

Final Report

Final for 6/30/71
~~report due~~

**School Employees Retirement
System of Ohio**



STATEMENT
As of June 30, 197~~0~~¹

STATEMENT OF CONDITION

AS OF JUNE 30, 1970-71

ASSETS (What We Own)

| | | |
|-----------------------------------|-------------------------|------------------------------|
| Cash | \$ 504,649.70 | <i>245,762.42</i> |
| Investment at Par | <i>333,957,225.54</i> | 284,738,056.61 |
| Investment Discount Less Premiums | <i>1,606,052.79*</i> | 1,876,859.22* |
| Accrued Interest on Investments | <i>109,254.27</i> | 51,815.62 |
| Accounts receivable | 13,307,052.08** | <i>15,319,131.57</i> |
| Furniture & Equipment | 194,870.21 | <i>191,544.25</i> |
| | <u>\$296,919,585.00</u> | <u><i>348,211,865.26</i></u> |

LIABILITIES (What We Owe)

| | | |
|-------------------------|------------------|-----------------------|
| EMPLOYEES' SAVINGS FUND | \$100,892,442.59 | <i>114,965,047.46</i> |
|-------------------------|------------------|-----------------------|

(Herein are the accumulated contributions of the ~~123,785~~ accounts of the members who have not retired. At retirement the contributions plus interest from the Interest Reserve Fund at the rate provided by law and compounded annually are transferred to the Annuity and Pension Reserve Fund.)

| | | |
|-----------------------|---------------|----------------------|
| EMPLOYERS' TRUST FUND | 37,006,740.27 | <i>56,613,352.95</i> |
|-----------------------|---------------|----------------------|

(Herein are the employers' contributions to match those of the members who retire, to provide funds for the prior service pension, the basic annual pension, and the minimum retirement allowance. At retirement, sufficient funds to provide a reserve for the member's matching annuity, the prior service pension, the basic annual pension, and the minimum allowance are transferred to the Annuity and Pension Reserve Fund.)

| | | |
|----------------------------------|----------------|-----------------------|
| ANNUITY AND PENSION RESERVE FUND | 133,834,618.28 | <i>147,557,098.36</i> |
|----------------------------------|----------------|-----------------------|

(Herein is the trust fund from which the retired member receives the annuity provided by his contributions and interest, the employer's matching annuity, the prior service pension, the basic annual pension, the minimum allowance, and any additional annuities provided by the member, and the Cleveland Custodians' Fund.)

| | | |
|----------------------------|----------|-----------------|
| CLEVELAND CUSTODIANS' FUND | 4,387.17 | <i>1,293.42</i> |
|----------------------------|----------|-----------------|

(Herein are the accounts of the accumulated contributions of members of the Cleveland Custodians' Pension Fund which was merged with the System as provided by law. At retirement, these contributions and interest are transferred to the Annuity and Pension Reserve Fund to provide an additional annuity.)

| | | |
|-----------------------|--------------|---------------------|
| INTEREST RESERVE FUND | 3,728,065.45 | <i>4,735,053.38</i> |
|-----------------------|--------------|---------------------|

(Herein is the fund from which interest is paid to the member's account at retirement to provide the interest guaranteed by law which for the savings account is 4% per annum to June 30, 1955, 3% per annum to June 30, 1963, 3.25% per annum to June 30, 1966, and 4% per annum thereafter.)

| | | |
|----------------|---|--|
| GUARANTEE FUND | 0 | |
|----------------|---|--|

(The investment earnings, gifts, bequests, and other miscellaneous income accumulated in this fund during the year, and remaining as of June 30, were transferred to the various other funds as authorized.)

| | | |
|-------------------------|---------------|----------------------|
| SURVIVORS' BENEFIT FUND | 21,284,725.35 | <i>24,175,769.59</i> |
|-------------------------|---------------|----------------------|

(Herein are the reserves from which the monthly benefit payments are made to qualified designated beneficiaries of members who died prior to retirement.)

| | | |
|--------------|---|--|
| EXPENSE FUND | 0 | |
|--------------|---|--|

(The income to this fund was derived from the members' expense fees and the Guarantee Fund. Operating expenses are paid from this fund. By resolution of the Retirement Board, member contributions to this fund were waived for the fiscal year ending June 30, 1970.

| | | |
|------------------------------------|-------------------------|------------------------------|
| INVESTMENT IN GENERAL FIXED ASSETS | 168,605.89 | <i>164,248.10</i> |
| | <u>\$296,919,585.00</u> | <u><i>348,211,865.26</i></u> |

*Minus Balance

**Includes Employers' Trust Fund contributions for the last half of 1970 in the amount of \$13,293,630.00.

15,310,788.00

INVESTMENT PORTFOLIO AND DISTRIBUTION

As of June 30, 1970

| | Amount | Percent |
|---------------------------------------|-----------------------|---------------|
| Federal Government & Related Agency | 11,072,000.00 | 3.30 |
| Ohio Obligations—State & Subdivisions | 4,563,360.00 | 1.37 |
| Corporate Obligations | 78,485,674.54 | 23.50 |
| Canadian Obligations | 22,870,000.00 | 6.85 |
| Federally Insured Savings & Mortgages | 116,410,274.72 | 34.86 |
| H.U.D. Related Loans | 11,015,002.22 | 3.30 |
| Common & Preferred Stock | 73,442,477.50 | 21.77 |
| Ohio Productive Real Estate | 16,123,444.56 | 4.83 |
| TOTALS | 333,957,225.54 | 100.00 |

PORTFOLIO PURCHASES

Between July 1, 1969 and June 30, 1970

| | Amount | Average Yield Percent |
|-----------------------------|-----------------------|-----------------------|
| Federal Obligations | 22,500,000.00 | 5.06 |
| Corporate Obligations | 23,850,031.67 | 8.18 |
| Canadian Obligations | 900,000.00 | 7.97 |
| Commercial Paper | 194,685,000.00 | |
| Federally Insured Mortgages | 3,543,372.40 | 8.11 |
| H.U.D. Related Loans | 7,270,566.81 | 8.25 |
| Common & Preferred Stock | 58,029,941.45 | 2.95 |
| Ohio Productive Real Estate | 5,564.66 | |
| *Totals | 310,789,016.99 | 4.95 |

| | | |
|----------------------------|------------------|------|
| July 1, 1959-June 30, 1960 | \$ 12,655,974.21 | 4.96 |
| July 1, 1960-June 30, 1961 | 14,424,309.62 | 5.08 |
| July 1, 1961-June 30, 1962 | 26,262,491.36 | 4.94 |
| July 1, 1962-June 30, 1963 | 34,867,490.29 | 4.90 |
| July 1, 1963-June 30, 1964 | 67,342,647.82 | 5.34 |
| July 1, 1964-June 30, 1965 | 41,600,674.35 | 4.98 |
| July 1, 1965-June 30, 1966 | 45,280,591.83 | 4.72 |
| July 1, 1966-June 30, 1967 | 58,925,121.43 | 5.39 |
| July 1, 1967-June 30, 1968 | 75,746,643.53 | 5.95 |
| July 1, 1968-June 30, 1969 | 93,442,405.99 | 4.99 |

*Yield computed on purchases with maturities of 6 months or longer.
 July 1, 1969-June 30, 1970 294,906,382.69 5.30

PORTFOLIO YIELD

(All Investments Amortized on Straight Line Basis)

| Year Ending | Net Amortized Income for Year | Average Effective Return |
|---------------|-------------------------------|--------------------------|
| June 30, 1961 | \$3,363,366 | 4.192 |
| June 30, 1962 | 4,084,673 | 4.403 |
| June 30, 1963 | 4,592,785 | 4.568 |
| June 30, 1964 | 5,728,044 | 4.778 |
| June 30, 1965 | 6,551,698 | 4.766 |
| June 30, 1966 | 6,636,548 | 4.760 |
| June 30, 1967 | 6,922,080 | 4.921 |
| June 30, 1968 | 5,146,674 | 5.254 |
| June 30, 1969 | 14,289,608 | 5.685 |
| June 30, 1970 | 13,752,155 | 6.054 |
| June 30, 1971 | 20,413,943 | 6.953 |

SUPERANNUATION RETIREMENT

PROCESSED IN THE FISCAL YEAR ENDING JUNE 30, 1970

Allowance Based on Straight Life Annuity

| Years of Service | Male | Female | Total Retired | Average Monthly Allowance |
|------------------|------------|------------|---------------|---------------------------|
| 1-9 | 141 | 150 | 291 | \$ 49.57 |
| 10-14 | 148 | 218 | 366 | 89.63 |
| 15-19 | 129 | 132 | 261 | 130.42 |
| 20-24 | 77 | 58 | 135 | 169.52 |
| 25-29 | 57 | 23 | 80 | 224.86 |
| 30-34 | 15 | 9 | 24 | 293.37 |
| 35-39 | 23 | 8 | 31 | 408.05 |
| 40-45 | 7 | 8 | 15 | 569.17 |
| 45 & Over | 2 | 3 | 5 | 457.25 |
| | <u>599</u> | <u>609</u> | <u>1,208</u> | |

Average Service Credit—15.480 Years

Average Monthly Allowance—\$126.37

Average Age at Retirement—64.6 Years

Average Salary at Retirement—\$3,638.73

SUPERANNUATION RETIREMENTS PROCESSED FOR THE FISCAL YEAR ENDING

| Year | Male | Female | Total Retired | Average Straight Life Monthly Allowance |
|---------------|------|--------|---------------|---|
| June 30, 1960 | 473 | 374 | 847 | \$ 95.39 |
| June 30, 1961 | 475 | 349 | 824 | 93.03 |
| June 30, 1962 | 560 | 509 | 1,069 | 88.72 |
| June 30, 1963 | 500 | 424 | 924 | 95.26 |
| June 30, 1964 | 547 | 430 | 977 | 97.36 |
| June 30, 1965 | 495 | 451 | 946 | 101.42 |
| June 30, 1966 | 538 | 496 | 1,034 | 107.44 |
| June 30, 1967 | 569 | 596 | 1,165 | 107.37 |
| June 30, 1968 | 450 | 511 | 961 | 106.40 |
| June 30, 1969 | 653 | 644 | 1,297 | 120.62 |

DISABILITY RETIREMENTS PROCESSED

IN THE FISCAL YEAR ENDING JUNE 30, 1970

| Years of Service | Male | Female | Total Retired | Average Monthly Allowance |
|------------------|-----------|-----------|---------------|---------------------------|
| 1-9 | 20 | 23 | 43 | \$ 90.88 |
| 10-14 | 17 | 25 | 42 | 105.04 |
| 15-19 | 9 | 10 | 19 | 126.66 |
| 20-24 | 10 | 3 | 13 | 191.72 |
| | <u>56</u> | <u>61</u> | <u>117</u> | |

Average Service Credit—12.034 Years
 Average Monthly Allowance—\$112.98
 Average Age at Retirement—54.1 Years
 Average Salary at Retirement—\$3,037.05

DISABILITY RETIREMENTS PROCESSED FOR THE FISCAL YEAR ENDING

| Year Ending | Male | Female | Total Retired | Average Monthly Allowance |
|---------------|------|--------|---------------|---------------------------|
| June 30, 1960 | 38 | 10 | 48 | \$ 82.34 |
| June 30, 1961 | 31 | 27 | 58 | 83.12 |
| June 30, 1962 | 37 | 23 | 60 | 91.72 |
| June 30, 1963 | 35 | 28 | 63 | 102.60 |
| June 30, 1964 | 55 | 41 | 96 | 102.78 |
| June 30, 1965 | 49 | 30 | 79 | 109.46 |
| June 30, 1966 | 60 | 43 | 103 | 106.16 |
| June 30, 1967 | 57 | 27 | 84 | 104.98 |
| June 30, 1968 | 54 | 31 | 85 | 97.89 |
| June 30, 1969 | 59 | 29 | 88 | 123.44 |

SURVIVOR BENEFITS

Monthly Benefits Being Paid to Qualified Designated Beneficiaries of Members Who Died Prior to Retirement as of June 30, 1970

| | No. | Average Annual Allowance |
|------------------------|--------------|--------------------------|
| Joint Survivor Annuity | 300 | \$1,383.16 |
| Spouse — Age 65 | 91 | 1,132.02 |
| Spouse — Age 62 | 334 | 1,138.27 |
| Spouse — Age 50 | 219 | 1,282.08 |
| Spouse with Children | 217 | 2,247.26 |
| Unmarried Children | 48 | 1,527.61 |
| Dependent Parents | 7 | 1,079.60 |
| Other | 7 | 1,589.25 |
| | <u>1,223</u> | |

TOTAL NUMBER OF DISABILITY SUPERANNUATE RETIRANTS AND BENEFICIARIES ON THE ROLLS AND THE AVERAGE ALLOWANCES BEING PAID UNDER THE ELECTED PLANS AND FOR THE MONTH SHOWN

| As of | DISABILITIES | | SUPERANNUATES & BENEFICIARIES | |
|-----------|--------------|---------------------------|-------------------------------|---------------------------|
| | No. | Average Monthly Allowance | No. | Average Monthly Allowance |
| 6-30-1960 | 165 | 79.57 | 5,407 | \$ 73.60 |
| 6-30-1961 | 195 | 77.69 | 5,972 | 72.58 |
| 6-30-1962 | 232 | 81.20 | 6,557 | 74.54 |
| 6-30-1963 | 281 | 83.34 | 7,163 | 76.15 |
| 6-30-1964 | 340 | 90.07 | 7,755 | 77.87 |
| 6-30-1965 | 392 | 89.63 | 8,213 | 80.57 |
| 6-30-1966 | 448 | 97.11 | 8,900 | 90.13 |
| 6-30-1967 | 487 | 98.02 | 9,559 | 91.31 |
| 6-30-1968 | 521 | 97.49 | 10,004 | 91.88 |
| 6-30-1969 | 565 | 105.12 | 10,707 | 99.13 |
| 6-30-1970 | 652 | 106.61 | 11,439 | 100.81 |

TOTAL OF NET ALLOWANCES AND BENEFITS PAID

From September 1, 1937 Through June 30, 1970

| | Superannuation Allowances | Disability Allowances | Survivor Benefits |
|--------------------|---------------------------|-----------------------|-------------------------|
| 1937-38—1941-42 | \$ 974,080.48 | \$ 12,809.02 | \$ |
| 1942-43—1946-47 | 1,987,657.59 | 69,506.52 | |
| 1947-48—1951-52 | 5,182,626.89 | 207,485.74 | 6,153.73 |
| 1952-53—1956-57 | 8,981,666.63 | 239,341.20 | 472,946.22 |
| 1957-58—1961-62 | 22,318,997.74 | 756,704.47 | 2,207,912.40 |
| 1962-63 | 6,537,475.08 | 283,940.61 | 789,710.26 |
| 1963-64 | 7,216,679.37 | 356,590.51 | 905,736.71 |
| 1964-65 | 7,948,887.19 | 424,323.58 | 967,489.12 |
| 1965-66 | 9,359,718.71 | 518,371.98 | 1,101,044.07 |
| 1966-67 | 10,450,425.05 | 583,325.58 | 1,250,390.02 |
| 1967-68 | 11,122,759.74 | 623,334.08 | 1,376,217.18 |
| 1968-69 | 12,753,802.99 | 722,836.33 | 1,597,659.11 |
| 1969-70 | 14,094,594.07 | 836,517.03 | 1,827,911.76 |
| TOTALS | \$118,929,371.53 | \$5,635,086.65 | \$ 12,503,170.58 |
| 1970-71 | | | 2,139,311.69 |
| GRAND TOTAL | 16,007,296.96 | 1,060,583.38 | \$137,067,628.76 |
| | 134,936,668.49 | 6,695,670.03 | 14,642,482.27 |

STATEMENT OF OPERATING EXPENSES

For the Fiscal Year Ending June 30, 1970

| | |
|---|--------------|
| Salaries & Wages | \$418,946.34 |
| Employee Associated Cost | 8,828.42 |
| Office Rent and Insurance | 62,073.23 |
| Travel (Staff, Director, Board) | 10,875.75 |
| Subscription and Membership | 2,514.49 |
| Insurance & Workman's Compensation | 8,442.79 |
| Employer's Contribution (PERS) | 34,143.05 |
| Educational Training-Conference & Meeting Expense | 4,219.55 |
| Equipment (Includes Rent, Repair, Replacement) | 105,838.43 |
| Postage | 30,759.15 |
| Telephone | 8,275.69 |
| Freight, Express & Drayage | 599.24 |
| Printing, Stationery & Supplies | 31,677.87 |
| Medical Examination | 28,038.37 |
| Actuarial & Technical Service | 25,781.26 |
| Audit Service (Bureau of Inspection) | 5,662.37 |
| Retirement Study Commission | 4,059.84 |
| Miscellaneous | 802.47 |
| TOTAL | \$791,538.31 |

TOTAL MEMBERSHIP, NET MEMBERSHIP AND SEPARATION BY YEARS

| Year | Membership During Year | Separation by Year | Net Membership |
|-----------|------------------------|--------------------|----------------|
| 1937-1938 | 10,444 | 176 | 10,268 |
| 1942-1943 | 14,335 | 1,794 | 12,541 |
| 1947-1948 | 21,774 | 2,316 | 19,458 |
| 1952-1953 | 34,002 | 3,962 | 30,040 |
| 1957-1958 | 47,674 | 4,667 | 43,007 |
| 1958-1959 | 49,451 | 4,745 | 44,706 |
| 1959-1960 | 52,181 | 4,694 | 47,487 |
| 1960-1961 | 55,042 | 4,457 | 50,585 |
| 1961-1962 | 58,320 | 4,589 | 53,731 |
| 1962-1963 | 61,937 | 4,847 | 57,090 |
| 1963-1964 | 65,695 | 5,025 | 60,670 |
| 1964-1965 | 71,122 | 5,252 | 65,667 |
| 1965-1966 | 85,860 | 7,508 | 78,352 |
| 1966-1967 | 98,911 | 8,771 | 90,140 |
| 1967-1968 | 108,946 | 8,486 | 100,460 |
| 1968-1969 | 121,445 | 9,893 | 111,552 |
| 1969-1970 | 134,929 | 11,144 | 123,785 |
| 1970-1971 | | | |

ASSETS OF THE SYSTEM
As of Dates Indicated

| | | | |
|-----------|--------------|-----------|-------------|
| 6-30-1943 | \$ 5,436,818 | 6-30-1963 | 126,481,501 |
| 6-30-1948 | 12,254,577 | 6-30-1964 | 142,495,152 |
| 6-30-1953 | 28,014,974 | 6-30-1965 | 159,079,952 |
| 6-30-1958 | 60,447,421 | 6-30-1966 | 177,996,307 |
| 6-30-1959 | 69,600,155 | 6-30-1967 | 198,459,167 |
| 6-30-1960 | 80,541,648 | 6-30-1968 | 220,913,172 |
| 6-30-1961 | 92,938,407 | 6-30-1969 | 257,190,453 |
| 6-30-1962 | 111,909,803 | 6-30-1970 | 296,919,585 |
| | | 6-30-1971 | 348,211,865 |