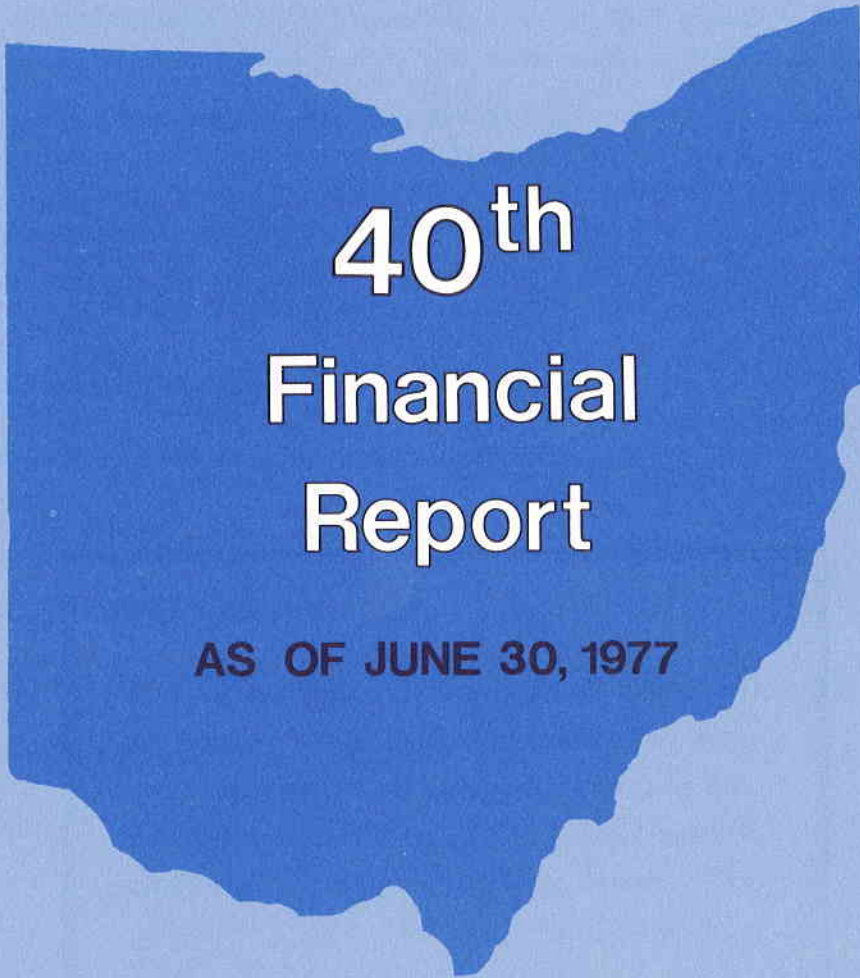


SERS



40th

Financial

Report

AS OF JUNE 30, 1977

School Employees Retirement System

The School Employees Retirement System provides retirement and disability allowances as well as survivor benefits for its members. The office is located at 88 East Broad Street, Room 600, Columbus, Ohio 43215, Telephone (614)-221-5853.

RETIREMENT BOARD

The School Employees Retirement System was established by the legislature in 1937 for all employees in Ohio public schools who fill positions not requiring a teaching certificate. The governing body of the Retirement System is the five-member Board which meets monthly. Three of the five are elected by the membership. The two remaining are ex-officio members, the Ohio Attorney General and State Auditor, who serve by virtue of their office.

Members of the board receive no compensation for their services, other than reimbursement of personal expenses. Terms are for six years, starting with the July 1 fiscal year. One member stands election every odd-numbered year. Any other vacancy is filled by a vote of the board members.

Present members of the Retirement Board and the Executive Director are:

GEORGE J. MAZZARO, SR., *Cleveland Heights-University Heights*, President

CHARLES T. LEWIS, *Cleveland*, Vice-President

BERTHE E. WEIST, *Kettering*

WILLIAM J. BROWN, Attorney General

THOMAS E. FERGUSON, Auditor of State

JAMES O. BRENNAN, Executive Director

STATEMENT OF

AS OF JUNE

ASSETS

CASH		\$	204,627.85
ACCOUNTS RECEIVABLE: Employer	\$ 26,137,020.00		
Miscellaneous	<u>29,661.03</u>		26,166,681.03
INVESTMENT: Par	\$679,015,590.22		
Premiums Less Discount	<u>1,810,017.65</u>		680,825,607.87*
FURNITURE & EQUIPMENT			<u>237,361.30</u>
			<u>\$707,434,278.05</u>

LIABILITIES

EMPLOYEES' SAVINGS FUND \$219,672,042.74

(Herein are the accumulated contributions of the 170,294 accounts of the members who have not retired. At retirement the contributions plus interest at the rate provided by law and compounded annually are transferred to the Annuity and Pension Reserve Fund.)

EMPLOYERS' TRUST FUND \$164,150,505.30

(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, the minimum retirement allowance, and the health-care insurance. 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 \$277,292,903.41

(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.)

CONDITION

30, 1977

INTEREST RESERVE FUND

\$ **—0—

(Herein is the fund from which interest is paid to the member's Additional Annuity account at retirement to provide the interest guaranteed by law which is 4% per annum to June 30, 1955, 3% per annum to June 30, 1966, 4% per annum to June 30, 1971, 4½% per annum to June 30, 1973, 4¾% per annum to June 30, 1974 and 5% 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

\$ 46,191,117.74

(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 derives from the Guarantee Fund. Operating expenses are paid from this fund. By resolution of the Retirement Board, member contributions to this fund were waived subsequent to June 30, 1959.)

INVESTMENT IN GENERAL FIXED ASSETS

\$ 127,708.86

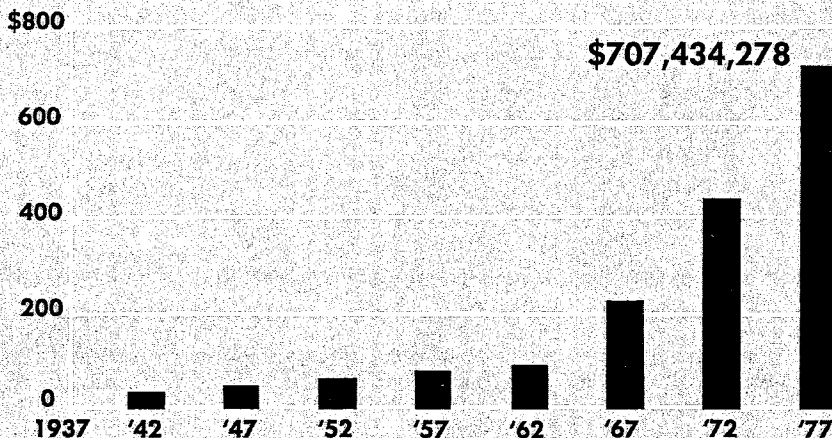
\$707,434,278.05

*Current market value of all investments as of June 30, 1977 is \$642,622,202.72.

**Per the actuary's recommendation, the balance in this fund was transferred to and in the future will be included in the Employers' Trust Fund.

ASSETS As Of June 30

Millions



INVESTMENT PORTFOLIO AND DISTRIBUTION

As Of June 30, 1977

	Par Value	Book Value	%
U.S. Government & Agency Securities	\$ 12,076,450.00	\$ 11,876,915.86	1.8
Corporate Bonds	283,535,000.00	286,089,850.84	41.7
Canadian Bonds	50,800,000.00	51,381,038.45	7.5
Federally Guaranteed or Insured Mortgage Securities	118,253,623.34	116,824,117.09	17.4
Common Stocks	171,483,298.21	171,483,298.21	25.3
Productive Real Estate	19,902,218.67	19,902,218.67	2.9
Short-Term Investments	22,965,000.00	23,268,168.75	3.4
TOTALS	\$679,015,590.22	\$680,825,607.87	100.0%

From September 1, 1937 Through June 30, 1977

	Service	Disability	Survivor	TOTAL
1937-42	\$ 974,080.48	\$ 12,809.02	\$	\$ 986,889.50
1942-47	1,987,657.59	69,506.52		2,057,164.11
1947-52	5,182,626.89	207,485.74	6,153.73	5,396,266.36
1952-57	8,981,666.63	239,341.20	472,946.22	9,693,954.05
1957-62	22,318,997.74	756,704.47	2,207,912.40	25,283,614.61
1962-67	41,513,185.40	2,166,552.26	5,014,370.18	48,694,107.84
1967-68	11,122,759.74	623,334.08	1,376,217.18	13,122,311.00
1968-69	12,753,802.99	722,836.33	1,597,659.11	15,074,298.43
1969-70	14,094,594.07	836,517.03	1,827,911.76	16,759,022.86
1970-71	16,007,296.96	1,060,583.38	2,139,311.69	19,207,192.03
1971-72	18,992,075.80	1,227,837.10	2,446,919.92	22,666,832.82
1972-73	22,322,111.98	1,575,418.21	2,784,053.89	26,681,584.08
1973-74	25,938,114.37	1,881,966.34	3,214,805.68	31,034,886.39
*1974-75	35,911,375.24	2,449,689.87	3,855,977.95	42,217,043.06
*1975-76	37,867,522.38	3,702,779.83	4,717,202.36	46,287,504.57
*1976-77	40,186,412.26	4,047,496.97	4,772,814.85	49,006,724.08
TOTALS	<u>\$316,154,280.52</u>	<u>\$ 21,580,858.35</u>	<u>\$ 36,434,256.92</u>	<u>\$374,169,395.79</u>

*These amounts include the System's share of the Hospital-Medical insurance premiums paid to and for retirees.

**STATEMENT OF OPERATING EXPENSES
For the Fiscal Year Ending June 30, 1977**

Salaries & Wages.....	\$ 793,034
Employee Associated Costs.....	9,070
Office Rent and Insurance.....	82,314
Travel, (Staff, Director & Board).....	27,661
Subscription and Membership.....	5,789
Insurance & Workman's Compensation.....	37,999
Employer's Contribution (PERS).....	91,589
Equipment (Includes Rent, Repair, Replacement).....	311,322
Postage.....	115,427
Telephone.....	18,332
Education Training.....	628
Printing, Stationery & Supplies.....	96,682
Medical Examination.....	70,910
Actuarial & Technical Service.....	167,844
Audit Service (Bureau of Inspection).....	987
Retirement Study Commission.....	10,714
Miscellaneous.....	2,903
TOTAL.....	<u><u>\$1,843,205</u></u>

RETIREMENT STATISTICS

The number of members who retired and actually were issued a service retirement benefit and a disability retirement benefit during the period July 1 - June 30 is shown below. The statistics include member accounts and monies received FROM other retirement systems but do NOT include member accounts and monies transferred TO other retirement systems. The Average Monthly Allowance is the gross monthly payment, including the Med B insurance reimbursement, paid during the year divided by the number of members who retired during the year.

PROCESSED IN THE FISCAL YEAR ENDING JUNE 30, 1977:

SERVICE RETIREMENT				
Based on Straight Life Annuity				
Years of Service	Male	Female	Total Retired	Average Monthly Payment
5-9	234	323	557	\$ 64.59
10-14	191	333	524	113.91
15-19	160	260	420	174.97
20-24	100	168	268	239.00
25-29	61	64	125	327.89
30-34	71	31	102	496.88
35-39	21	11	32	631.06
40-45	10	3	13	771.07
45 & Over	2	0	2	406.47
	<u>850</u>	<u>1,193</u>	<u>2,043</u>	

AVERAGE RETIREMENT

Service Credit — 15.672 Years
Monthly Payment — \$174.21
Age at Retirement — 63.64 Years
Salary at Retirement — \$5,974.37

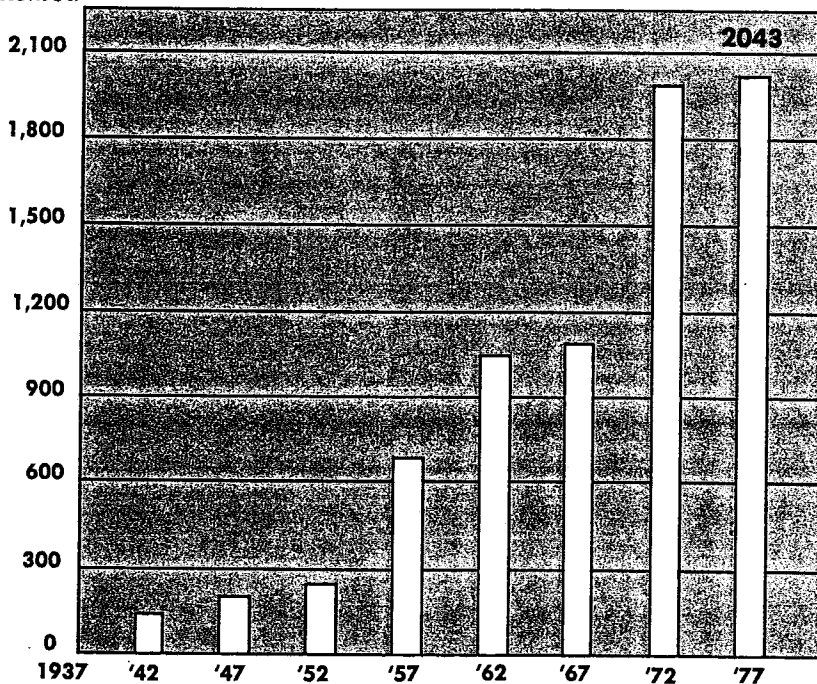
DISABILITY RETIREMENT				
Years of Service	Male	Female	Total Retired	Average Monthly Payment
5-9	41	69	110	\$163.94
10-14	20	51	71	175.88
15-19	18	20	38	316.70
20-24	20	9	29	335.87
	<u>99</u>	<u>149</u>	<u>248</u>	

AVERAGE DISABILITY

Service Credit — 12.026 Years
Monthly Payment — \$210.87
Age at Retirement — 52.99 Years
Salary at Retirement — \$5,559.93

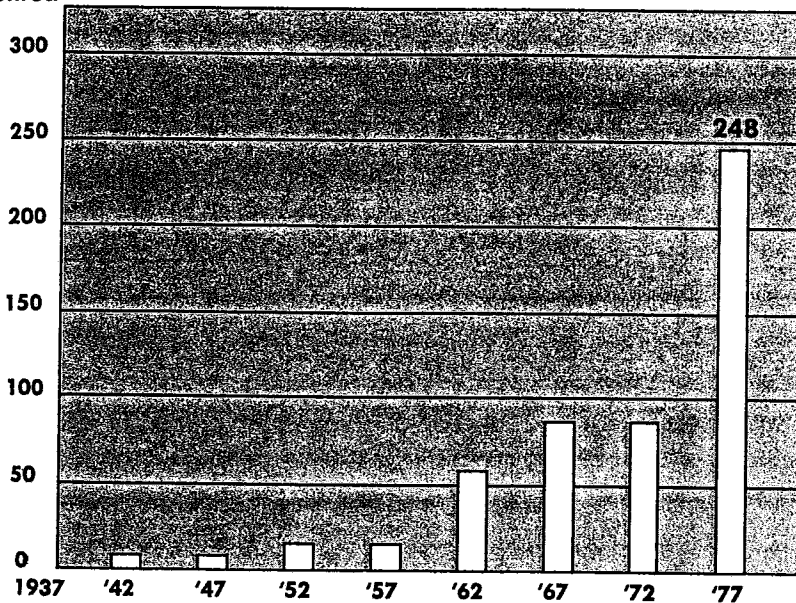
Number Retired

FISCAL YEAR ENDING JUNE 30

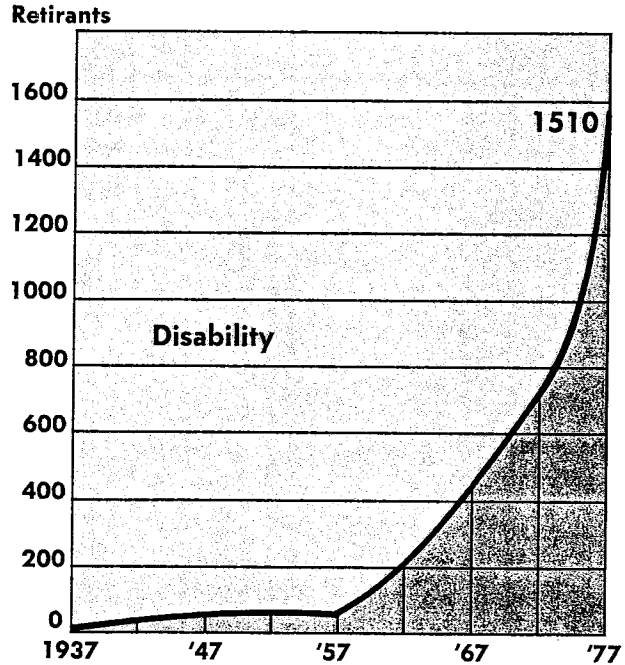
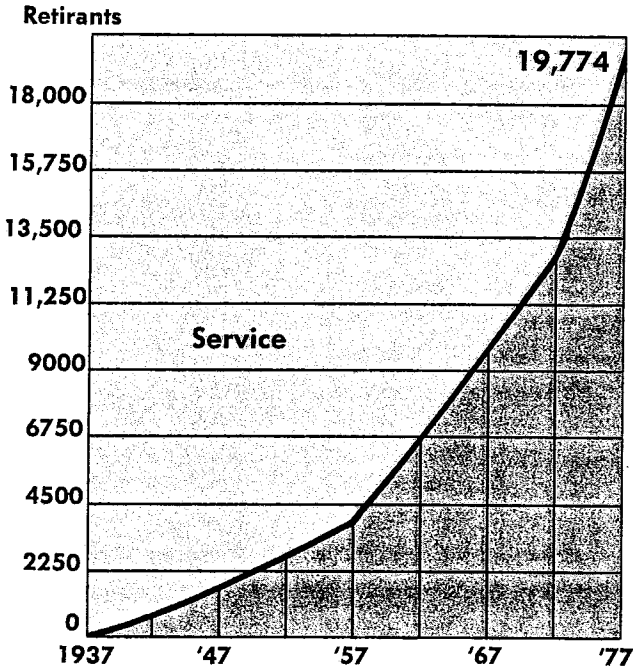


DISABILITY RETIREMENTS PROCESSED FOR THE FISCAL YEAR ENDING JUNE 30

Number Retired



TOTAL NUMBER OF SERVICE AND DISABILITY
RETIRANTS ON THE ROLLS AS OF JUNE 30



SURVIVOR BENEFITS

**Monthly Benefits Being Paid to Qualified Designated Beneficiaries
of Members Who Died Prior to Retirement as of June 30, 1977**

	No.	Average Monthly Payment
Joint Survivor Annuity	428	\$188.51
Spouse — Age 65	88	117.81
Spouse — Age 62	608	137.65
Spouse — Age 50	459	159.28
Spouse with Children	363	240.41
Unmarried Children	85	158.50
Dependent Parents	8	143.28
Other	28	136.33
	<u>2,067</u>	

**TOTAL MEMBERSHIP, SEPARATION AND
NET MEMBERSHIP BY YEARS**

Year	Membership	Separation	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	65,870
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	137,386	11,394	125,992
1971-1972	145,005	9,507	135,498
1972-1973	154,769	7,841	146,928
1973-1974	162,072	9,167	152,905
1974-1975	168,685	9,717	158,968
1975-1976	178,060	10,643	167,417
1976-1977	180,264	9,970	170,294

SCHOOL EMPLOYEES  RETIREMENT SYSTEM

88 EAST BROAD STREET, COLUMBUS, OHIO 43215 • TELEPHONE 614/221-5853