annuity and Pension Reserve Fund, which compares with \$341,855,611 (the total of the A & PRF balance of \$333,734,442 and the anticipated House Bill 284

state appropriations), leading to a deficiency of \$131,327,843. The corresponding deficiency a year earlier was \$131,730,431 so there was a decrease in this deficiency during the year of \$402,588. It will also be noted that the Survivors' Benefit Fund had a fund balance of \$51,250,950 as compared with the liability of \$54,809,936 indicating a deficiency of \$3,558,986 in that Fund compared with a deficiency of \$4,567,961 a year earlier, a decrease of \$1,008,975. The total deficiency in these two Funds is \$134,886,829.

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, 1978, corresponding to the liabilities shown on the previous page, are shown in the following table:

CATEGORY	ANNUAL ALLOWANCES AS OF JUNE 30, 1978			
	NUMBER	BASIC	C-O-L INCREASES	TOTAL
Superannuation retirants	19,996	\$35,246,912	\$1,696,639	\$36,943,551
Beneficiaries receiving optional allowances	1,247	1,830,968	126,790	1,957,758
Disability retirants	<u>1,717</u>	<u>3,855,924</u>	<u>143,723</u>	<u>3,999,647</u>
Sub-Total	22,960	\$40,933,804	\$1,967,152	\$42,900,956
Survivors' Benefit Fund beneficiaries	<u>2,498</u>	<u>4,644,270</u>	<u>230,724</u>	<u>4,874,994</u>
Total Allowances on June 30, 1978	<u>25,458</u>	<u>\$45,578,074</u>	<u>\$2,197,876</u>	<u>\$47,775,950</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..... \$1,367,416,126

The \$1,367,416,126 of liability related to the active and inactive members of the system compares with \$1,301,198,486 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	29,228	71,513	100,741
Salaries	\$200,346,429	\$267,071,049	\$467,417,478
Present value of 1% of future salaries	18,902,558	30,160,761	49,063,319
Number of inactive members:			
(a) Eligible for pensions	2,431	3,351	5,782
(b) Eligible for refunds only.	24,799	42,786	67,585

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.

Miscellaneous Liabilities \$ 979,349

This is the Investment in General Fixed Assets and the Deferred Payment.

Total liabilities \$2,011,692,479

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, 1978 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 1978 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 15.57% of salary, with the breakdown shown in the table below:

Superannuation retirement benefit	7.84%
Disability retirement benefit66
Survivor benefit	1.15
Refund of contributions	3.14
Health care	2.65
Retirant death benefit	<u>.13</u>
 Total normal contribution rate	 <u>15.57%</u>

This total normal cost of 15.57% of payroll is slightly lower than the corresponding rate of 15.96% determined in the valuation as of June 30, 1977. The decrease in the rate for superannuation is due to reduced service credit for part-time employees. The increase in health care is due to large increases in the premiums being paid. 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	9,743	21,115	30,858
Salaries	\$24,316,677	\$29,233,904	\$53,550,581
Present Value of 1% of Future Salaries	2,627,421	4,063,100	6,690,521
Average Salary ...	2,496	1,385	1,735
Average Age	34.5	37.1	36.3

In our 1977 valuation, the average salary of the new entrants was \$2,712 for men and \$1,373 for women, so the average decreased for men and increased slightly for women this year. Last year the average age at entry for men was

34.7 years and for women, 37.2 years so these average ages both decreased slightly this year.

In order to determine what portion of the future asset item of \$1,216,383,787 will be funded by the total normal contribution rate of 15.57% of salary, we have determined that the present value of 1% of the present members' future salaries is \$49,063,319. The present value of future normal contributions is, therefore, 15.57 times \$49,063,319, or \$763,915,877. This leaves a deficiency of \$452,467,910 to be funded by the remainder of the future contributions. The corresponding figure a year earlier was \$390,756,573, which means that the total system deficiency increased by \$61,711,337.

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 15.57%, we are left with a balance of 4.93% available for funding the deficiency.

The question to be answered is over how long a period will this rate of 4.93% be required in order to fund the deficiency of \$452,467,910.

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>
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
1978	475,700,000	7.0

These increases, which have averaged over 9% annually during the past ten years, reflect both the effect of inflation on individual compensation and an increase in the membership.

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 1977 - 1978 level of approximately \$475,700,000.
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 15.57% is on account of the normal cost and 4.93% 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	25.4 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 2.65% of payroll, and this figure is included in our total normal contribution rate of 15.57%.

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

	<u>Liability 6/30/78</u>
Retirants and other beneficiaries	\$115,303,614
Active and inactive members	<u>251,035,652</u>
Total liabilities	\$366,339,266
Health Care Fund balance	<u>24,243,385</u>
Unfunded liability for Health Care	\$342,095,881
Present value of 2.65% future Normal Contributions	<u>130,017,795</u>
Deficiency for Health Care benefits	\$212,078,086

When this deficiency of \$212,078,086 for future Health Care benefits is funded in the same manner as the total deficiency (over a period of 25.4 years assuming 3% annual increases in total payroll) we arrive at a deficiency contribution rate for Health Care of 2.31% 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	2.65%
Deficiency contribution rate	<u>2.31</u>
Total employer rate for Health Care	<u>4.96%</u>

Last year the total employer rate for Health Care was 2.99%.

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 4.96% 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 \$46.04 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 \$46.04 as a percent of the average monthly superannuation pension for new retirees (we used the figure \$191.28 applicable for retirees from July 1977 through June 1978) we calculated liabilities as 24% of the liabilities for superannuation (adjusting for those that will not have full credited service in the future), 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 was reduced slightly from the 25.5 years determined in the previous valuation to 25.4 years.

The total increase in the deficiency during this period was \$61,711,337, broken down as follows:

	<u>Increase</u>
Annuity and Pension Reserve Fund	\$(-) 402,588
Survivor Benefit Fund	(-) 1,008,975
Employers' Trust Fund	(-) 31,187,977
Health Care Fund	<u>94,310,877</u>
Total	<u>\$ 61,711,337</u>

The decrease in the deficiency in the Annuity and Pension Reserve Fund and the Survivor Benefit Fund resulted largely from the transfer of funds from the Employers' Trust Fund to the other two Funds to compensate for insufficient transfers made in prior years. The decrease in deficiency in The Employers' Trust Fund resulted from reduced liability for superannuation retirement due to reduced future service credit for part-time employees. The increase in The Health Care Fund resulted from premium increases of about 35% in January, 1978 and 41% effective January 1979.

The balance in the Employers' Trust Fund has not grown in the past year. As of June 30, 1977 it was \$148,232,679, and is \$148,236,149 as of June 30, 1978 and is approximately 65% of the balance of \$228,743,248 in the Employees' Savings Fund. This means that, on the average, the System has a reserve of \$1,392 in addition to the employees' personal account, for each of the 106,523

out of the 174,108 active and inactive members entitled to pensions in the future. This average was \$1,461 as of June 30, 1977. It is important, therefore, to build up this reserve. Consequently, we recommend that, unless changes are made by 1978-1979 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, 1978 - MEN

Age	Straight Life		Options		Total	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
46	1	\$ 6,355	-	\$ -	1	\$ 6,355
49	-	-	1	7,020	1	7,020
50	-	-	1	6,932	1	6,932
51	-	-	1	9,614	1	9,614
52	1	2,208	5	31,566	6	33,774
53	-	-	5	20,429	5	20,429
54	1	2,580	10	82,277	11	84,857
55	1	5,092	12	73,901	13	78,993
56	3	16,917	15	98,630	18	115,547
57	10	51,126	13	71,149	23	122,275
58	9	30,007	16	93,921	25	123,928
59	13	62,364	19	118,727	32	181,091
60	18	66,668	36	158,303	54	224,971
61	48	127,661	88	253,595	136	381,256
62	68	127,682	77	216,370	145	344,052
63	105	233,400	139	347,376	244	580,776
64	140	325,532	170	364,633	310	690,165
65	163	358,904	186	460,066	349	818,970
66	238	533,643	288	689,301	526	1,222,944
67	225	485,303	246	591,486	471	1,076,789
68	279	568,251	246	561,743	525	1,129,994
69	251	515,560	258	622,404	509	1,137,964
70	258	506,273	245	625,557	503	1,131,830
71	225	444,607	232	519,373	457	963,980
72	280	587,008	209	493,211	489	1,080,219
73	222	423,631	197	426,550	419	850,181
74	231	436,241	143	279,977	374	716,218
75	256	457,388	132	323,106	388	780,494
76	184	366,603	113	218,273	297	584,876
77	159	273,115	81	161,372	240	434,487
78	138	282,507	73	191,466	211	473,973
79	150	305,364	74	158,811	224	464,175
80	149	302,129	48	107,446	197	409,575
81	128	317,582	45	93,509	173	411,091
82	111	208,945	31	70,974	142	279,919
83	91	202,357	41	87,421	132	289,778
84	103	225,379	22	53,062	125	278,441
85	83	181,022	15	33,358	98	214,380
86	85	189,247	14	29,347	99	218,594
87	51	122,811	17	33,214	68	156,025
88	50	104,643	14	35,518	64	140,161
89	36	84,380	7	13,077	43	97,457
90	33	76,004	9	14,045	42	90,049
91	29	57,106	8	18,946	37	76,052
92	20	52,780	8	18,158	28	70,938
93	16	29,453	-	-	16	29,453
94	6	8,331	3	4,991	9	13,322
95	5	12,288	-	-	5	12,288
96	1	3,342	1	-	1	3,342
97	-	-	-	-	-	-
98	-	-	-	-	-	-
99	1	2,041	-	-	1	2,041
100	-	-	-	-	-	-
101	2	6,448	-	-	2	6,448
103	-	-	1	1,189	1	1,189
Total	<u>4,677</u>	<u>\$9,788,278</u>	<u>3,614</u>	<u>\$8,891,394</u>	<u>8,291</u>	<u>\$18,679,672</u>

SUPERANNUATION RETIRANTS - JUNE 30, 1978 - WOMEN

Age	Straight Life		Options		Total	
	number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
47	-	\$ -	1	\$ 5,017	1	\$ 5,017
49	1	6,996	1	7,089	2	14,085
50	1	3,521	-	-	1	3,521
51	2	19,048	-	-	2	19,048
52	-	-	1	7,235	1	7,235
53	2	12,742	1	7,338	3	20,080
54	4	14,643	1	3,770	5	18,413
55	2	12,040	1	5,932	3	17,972
56	2	5,167	2	12,751	4	17,918
57	10	34,580	1	5,097	11	39,677
58	17	82,468	2	13,123	19	95,591
59	14	66,590	7	34,028	21	100,618
60	82	152,343	32	53,037	114	205,380
61	274	396,010	81	111,228	355	507,238
62	373	507,282	115	173,049	488	680,331
63	494	725,328	136	185,185	630	910,513
64	532	706,468	159	249,042	691	955,510
65	556	744,024	149	174,318	705	918,342
66	578	814,030	161	179,472	739	993,502
67	563	794,432	146	183,596	709	978,028
68	613	954,238	151	201,239	764	1,155,477
69	559	832,647	110	146,147	669	978,794
70	559	816,406	90	129,478	649	945,884
71	516	828,117	73	100,609	589	928,726
72	521	840,535	54	117,135	575	957,670
73	449	772,112	40	54,977	489	827,089
74	407	658,249	27	62,892	434	721,141
75	382	574,964	18	23,630	400	598,594
76	342	551,230	26	48,871	368	600,101
77	257	413,210	19	32,409	276	445,619
78	260	441,200	14	22,193	274	463,393
79	204	348,341	10	17,618	214	365,959
80	223	393,638	3	2,654	226	396,292
81	201	356,610	5	8,654	206	365,264
82	179	350,430	5	8,860	184	359,290
83	162	268,455	6	10,227	168	278,682
84	159	262,487	3	5,078	162	267,565
85	126	230,604	2	1,622	128	232,226
86	107	212,145	4	5,252	111	217,397
87	80	170,095	3	5,013	83	175,108
88	46	93,587	2	2,867	48	96,454
89	48	91,906	1	1,166	49	93,072
90	47	87,167	1	3,776	48	90,943
91	24	48,352	-	-	24	48,352
92	24	53,142	1	3,378	25	56,520
93	16	40,582	-	-	16	40,582
94	6	20,895	-	-	6	20,895
95	5	9,919	-	-	5	9,919
96	3	6,019	-	-	3	6,019
97	3	6,764	-	-	3	6,764
98	2	3,175	-	-	2	3,175
99	2	2,455	-	-	2	2,455
100	-	-	-	-	-	-
101	1	439	-	-	1	439
Total	<u>10,040</u>	<u>\$15,837,827</u>	<u>1,665</u>	<u>\$ 2,426,052</u>	<u>11,705</u>	<u>\$18,263,879</u>

BENEFICIARIES RECEIVING OPTIONAL ALLOWANCES - JUNE 30, 1978

Age	Optional Life Pensions				Optional Term Certain Pensions		
	Men		Women		Year of Expiry	Number	Annual Allowance
	Number	Annual Allowance	Number	Annual Allowance			
40	-	\$ -	1	\$ 308			
47	1	974	-	-			
48	-	-	1	1,201			
49	-	-	-	-			
50	-	-	-	-	76	1	\$ 1,267
51	-	-	-	-			
52	-	-	-	-			
53	-	-	-	-	77	1	1,435
54	-	-	1	678			
55	-	-	2	2,323			
56	-	-	3	7,801	78	7	19,103
57	-	-	-	-			
58	1	1,949	2	8,602			
59	-	-	3	3,196	79	18	37,005
60	-	-	2	2,852			
61	1	1,015	3	3,227			
62	-	-	12	13,509	80	20	39,801
63	1	504	10	16,361			
64	1	1,383	12	20,363			
65	3	2,692	23	34,719	81	17	40,255
66	5	3,709	21	26,522			
67	5	6,315	30	51,347			
68	5	4,635	36	41,275	82	21	35,617
69	5	4,273	38	54,393			
70	2	2,031	40	65,784			
71	2	1,949	45	66,550	83	25	31,135
72	4	3,165	54	76,464			
73	3	3,090	54	87,860			
74	1	356	49	68,005	84	8	14,479
75	4	4,179	62	78,259			
76	3	3,963	56	79,981			
77	1	838	48	81,940	85	8	13,244
78	1	1,668	28	36,595			
79	-	-	43	71,242			
80	2	2,351	49	75,305	86	1	754
81	1	1,069	44	76,224			
82	1	2,427	38	67,306			
83	-	-	48	80,270	87	3	3,874
84	1	1,421	27	47,660			
85	1	743	32	54,210			
86	-	-	23	34,230	89	1	773
87	2	3,474	19	33,995			
88	-	-	17	29,426			
89	1	1,013	13	21,392	90	3	2,385
90	-	-	17	31,194			
91	-	-	13	25,747			
92	-	-	9	20,666	91	4	10,961
93	-	-	7	15,334			
94	-	-	7	13,398			
95	-	-	3	5,454	92	2	1,047
96	-	-	1	1,491			
97	-	-	2	4,635			
98	-	-	1	4,143			
Total	<u>58</u>	<u>\$61,186</u>	<u>1,049</u>	<u>\$1,643,437</u>		<u>140</u>	<u>\$253,135</u>

DISABILITY RETIRANTS - JUNE 30, 1978

Age	M E N		W O M E N	
	Number	Annual Allowance	Number	Annual Allowance
33	1	\$ 6,305	1	\$ 2,175
34	1	6,030	-	-
35	2	2,992	1	3,957
36	2	11,388	-	-
37	1	2,387	2	8,297
38	1	4,287	1	3,390
39	5	24,912	6	15,556
40	2	10,262	3	10,388
41	8	43,844	-	-
42	3	9,429	10	24,320
43	7	25,224	4	8,188
44	6	37,427	8	18,758
45	6	33,135	10	23,709
46	11	48,039	11	25,614
47	12	63,166	18	41,630
48	13	41,601	15	28,418
49	20	84,235	14	29,389
50	15	43,067	23	50,329
51	24	62,361	16	33,621
52	23	77,939	29	55,212
53	26	90,667	26	53,858
54	33	113,053	31	61,927
55	41	167,122	39	78,012
56	41	144,059	38	69,358
57	48	126,262	38	64,988
58	51	142,299	68	124,785
59	52	156,775	47	77,649
60	47	140,976	72	116,111
61	48	122,170	72	116,721
62	46	98,572	50	87,345
63	41	88,900	47	67,004
64	40	80,207	32	53,270
65	19	33,806	28	48,217
66	27	44,810	23	39,787
67	21	35,669	15	23,382
68	15	26,295	15	24,103
69	12	26,611	14	24,225
70	12	21,826	18	26,826
71	9	15,026	9	13,059
72	8	14,987	11	19,679
73	3	7,144	7	12,824
74	6	10,921	7	11,522
75	6	10,384	6	10,544
76	2	3,565	2	2,710
77	1	1,690	-	-
78	1	1,662	3	4,166
79	1	2,080	2	3,311
80	-	-	1	1,298
81	-	-	-	-
82	-	-	2	8,618
83	-	-	2	5,829
Total	820	\$2,365,568	897	\$1,634,079

SCHEDULE D

SURVIVORS' BENEFIT FUND - JUNE 30, 1978

BENEFICIARIES CURRENTLY RECEIVING ALLOWANCES - MEN

<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>
15	1	\$ 1,758	-	\$ -
16	1	3,382	-	-
19	1	1,834	-	-
20	1	1,152	-	-
29	-	-	1	3,013
33	1	2,945	-	-
36	-	-	1	2,832
37	-	-	1	2,832
39	-	-	1	2,832
40	-	-	1	2,832
41	-	-	-	-
42	1	2,321	-	-
43	-	-	1	2,832
44	-	-	2	5,721
45	2	5,170	2	4,807
46	-	-	3	9,339
47	-	-	5	13,198
48	1	2,321	3	7,487
49	-	-	7	20,088
50	1	4,098	2	4,464
51	2	1,749	5	10,933
52	1	1,272	5	11,849
53	2	2,893	7	21,430
54	5	7,976	3	6,324
55	2	2,595	2	5,165
56	1	1,000	4	9,686
57	3	5,594	4	10,867
58	2	3,209	3	6,696
59	3	5,392	1	2,232
60	5	8,597	3	7,005
61	5	7,537	5	11,310
62	12	20,560	2	5,153
63	9	11,580	2	4,521
64	10	13,055	-	-
65	12	14,312	-	-
66	13	19,046	1	2,945
67	8	10,321	1	2,321
68	14	19,024	-	-
69	8	11,160	1	2,277
70	4	7,675	-	-
71	13	20,012	1	2,277
72	12	16,734	-	-
73	9	10,779	-	-
74	3	5,943	-	-
75	5	6,832	-	-
76	7	11,226	-	-
77	7	10,175	-	-
78	4	4,554	-	-
79	4	5,842	-	-
80	5	10,479	-	-
81	4	6,646	-	-
82	-	-	-	-
83	2	3,378	-	-
84	7	12,867	-	-
85	-	-	-	-
86	-	-	-	-
87	1	1,412	-	-
88	2	2,333	-	-
89	1	1,323	-	-
90	-	-	-	-
91	1	1,040	-	-
110	1	2,232	-	-
113	1	1,554	-	-
Total	220	\$ 334,889	80	\$ 205,268

SURVIVORS' BENEFIT FUND JUNE 30, 1978

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>
19	1	\$ 1,879	-	\$ -
23	1	307	-	-
24	1	2,360	-	-
25	-	-	-	-
26	-	-	-	-
27	-	-	1	2,895
28	-	-	-	-
29	-	-	1	2,434
30	-	-	-	-
31	1	7,000	2	6,757
32	1	2,832	1	3,587
33	-	-	1	2,945
34	-	-	-	-
35	1	8,885	2	6,985
36	-	-	1	3,777
37	1	3,321	3	12,055
38	-	-	2	6,402
39	1	2,321	1	3,412
40	-	-	4	18,699
41	-	-	6	19,810
42	1	6,014	7	28,732
43	-	-	7	25,445
44	-	-	6	21,650
45	-	-	6	19,482
46	1	2,832	7	24,688
47	1	2,414	3	9,783
48	2	3,884	11	50,026
49	3	11,348	10	39,203
50	8	14,382	8	33,123
51	8	20,852	13	37,639
52	4	14,164	9	31,692
53	10	26,368	6	20,699
54	18	41,817	7	22,181
55	23	46,010	6	19,738
56	30	75,656	8	28,390
57	21	48,787	18	60,095
58	23	56,614	4	10,028
59	27	61,468	5	17,127
60	38	84,927	8	24,989
61	39	79,078	2	6,055
62	46	94,338	2	6,492
63	61	112,460	-	-
64	94	171,684	1	2,745
65	80	137,347	1	2,942

SCHEDULE E(2)

SURVIVORS' BENEFIT FUND JUNE 30, 1978

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>
66	74	\$ 115,809	-	\$ -
67	63	105,504	-	-
68	67	109,695	-	-
69	67	117,868	-	-
70	72	124,025	1	2,988
71	80	139,049	-	-
72	65	118,092	-	-
73	60	98,739	-	-
74	47	96,253	-	-
75	58	114,433	-	-
76	45	93,827	-	-
77	35	63,303	-	-
78	31	55,712	-	-
79	27	63,650	-	-
80	27	55,572	-	-
81	30	63,126	-	-
82	23	49,640	-	-
83	22	55,866	-	-
84	19	44,941	-	-
85	7	17,699	-	-
86	12	28,027	-	-
87	9	21,441	-	-
88	7	14,671	-	-
89	4	7,952	-	-
90	5	8,348	-	-
91	4	6,681	-	-
92	1	1,728	-	-
93	-	-	-	-
94	1	1,881	-	-
95	1	1,551	-	-
100	1	1,272	-	-
101	1	2,584	-	-
106	1	4,197	-	-
110	1	5,146	-	-
113	2	5,823	-	-
Total	<u>1,515</u>	<u>\$2,955,454</u>	<u>181</u>	<u>\$ 635,690</u>

SCHEDULE E(2)
(concluded)

SURVIYORS' BENEFIT FUND - JUNE 30, 1978

BENEFICIARIES CURRENTLY RECEIVING ALLOWANCES - CHILDREN WITH NO ELIGIBLE PARENT

AGE OF YOUNGEST CHILD	N U M B E R O F C H I L D R E N A G E																		TOTAL	ANNUAL ALLOWANCE	
	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21			22
4	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	\$ 2,321
6	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2,321
7	-	-	-	5	-	-	-	-	1	1	1	-	1	-	-	-	-	-	-	12	10,737
8	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2,385
9	-	-	-	-	-	-	-	5	-	-	-	1	1	-	-	-	-	-	-	7	10,493
10	-	-	-	-	-	-	-	-	2	-	1	1	1	-	1	-	-	-	-	6	5,425
11	-	-	-	-	-	-	-	-	-	4	2	-	1	1	-	-	-	-	-	7	9,206
12	-	-	-	-	-	-	-	-	-	-	4	1	1	1	-	-	-	-	-	17	23,294
13	-	-	-	-	-	-	-	-	-	-	-	2	1	2	-	-	-	-	-	11	12,859
14	-	-	-	-	-	-	-	-	-	-	4	-	-	2	2	1	1	-	-	10	8,548
15	-	-	-	-	-	-	-	-	-	-	-	14	1	4	1	1	1	-	-	22	30,407
16	-	-	-	-	-	-	-	-	-	-	-	-	12	3	-	1	1	-	-	17	24,186
17	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	1	1	-	-	14	23,597
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	2	1	1	-	16	23,376
19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	-	-	3	10	11,652
20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3	3,548
21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	6	9,821
22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2	2,431
Total	1	2	1	7	2	5	3	4	10	9	12	19	18	25	17	13	8	7	5	166	\$216,607

SCHEDULE E (3)

SURVIVORS' BENEFIT FUND - JUNE 30, 1978

BENEFICIARIES CURRENTLY RECEIVING ALLOWANCES - INCOMPETENTS

INCOMPETENT CHILD			INCOMPETENT SPOUSE			SPOUSE WITH INCOMPETENT CHILD		
Age of Incompetent	Number	Annual Allowance	Age	Number	Annual Allowance	Age of Spouse	Number	Annual Allowance
21	1	\$ 2,614	22	1	\$ 2,102	52	1	2,726
28	1	2,760	53	1	1,175	57	1	2,277
30	1	1,698	56	1	1,639	59	3	9,167
34	1	1,948	58	1	2,386	61	1	2,310
39	1	1,702	59	2	3,251	62	1	2,683
41	2	3,259	60	1	1,611	63	1	3,023
47	1	1,818	61	2	2,451	64	4	14,339
54	1	1,937	62	1	1,215	65	2	6,250
57	1	1,937	63	5	8,083	66	2	5,971
			64	2	2,426	70	1	2,277
			65	2	2,758	71	1	2,254
			66	2	2,819	72	1	2,813
						73	2	5,085
						74	1	3,535
						88	1	3,188
Total	10	\$19,673		21	\$31,916		23	\$67,898

SCHEDULE E(4)

SURVIVORS' BENEFIT FUND - JUNE 30, 1978

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>
40	-	\$ -	-	\$ -	-	\$ -
41	-	-	1	1,152	-	-
42	-	-	1	2,447	-	-
43	-	-	-	-	-	-
44	-	-	1	1,948	1	1,999
45	-	-	5	8,106	-	-
46	-	-	1	1,152	-	-
47	1	1,849	2	2,599	1	1,807
48	-	-	2	2,865	2	5,596
49	-	-	7	9,634	2	4,137
50	-	-	9	14,389	-	-
51	2	2,402	3	3,866	-	-
52	3	4,210	8	12,394	-	-
53	3	3,583	9	13,275	-	-
54	3	3,700	14	20,463	-	-
55	3	3,936	14	20,067	-	-
56	2	2,787	11	16,454	-	-
57	4	4,662	14	19,494	-	-
58	2	2,638	26	38,704	-	-
59	2	2,428	27	38,782	-	-
60	3	3,857	31	46,869	-	-
61	3	3,405	21	28,900	-	-
62	4	4,754	18	26,046	-	-
63	2	3,029	4	5,267	-	-
64	6	7,287				
65	1	1,152				
66	3	3,508				
Total	<u>47</u>	<u>\$59,187</u>	<u>229</u>	<u>\$334,873</u>	<u>6</u>	<u>\$13,539</u>

SCHEDULE F

CONTRIBUTING ACTIVE MEMBERS - JUNE 30, 1978

AGE	MEN		WOMEN	
	NUMBER	SALARIES	NUMBER	SALARIES
17	36	\$ 14,450	14	\$ 3,683
18	81	51,226	93	59,913
19	293	565,001	307	568,786
20	436	1,286,715	443	1,080,754
21	593	2,460,140	570	1,470,317
22	680	2,793,001	641	1,856,037
23	660	2,893,008	701	2,147,618
24	678	2,902,715	754	2,515,406
25	744	3,705,960	789	2,605,827
26	714	3,384,617	780	2,607,068
27	709	3,372,281	794	2,587,854
28	685	3,426,658	840	2,477,561
29	628	3,256,341	999	3,174,079
30	639	3,594,707	1,090	3,167,816
31	709	3,490,207	1,406	3,635,154
32	564	3,005,341	1,398	3,800,679
33	404	2,229,182	1,307	3,414,204
34	437	2,477,147	1,632	4,190,516
35	468	2,655,919	1,918	5,192,334
36	523	2,962,628	2,080	5,958,938
37	462	2,855,486	2,096	6,026,405
38	499	2,948,445	2,094	6,576,934
39	485	3,193,441	2,159	6,796,696
40	497	3,374,813	2,321	7,748,641
41	552	3,620,690	2,303	8,144,254
42	510	3,626,462	2,208	7,715,596
43	552	3,922,893	2,284	8,342,145
44	540	3,962,438	2,158	8,139,990
45	536	4,055,197	2,060	7,855,149
46	502	3,947,456	2,130	8,299,410
47	545	4,418,354	2,011	8,169,484
48	631	4,938,181	2,152	8,601,459
49	607	4,941,981	2,119	8,616,365
50	586	4,865,014	2,172	9,116,211
51	691	5,813,694	2,104	8,993,071
52	645	5,339,852	1,999	8,678,377
53	696	5,759,668	1,895	8,087,910
54	740	6,277,637	1,999	9,097,575
55	733	6,813,565	1,841	8,386,990
56	741	6,475,880	1,866	8,702,608
57	740	6,467,751	1,878	9,015,332
58	775	6,878,187	1,613	7,737,965
59	683	6,071,951	1,404	6,638,625

SCHEDULE G(1)

CONTRIBUTING ACTIVE MEMBERS - JUNE 30, 1978
(continued)

<u>AGE</u>	<u>MEN</u>		<u>WOMEN</u>	
	<u>NUMBER</u>	<u>SALARIES</u>	<u>NUMBER</u>	<u>SALARIES</u>
60	728	\$ 6,450,231	1,393	\$ 7,017,114
61	602	5,426,121	1,075	5,186,169
62	631	5,691,861	884	4,280,411
63	542	4,974,976	722	3,573,554
64	484	4,460,553	537	2,608,837
65	437	3,987,107	473	2,300,599
66	309	2,516,191	324	1,413,614
67	241	2,002,779	223	964,925
68	189	1,365,777	151	632,574
69	140	886,066	111	411,489
70	95	579,108	82	337,228
71	62	374,733	39	130,054
72	27	91,842	17	35,281
73	29	130,158	14	34,079
74	19	59,546	11	36,994
75	21	81,051	3	5,114
76	17	59,680	3	4,651
77	12	37,870	3	4,067
78	14	74,499	16	92,559
Total	<u>29,228</u>	<u>\$200,346,429</u>	<u>71,513</u>	<u>\$267,071,049</u>

SCHEDULE G(1)
(concluded)

NEW ENTRANTS

AGE	MEN		WOMEN	
	NUMBER	SALARIES	NUMBER	SALARIES
17	36	\$ 14,450	14	\$ 3,683
18	80	48,937	93	59,913
19	292	558,136	305	558,577
20	403	1,045,838	360	640,993
21	445	1,301,552	437	728,021
22	495	1,303,010	465	945,398
23	428	1,004,930	487	933,141
24	424	958,117	483	956,862
25	441	1,099,326	480	833,472
26	421	911,113	468	816,620
27	402	852,729	479	819,689
28	384	797,054	523	732,941
29	345	771,475	587	849,439
30	313	736,122	650	945,866
31	381	819,185	822	1,049,743
32	270	619,939	769	949,420
33	179	362,845	726	927,912
34	182	398,447	833	1,054,290
35	205	411,645	933	1,171,642
36	215	423,589	877	1,143,766
37	157	345,868	879	1,163,450
38	183	485,466	747	966,823
39	132	304,170	753	949,968
40	152	386,191	748	1,080,574
41	174	497,081	612	869,232
42	141	342,654	565	703,597
43	138	369,740	532	767,826
44	121	389,315	502	642,259
45	127	386,524	449	530,123
46	106	252,033	424	499,441
47	105	286,872	372	564,667
48	120	387,186	445	537,453
49	120	395,751	387	501,272
50	106	447,705	367	494,681
51	100	270,312	334	373,497
52	118	400,837	305	407,037
53	126	415,665	272	363,484
54	128	465,679	259	310,722
55	87	338,674	208	252,710
56	127	356,338	219	263,950
57	108	383,780	165	173,531
58	101	358,767	158	181,754
59	85	348,311	129	117,636
60	99	316,896	104	121,268
61	63	244,976	81	80,249
62	65	183,805	72	50,232
63	48	130,980	51	34,177
64	33	69,759	33	27,750
65	41	74,959	31	12,325
66	47	63,588	39	24,482
67	32	42,613	25	16,793
68	33	49,182	21	11,493
69	21	22,617	13	8,008
70	16	23,463	9	5,299
71	5	3,977	6	757
72	9	4,814	3	1,063
73	8	10,726	1	1,661
74	5	3,487	2	909
75	4	3,086	-	-
76	3	5,000	1	281
77	4	7,591	1	82
78	4	1,800	-	-
Total	<u>9,743</u>	<u>\$24,316,677</u>	<u>21,115</u>	<u>\$29,233,904</u>

Average
Age

34.5

37.1

INACTIVE MEMBERS - JUNE 30, 1978

ELIGIBLE FOR FUTURE ALLOWANCE

<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>
25	-	1	60	102	177
26	-	4	61	81	103
27	5	5	62	64	67
28	4	11	63	55	37
29	4	5	64	41	27
30	8	10	65	31	25
31	8	10	66	20	17
32	7	5	67	11	13
33	13	13	68	9	12
34	18	17	69	7	8
35	27	15	70	8	6
36	20	30	71	3	4
37	28	29	72	1	2
38	24	40	73	3	2
39	35	34	74	4	2
40	46	38	75	2	1
41	37	52	76	1	1
42	43	58	77	2	1
43	62	75	78	8	4
44	73	74			
45	69	80	Totals	<u>2,431</u>	<u>3,351</u>
46	67	85			
47	54	87			
48	88	98			
49	80	122			
50	120	135			
51	88	136			
52	116	134			
53	142	159			
54	136	179			
55	107	197			
56	106	201			
57	114	235			
58	109	247			
59	120	221			

SCHEDULE H(1)

INACTIVE MEMBERS - JUNE 30, 1978

NOT ELIGIBLE FOR FUTURE ALLOWANCE

<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>
17	3	-	55	424	892
18	11	15	56	545	966
19	23	22	57	366	806
20	83	83	58	328	768
21	159	205	59	281	687
22	221	297	60	329	652
23	318	374	61	273	525
24	404	515	62	244	509
25	468	734	63	238	449
26	664	984	64	215	413
27	780	1,155	65	188	319
28	845	1,244	66	188	290
29	949	1,295	67	160	192
30	972	1,412	68	141	216
31	932	1,601	69	109	177
32	836	1,234	70	93	144
33	653	980	71	87	93
34	632	981	72	79	91
35	711	1,010	73	73	93
36	665	1,154	74	56	70
37	617	1,075	75	50	52
38	594	1,122	76	58	42
39	591	1,124	77 & over	<u>623</u>	<u>376</u>
40	534	1,151	TOTAL	<u>24,799</u>	<u>42,786</u>
41	549	1,122			
42	549	1,099			
43	513	1,126			
44	489	1,119			
45	507	1,002			
46	523	1,039			
47	512	997			
48	512	1,077			
49	546	946			
50	468	941			
51	497	961			
52	472	894			
53	434	921			
54	415	953			

SCHEDULE H(2)

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Summary of the Benefit Provisions of the Retirement System
as of June 30, 1978

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 dies before the member or if beneficiary is the spouse and marriage is terminated 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 dies before the member or if beneficiary is the spouse and marriage is terminated 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, 1978
(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, 1978

(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 unless over age 62) 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, 1978

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
		Withdrawal	Death	Disability	Superannuation	COMPENSATION INCREASE
<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
	75	-	-	-	1.0000	-

SCHEDULE J