



## *SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO*

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### **Report of Recent Board Activity and Actions - SERS**

#### ***SERS Sustainability Initiative***

Keeping SERS' benefit plans financially strong is both the Board's fiduciary duty and number one priority.

To maintain sustainability, the Board has begun regular discussions on plan design to make sure SERS is in position to withstand changes in member demographics, investment experience, and other sources of financial pressure.

The Board wants to assess possible measures to make the plan more sustainable now, while the plan is healthy, and not wait until financial or legal mandates might require them to act.

There is no predetermined outcome associated with these sustainability discussions.

During the sustainability initiative, the Board has sought to gain deeper insight into all of SERS' participant populations: active members, retired members, inactive members, disability recipients, survivors, beneficiaries and participating employers.

The Board has requested and reviewed data on the history of the fund, and how we have evolved and changed over time, to gain a better understanding of how we have gotten where we are today. In addition to being shared with the Board, those materials have been published on our website as well as included in packets we have shared with our stakeholders and provided to the Council.

The Board is engaging in discussions on both pension fund and health care program sustainability. The analysis is being done simultaneously because SERS' funding policy is structured to allow funding for health care to increase as the pension system becomes better funded.

We are proud of our history of being transparent and inclusive when discussing System changes and this process will be no different. As previously noted, regular sustainability progress updates are available on our website and stakeholder input will be an essential element of the discussions.

We are doing outreach to our stakeholders and members throughout this process. We are meeting with the leaders of organizations that represent our members to share information and seek feedback on the process so far. We have sent a newsletter directly to all active members and retirees to update them on the discussions. We intend to do additional outreach throughout the sustainability initiative, to keep our members informed and provide opportunities for dialogue.

We recognize and appreciate the sacrifices made by SERS' membership following the Great Recession. Changes to age and service requirements and the cost-of-living adjustment have been effective in keeping SERS financially stable in an uncertain economic environment.

Yet we recognize that SERS' demographics are changing and that investment returns are projected to be lower over the next 5-10 years. Sustainability is not a one-and-done process.

No timetable has been set for the completion of these discussions.