

SCHOOL EMPLOYEES RETIREMENT SYSTEM
OF OHIO

ACTUARIAL VALUATION
JUNE 30, 1979

HUGGINS
& COMPANY, INC.

CONSULTING ACTUARIES • EMPLOYEE BENEFIT PLAN CONSULTANTS
MEMBER — THE HAY GROUP

PHILADELPHIA

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HUGGINS & COMPANY, INC.
MEMBER - THE HAY GROUP

Consulting Actuaries

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December 18, 1979

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, 1979.

We wish to take this opportunity of expressing our appreciation for the very fine cooperation which we received from Mr. Anderson, 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.
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 ^{actuarial} investigation and the data prepared by the ^{staff} and submitted to us, a complete valuation of the system was made as of June 30, 1979 in which the present and prospective assets and liabilities were calculated, based on legislation enacted by that date. The changes in the cost-of-living from 2% to 3% and from a two-year waiting period to a one year waiting period included in House Bill 204 are reflected in the results. The increase in allowances for certain retirants, beneficiaries and survivors included in House Bill 204 are to be funded by the legislature and are not reflected. The assumed rate of interest was changed from 5% to 5-1/2%. The results are shown in the actuarial balance sheet on page 3. *below*

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 \$864,874,560 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 \$1,264,998,769. In Part II we discuss the proper allocation of this total between the normal and deficiency contributions.

PART I - ACTUARIAL BALANCE SHEET
(continued)

On the liability side of the balance sheet the major components of the total liability of \$2,136,989,501 are the liability for the benefits currently payable on account of present retirants and beneficiaries amounting to \$743,417,230 and the liability for present active and inactive members amounting to \$1,392,376,193. In addition, there is a miscellaneous reserve of \$1,196,078. An analysis of the various liability items and a comparison of liabilities with the corresponding fund balances follow the balance sheet, beginning on page 4.

**ACTUARIAL BALANCE SHEET SHOWING PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES
OF THE SCHOOL EMPLOYEES RETIREMENT SYSTEM - JUNE 30, 1979**

A S S E T S

Present Assets:

Employees' Savings Fund	228,743,248 \$ 244,571,775
Annuity and Pension Reserve Fund	333,734,442 401,882,903
Survivors' Benefit Fund	51,250,940 55,656,332
Health Care Fund	24,243,385 39,613,420
Employers' Trust Fund	148,236,149 121,954,052
Miscellaneous	979,349 1,196,078
Total present assets	787,187,523 \$ 864,874,560*

Future assets:

Present value of future state appropriations to finance House Bill 284 (1971)	7,116,172
Present value of prospective member and employer contributions	1,264,998,769
Total future assets	\$1,272,114,941
TOTAL ASSETS	\$2,136,989,501

***Distributed as follows:**

Cash	40,452
Investments (at Book Value)	831,907,709**
Accounts Receivable	30,289,023
Furniture and equipment	1,545,087
Land and Building	1,092,289

** Market Value - \$768,473,079

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	473,429,496
Beneficiaries under option	17,546,680
Disability retirees	55,000,583
Death benefit	6,165,162
Total Annuity & Pension Reserve Fund	552,141,921
Health Care Fund	132,213,444
Survivors' Benefit Fund	59,061,865
Total retirees and beneficiaries	\$ 743,417,2

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

Superannuation pensions	839,351,168
Disability pensions	46,306,275
Survivor benefits	56,768,465
Refunds	189,825,751
Health care	254,537,025
Retiree death benefit	5,587,509
Total active and inactive members	1,392,376,1
Miscellaneous	1,196,0
TOTAL LIABILITIES	\$2,136,989,5

266/110A

682,035,858

98.8% Arch

Liability related to present retirants and beneficiaries ... \$743,417,230

A breakdown of the \$743,417,230 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 .	\$473,429,496	\$5,692,189	\$100,132,155	\$579,253,840
Beneficiaries receiving optional allowances	17,546,680	-	4,373,102	21,919,782
Disability retirants	<u>55,000,583</u>	<u>472,973</u>	<u>13,307,837</u>	<u>68,781,393</u>
Sub-total	\$545,976,759	\$6,165,162	\$117,813,094	\$669,955,015
Survivors' Benefit Fund beneficiaries	<u>59,061,865</u>	<u>-</u>	<u>14,400,350</u>	<u>73,462,215</u>
Total Liability	\$605,038,624	\$6,165,162	\$132,213,444	\$743,417,230

Included in the \$545,976,759 of liability for present retirants and beneficiaries is \$20,473,068 related to past cost-of-living increases. Included in the \$59,061,865 of liability for present survivors is \$2,416,023 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 \$552,141,921 related to benefits to be paid from the Annuity and Pension Reserve Fund, which compares with \$408,999,075 (the total of the A & PRF balance of

\$401,882,903 and the anticipated House Bill 284 state appropriations), leading to a deficiency of \$143,142,846. The corresponding deficiency a year earlier was \$131,327,843 so there was an increase in this deficiency during the year of \$11,815,003. It will also be noted that the Survivors' Benefit Fund had a fund balance of \$55,656,332 as compared with the liability of \$59,061,865 indicating a deficiency of \$3,405,533 in that Fund compared with a deficiency of \$3,558,986 a year earlier, a decrease of \$153,453. The total deficiency in these two Funds is \$146,548,379. 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, 1979, corresponding to the liabilities shown on the previous page, are shown in the following table:

<u>CATEGORY</u>	<u>ANNUAL ALLOWANCES AS OF JUNE 30, 1979</u>			
	<u>NUMBER</u>	<u>BASIC</u>	<u>C-O-L INCREASES</u>	<u>TOTAL</u>
Superannuation retirants	21,558	\$39,475,263	\$2,193,254	\$41,668,517
Beneficiaries receiving optional allowances ...	1,352	1,991,008	167,818	2,158,826
Disability retirants ...	<u>1,902</u>	<u>4,563,830</u>	<u>199,055</u>	<u>4,762,885</u>
Sub-Total	24,812	\$46,030,101	\$2,560,127	\$48,590,228
Survivors' Benefit Fund beneficiaries	<u>2,604</u>	<u>4,861,824</u>	<u>289,143</u>	<u>5,150,967</u>
Total Allowances on June 30, 1979	<u>27,416</u>	<u>\$50,891,925</u>	<u>\$2,849,270</u>	<u>\$53,741,195</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 . \$1,392,376,193

The \$1,392,376,193 of liability related to the active and inactive members of the system compares with \$1,367,416,126 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	28,789	72,288	101,077
Salaries	\$204,891,640	\$288,074,901	\$492,966,541
Present value of 1% of future salaries	18,572,748	31,224,151	49,796,899
Number of inactive members:			
(a) Eligible for pensions .	2,451	3,664	6,115
(b) Eligible for refunds only	26,730	47,107	73,837

+3.3%

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 \$ 1,196,078

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

Total Liabilities \$2,136,989,501

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, 1979 and those that will be related to subsequent service, based on legislation enacted by that date, (including House Bill 204) 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 1979 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} 14.89% of salary, with the breakdown shown in the table below:

Superannuation retirement benefit	7.40%	7.84
Disability retirement benefit65	.66
Survivor benefit	1.14	1.15
Refund of contributions	3.09	3.14
Health care	2.50	2.50
Retirant death benefit11	.13
 Total normal contribution rate	<u>14.89%</u>	<u>15.57</u>

This total normal cost of 14.89% of payroll is lower than the corresponding rate of 15.57% determined in the valuation as of June 30, 1978 due primarily to the change in the interest rate. 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>M e n</u>	<u>W o m e n</u>	<u>T o t a l</u>
Number	10,003	22,494	32,497
Salaries	\$24,348,216	\$33,357,505	\$57,705,721
Present Value of 1% of Future Salaries	2,524,818	4,418,902	6,943,720
Average Salary ..	2,434	1,483	1,776
Average Age	34.4	37.1	36.3
	34.5	37.1	36.3
	2496	1365	1735

In our 1978 valuation, the average salary of the new entrants was \$2,496 for men and \$1,385 for women, so the average decreased for men and increased about 7% for women this year. Last year the average age at entry for men was 34.5 years and for women, 37.1 years so both these averages were almost identical with those obtained this year.

In order to determine what portion of the future asset item of \$1,264,998,769 will be funded by the total normal contribution rate of 14.89% of salary we have determined that the present value of 1% of the present members' future salaries is \$49,796,899. The present value of future normal contributions is, therefore, 14.89 times \$49,796,899, or \$741,475,826. This leaves a deficiency of \$532,522,943 to be funded by the remainder of the future contributions. The corresponding figure a year earlier was \$452,467,910, which means that the total system deficiency increased by \$71,055,033. 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 14.89%, we are left with a balance of 5.61% available for funding the deficiency. The question to be answered is over how long a period will this rate of 5.61% be required in order to fund the deficiency of \$529,522,943. 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>
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	475,000,000	7.0
1979	511,450,000	7.5

These increases, which have averaged almost 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 1978 - 1979 level of approximately \$511,450,000. *+3.75 of p6 fig*
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.

20.50%
Our calculations indicate that, for the present total contribution rate of 20.50% of payroll, of which 14.89% is on account of the normal cost and 5.61% is on account of the deficiency, the funding periods on the three different assumptions as to future payrolls, along with the results prior to the amendment and the change in interest, are shown *below!* ~~on the next page.~~ The comparable results from the June 30, 1978 valuation are also shown.

Assumptions as to Future Payrolls

	<u>No Increase</u>	<u>3% Annual Increase</u>	<u>5% Annual Increase</u>
6/30/78	Over 50 years	25.4 years	20.3 years
6/30/79 - Prior to Amendment	"	25.1 years	20.1 years
6/30/79 - After Amendment	Never	25.4 years	20.1 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 ^{25.4} 20.1 years to never, depending on the assumption as to future payroll increases of 3% annually.

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 2.50% of payroll, and this figure is included in our total normal contribution rate of 14.89%.

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

	<u>Liability 6/30/79</u>
Retirants and other beneficiaries	\$132,213,444
Active and inactive members	<u>254,537,025</u>
Total liabilities	\$386,750,469
Health Care Fund balance	<u>39,613,420</u>
Unfunded liability for Health Care	\$347,137,049
Present value of 2.50% future Normal Contributions	<u>124,492,248</u>
Deficiency for Health Care benefits	\$222,644,801 212,078,086

When this deficiency of \$222,644,801 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 2.39% of payroll.

Al Huggins
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	2.50%
Deficiency contribution rate	<u>2.39</u>
Total employer rate for Health Care	<u>4.89%</u> <u>4.96</u>

Last year the total employer rate for Health Care was 4.96%.

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 4.89% as shown above and is subject to change upon subsequent valuation. The Fund should also be credited with interest at 5-1/2% 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} \$49.96 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 \$49.96 as a percent of the average monthly superannuation pension for new retirees (we used the figure ^{191.28} \$208.17 applicable for retirees from July 1978 through June 1979) we calculated liabilities as ^{24%} 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 although the deficiency increased as shown below, the reduction in the normal contribution rate resulted in more of the total contribution being available to fund the deficiency so that the funding period for the deficiency remained the same as the 25.4 years determined in the previous valuation.

The total increase in the deficiency during this period was \$71,055,032, broken down as follows:

	<u>Increase</u>
Annuity and Pension Reserve Fund	\$(+) 3,374,589
Survivor Benefit Fund	(-) 1,409,027
Employers' Trust Fund	(-)43,986,995
Health Care Fund	6,068,247
Plan amendment and change in interest .	<u>25,783,406</u>
Total	<u>\$ 71,055,032</u>

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 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 balance in the Employers' Trust Fund has decreased considerably in the past year. As of June 30, 1978 it was \$148,236,149, and is \$121,954,052 as of June 30, 1979 and is approximately 50% of the balance of \$244,571,775 in the Employees' Savings Fund. This means that, on the average, the System has a reserve of \$1,138 in addition to the employees' personal account, for each of the 107,192 out of the 181,029 active and inactive members entitled to pensions in the future. This average was \$1,392 as of June 30, 1978, a decrease of 22%. It is important, therefore, to build up this reserve. Consequently, we recommend that, unless changes are made by 1979-1980 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, 1979 - MEN

Age	Straight Life		Options		Total	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
47	1	\$ 6,482	-	\$ -	1	\$ 6,482
48	-	-	-	-	-	-
50	-	-	2	15,152	2	15,152
51	1	8,161	-	-	1	8,161
52	1	6,558	4	33,660	5	40,218
53	3	16,970	5	33,191	8	50,161
54	2	11,412	8	39,706	10	51,118
55	3	14,881	18	149,411	21	164,292
56	6	35,095	22	140,221	28	175,316
57	4	19,980	21	145,552	25	165,532
58	11	69,818	18	111,925	29	181,743
59	12	41,316	23	138,022	35	179,338
60	20	84,316	43	208,908	63	293,224
61	57	162,303	86	316,315	143	478,618
62	70	188,639	121	378,812	191	567,451
63	120	287,786	141	396,545	261	684,331
64	137	335,030	176	489,051	313	824,081
65	170	424,609	211	492,544	381	917,153
66	224	547,144	272	715,453	496	1,262,597
67	263	611,761	329	796,055	592	1,407,816
68	241	545,644	268	684,405	509	1,230,049
69	289	602,627	261	624,883	550	1,227,510
70	255	559,247	261	647,473	516	1,206,720
71	278	578,700	247	641,516	525	1,220,216
72	228	460,329	226	518,390	454	978,719
73	275	585,319	197	474,575	472	1,059,894
74	219	420,674	184	393,148	403	813,822
75	226	431,481	132	265,788	358	697,269
76	245	436,224	124	315,444	369	751,668
77	179	372,211	99	187,436	278	559,647
78	150	265,138	75	150,780	225	415,918
79	128	269,899	68	174,496	196	444,395
80	140	279,956	62	143,318	202	423,274
81	140	276,824	41	91,921	181	368,745
82	121	304,540	38	81,179	159	385,719
83	103	201,840	27	63,707	130	265,547
84	81	192,578	34	74,541	115	267,119
85	94	211,963	18	44,807	112	256,770
86	74	164,044	12	28,783	86	192,827
87	73	166,232	12	26,519	85	192,751
88	43	106,531	16	32,643	59	139,174
89	41	87,749	11	28,066	52	115,815
90	30	64,535	6	9,741	36	74,276
91	26	60,077	6	7,749	32	67,826
92	23	42,957	8	19,300	31	62,257
93	16	45,506	6	15,245	22	60,751
94	13	24,390	-	-	13	24,390
95	5	7,202	3	5,084	8	12,286
96	3	5,662	-	-	3	5,662
97	1	3,405	-	-	1	3,405
98	-	-	-	-	-	-
99	-	-	-	-	-	-
100	1	2,080	-	-	1	2,080
101	1	2,282	-	-	1	2,282
102	2	6,569	-	-	2	6,569
103	1	532	-	-	1	532
104	-	-	1	1,213	1	1,213
Total	4,850	\$10,657,208	3,943	\$10,352,673	8,793	\$21,009,881

SCHEDULE A

SUPERANNUATION RETIRANTS - JUNE 30, 1979 - WOMEN

Age	Straight Life		Options		Total	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
48	-	\$ -	2	\$ 10,684	2	\$ 10,684
49	2	14,702	-	-	2	14,702
50	1	6,996	1	7,089	2	14,085
51	2	10,201	-	-	2	10,201
52	3	25,632	2	13,813	5	39,445
53	-	-	1	7,380	1	7,380
54	2	12,916	2	13,892	4	26,808
55	4	14,928	3	15,294	7	30,222
56	7	35,061	5	30,976	12	66,037
57	10	36,194	4	21,164	14	57,358
58	16	58,201	3	8,628	19	66,829
59	26	120,685	4	24,812	30	145,497
60	84	196,337	30	66,059	114	262,396
61	306	525,526	104	142,471	410	667,997
62	402	584,900	114	161,254	516	746,154
63	509	754,610	160	251,055	669	1,005,665
64	603	910,440	170	250,108	773	1,160,548
65	598	858,487	171	278,314	769	1,136,801
66	671	989,705	170	221,443	841	1,211,148
67	652	978,687	169	208,874	821	1,187,561
68	599	890,284	139	182,578	738	1,072,862
69	637	1,017,036	147	208,022	784	1,225,058
70	580	903,772	107	143,944	687	1,047,716
71	593	902,524	92	138,929	685	1,041,453
72	519	856,959	72	104,027	591	960,986
73	512	838,376	52	112,949	564	951,325
74	449	781,652	35	46,767	484	828,419
75	394	645,676	27	60,156	421	705,832
76	372	569,466	15	18,042	387	587,508
77	328	537,884	25	49,243	353	587,127
78	251	415,425	17	26,661	268	442,086
79	246	420,503	14	22,603	260	443,106
80	194	333,524	8	14,590	202	348,114
81	212	384,967	3	2,703	215	387,670
82	185	340,013	4	8,327	189	348,340
83	168	334,125	4	7,706	172	341,831
84	152	247,915	5	9,181	157	257,096
85	149	250,551	3	5,175	152	255,726
86	114	215,383	2	1,645	116	217,028
87	90	186,497	4	5,350	94	191,847
88	66	140,843	3	5,105	69	145,948
89	38	79,163	2	2,920	40	82,083
90	41	81,325	1	1,188	42	82,513
91	40	76,578	1	3,846	41	80,424
92	18	35,570	-	-	18	35,570
93	20	45,746	-	-	20	45,746
94	13	34,928	-	-	13	34,928
95	4	15,724	-	-	4	15,724
96	5	10,107	-	-	5	10,107
97	3	6,131	-	-	3	6,131
98	1	1,498	-	-	1	1,498
99	2	3,234	-	-	2	3,234
100	2	2,500	-	-	2	2,500
101	1	1,249	1	1,894	2	3,143
102	1	439	-	-	1	439
Total	10,897	\$17,741,775	1,898	\$2,916,861	12,795	\$20,658,636

SCHEDULE B

BENEFICIARIES RECEIVING OPTIONAL ALLOWANCES - JUNE 30, 1979

Age	Optional Life Pensions				Optional Term Certain Pensions		
	Men		Women		Year of Expiry	Number	Annual Allowance
	Number	Annual Allowance	Number	Annual Allowance			
41	-	\$ -	1	\$ 314			
48	1	992	-	-			
49	-	-	1	1,223			
50	-	-	-	-			
51	-	-	-	-			
52	-	-	-	-	77	1	\$ 1,461
53	-	-	1	4,455			
54	-	-	-	-			
55	-	-	1	690	79	5	17,683
56	-	-	2	2,368			
57	-	-	3	7,946			
58	-	-	1	1,320	80	23	47,255
59	1	1,988	2	8,770			
60	-	-	3	3,258			
61	-	-	2	2,904	81	20	45,217
62	1	1,015	6	6,952			
63	-	-	13	17,810			
64	1	504	13	20,014	82	28	49,583
65	3	6,328	18	31,225			
66	4	4,712	23	35,238			
67	5	4,159	21	28,077	83	32	40,605
68	5	6,371	36	66,052			
69	7	7,946	41	46,051			
70	7	8,505	45	66,760	84	13	21,133
71	2	2,069	48	73,879			
72	3	3,152	52	69,413			
73	3	2,806	60	85,503	85	10	18,472
74	4	4,904	57	100,031			
75	1	362	57	80,145			
76	5	4,645	64	80,811	86	3	6,830
77	3	4,036	62	91,318			
78	1	854	53	92,029			
79	1	1,698	33	46,822	87	5	8,738
80	-	-	44	74,635			
81	1	1,500	50	76,613			
82	1	1,089	44	74,600	88	1	2,199
83	2	3,225	38	68,225			
84	2	2,294	49	84,740			
85	1	1,448	27	45,796	89	2	1,544
86	1	757	30	55,582			
87	-	-	19	29,487			
88	2	3,539	17	29,627	90	3	2,431
89	-	-	19	33,537			
90	1	1,032	13	22,481			
91	-	-	13	21,344	91	5	11,650
92	-	-	15	28,509			
93	-	-	10	24,080			
94	-	-	6	14,249	92	4	13,616
95	-	-	8	18,243			
96	-	-	3	5,555			
97	-	-	-	-	93	1	853
98	-	-	2	4,723			
99	-	-	1	4,222			
Total	69	\$81,930	1,127	\$1,787,626		156	\$289,270

SCHEDULE C

DISABILITY RETIRANTS - JUNE 30, 1979

Age	M E N		W O M E N	
	Number	Annual Allowance	Number	Annual Allowance
33	1	\$ 6,608		
34	3	20,719	2	\$ 8,907
35	2	11,699	-	-
36	3	10,205	1	4,036
37	2	11,487	-	-
38	1	2,430	2	8,383
39	3	12,392	1	3,455
40	6	25,705	7	18,700
41	4	18,152	4	9,632
42	11	64,954	1	2,435
43	7	31,323	11	29,752
44	9	32,616	7	17,207
45	8	48,488	9	20,938
46	6	33,758	13	33,724
47	15	92,681	14	33,032
48	12	64,443	20	46,096
49	17	77,925	23	44,651
50	24	121,399	25	59,635
51	16	50,633	27	60,830
52	30	112,467	19	40,510
53	27	96,725	38	71,797
54	28	99,837	31	62,655
55	42	150,682	38	79,058
56	50	214,736	46	91,262
57	48	170,533	50	92,272
58	54	151,229	48	89,563
59	60	178,001	84	156,112
60	59	190,878	65	110,547
61	47	140,702	75	120,707
62	47	119,423	68	114,630
63	42	88,207	47	85,140
64	39	86,488	45	65,168
65	38	77,517	29	48,950
66	18	32,734	27	47,695
67	22	37,131	23	40,523
68	19	32,714	14	22,175
69	13	24,039	15	24,543
70	11	23,788	13	23,148
71	11	20,960	16	24,612
72	9	15,302	9	13,300
73	8	15,262	11	20,040
74	3	7,276	7	13,061
75	6	11,123	7	11,736
76	6	10,578	6	10,740
77	2	3,633	2	2,761
78	1	1,721	-	-
79	1	1,693	3	4,243
80	1	2,118	2	3,372
81	-	-	1	1,322
82	-	-	-	-
83	-	-	2	8,778
84	-	-	2	5,938
Total	892	\$2,855,114	1,010	\$1,907,771

SCHEDULE D

SURVIVORS' BENEFIT FUND - JUNE 30, 1979

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>
16	2	\$ 2,943	-	\$ -
17	2	4,433	-	-
18	1	1,152	-	-
20	1	1,152	-	-
21	1	1,152	-	-
30	-	-	1	3,013
34	1	3,002	-	-
35	-	-	-	-
36	-	-	-	-
37	-	-	1	2,832
38	-	-	1	2,994
39	-	-	-	-
40	-	-	-	-
41	1	2,832	1	2,889
42	-	-	-	-
43	1	2,366	-	-
44	-	-	1	2,832
45	-	-	3	8,569
46	1	2,385	1	2,889
47	1	2,832	3	9,453
48	-	-	3	8,179
49	-	-	3	7,008
50	-	-	9	24,323
51	1	4,180	1	3,063
52	3	3,583	4	9,286
53	1	1,297	5	11,894
54	6	9,401	6	17,028
55	5	6,492	5	10,856
56	4	8,476	3	7,498
57	2	2,290	6	13,660
58	5	10,296	2	6,347
59	3	4,386	1	2,277
60	2	3,185	1	2,277
61	7	10,236	2	4,775
62	13	19,758	3	6,231
63	21	32,807	1	2,832
64	15	20,825	-	-
65	15	19,256	-	-
66	16	20,580	-	-
67	18	25,295	1	2,366
68	11	16,138	1	2,366
69	14	19,295	1	2,232
70	10	13,671	-	-
71	4	7,821	-	-
72	13	20,393	1	2,945
73	13	18,197	-	-
74	10	12,156	-	-
75	3	6,057	-	-
76	6	8,233	-	-
77	7	11,437	-	-
78	6	9,039	-	-
79	4	4,641	-	-
80	4	5,801	-	-
81	5	10,675	-	-
82	4	6,769	-	-
83	-	-	-	-
84	2	3,439	-	-
85	6	11,084	-	-
86	-	-	-	-
87	-	-	-	-
88	1	1,437	-	-
89	1	1,045	-	-
90	1	1,348	-	-
91	-	-	-	-
92	1	1,059	-	-
111	1	2,232	-	-
114	1	1,583	-	-
Total	277	\$420,142	71	\$182,914

SURVIVORS' BENEFIT FUND - JUNE 30, 1979

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>
20	2	\$ 3,403	-	\$ -
24	1	313	-	-
25	1	2,405	-	-
26	-	-	-	-
27	-	-	-	-
28	-	-	-	-
29	-	-	-	-
30	-	-	1	3,156
31	-	-	-	-
32	1	7,138	2	6,884
33	1	2,889	2	8,572
34	-	-	1	3,002
35	-	-	-	-
36	1	9,056	3	9,723
37	-	-	1	3,851
38	1	3,385	4	18,732
39	-	-	2	5,802
40	1	2,366	2	5,707
41	-	-	5	22,949
42	-	-	6	18,748
43	-	-	8	33,783
44	1	6,135	9	37,575
45	-	-	5	20,045
46	-	-	5	16,938
47	1	2,277	8	29,350
48	1	2,414	4	12,201
49	3	5,618	10	47,389
50	6	17,359	10	40,619
51	11	30,994	9	36,325
52	10	28,130	12	38,310
53	7	18,759	9	32,845
54	14	36,302	6	20,913
55	20	48,772	9	27,615
56	26	54,015	5	17,296
57	39	100,365	7	28,228
58	23	51,523	15	52,516
59	28	68,203	3	7,486
60	32	73,637	4	12,696
61	44	108,984	8	27,094
62	51	105,433	2	6,114
63	70	139,928	1	3,460
64	64	118,274	-	-

SCHEDULE E(2)

SURVIVORS' BENEFIT FUND - JUNE 30, 1979

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	97	\$ 182,103	-	\$ -
66	82	147,340	1	2,996
67	79	130,556	-	-
68	62	102,721	-	-
69	65	107,307	-	-
70	66	113,544	-	-
71	69	118,687	1	3,044
72	77	137,083	-	-
73	64	118,461	-	-
74	62	103,346	-	-
75	47	98,389	-	-
76	58	115,225	-	-
77	45	94,174	-	-
78	33	61,478	-	-
79	30	54,238	-	-
80	24	48,244	-	-
81	25	55,673	-	-
82	28	59,936	-	-
83	23	50,564	-	-
84	21	53,211	-	-
85	17	36,772	-	-
86	6	16,228	-	-
87	11	27,972	-	-
88	9	21,836	-	-
89	5	11,236	-	-
90	3	5,599	-	-
91	4	6,712	-	-
92	4	6,805	-	-
93	1	1,760	-	-
94	-	-	-	-
95	1	1,916	-	-
96	1	1,580	-	-
102	1	2,636	-	-
107	1	4,280	-	-
111	1	5,249	-	-
114	2	5,940	-	-
Total	1,584	\$3,156,878	180	\$661,964

SCHEDULE E(2)
(concluded)

SURVIVORS' BENEFIT FUND - JUNE 30, 1979

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																						ANNUAL ALLOWANCE
	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	TOTAL				
5	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	\$ 2,366		
6	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1,552		
7	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2,366		
8	-	-	-	6	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	13	12,783		
9	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4,640		
10	-	-	-	-	-	5	-	-	-	-	-	1	1	-	-	-	-	-	-	7	10,693		
11	-	-	-	-	-	-	-	-	2	-	-	1	1	-	1	-	-	-	-	6	5,526		
12	-	-	-	-	-	-	-	-	-	-	5	-	2	-	-	-	-	-	-	8	10,576		
13	-	-	-	-	-	-	-	-	-	-	-	2	4	1	-	-	-	-	-	27	31,999		
14	-	-	-	-	-	-	-	-	-	-	-	5	1	3	-	-	-	-	-	15	17,233		
15	-	-	-	-	-	-	-	-	-	-	-	-	6	1	2	1	-	-	-	11	10,542		
16	-	-	-	-	-	-	-	-	-	-	-	-	-	1	4	-	1	-	-	21	29,814		
17	-	-	-	-	-	-	-	-	-	-	-	-	15	1	4	1	1	-	-	21	30,474		
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	1	-	-	13	22,650		
19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	2	1	-	13	19,117		
20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3	3,541		
21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3	3,617		
22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	4	6,399		
Total	1	1	1	8	3	5	3	6	14	11	16	24	23	27	14	6	7	4	4	174	\$225,888		

SURVIVORS' BENEFIT FUND - JUNE 30, 1979

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
22	1	\$ 2,661	52	1	\$ 1,152	53	2	\$ 5,009
29	1	1,994	54	1	1,198	58	1	2,321
31	1	1,730	57	1	1,669	60	3	9,336
38	1	1,152	59	1	2,434	62	1	2,355
40	1	1,734	60	2	3,311	63	1	2,734
42	2	3,318	61	1	1,641	64	1	3,079
48	1	1,851	62	2	2,498	65	4	14,602
55	1	1,972	63	1	1,238	66	2	6,365
58	1	1,972	64	5	8,235	67	2	6,080
			65	2	2,472	71	1	2,321
			66	2	2,810	72	1	2,321
			67	2	2,872	73	1	2,865
						74	2	5,179
						75	1	3,600
						89	1	3,247
Total	10	\$18,384		21	\$31,530		24	\$71,414

SURVIVORS' BENEFIT FUND - JUNE 30, 1979

BENEFICIARIES NOW ENTITLED TO DEFERRED ALLOWANCE ONLY

Age	DEFERRED TO AGE 65		DEFERRED TO AGE 62		DEFERRED TO AGE 50	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
39	-	\$ -	1	\$ 1,625	-	\$ -
40	-	-	-	-	-	-
41	-	-	-	-	-	-
42	-	-	1	1,152	-	-
43	-	-	1	2,447	-	-
44	-	-	2	2,673	-	-
45	-	-	1	1,948	2	4,886
46	-	-	5	8,106	1	1,272
47	-	-	1	1,152	-	-
48	1	1,849	3	3,774	1	1,807
49	-	-	2	2,843	2	5,596
50	-	-	8	12,048	1	1,272
51	-	-	10	15,541	-	-
52	3	4,083	4	5,099	-	-
53	3	4,210	9	13,546	-	-
54	3	3,583	8	11,331	-	-
55	3	3,700	14	20,463	-	-
56	3	3,936	15	21,265	-	-
57	2	2,787	12	18,087	-	-
58	4	4,662	16	21,913	-	-
59	2	2,638	28	41,008	-	-
60	2	2,428	26	37,630	-	-
61	3	3,857	31	46,435	-	-
62	2	2,036	15	20,009	-	-
63	2	2,450	1	1,382	-	-
64	2	3,029	3	3,851	-	-
65	3	3,831	-	-	-	-
67	2	2,613	-	-	-	-
Total	40	\$51,692	217	\$315,328	7	\$14,833

CONTRIBUTING ACTIVE MEMBERS - JUNE 30, 1979

AGE	MEN		WOMEN	
	NUMBER	SALARIES	NUMBER	SALARIES
17	34	\$ 19,635	13	\$ 3,878
18	120	100,756	110	102,389
19	340	601,715	329	580,197
20	461	1,283,182	457	1,060,629
21	508	1,742,558	528	1,419,586
22	624	2,690,062	696	2,121,001
23	700	3,244,406	707	2,221,486
24	671	3,289,455	734	2,456,149
25	675	3,152,335	783	2,731,309
26	722	3,694,759	820	2,978,530
27	709	3,773,445	821	2,850,202
28	683	3,446,331	897	2,924,322
29	639	3,532,271	985	3,984,005
30	597	3,337,332	1,164	3,684,799
31	638	3,839,023	1,273	3,878,810
32	680	3,608,493	1,600	4,498,199
33	573	3,158,754	1,646	4,792,881
34	406	2,371,423	1,492	4,233,358
35	415	2,618,928	1,759	4,968,596
36	466	2,814,796	2,070	6,229,789
37	513	3,163,717	2,289	7,184,117
38	482	3,120,220	2,214	7,131,677
39	497	3,052,739	2,185	7,500,071
40	475	3,294,352	2,217	7,772,862
41	503	3,526,845	2,347	8,848,448
42	551	3,773,427	2,335	9,153,361
43	510	3,757,326	2,190	8,501,391
44	556	4,241,235	2,285	9,259,162
45	552	4,145,229	2,177	9,040,422
46	533	4,356,010	2,012	8,459,453
47	498	4,022,009	2,113	9,046,929
48	525	4,700,443	1,991	8,761,662
49	627	5,218,998	2,111	9,237,210
50	612	5,221,263	2,063	9,065,424
51	585	5,175,068	2,103	9,682,355
52	671	6,030,311	2,050	9,503,606
53	628	5,526,715	1,951	9,203,818
54	680	6,082,187	1,817	8,495,381
55	707	6,428,862	1,913	9,541,128
56	752	6,945,992	1,776	8,688,017
57	696	6,633,993	1,801	9,110,428
58	747	6,813,900	1,814	9,256,204
59	750	7,176,729	1,548	8,056,271
60	645	6,231,509	1,309	6,643,110
61	664	6,372,333	1,156	6,277,858
62	583	5,510,909	904	4,695,316
63	526	4,959,556	697	3,516,367
64	486	4,485,854	558	2,906,395
65	412	3,915,376	448	2,287,082
66	294	2,622,198	321	1,596,469
67	241	1,925,899	220	976,903
68	180	1,448,760	187	821,297
69	147	1,060,114	112	478,017
70	98	619,503	86	309,292
71	52	311,002	31	107,903
72	39	235,749	20	53,414
73	25	68,495	16	32,204
74	24	114,739	8	25,761
75	12	41,288	9	35,067
76	20	86,065	1	188
77	13	53,504	3	3,982
78	8	30,406	2	120
79	9	71,152	14	88,644
Total	28,789	\$204,891,640	72,288	\$288,074,901

SCHEDULE G(1)

NEW ENTRANTS

AGE	MEN		WOMEN	
	NUMBER	SALARIES	NUMBER	SALARIES
17	34	\$ 19,635	13	\$ 3,878
18	119	95,697	110	102,389
19	336	582,805	327	569,130
20	416	934,729	402	738,597
21	420	995,720	398	676,008
22	435	985,323	517	1,085,429
23	475	1,229,470	499	955,589
24	430	1,135,925	502	993,694
25	421	1,056,138	511	1,012,700
26	431	952,160	512	1,105,640
27	414	1,035,425	499	824,119
28	379	821,512	561	957,662
29	357	900,274	630	969,589
30	309	658,852	707	1,013,417
31	318	756,975	742	1,129,102
32	340	678,709	945	1,309,819
33	280	551,931	929	1,311,442
34	190	411,500	825	1,138,674
35	180	404,394	898	1,275,078
36	193	424,348	958	1,311,097
37	208	502,558	1,014	1,433,300
38	175	429,286	890	1,252,207
39	184	362,357	805	1,126,458
40	156	437,186	744	1,052,860
41	165	438,316	688	1,015,434
42	182	418,619	630	916,849
43	143	305,443	571	802,126
44	140	418,208	522	750,904
45	125	321,436	516	714,931
46	118	356,999	450	646,089
47	111	281,695	437	609,740
48	91	305,117	355	495,268
49	108	310,938	402	561,892
50	126	361,678	369	488,154
51	92	315,932	323	393,516
52	109	366,412	324	398,007
53	104	396,932	270	328,994
54	106	354,333	233	333,861
55	110	415,077	224	266,747
56	115	282,803	192	237,257
57	99	340,882	199	256,598
58	110	362,732	158	173,796
59	86	289,474	150	204,370
60	61	242,752	124	123,208
61	79	301,444	85	73,298
62	65	210,107	69	58,017
63	68	142,856	69	41,994
64	52	92,181	42	28,240
65	39	56,708	32	16,137
66	39	62,336	25	21,370
67	48	62,859	21	14,244
68	26	39,698	24	10,794
69	22	26,383	20	10,650
70	15	13,827	13	10,411
71	11	33,140	5	1,522
72	3	4,664	4	939
73	11	10,237	5	2,365
74	8	11,956	-	-
75	4	3,225	3	1,476
76	6	13,054	-	-
77	3	9,448	1	421
78	3	5,406	1	8
Total	10,003	\$ 24,348,216	22,494	\$ 33,357,505

SCHEDULE G(2)

INACTIVE MEMBERS - JUNE 30, 1979

ELIGIBLE FOR FUTURE ALLOWANCE

<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>
24	-	1	60	115	196
26	-	4	61	77	94
27	5	8	62	72	89
28	7	4	63	47	44
29	9	12	64	41	33
30	3	8	65	35	21
31	9	14	66	20	18
32	10	17	67	19	15
33	9	9	68	11	7
34	16	18	69	4	11
35	27	18	70	8	8
36	28	21	71	8	5
37	24	41	72	4	4
38	32	32	73	1	2
39	31	47	74	2	2
40	39	40	75	4	2
41	48	51	76	2	1
42	41	60	77	1	1
43	48	80	78	2	1
44	66	93	79	7	5
45	71	85	Totals	<u>2,451</u>	<u>3,664</u>
46	72	93			
47	67	102			
48	61	108			
49	92	112			
50	93	145			
51	121	161			
52	98	167			
53	122	157			
54	148	189			
55	138	207			
56	112	216			
57	101	235			
58	104	264			
59	119	286			

SCHEDULE H(1)

INACTIVE MEMBERS - JUNE 30, 1979

NOT ELIGIBLE FOR FUTURE ALLOWANCE

<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>AGE</u>	<u>MEN</u>	<u>WOMEN</u>
			55	438	993
			56	597	1,088
17	2	3	57	381	821
18	15	5	58	374	838
19	19	39	59	332	794
20	116	123	60	289	686
21	190	193	61	330	640
22	268	341	62	270	523
23	361	450	63	245	487
24	427	528	64	233	458
25	531	659	65	211	403
26	593	874	66	181	311
27	774	1,104	67	183	290
28	869	1,266	68	163	194
29	930	1,388	69	144	218
30	1,045	1,441	70	103	174
31	1,037	1,535	71	90	146
32	1,024	1,791	72	82	91
33	879	1,391	73	78	91
34	694	1,134	74	71	91
35	674	1,134	75	54	70
36	754	1,190	76	51	52
37	704	1,322	77	57	38
38	636	1,240	78	37	34
39	636	1,262	79 & Over	584	338
40	618	1,287	TOTAL	<u>26,730</u>	<u>47,107</u>
41	558	1,288			
42	571	1,219			
43	576	1,207			
44	534	1,218			
45	499	1,210			
46	520	1,087			
47	541	1,127			
48	538	1,064			
49	529	1,164			
50	560	1,023			
51	482	1,002			
52	507	1,025			
53	483	944			
54	438	960			

SCHEDULE H(2)

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Summary of the Benefit Provisions of the Retirement System
as of June 30, 1979

(Including H.B. 204)

The School Employees Retirement System of Ohio makes provision for retirement, disability, death, survivor and health care benefits to all noncertificated 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.

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Summary of the Benefit Provisions of the Retirement System
as of June 30, 1979

(Including H.B. 204)

(continued)

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.

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.

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Summary of the Benefit Provisions of the Retirement System
as of June 30, 1979

(Including H.B. 204)
(continued)

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 1-1/2 years of service with at least 1/4 year of contributing service within the 2-1/2 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:

<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.

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Summary of the Benefit Provisions of the Retirement System
as of June 30, 1979

(Including H.B. 204)
(continued)

V. Cost-of-Living Adjustment

Effective 12 months after receiving or becoming eligible to receive an allowance, such allowance will be increased by 3% of the basic allowance in any year in which the Consumer Price Index has increased at least 3%.

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.

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

ACTUARIAL ASSUMPTIONS - JUNE 30, 1979

SUPERANNUATION RETIRANTS, BENEFICIARIES,
AND SURVIVOR BENEFICIARIES

INTEREST: 5-1/2% 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: 5-1/2% per annum, compounded annually.

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

ACTIVE AND INACTIVE MEMBERS

INTEREST: 5-1/2% 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	R A T E S O F S E P A R A T I O N D U E T O:				RATES OF COMPENSATION INCREASE
		<u>Withdrawal</u>	<u>Death</u>	<u>Disability</u>	<u>Superannuation</u>	
<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	-

77
7.3
7.0
6.7
6.2
5.7
4.7

HB 268 Ltd
\$3,576

Based on
75 Juniors

HB 1476 Ltd
\$24,500

HB 377 Ltd
was 32,000

(15-84)
100% RSP
100% RRSP

	1	2	3	4	5	6	7	8	9	10	11	12	13
	6-30-70	6-30-71	6-30-72	6-30-73	6-30-74	6-30-75	6-30-76						
Assets:	100,892	114,965	130,758	146,613	163,707	180,574	209,928						
A+R	132,834	147,957	161,476	175,935	188,895	206,468	212,577						
SB	21,284	24,175	27,837	30,654	34,044	37,661	41,475						
ETF	37,006	56,613	78,612	98,915	116,078	152,778	177,447						
COL (Def)							6,902						
Health Care													
Liab:	159,716	177,363	210,452	233,013	313,241	356,876	363,695						
A+R							66,527						
Health Care							48,682						
Total A+R of SB	32,902	36,931	35,974	31,533	35,615	45,104	46,682						
Return on Inv	37,499	42,562	42,076	43,923	47,010	109,999	146,724						
Return on Inv	648,578	722,120	771,054	817,328	907,851	1,046,835	1,201,628						
Invested Assets	296,819	378,211	404,589	459,672	512,819	572,351	639,476						
Inv. Return	4%	4%	4.5%	4.75%	5%	5%	5						
First Salary Rate	3%	3%	3%	3%	3%	3%	3						
Employer contrib	7.9	7.9	7.9	8%	8	8	8						
Employer contrib	11.4	11.4	11.4	11.75	12.5	12.5	12.5						
Total Def	135,520	137,670	132,392	150,211	222,655	285,708	353,102						
Normal rate	17.79	17.65	16.3	16.23	17.12	16.92	15.87						
Def rate	11.51	11.65	2.99	3.52	3.38	3.58	4.63						
Employer pension	46.5	39.1	17.0	15.6	25.3	28.1	25.5						
Retired emp. Inv	* 611,728.00	931,177.00	11,821,010	20,913.00	53,576,444	151,102	191,230						
" "					124,181,857	166	3,412						
" "					17,926								
Investment Income	3,753	20,413	25,727	20,533	17,347	27,703	29,662						
Interest Distrib	8,599	9,148	113,177	15,286	7,598	17,288	19,530						
Operating Expense	789	893	972	1,105	1,341	1,476	1,630						
Gross Margin	4,364	10,371	11,576	4,138	(1,572)	8,938	8,492						

		6-30-77		6-30-78		6-30-79
1						
2	Assets:					
3	ESF	219,672		228,743		244,571
4	A+PR	277,292		333,734		410,882
5	SB	46,191		51,250		55,656
6	ETF	148,232		148,236		121,954
7	Healthcare	15,917		24,243		39,613
8						
9	Liab:					
10	A+PR	418,002		473,183		552,111
11	SB	52,759		54,809		59,061
12	Patent Healthcare	66,527		115,303		132,213
13	Total A+PR def	136,288	-11.04	134,886	+3.68	146,548
14	Active liab	1,301,198		1,367,416		1,392,376
15	Inv. Assets	707,434		787,187		864,874
16	Inv. Assump	5		5		5.5
17	Ext. SalRate	3		3		3
18	Employee rate	8		8		8
19	Employer rate	12.5		12.5		12.5
20						
21	Total Def	510,756	+10.6	452,457	+19.78	532,522
22						
23	Normal Rate	15.96		15.57		14.89
24	Health care rate	2.79		4.96		4.89
25	Def Rate (at maintenance)	3.17		2.62		3.22
26						
27	Funding period	25.5		25.4		25.4
28						
29	Total Healthcare liab	207,726		366,339		386,750
30	" " "					
31						
32						
33						
34						
35						

1						
2						
3						
4	Investment Income	29,735		43,129		47,220
5	Interest Distribution	21,666		24,033		27,148
6						
7	Operating Expense	11,839	+5%	11,931	+15.43	2,229
8	Loss Margin	6,228		17,164		17,843
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						