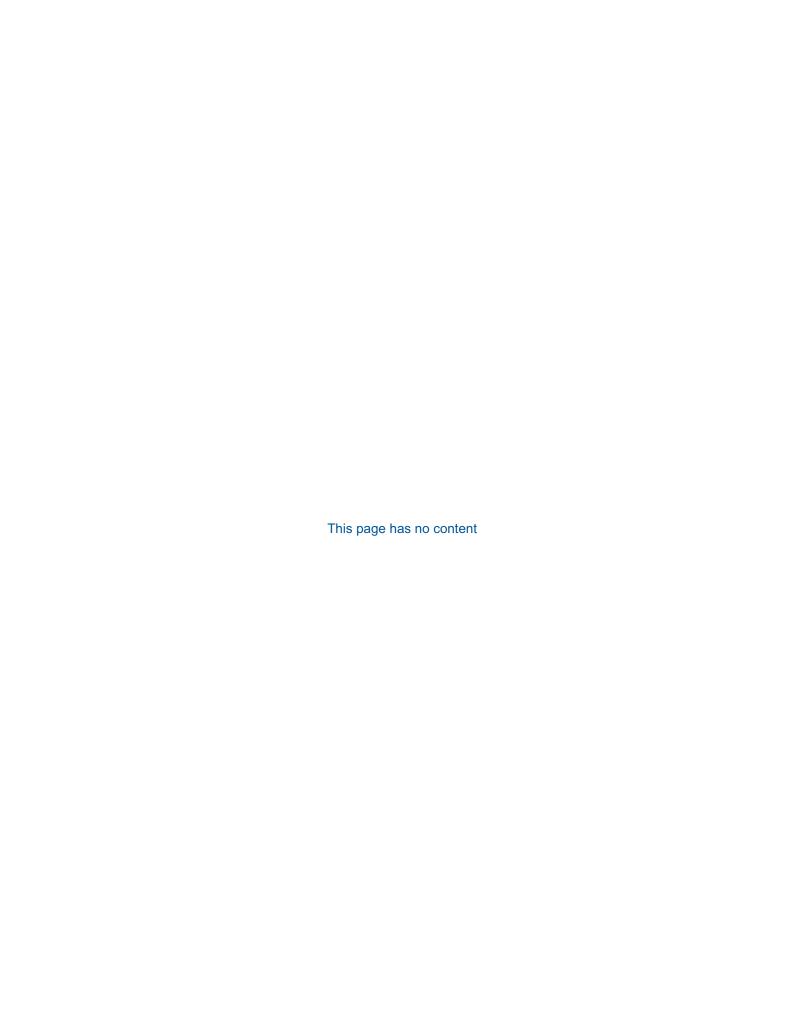
Providing
Uncompromised Service
and Continuing Forward





Ohio Public Employees Retirement System

Prepared by OPERS Finance Division Staff



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Employer composition and membership information

For actuarial purposes, participating employers are divided into State, Local, Law Enforcement and Public Safety divisions. A complete description of the OPERS membership is contained in the Plan Statement Section of this document, beginning on page 221.

Annual report organization

This annual report is divided into six sections, listed as each appears in this document:

- 1 Introductory Section—with the Letter of Transmittal, organizational chart, and recognition awards garnered in 2020
- 2 Financial Section—with the Independent Auditors' Report, Management's Discussion and Analysis, the financial statements of the System, Required Supplementary Information and Additional Information
- 3 Investment Section—with the Chief Investment Officer's report on investment activity, Independent Investment Consultant's Report, investment policies, investment results, and various investment schedules
- 4 Actuarial Section—with the Actuary's Certification Letter and the most recent results of the annual actuarial valuations for pension and health care
- 5 Statistical Section—with significant data pertaining to the System
- 6 Plan Statement—with membership information and details about the retirement plans offered through OPERS

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Introductory Section

Service Delivered: Throughout 2020, OPERS staff, management and Board of Trustees worked to provide unparalleled service in uncertain times. Complying with state of Ohio orders, the OPERS offices were closed in March and work was performed remotely. Yet, our tradition of adapting to change and delivering uncompromised service to each of our approximately 1,184,000 members remained:



Retirees continued to receive on-time pension benefit payments, totaling \$6.5 billion—more than \$5.8 billion was delivered to Ohio-based retirees.



Hundreds of thousands of eligible members received a personalized, annual account statement to help ensure each understands the status of benefits earned.



More than 68,000 members and retirees attended online seminars, three times the number who attended in 2019.



As virtual and remote services were used to reach members and retirees:

- The OPERS website attracted more than 1.000.000 individual visits.
- Member Services Call Center handled 282,252 calls.

The OPERS Board of Trustees

Introductory Section (unaudited)



Julie Albers Representative for County Employees

Board of Trustees members as of January 2021



Matthew Damschroder Director Department of Administrative Services (Statutory Member)



Randy Desposito Representative for Non-Teaching College/University Employees

The 11-member Board of Trustees is the governing body of the Ohio Public Employees Retirement System (referred to as OPERS, System or Fund). The Board is ultimately responsible for the administration and management of all OPERS activities including oversight of investment activities.

The Board is comprised of seven individuals who are elected by the specific stakeholder group each represents: college/university employees, state employees, miscellaneous employees, county employees, municipal employees, and two retiree elected representatives. Three individuals with investment expertise are appointed by Ohio's Governor, Treasurer, and jointly by the Ohio Legislature. The Board is completed by the Director of the Ohio Department of Administrative Services who serves on the Board by virtue of office.

The Board appoints the Executive Director, an actuary, and other advisors necessary for the transaction of business. By law, the Treasurer of the state of Ohio is custodian of the OPERS funds.

The Board typically meets monthly and receives no compensation, but is reimbursed for necessary expenses.



Harold Charles Elliott* Governor-Appointed Investment Expert

Effective February 2021, Mr. Elliott was replaced by James Kunk.



Chris Mabe Representative for State Employees and Board Vice Chair Board Chair as of February 2021



Lance Osborne* Treasurer-Appointed Investment Expert

* Effective February 2021, Mr. Osborne was replaced by Richard Hollington, Jr.



Tim Steitz Representative for Retirees



Cinthia Sledz Representative for Miscellaneous Employees





James Tilling

Ken Thomas Representative for Municipal Employees and Board Chair Vice Chair as of February 2021

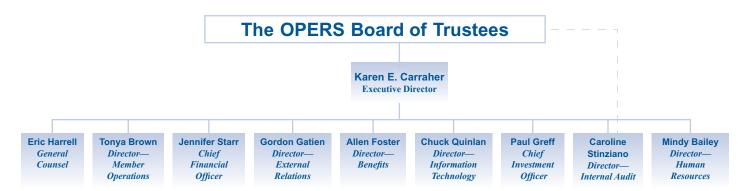


Steve Toth Representative for Retirees



General Assembly Appointed Investment Expert

OPERS Leadership Team





Leadership Team (left to right): Eric Harrell, General Counsel; Tonya Brown, Director—Member Operations; Jennifer Starr, Chief Financial Officer; Gordon Gatien, Director—External Relations; Allen Foster, Director—Benefits; Karen Carraher, Executive Director; Chuck Quinlan, Director—Information Technology; Paul Greff—Chief Investment Officer; Caroline Stinziano, Director—Internal Audit; Mindy Bailey, Director—Human Resources

Image shown here from 2018 annual report.

Advisors to the Board of Trustees

Investment Policy

Actuary

NEPC, LLC

Gabriel, Roeder, Smith & Company

Cambridge, Massachusetts

Southfield, Michigan

AON Hewitt Investment Consulting, Inc.

Chicago, Illinois

Auditor

CliftonLarsonAllen LLP

Toledo, Ohio

(under contract with the Auditor of State)

See pages 106-109 for a list of investment commissions, fees and external asset managers.



Ohio Public Employees Retirement System

277 East Town Street Columbus, Ohio 43215-4642 1-800-222-7377 www.opers.org

May 28, 2021

Dear Chairman and Members of the Board of Trustees:

On behalf of all management and staff, it's our pleasure to present you with the 2020 Comprehensive Annual Financial Report (annual report). This document reflects the ongoing commitment of activities undertaken by the Ohio Public Employees Retirement System (OPERS or System) for the fiscal year ended December 31, 2020.

As we all are aware, 2020 was a year like no other any of us have experienced. Despite the challenges with the global pandemic and its impact on the economy and investment markets, OPERS continued to provide uncompromised services and make progress on achieving our goals. Through innovation and leadership, OPERS delivered on service to members, continued regular operations, forged ahead with the implementation of major new initiatives, and navigated a tumultuous investment market to finish with a strong year.

Our theme—*Providing Uncompromised Service and Continuing Forward*—reflects the importance of both these actions. We pride ourselves on impeccable service to our members. Continuing to provide outstanding service during the global pandemic required us to shift and introduce new methods of delivering service. The sudden shift to statewide stay-athome orders and social distancing requirements eliminated all opportunities to deliver in-person service. Through the commitment of our staff, we quickly shifted to virtual education and counseling, answering call center questions and processing all regular business remotely. We acknowledge and appreciate the flexibility of our members as they shifted to the new virtual environment with us. We are proud that our member service measures not only equaled, but, in some cases, exceeded metrics of regular non-pandemic years.

The other component of this year's theme—continuing forward—reflects the importance of making progress toward achieving our goals, even in a pandemic. OPERS has a strategic plan to fund the pension and health care plans. It's important that we continue to make progress toward that goal. Despite the challenges of 2020, OPERS finished the year ontrack for implementing the major health care changes that become effective in 2022 and with investment returns in excess of expectations for both the pension and health care portfolios.

As we work to address challenges, we remain grounded by five overarching plan goals—designed to help us evolve. Specifically, the goals:

- · Provide a stable pension for all OPERS retirees
- Continue to provide a meaningful retiree health care program
- Minimize drastic plan design changes by making incremental changes
- Be financially positioned to react to market volatility
- · Maintain intergenerational equity

The activities reported here for 2020 illustrate our focus and progress on the path to move OPERS forward in continuing to deliver on our promise of providing a secure retirement for our members—present and future.

Overview of OPERS

OPERS was established and exists solely for the purpose of providing retirement, disability and survivor benefits to Ohio's public employees. Created by legislation in 1933, OPERS began operations January 1, 1935, prior to the Social Security Administration. In 1974, OPERS added access to health care—an element of significant importance to retirees yet is neither mandated nor guaranteed. In 2003, OPERS increased the pension plan options offered to three distinct plans. More information on current benefits can be found in the Plan Statement starting on page 221.

As of year-end 2020, OPERS served approximately 1,184,000 members, including more than 216,000 retirees and beneficiaries. In addition, the System works with approximately 3,700 public employers. With a net asset base of \$114.3 billion, OPERS is the largest public pension system in Ohio and the 12th largest public pension system in the nation. These numbers clearly demonstrate OPERS' importance as an economic driver for the state of Ohio.

Investments

Investment results are an important focus for us since investment returns provide approximately two-thirds of the funding for a retiree's ultimate pension. The key components of investment management of a portfolio such as OPERS' is asset allocation and diversification, both of which are regularly reviewed.

Fiscal year 2020 proved to be one of the most tumultuous years in the investment market in history. By the end of the first quarter, year-to-date investment returns were -10.74% for the pension portfolio and -13.49% for the health care portfolio. By the end of the second quarter, the year-to-date investment returns were -3.05% for the pension portfolio and -4.85% for the health care portfolio. Third quarter year-to-date investment returns finally reached a positive level with a 1.01% return for the pension portfolio and 0.50% for the health care portfolio. Even looking at the year-to-date returns of November of 6.84% for the pension portfolio and 6.40% for the health care portfolio, no one predicted that investment returns in December 2020 would be so strong that they would significantly impact the year-to-date returns. However, that's exactly what happened. With an impressive run, December year-to-date returns were 12.02% for the pension portfolio and 10.96% for the health care portfolio. Fiscal year 2020 was unlike any other year.

Despite the exuberance we may feel about the strong 2020 investment returns, it's important to remember that those returns reflect only one year. The OPERS long-term investment goal is to attain a return over the long-term that will provide adequate funding for the benefits. We recognize that yearly returns will vary with the market volatility, thus we expect years with positive returns above our expectations and negative years with returns below our expectations. The goal is to structure an investment portfolio that will provide long-term returns. This long-term approach is balanced keeping in mind our short-term liquidity needs and liability due dates—meaning meeting our obligations to members.

Overall, 2020 was a very strong year, especially given how the year started with negative investment market returns. Combine this with the staggering economic impact of the global pandemic with the closure of businesses worldwide, the impact on unemployment and virtually the complete shutdown of some industries and we realize how truly impressive this investment return is and the extreme volatility of the investment market.

The OPERS total return reflects the combined returns of the underlying portfolios that fund the pension benefits and the health care program. The total return for the OPERS portfolio for 2020 was 11.95%, which exceeded the benchmark return of 11.54%. That return marks the second year of favorable investment returns when we combine the 2020 return with the 2019 return of 17.59%.

The underlying portfolios that make up the total OPERS portfolio are the Defined Benefit portfolio, the Defined Contribution portfolio, and the Health Care portfolio. These underlying portfolios have different asset allocations based on the funding and liquidity needs; thus, each portfolio's investment returns will vary. By portfolio, the 2020 returns were:

- Defined Benefit portfolio returned 12.02%, compared to the benchmark return of 11.65%, and the anticipated actuarial funding plan rate of 7.20%.
- The Defined Contribution portfolio returned 14.96%, compared to the benchmark return of 15.04%.
- The Health Care portfolio returned 10.96%, compared to the benchmark return of 10.13% and the anticipated actuarial funding plan rate of 6.00%.

A complete discussion of investment returns, activities, asset allocation strategy, safeguards, and policies governing those activities can be found in the Investment Section, beginning on page 93. Additionally, information on investment fees and commissions can be found beginning on page 106.

Pension Funding

As of December 31, 2020, the date of the latest actuarial valuation, OPERS was 82.9% funded which is an improvement over the prior year's 79.5% funded level. The improved funding position relates entirely to strong investment returns in 2020. The funded ratio is a key measure of the System as it reflects OPERS has accumulated 82.9% of the assets necessary to fund the liability for both active and retired members. By law, OPERS is obligated to pay the benefits that have commenced with retirees. To make these payments each year, OPERS transfers funds from the active member funding (the Employers' Accumulation Fund) to the retired member funding (the Annuity and Pension Reserve Fund and the Survivors' Benefit Fund). Thus, the active member funding is 52%. The amortization period reflects how long it will take to fund remaining liabilities based on the current actuarial assumptions. The OPERS amortization period decreased from 23 years to 18 years.

While the improvement in the pension funding is great news as we continue to work to strengthen the funding, we are cautious as there are upcoming impacts that may dampen the pension funding improvements.

One of the keys to the success of OPERS pension funding rests with the establishment of good assumptions. These assumptions should reflect the expected forward-looking expected results. The assumptions are reviewed annually. However, in addition, every five years the OPERS actuaries conduct a detailed analysis, referred to as an experience study. The goal of the experience study is to assess the adequacy of the assumptions and adjust them as necessary. OPERS next experience study will be conducted on the 2016-2020 time frame. Therefore, the preliminary 2020 actuarial funding results may be adjusted. Assumptions relative to membership levels, life expectancies and investment returns are just a few of the key assumptions that may see adjustments resulting in an impact to the funded position of the System.

To achieve the required funding necessary to provide the pension benefits and health care coverage, OPERS collects member and employer contributions and invests those assets. The investment assets are expected to earn a targeted investment return over the long-term. As the System has matured, the investment earnings have become the largest source of funding for benefits. The long-term impact of the pandemic and related changes on the number of active members employed by the 3,700 employers participating in OPERS and the level of future salary increases could materially impact the funding.

Similarly, establishing the long-term investment return assumption is an important element in managing the funding. The current forward-looking long-term pension investment return assumption is 7.2%. Establishing a realistic long-term investment earnings assumption is a responsible and necessary function of adequately funding the plan. Too high of an assumption will ultimately result in benefit reductions, while too low of an assumption may result in an overcorrection through benefit changes. Both will result in a mismatch of funding burden on future generations for today's obligations. A change in the long-term investment return assumption would also materially impact the funding.

The Actuarial Section, beginning on page 139, provides complete schedules of funding progress for pension and health care.

Health Care Funding—Health Care Preservation Plan 3.1

Although health care is neither mandated nor guaranteed, the Board, management and staff, recognize the importance to our members of providing access to meaningful health care as it is a significant component of a secure retirement. This dedication to maintaining access to meaningful health care has become increasingly expensive as OPERS retirees, aligning with national trends, have increased in number, have longer life expectancies, and higher health care costs as health care expenditures continue to increase significantly faster than inflation.

OPERS faces two major issues to providing health care: First, we anticipate that health care expenses will continue to increase based on the combination of the growing number of retirees, their increasing life expectancies and overall increases in the cost of health care due to medical advances especially in the prescription drug component. Second, the funding status of the pension requires that all contributions be allocated to improve the pension funding. Thus, until the pension funding improves, no funding can be made available for health care.

As a result, OPERS adopted additional changes to the health care program referred to as Health Care Preservation Plan 3.1 (or HCPP 3.1). A high-level summary of changes to the health care program are described in the next section.

Incorporating the results from HCPP 3.1, as of December 31, 2019, the date of the most recent health care valuation, the health care assets accumulated to fund the liabilities exceeded the liabilities by \$0.5 billion resulting in a funded ratio of 104.20%. Based on the combination of the level of health care expenditures and that OPERS is currently unable to fund the health care fund, the current trust fund is expected to last approximately 23 years, a significant improvement over the prior-year solvency period of 11 years prior to the HCPP 3.1 changes.

OPERS actuaries will also complete an experience study for the health care fund and, as such, the above results may change. The long-term investment return assumption for health care is 6.0%. The health care portfolio long-term investment earnings assumption is lower than the pension portfolio as the health care portfolio has a shorter duration and thus has more liquid assets and excludes the illiquid assets that provided relatively higher returns for the pension portfolio.

Key Activities in 2020

A Comprehensive Plan to Reduce the Unfunded Liability

During 2019, the OPERS Board approved a four-part plan with a goal of reducing the unfunded pension liabilities. The plan components and status are as follows:

Proposed Retiree Cost-of-Living Adjustment Freeze

The first component of the plan is a two-year freeze on retiree's cost-of-living adjustments for the calendar years 2022 and 2023. A significant portion of the unfunded liability relates to retiree's benefits and the two-year freeze on the cost-of-living adjustment provides intergenerational equity. This proposal would also modify cost-of-living adjustments for new retirees as of 2022 to begin 24 months after retirement rather than the current 12 months. This component of the plan has been approved by the Board; however, OPERS needs legislative approval for the change.

Combined and Member-Directed Plan Changes

The second component of the plan involves changes to OPERS' Member-Directed (defined contribution) Plan and the Combined Plan.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022. This component is being implemented and will be effective January 1, 2022.

The Member-Directed Plan will be modified with changes to the vesting schedule, annuitization, mitigating rate, cost-of-living adjustment and retiree medical account funding. These changes would impact future new members. These changes have been approved by the Board and do not require legislative changes. These changes are in the process of being implemented and the final implementation date will be determined in conjunction with Group D discussed below.

New Group D Tier

OPERS would create a new benefit tier for future new members hired. The specifics of this new tier are in discussion with stakeholder groups and will be finalized in 2021/2022.

This component of the plan would require legislative approval for the changes. The date of implementation will be determined when finalized changes are approved.

Health Care 3.1

Changes to the health care program represent the final component of the plan. These changes, effective in 2022, will eliminate the current group plan for non-Medicare retirees and replace it with a health reimbursement arrangement (HRA) and provide assistance from an OPERS vendor to help members select an individualized plan on the open market. The amount of HRA would vary based on the member's years of service and age of commencing health care. The HRA model was put in place for the Medicare retirees in 2015 and has been successful. In addition, HCPP 3.1 includes changes to the base allowance and reductions in the grandfathering protection. These changes are being implemented and will be effective January 1, 2022. A complete description of the changes is included in the Plan Statement Section beginning on page 221.

The combination of these four components comprise the plan to reduce the cost of both the pension plan and the health care program and improve funding. The cost reductions are necessary to adequately fund the pension program and to extend the health care program.

Other Key 2020 Activities

Pandemic impact—Like all businesses, OPERS was impacted by the global pandemic and the corresponding state-wide stay-at-home orders. The announcement and requirement to stay at home came quickly and required the organization to pivot to an organization-wide work-from-home model. OPERS relied on the emergency planning procedures in place from the regular disaster planning we conduct. The organization shifted to enable the staff to work from home and provide all services and operations normally performed in the office. This involved distributing laptops and desktops and ensuring all processing workflows were working efficiently. We shifted our member outreach and training to virtual sessions offered online daily. We shifted counseling appointments to be virtual online counseling. We adapted our call center such that our member services representatives could answer calls with the full functionality they would have from the office. This was a massive undertaking and we are proud of the success of this effort.

HCPP 3.1 implementation—As noted previously, we are implementing changes to the health care program referred to as HCPP 3.1. Implementation of these changes was a priority in 2020, despite the impacts of the global pandemic on the work environment. Key activities during the year included the completion of the entire vendor selection process, onboarding the selected vendor, preparing technology systems for processing, educating members on the changes as well as future expectations, and preparing communication materials for the upcoming enrollment process. This preparation continued in an efficient and effective manner despite the remote work requirements.

Internal processes and investment in technology—The System's goal is to provide excellent service to ever-increasing numbers without the commensurate increase in staff. This requires an ongoing commitment to improving technology and business processes. While not a comprehensive list, OPERS continued this initiative with the implementation of a new investment accounting system, upgrades to the internal pension system, and the initial planning of the replacement of the mainframe computer system. These projects are massive

undertakings and require coordination and collaboration between internal staff across many departments as well as external consultants. Despite the challenges of the global pandemic and inability to meet and work in person, these projects continued on schedule.

Outreach and education—Customer service is always a high priority and education is critical during times of anticipated change. We work to ensure all stakeholders—especially current retirees and our members—the retirees of tomorrow, understand the challenges, can provide feedback on options, and ultimately understand the outcome. This was especially true during 2020 as the uncertainty and fear associated with the global pandemic intensified the need to keep our members updated. We increased our outreach to ensure members and retirees understood how the System was doing, that their retirement payments would continue despite the pandemic, that the proposed changes were still continuing and continued our education on the rationale for the proposed changes as well as the actual proposed changes. This extensive communication plan will continue through 2022, the effective date of the proposed changes. We work to provide plain-language information on plan types, benefits options, the financial realities of retirement and more to each audience. Here's an overview of our outreach and education for 2020:

- Hundreds of thousands of members received accurate, personalized, account information via an annual account statement to help ensure each understands the status of benefits earned.
- More than 841 educational seminars were conducted, with more than 68,000 members and retirees attending.
- The OPERS website attracted more than 1,000,000 individual hits, while the Member Services Call Center fielded 282,252 calls.
- Staff conducted specialized seminars to educate on the pension and health care funding challenges and to ensure members were informed of the process that will be used to consider options.
- Staff continued to utilize electronic means for communication via email blasts, social media outlets and external website pages.

Report Contents and Structure

This annual report is designed to comply with the reporting requirements of GASB and in accordance with the Governmental Accounting Standards Best Practices. The responsibility for the accuracy of the data presented here, as well as the completeness and fairness of the presentation, rests with OPERS management.

The management of OPERS is responsible for internal accounting controls designed to provide reasonable assurance for the safeguarding of assets and the reliability of financial records. The concept of reasonable assurance recognizes the relationship between the cost of a control and the benefit likely to be derived, based on the judgment of management. We believe the established internal accounting controls are adequate to meet the purpose for which they were intended.

The financial statements presented in this report, supporting schedules, and statistical tables are presented fairly in all material aspects. These assertions can be made because OPERS has established a comprehensive internal control framework designed to protect assets from loss and to compile sufficient reliable information for the preparation of the

OPERS financial statements in conformity with generally accepted accounting principles. Even effective internal controls may not prevent or detect misstatements and can provide only a reasonable assurance with respect to financial statement preparation.

The System's external auditors, CliftonLarsonAllen LLP, conducted an independent audit of the financial statements in accordance with U.S. generally accepted government auditing standards. This audit and the financial statements are described in the Financial Section, beginning on page 19.

Additionally, readers are encouraged to refer to the Investment Section for information on investment policies and strategies, safeguards on investments, and yield.

2020 Financial Highlights

Funded Status: Funded status measures the progress of accumulating the funds necessary to meet future obligations. We are dedicated to maintaining and enhancing the stability of this System. As a result, OPERS has remained in compliance within the 30-year funding window required by law.

The December 31, 2020 valuation funded status is 82.9%. The unfunded liability is expected to be funded within 18 years on a funding basis. As discussed previously, the improvement in these results occurred due to the 2020 strong investment market returns. For more information on assumptions, refer to the Actuarial Section beginning on page 139.

As of the December 31, 2019 health care actuarial funding valuation (the most recent), OPERS was 104.2% funded. In the absence of employer contributions, the health care fund is expected to become insolvent after 23 years.

Retirement Contributions: Employee contributions, employer contributions, and income from investments provide the funds necessary to finance retirement benefits. Approximately two-thirds of OPERS revenue from which benefits are paid is generated from investment returns. The remaining funding comes from employee and employer contributions. The System reports a total of \$1.5 billion in member and \$2.1 billion in employer contributions for the year ended December 31, 2020. Total net position is \$114.3 billion as of December 31, 2020.

Expenses: Expenses (including pension benefit payments, health care coverage payments and account refunds) for fiscal year 2020 were \$7.7 billion. In 2020, OPERS paid \$6.5 billion in pension benefits and \$0.7 billion in health care to more than 216,000 OPERS retirees and their beneficiaries. Because approximately 90% of all OPERS retirees remain in Ohio, this represents a significant driver for Ohio's economy.

Administrative Costs: OPERS management remains diligent in monitoring and, where possible, reducing or containing expenses. Administrative costs are paid through investment returns generated; our goal is always to be responsible stewards of public funds. Administrative costs in 2020 were \$117.3 million, including investment expenses.

Complete details of all administrative expenses are included in the Financial Section, on page 92. In addition, the Management's Discussion and Analysis, beginning on page 22, has a more detailed discussion of the OPERS funded status and provides a complete analysis of the additions and deductions to Plan Net Position.

Professional Services

Professional services are provided to OPERS by consultants appointed by the Board. Actuarial services are provided by Gabriel, Roeder, Smith & Company, Southfield, Michigan. The investment advisors to the Board for all the plans are NEPC, LLC, Cambridge, Massachusetts, and AON Hewett Investment Consulting, Inc., Chicago, Illinois. The financial records of the System are audited by CliftonLarsonAllen, LLP, Certified Public Accountants, Toledo, Ohio, under contract with the Ohio Auditor of State.

Acknowledgments

This annual report is the result of the combined teamwork of the System's staff under the direction of the Board. Our sincere appreciation is extended to all who assisted in and contributed toward the completion of this document.

This annual report is designed to provide complete and reliable information for transparent communication and to serve as a resource. We take our fiscal responsibility very seriously. We are effective and diligent managers of the assets held in trust for members of this System.

As stewards of the trust funds, we must take actions and make the responsible decisions that will carry this organization forward so that we can deliver on an important component of financial retirement security for all generations in our membership. This organization is led by a dedicated and diligent Board that works tirelessly with OPERS management and staff to help position us for the future. We all have a fiduciary responsibility to make decisions in the best interest of all one million members. We have a responsibility to be prudent stewards and to look forward and prepare for the challenges we see, not wait for them to occur. We are pleased to report the activities of 2020. We will continue to take responsible actions to position OPERS to be a strong pension system and we will do this working with members, retirees and stakeholders. We will continue to provide uncompromised service despite the challenges and continue to take actions to move the System forward. We are honored to be associated with, appreciate and acknowledge the efforts of all involved as, together, we prepare for and step into the future.

Respectfully Submitted,

The Coucher
Karen E. Carraher, CPA
Executive Director

Jennifer H. Starr, CPA
Chief Financial Officer



Karen Carraher and Jennifer Starr

Introductory Section

Fiduciary Responsibilities

The Board and executive management of OPERS are fiduciaries of the pension and health care trust funds. Fiduciaries are charged with the responsibility of assuring that the assets of OPERS are used exclusively for the benefit of plan participants and their beneficiaries.

Request for Information

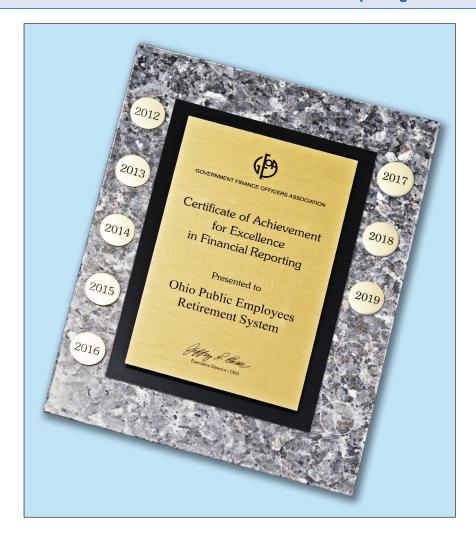
This financial report is designed to provide the Board, our membership, taxpayers, investment managers, and creditors with an overview of OPERS finances and accountability for the money received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Ohio Public Employees Retirement System Chief Financial Officer 277 East Town Street Columbus, Ohio 43215-4642 OPERS has been recognized by national financial experts and organizations for commitment to the highest possible fiscal standards. We are honored to have been recognized with the following awards:

2019 Certificate of Achievement
—For the 37th consecutive year, the Government Finance
Officers Association of the United States and Canada (GFOA) awarded OPERS a Certificate of
Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for
the fiscal year ended December 31, 2019. In order to be awarded a certificate of achievement, a
government organization must publish an easily readable and efficiently organized comprehensive
annual financial report that satisfies both generally accepted accounting principles and applicable
legal requirements.

A

Certificate of Achievement for Excellence in Financial Reporting

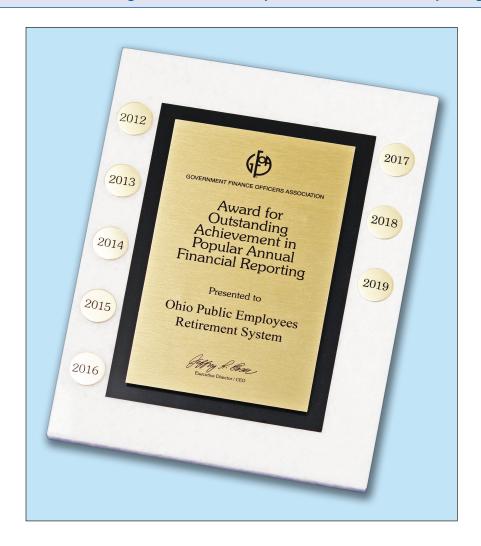


Awards and Recognition

2019 Award for Outstanding Achievement
 —For the 10th consecutive year, OPERS has received
 the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for its popular
 annual financial report for the fiscal year ended December 31, 2019. This award is a prestigious
 national award recognizing conformance with the highest standards of creativity, presentation,
 understandability, and reader appeal for preparation of governmental popular reports. OPERS has
 received this award for each year we have produced a popular annual financial report.

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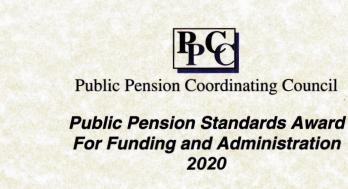
Award for Outstanding Achievement in Popular Annual Financial Reporting



 2020 Public Pension Standards Award—Issued by the Public Pension Coordinating Council, this award recognizes OPERS for demonstrating a high level of plan design, funding, member communications and administrative practices. The standards serve as a benchmark by which all public defined benefit plans are managed.



2020 Public Pension Standards Award



Presented to

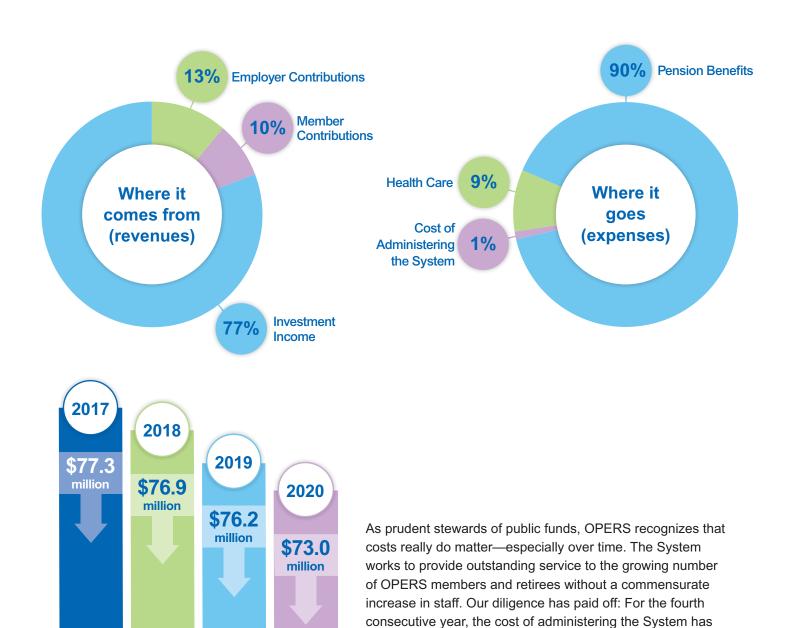
Ohio Public Employees Retirement System

In recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle Program Administrator Service Delivered: Providing outstanding service while reducing costs. OPERS adheres to financial accounting standards—as demonstrated by this organization being recognized by the Government Finance Officers Association for 37 consecutive years with a Certificate of Achievement for Excellence in Financial Reporting.



been reduced.



INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Ohio Public Employees Retirement System, and
The Honorable Keith Faber, Auditor of State

Report on the Financial Statements

We have audited the accompanying financial statements of the Ohio Public Employees Retirement System (OPERS), which comprise the combining statement of fiduciary net position as of December 31, 2020, and the related combining statement of changes in fiduciary net position for the year then ended and the related notes to the financial statements, which collectively comprise OPERS' basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of OPERS as of December 31, 2020, and the respective changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Board of Trustees
The Ohio Public Employees Retirement System, and
The Honorable Keith Faber, Auditor of State

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in net pension liability/(asset) and related ratios - traditional pension plan, combined plan and member directed plan, member and employer contributions - traditional plan, employer contributions - traditional plan, combined plan and member-directed plan, investment returns - defined benefit portfolio, changes in net OPEB liability/(asset) and related ratios - health care, employer contributions health care, investment returns - health care portfolio, and notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise OPERS' basic financial statements. The additional information, including the administrative expenses and schedule of investment expenses, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information, including the administrative expenses and schedule of investment expenses, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, investment, actuarial and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2021, on our consideration of OPERS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OPERS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OPERS' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

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Toledo, Ohio May 28, 2021 The management of the Ohio Public Employees Retirement System (OPERS or System) offers readers of the System's financial statements this narrative overview of the financial activities of OPERS for the year ended December 31, 2020. This narrative is intended to supplement the System's financial statements. Readers are encouraged to consider the information presented here in conjunction with the financial statements that begin on page 36.

The OPERS Comprehensive Annual Financial Report (annual report) presents financial statements for the most recent year end. Users of this annual report can refer to the Statistical Section, beginning on page 165, for historical financial information.

Overview of the Financial Statements

The following discussion and analysis are intended to serve as an introduction to the OPERS financial statements. The basic financial statements include:

- 1. Combining Statement of Fiduciary Net Position
- 2. Combining Statement of Changes in Fiduciary Net Position
- 3. Notes to Combining Financial Statements

As mandated, this annual report also contains the following schedules, referred to as Required Supplementary Information:

- 1. Schedules of Changes in Net Pension Liability and Related Ratios—Traditional Pension Plan, Combined Plan and Member-Directed Plan
- 2. Schedule of Member and Employer Contributions—Traditional Pension Plan
- 3. Schedules of Employer Contributions—Traditional Pension Plan, Combined Plan and Member-Directed Plan
- 4. Schedule of Investment Returns—Defined Benefit Portfolio
- 5. Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios—Health Care
- Schedule of Employer Contributions—Health Care
- 7. Schedule of Investment Returns—Health Care Portfolio
- 8. Notes to Required Supplementary Information

Expenses associated with administering the System are presented immediately following the Notes to Required Supplementary Information in the following Additional Information schedules:

- 1. Administrative Expenses
- 2. Schedule of Investment Expenses

The financial statements contained in this annual report disclose financial data for each of the benefit plans and the health care trust described beginning below. Please refer to the Plan Statement, beginning on page 221, for a comprehensive description of the plan structures and benefits. These plans are established as separate legal entities in accordance with Internal Revenue Service (IRS) regulations and Ohio law and are summarized beginning below.



The Traditional Pension Plan

The Traditional Pension Plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and final average salary (FAS). The pension benefits are funded by both member and employer contributions, and investment gains or losses on those contributions.



The Combined Plan

The Combined Plan is a hybrid defined benefit/defined contribution plan. Under the Combined Plan, members earn a formula benefit similar to, but at a factor less than, the Traditional Pension Plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Additionally, member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment gains or losses on those contributions. Members may also elect to annuitize their defined contribution account balances.



The Member-Directed Plan

The Member-Directed Plan is a defined contribution plan in which members self-direct the investment of both member and employer contributions. The retirement distribution under this plan is equal to the sum of member and vested employer contributions, plus investment gains or losses on those contributions. Employer contributions and associated investment gains or losses vest over a five-year period at a rate of 20% per year.

Upon retirement or termination, the member may choose a defined contribution retirement distribution, or may elect to use his/her defined contribution account balance to annuitize his/her benefit.



115 Health Care Trust

The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The initial purpose of the 115 Trust was to fund health reimbursement arrangement (HRA) accounts for Medicare-enrolled retirees in conjunction with the implementation of the OPERS Medicare Connector (Connector) in 2016. This type of arrangement was not permissible by the IRS under OPERS' former health care trust structure. In 2016, OPERS received favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. As a result, the 401(h) Health Care Trust, which held funding for Traditional Pension Plan and Combined Plan health care, and the Voluntary Employees' Beneficiary Association Trust (VEBA), which held funding for Member-Directed Plan health care, closed on June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016.

From 2016 forward, the 115 Trust includes the funds for retiree health care for the Traditional Pension, Combined and Member-Directed plans. The portion of the employer contribution rate allocated to fund health care for the Traditional Pension and Combined plans is comparable, as the same coverage options are provided to participants in both plans. Non-Medicare retirees in these plans may receive an allowance to offset the premium of OPERS-sponsored health care coverage. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into an HRA account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor.

Upon separation or retirement of Member-Directed Plan participants, participants may use the vested funds in their retiree medical account for qualified health care expenses. Vesting requirements for Member-Directed health care have changed over the life of the plan. The plan originally required 10 years of participation to fully vest in the contributions and interest earned on the account. Effective January 1, 2009, contributions and interest vested with the participant over a five-year period. Effective July 1, 2015, new participants to the plan are required to participate for 15 years to become fully vested. Additional details on the OPERS health care program and the Member-Directed Plan health care vesting schedule can be found in the Plan Statement beginning on page 221.

Financial activity for each of the pension plans and the health care trust is reported in the basic combining financial statements described below.

Combining Statement of Fiduciary Net Position

The Combining Statement of Fiduciary Net Position is a point-in-time snapshot of fund balances at fiscal year-end for pension and health care. It reflects assets available to pay future benefits to retirees, and any liabilities owed as of the statement date. The resulting Net Position (equal to Assets less Liabilities and Deferred Inflows) represents the value of assets restricted for pension benefits and health care. (See Combining Statement of Fiduciary Net Position as of December 31, 2020 on pages 36-37 of this report.)

Combining Statement of Changes in Fiduciary Net Position

The Combining Statement of Changes in Fiduciary Net Position displays the effect of financial transactions that occurred during the fiscal year, where Additions less Deductions equal Net Increase (or Net Decrease) in net position. This Net Increase or Decrease in net position reflects the change in the value of fiduciary net position that occurred between the current and prior year. (See Combining Statement of Changes in Fiduciary Net Position for the year ended December 31, 2020 on pages 38-39 of this report.)

Notes to Combining Financial Statements

The Notes to Combining Financial Statements provide additional information that is essential for a comprehensive understanding of the data provided in the financial statements and is an integral part of the financial statements. These notes describe the accounting and administrative policies under which OPERS operates, and provide additional levels of detail for selected financial statement items. (See Notes to Combining Financial Statements, December 31, 2020 on pages 40-79 of this report.)

The financial statements described are prepared in accordance with Governmental Accounting Standards Board (GASB) pronouncements. Information on the significant accounting policies and recent GASB standards reviewed and adopted in the preparation of the financial statements can be found in Note 2 in the Notes to Combining Financial Statements beginning on page 48.

Because of the long-term nature of most pension plans, financial statements alone cannot provide sufficient information to properly reflect the ongoing plan perspective. Therefore, in addition to the financial statements, this annual report includes additional Required Supplementary Information (RSI) schedules and required notes. The RSI includes schedules of changes in net pension liability and net other postemployment benefit (OPEB), or health care, liability or asset, investment returns for the defined benefit portion of the pension plans and for the health care trust, and schedules of contributions for both defined benefit pension plans and health care. The schedules of funding progress for defined benefit pension plans and health care have been included in the Actuarial Section of this document. Each of the schedules includes historical-trend information when required by standards, except when historical information is unavailable prior to the implementation of GASB Statement No. 67 (GASB 67), Financial Reporting for Pension Plans, and GASB Statement No. 74 (GASB 74), Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.



Schedules of Changes in Net Pension Liability and Related Ratios—Traditional Pension Plan, Combined Plan and Member-Directed Plan

The Schedules of Changes in Net Pension Liability and Related Ratios (pages 80-83) include actuarial information regarding the increase (or decrease) of each element of the net pension liability between the beginning and end of the year for the OPERS defined benefit pension plans. The information reported in these schedules was calculated using the assumptions and requirements defined in GASB 67 (also referred to as the Accounting Basis throughout this document). The calculation method defined in GASB 67 requires different assumptions from those used to calculate the funded status of a plan (also referred to as the Funding Basis throughout this document). The key difference is the Accounting Basis schedule uses the fair value of assets rather than the smoothed value of assets used for the Funding Basis (refer to page 29 for additional information on actuarial smoothing techniques). Therefore, the GASB 67 Accounting Basis net pension liability results differ from the Funding Basis unfunded actuarial accrued liability results provided in the Schedule of Funding Progress included on page 29 of this section and in the Actuarial Section of this document beginning on page 157. GASB 67 breaks the link between accounting and funding. Although these changes affect the accounting information disclosed in the Notes to Combining Financial Statements and RSI, they do not have an effect on the actuarial methods and assumptions used by OPERS to determine the employer contributions needed to fund the plans.

Historical information is not available prior to the GASB 67 implementation in 2014. The schedules will be expanded each subsequent year until they contain the required 10-year presentation.



Schedule of Member and Employer Contributions—Traditional Pension Plan

The Schedule of Member and Employer Contributions (page 84) presents historical-trend information regarding the value of total annual contributions required to be paid by the members and employers participating in the Traditional Pension Plan, and the actual amounts remitted. The information contained in this schedule reflects the required contributions based on the contribution rates approved by the OPERS Board of Trustees. This schedule includes both member and employer contributions used to calculate the proportionate share by employer for the Traditional Pension Plan.

GASB Statement No. 68 (GASB 68), Accounting and Financial Reporting for Pensions, was issued by GASB in conjunction with GASB 67. GASB 68 applies to employers that participate in OPERS as well as other governmental employers that sponsor or contribute to pension plans. GASB 68 requires employers to recognize a proportionate share of the net pension liability in their financial statements, and includes other reporting changes. GASB 68 specifies that when different contribution rates are assessed for different classes of employees, the determination of the employer's proportionate share should reflect those relationships. The Traditional Pension Plan proportionate share calculation includes both member and employer contributions to recognize the differing benefits of members in the State, Local, Public Safety and Law Enforcement divisions. Members in the Public Safety and Law Enforcement divisions are prohibited from participating in the Combined Plan or Member-Directed Plan. The defined benefit pension portion of the Combined Plan is funded with employer contributions only. Annuitized defined contribution accounts for Member-Directed Plan retirees are funded with member contributions, vested employer contributions (if applicable) and investment gains or losses related to those contributions. Separate schedules showing employer-only contributions for the Traditional Pension Plan, Combined Plan and Member-Directed Plan are also included in RSI and described on the next page.



Schedules of Employer Contributions—Traditional Pension Plan, Combined Plan and Member-Directed Plan

The Schedules of Employer Contributions (pages 85-86) provide historical-trend information regarding the value of total annual contributions required to be paid by employers for the employees participating in each plan, and the actual amounts remitted. The information contained in these schedules also reflects the required contributions based on the contribution rates approved by the Board. The Member-Directed Plan is a defined contribution plan with the option for retirees to annuitize their benefit. These annuities for Member-Directed retirees are funded with the accumulated member contributions, vested employer contributions, and gains or losses resulting from the member-selected investment options. All employer contributions deposited to the Member-Directed Plan are included in these schedules.

Schedule of Investment Returns—Defined Benefit

The Schedule of Investment Returns (page 87) provides information regarding the annual money-weighted rates of return on pension plan investments in the Defined Benefit portfolio, as required by GASB 67. Historical information is not available prior to the GASB 67 implementation in 2014. The schedule will be expanded each subsequent year until it contains the required 10-year presentation.



Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios—Health Care

The Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios (page 88) includes actuarial information regarding the increase (or decrease) of each element of the net OPEB liability/(asset) between the beginning and end of the year for OPERS defined benefit health care plans. The values included in this schedule were calculated using the assumptions and requirements defined in GASB 74 (also referred to as the Accounting Basis throughout this document, similar to GASB 67). The calculation method defined in GASB 74 requires different assumptions from those used to calculate the funded status of a plan (also referred to as the Funding Basis throughout this document). Similar to GASB 67, the Accounting Basis requires the use of fair value of assets versus the smoothed value of assets used for the Funding Basis (refer to page 29 for additional information on actuarial smoothing techniques). Therefore, the GASB 74 Accounting Basis net OPEB liability/(asset) results differ from the Funding Basis unfunded actuarial accrued health care liability results provided in the Schedule of Funding Progress included on page 30 of this section and in the Actuarial Section of this document on page 159. Also similar to GASB 67, GASB 74 breaks the link between accounting and funding. While these changes will affect the accounting information disclosed in the Notes to Combining Financial Statements and RSI, they do not have an effect on the actuarial methods and assumptions used by OPERS to determine the employer contributions needed to fund the plans.

Historical information is not available prior to the GASB 74 implementation in 2017. The schedule will be expanded each subsequent year until it contains the required 10-year presentation.



Schedule of Employer Contributions—Health Care

The Schedule of Employer Contributions (page 89) presents historical-trend information regarding the value of actuarially determined health care contributions, and the actual amounts remitted. The information contained in this schedule also reflects the required contributions based on the contribution rates approved by the Board. Based on the provisions of GASB 74, all OPERS health care plans are considered to be defined benefit other post-employment plans. Therefore, the information contained in this schedule includes health care funding for the Traditional Pension Plan, the Combined Plan and the Member-Directed Plan.

Schedule of Investment Returns—Health Care

The Schedule of Investment Returns (page 89) provides information regarding the annual moneyweighted rates of return on investments in the Health Care portfolio, calculated and presented as required by GASB 74. Historical information is not available prior to the GASB 74 implementation in 2017. The schedule will be expanded each subsequent year until it contains the required 10-year presentation.

Notes to Required Supplementary Information

The Notes to Required Supplementary Information (pages 90-91) provides background information, a summary of the actuarial assumptions used in determining contribution rates for valuation of the pension plans and health care, and explanatory detail to help in understanding the required supplementary schedules.

The following schedules are provided as Additional Information regarding the expenses associated with administering the System:

Administrative Expenses

The Administrative Expenses schedule reflects the total operating costs of managing the System, by major expense category (page 92).

Schedule of Investment Expenses

The Schedule of Investment Expenses summarizes the costs incurred in managing the investment assets of the System (page 92). These costs are reported as Investment Administrative Expenses in the Combining Statement of Changes in Fiduciary Net Position, and are reflected as a reduction in net investment income or loss.

Financial Highlights

- The investment portfolio reported a total gain of 11.95% for the year ended December 31, 2020, compared to a total gain of 17.59% in 2019. The total portfolio is divided into three sub-portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio reported an investment gain of 12.02% in 2020, compared to a gain of 17.23% in 2019. The Health Care portfolio reported an investment gain of 10.96% in 2020, compared to a gain of 19.59% in 2019. The Defined Contribution portfolio reported an investment gain of 14.96% in 2020, compared to a gain of 21.74% in 2019.
- Net position increased by \$8.0 billion to \$114.3 billion as of December 31, 2020, compared to \$106.3 billion in 2019. Net income from investing activities totaled \$12.0 billion in 2020, compared to net income from investing activities of \$16.1 billion in 2019. Table 1 presents a two-year comparative history of Changes in Fiduciary Net Position.

Changes in Fiduciary Net Position (for the years ended December 31, 2020 and 2019) Table						
	2020	2019	Amount Increase/ (Decrease) from 2019 to 2020	Percent Increase/ (Decrease) from 2019 to 2020		
Member and Employer Contributions	\$3,641,917,896	\$3,638,060,339	\$3,857,557	0.1%		
Contract Receipts and Other Income	124,121,294	99,418,251	24,703,043	24.8		
Net Income from Investing Activity	12,030,115,041	16,100,992,982	(4,070,877,941)	(25.3)		
Total Additions	15,796,154,231	19,838,471,572	(4,042,317,341)	(20.4)		
Benefits, Health Care and Account Refunds	7,726,118,716	7,559,224,869	166,893,847	2.2		
Administrative and Other Expenses	115,806,257	107,378,644	8,427,613	7.8		
Total Deductions	7,841,924,973	7,666,603,513	175,321,460	2.3		
Net Increase in Net Position	7,954,229,258	12,171,868,059	(4,217,638,801)	(34.7)		
Net Position, Beginning of Year	106,314,925,671	94,143,057,612	12,171,868,059	12.9		
Net Position, End of Year	\$114,269,154,929	\$106,314,925,671	\$7,954,229,258	7.5%		

Management's Discussion and Analysis

Table 2 provides the pension funding as of year end. The health care funding presented in this
document (refer to Table 3) is a year in arrears as the most recent health care funding information
is as of December 31, 2019. OPERS will conduct an experience study for the period 2016-2020 for
which the results will not be available until after the date of publication of the annual report. The 2020
valuation results will be updated at a later date to reflect the results from the experience study.

⚠ Sche	dule of Funding P	Defined Benefit	Plans ¹ —Table 2		
Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Funding Years
2020	\$113,372	\$93,970	\$19,402	82.9%	18
2019	111,371	88,572	22,799	79.5	23
2018	108,705	84,287	24,418	77.5	27
2017 ^e	106,090	83,292	22,798	78.5	25
2017	102,656	83,292	19,364	81.1	18
2016	100,167	80,280	19,887	80.1	19
2015ª	97,177	78,061	19,116	80.3	20
2015 ^b	91,832	78,061	13,771	85.0	19
2014	89,285	74,865	14,420	83.8	21
2013	86,645	71,411	15,234	82.4	24
2012°	83,878	67,855	16,023	80.9	26
2012 ^d	87,105	67,855	19,250	77.9	30
2011	84,530	65,436	19,094	77.4	30

^a Revised actuarial assumptions based on experience study.

- OPERS net investment income for the year ended December 31, 2020 totaled \$12.0 billion, a gain of 11.95% on the total OPERS portfolio. Net investment income for the Defined Benefit portfolio comprised \$10.4 billion of this total, or a gain of 12.02%. The net investment income for the Health Care portfolio was \$1.3 billion, or a gain of 10.96%, and the Defined Contribution portfolio included an investment gain of \$0.3 billion, or a gain of 14.96%. As with all mature retirement systems, OPERS' primary source of funding benefit payments in the future is investment income.
- To fully understand the funding status of a retirement system, it is advisable to view actuarial
 data in conjunction with financial data. Both Tables 2 and 3 are presented on the Funding Basis.
 Under the Funding Basis, value of assets is based on the actuarial value of assets which smooths
 market gains and losses over a rolling four-year period, subject to a 12% market corridor. This differs
 from the Accounting Basis (or GASB 67 and GASB 74 basis), which calculates the funding status using
 the market value of assets.
- As a result of actuarial smoothing techniques, the fair value of assets may be significantly different
 from the funding value (actuarial value) of assets at a given point in time. This means that in periods
 of extended market decline the fair value of assets will usually be less than the funding, or actuarial
 value, of assets. Conversely, during periods of extended market gains, the fair value of assets will
 usually be greater than the funding, or actuarial value, of assets.

 $^{{}^{\}mathbf{b}}$ Results from original valuation prior to restatement after completion of experience study.

Results reflecting the provisions of Senate Bill 343.

d Results prior to the provisions of Senate Bill 343.

Results after change in discount rate from 7.5% to 7.2%.

¹ Defined Benefit Plans include the Traditional Pension Plan, the defined benefit portion of the Combined Plan and purchased annuities in the Member-Directed Plan.

- To ensure the funding value of assets and the market value of assets remain within reasonable proximity of each other, OPERS uses a 12% market corridor in conjunction with its four-year smoothing. This policy ensures that the funding value of assets is within 88% to 112% of the market value of the assets. At the end of 2019, the market value of assets was higher than the funding value by \$3.2 billion. At the end of 2020, the market value of assets was higher than the funding value by \$4.9 billion.
- By law, OPERS is obligated to pay certain benefits that have commenced with retirees. To make
 these payments each year, and to account for benefits that have commenced with retirees, OPERS
 transfers funds from the active member (the Employers' Accumulation Fund) to the retiree funds
 (the Annuity and Pension Reserve Fund and the Survivors' Benefit Fund). Thus, the active member
 funding is 52% and 44% as of December 31, 2020 and 2019, respectively, after this annual transfer.
- In October 2018, OPERS reduced the long-term pension investment-earnings assumption from 7.5% to 7.2%. The net impact of this reduction in the assumption was to increase the pension liability by approximately \$3.4 billion. At the same time, OPERS reduced the long-term health care investment-earnings assumption from 6.5% to 6.0%. The net impact of this reduction in the assumption was to increase the health care liability by approximately \$1.0 billion. These new long-term investment-earning assumptions reflect updated market conditions. Tables 2 and 3 reflect the liabilities under the appropriate assumption in effect for the year.
- As of December 31, 2020, the date of the latest actuarial valuation, the funded ratio for defined benefit pensions was 82.9%. In general, this means that for each dollar of future pension liability, OPERS had accumulated approximately \$0.83 to meet that obligation. The funded ratio increased from 2019 to 2020 by 3.4%, due to the investment gain of 2020. If current assumptions are met, OPERS would accumulate sufficient assets to pay all pension liabilities for active members and retirees within 18 years on a Funding Basis compared to 23 years for 2019. As noted previously, the 2020 valuation results will be adjusted to reflect the changes after the experience study is complete.

Schedule of Funding Progress—Funding Basis (\$ in millions) Health Care—Table 3						
Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Solvency Years ¹	
2019 ^d	\$11,462	\$11,943	(\$481)	104.2%	23	
2018	17,849	11,647	6,202	65.3	11	
2017°	18,393	12,021	6,372	65.4	13	
2017	17,389	12,021	5,368	69.1	13	
2016	19,924	12,098	7,826	60.7	12	
2015ª	19,224	11,933	7,291	62.1	Indefinite	
2015 ^b	18,515	11,933	6,582	64.5	Indefinite	
2014	19,405	12,062	7,343	62.2	Indefinite	
2013	19,784	12,031	7,753	60.8	Indefinite	
2012	19,182	12,193	6,989	63.6	Indefinite	
2011	31,020	12,115	18,905	39.1	10	
2010 ^a	30,531	12,320	18,211	40.4	11	
2010 ^b	26,929	11,267	15,662	41.8	11	

^a Revised actuarial assumptions based on experience study.

b Results from original valuation prior to restatement after completion of experience study.

c Results after change in discount rate from 6.5% to 6.0%.

d Results reflect health care program changes effective January 2022, approved by the Board in January 2020.

¹ Solvency Years represents an estimate of the number of years the fund will be able to provide health care under the intermediate actuarial assumptions. Indefinite indicates funds are expected to be sufficient to fund future health care needs.

Financial Section

Management's Discussion and Analysis

- The funding objective is to meet long-term pension benefit obligations and, to the extent possible, fund post-employment health care. As of December 31, 2019, the date of the latest health care actuarial valuation under the Funding Basis, the revised actuarial liability for health care was \$11.5 billion and the System had accumulated assets of \$11.9 billion for that obligation, an excess of \$0.5 billion. This compares to the 2018 unfunded actuarial accrued liability of \$6.2 billion. The funded ratio increased from 65.3% at the end of 2018 to 104.2% in 2019. The improvement from the prior year results from the combination of strong investment returns and continued changes to the health care plan reducing the cost of the program. On January 15, 2020, the Board approved changes to the health care program that will affect both non-Medicare and Medicare-eligible retirees. These changes become effective January 1, 2022 and are included in the December 31, 2019 valuation.
- Health care coverage is not statutorily guaranteed and is subordinate to pension funding. In 2018, based on the pension funding status, OPERS increased the portion of the 14% employer contribution rate allocated to pension funding from 13% in 2017 to the full 14%. Correspondingly, with all of the 14% employer contribution rate allocated to pension funding, no funds have been available for health care since 2017. This allocation is expected to continue until the pension funding improves.
- The funding progress of health care is measured in terms of solvency years, or the number of years funds are projected to be available to pay health care expenses under the current plan design before health care would be reduced to a pay-as-you-go basis. As of December 31, 2019, the date of the latest health care actuarial valuation under the Funding Basis, health care funding is expected to remain solvent for 23 years, compared to 11 years in 2018. Refer to Table 3 for a comparative history of actuarial liabilities and solvency years for health care.

Analysis of Financial Activities

The OPERS funding objective is to meet long-term benefit obligations with investment income and contributions. The following discussion provides an analysis of the current-year financial activities. Comparative data is presented, where appropriate.

Additions to Fiduciary Net Position (Revenues)

The reserves needed to finance retirement benefits are accumulated primarily through the collection of member and employer contributions and investment income (net of investment expense). Revenues (Additions to Fiduciary Net Position) for the year 2020 were \$15.8 billion, and include member and employer contributions of \$3.6 billion, net income from investment activities of \$12.0 billion and other income totaling approximately \$0.2 billion. Other income consists of purchased service agreements, employer interest and penalty charges, vendor performance guarantees, settlements, interplan activities, and miscellaneous other income or expense. Interplan Activity in Table 4 represents transactions between plans that are additions to plan assets. Additions to plan net position for the year 2019 were \$19.8 billion, comprised of \$3.6 billion in contribution revenues, \$16.1 billion in net income from investment activities, and other income totaling approximately \$0.1 billion. Refer to Table 4 for a comparative history of Additions to Fiduciary Net Position.

Additions to Fiduciary Net Position (Revenues) (for the years ended December 31, 2020 and 2019) Table 4						
	2020	2019	Amount Increase/ (Decrease) from 2019 to 2020	Percent Increase/ (Decrease) from 2019 to 2020		
Member Contributions	\$1,517,737,361	\$1,516,077,941	\$1,659,420	0.1%		
Employer Contributions	2,124,180,535	2,121,982,398	2,198,137	0.1		
Contract and Other Receipts	79,934,979	67,502,046	12,432,933	18.4		
Other Income, net	1,336,808	696,586	640,222	91.9		
Interplan Activity	42,849,507	31,219,619	11,629,888	37.3		
Net Income from Investing Activity	12,030,115,041	16,100,992,982	(4,070,877,941)	(25.3)		
Total Additions	\$15,796,154,231	\$19,838,471,572	(\$4,042,317,341)	(20.4%)		

Member and employer contributions for 2020 increased by \$3.9 million, or 0.1%, compared to 2019. Member and employer contributions include amounts paid by active members and their employers for future retirement benefits. In general, as wages rise, the retirement contributions from active members, and their employers, also increase. These contributions can also be influenced by the number of active members that move to retirement. In 2020, approximately 8,730 active members retired. Retirees typically are replaced with less-tenured or entry-level staff. This number is lower than the current 10-year average of 9,839. The 2020 slight increase in contributions is less than the 2019 increase in contributions of 4.1% and reflects the impact of the global pandemic. Employers faced significant challenges throughout 2020, which resulted in lower wage increases and reductions in work force.

Contract and Other Receipts represents funds received for member purchase of service contracts, employer early retirement incentive programs, and funds received from other Ohio retirement systems for members with service credit at more than one retirement system. These receipts totaled \$79.9 million in 2020, compared to \$67.5 million received in 2019. This net increase of \$12.4 million is comprised of an increase of \$12.6 million in retirement transfers from other Ohio retirement systems for members selecting a joint retirement option, a \$1.9 million increase in early retirement incentive payments and a \$0.4 million increase in voluntary contributions for additional annuities, offset by a \$1.4 million decrease of purchases of service and a decrease of \$1.1 million in alternative retirement plan contributions.

Other Income, net, is comprised of miscellaneous proceeds, gains or losses on the disposal of capital assets and litigation settlements activity. Other income for 2020 was \$1.3 million, compared to \$0.7 million in 2019. This activity typically fluctuates from year-to-year. In 2020, rental income of \$0.5 million, flat compared to 2019, is reflected in the other income amount, along with other miscellaneous receipts. The majority of the increase in this line item is comprised of \$0.4 million in reimbursements and subsidies OPERS continues to recognize for past participation in a prescription drug plan that ended in 2015.

Interplan Activity represents transfers to record activity occurring between the plans. This activity includes members changing from one plan to another. Interplan Activity in 2020 resulted in a net inflow of \$42.8 million, compared to \$31.2 million in 2019. Since this activity represents payments between plans, there is a corresponding interplan expense activity of the same amount in each year. (Refer also to the Deductions from Fiduciary Net Position discussion beginning on the next page.)

Net Income from Investing Activity represents total investment income net of external management fees and administrative expenses. Investment income includes dividends, interest, gains or losses on the sale of investments, and change in fair value of investments. OPERS reflects both income and management fees from external managers in this category.

Investment Administrative Expenses includes investment-specific expenses such as staff wages, professional services contracted by the Board, legal services and a share of the OPERS facility and operational costs. For a discussion on current-year activity within Net Income from Investing Activity, refer to the Financial Highlights section beginning on page 28.

Deductions from Fiduciary Net Position (Expenses)

OPERS was created to provide retirement, survivor, and disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, elective refunds of contributions to members who terminate employment with a participating employer, and the cost of administering the System.

Expenses (Deductions from Fiduciary Net Position) for 2020 were \$7.8 billion, an increase of \$0.2 billion, or 2.3%, compared to 2019. Pension benefits and health care expenses comprised \$7.2 billion and \$7.1 billion in 2020 and 2019, respectively. Included within health care costs were \$253.4 million and \$251.2 million in 2020 and 2019, respectively, in health care-related receipts netted against health care expenses. Pension benefits and health care expenses paid on behalf of current retirees and their beneficiaries comprised approximately 92.4% of the total expenses reported. Refunds of member contributions, including interest and additional payments on withdrawal where required by statute, fluctuate each year, and were \$483.4 million in 2020, or 2.3% higher than 2019. Non-investment related administrative expenses decreased by \$3.2 million to \$73.0 million and represented 0.9% of the total expenses. The remaining expenses were comprised of interplan activity transactions representing the expenses associated with members changing from one plan to another. Refer to Table 5 for a comparative history of Deductions from Fiduciary Net Position.

Deductions from Fiduciary Net Position (Expenses) (for the years ended December 31, 2020 and 2019) Table 5						
	2020	2019	Amount Increase/ (Decrease) from 2019 to 2020	Percent Increase/ (Decrease) from 2019 to 2020		
Benefits—Pension	\$6,517,424,253	\$6,318,731,252	\$198,693,001	3.1%		
Benefits—Health Care Expenses	725,265,912	767,888,929	(42,623,017)	(5.6)		
Refunds	483,428,551	472,604,688	10,823,863	2.3		
Administrative Expenses	72,956,750	76,159,025	(3,202,275)	(4.2)		
Interplan Activity	42,849,507	31,219,619	11,629,888	37.3		
Total Deductions	\$7,841,924,973	\$7,666,603,513	\$175,321,460	2.3%		

Pension benefits totaled \$6.5 billion in 2020, an increase of \$0.2 billion, or 3.1%, over 2019 benefits. The increase in 2020 reflects the combination of a net growth of 0.7% in the total number of retirees and beneficiaries receiving benefits, an annual simple cost-of-living adjustment granted on the retiree's benefit anniversary, and demographic changes in the retiree population. As expected, with the majority of the 2012 changes to both pension and health care fully implemented, members are opting to work longer and the growth in new retirees is declining. The number of new retirees in 2020, 8,730, is less than the most recent 10-year average of 9,839. The cost of retirements will continue to increase as newer retirees with higher FAS and a longer working career replace deceased long-time retirees with lower FAS and a shorter working career. The cumulative increase associated with the cost-of-living adjustments was \$1.5 billion at the end of 2020. Refer to the Schedules of Average Benefits on page 208 of the Statistical Section for details related to the new retiree populations by year. Refer to the Plan Statement beginning on page 221 for details on pension benefits.

Total health care expenses decreased in 2020 by \$42.6 million, or 5.6%, to \$725.3 million, compared to 2019. Health care receipts, or payments, from retirees and health care vendors to OPERS, including retiree-paid health care premiums, prescription rebates and federal subsidies, offset the related health care expenses incurred by OPERS during the year by \$253.4 million, compared to \$251.2 million in 2019. The majority of the decrease in health care expenses reflects delays in members seeking non-critical health care services as a result of the global pandemic.

Almost half of the health care expenses are comprised of medical, dental, vision, and prescription drug costs, as well as reimbursements to retirees for Medicare Part A premiums. Medical, dental, vision and disease-management costs, netted against health care receipts represent approximately 26% of the total health care expenses for 2020, a decrease from 29% in 2019. Prescription drug costs comprised 14% and 15% of total health care expenses in 2020 and 2019, respectively. Medicare Part A premium reimbursements were approximately 4%, flat compared to 2019. Retirees who did not contribute to Medicare during their career, and to a lesser extent their spouses, may receive reimbursement of the Medicare Part A premium to qualify for participation in the Connector.

OPERS provides self-insured group health care and prescription drug plans for non-Medicare recipients and their eligible dependents. Costs in self-insured plans will fluctuate based on overall market costs from claims experience, catastrophic claims and processing timing. The overall number of retirees and dependents in self-insured health care plans in 2020 decreased by 3.5%. The decline in the overall number of retirees in the non-Medicare health care plan results from a combination of factors including members working longer, members deferring the commencement of health care coverage and members finding alternative more affordable options as the cost of OPERS health care increased. The phase-out of spousal and dependent subsidies resulted in a decline in the number of spouses and other dependents enrolled in OPERS coverage by approximately 3,000, or 10.7%, in 2020 and by 3,500, or 11.1%, in 2019. Correspondingly, OPERS' total non-Medicare health care cost (includes medical, dental, vision and disease management) decreased by 14.4% to \$191.5 million (after netting \$253.4 million in health care-related receipts against the costs), compared to \$223.6 million in 2019 (after netting \$251.2 million in health care-related receipts against the costs). Prescription drug costs decreased 9.8% to \$102.5 million in 2020, compared to \$113.6 million in 2019.

Beginning January 1, 2016, Medicare-enrolled retirees have the opportunity to select supplemental coverage through the Connector and may receive a deposit into an HRA account to be used for reimbursement of qualified health care expenses. In 2020, likely influenced by the pandemic, reimbursements of qualified medical expenses through the HRA for retirees and their qualified dependents decreased by 0.1% to \$397.9 million, compared to 2019. Reimbursements of qualified medical expenses from health care accounts for Member-Directed Plan participants decreased by 18.8% to \$3.8 million in 2020, compared to 2019. In addition, OPERS closed the wellness retiree medical account plan at the end of 2016 and transferred balances to the HRA for members with accounts in both plans starting in 2017. For those without an HRA, OPERS initiated automatic reimbursements of premiums paid through pension deduction. Premiums paid and transfer of balances to the HRA for 2020 totaled \$0.1 million, a decrease of \$0.1 million from 2019 activity. For more information on activity in member health care accounts, refer to the table on page 196 of the Statistical Section.

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Refunds of member accounts are at the discretion of the member and vary from year-to-year. Members may refund their account if they have been separated from OPERS-covered employment for at least two months. However, upon retirement or termination, Combined Plan and Member-Directed Plan participants may choose to annuitize their benefit, receive a refund of their account balance or transfer their account balance to another plan. In 2020, member-elected refunds totaled \$483.4 million, compared to \$472.6 million in 2019. Accordingly, refunds represent disbursements of inactive member accounts. The number of refunded accounts of 24,840, in 2020, increased by 3.7% when compared to 2019. However, the average member balance refunded in 2020 decreased and was approximately \$19,500, compared to the 2019 average of approximately \$19,700.

OPERS has consistently managed its administrative expense budget with no material variances in either 2020 or 2019. Administrative Expenses shown in Table 5 do not include investment administrative expenses. Administrative Expenses totaled \$73.0 million in 2020, compared to \$76.2 million in 2019. The decrease in 2020 Administrative Expenses results from a decrease in travel and employee medical insurance claims due to the global pandemic, along with savings resulting from the implementation of more efficient software systems.

Net Position Summary

Net position may serve over time as a useful indicator of OPERS' financial status. At the close of calendar years 2020 and 2019, the net positions of OPERS totaled \$114.3 billion and \$106.3 billion, respectively. Net position is available to meet OPERS ongoing obligations to plan participants and their beneficiaries, and to the extent possible, OPERS post-employment health care.

Net Position (as of December 31, 2020 and 2019) Table 6								
	2020	2019	Amount Increase/ (Decrease) from 2019 to 2020	Percent Increase/ (Decrease) from 2019 to 2020				
Current and Other Assets	\$895,442,892	\$1,026,437,605	(\$130,994,713)	(12.8%)				
Cash and Investments at Fair Value	123,735,814,159	114,560,532,688	9,175,281,471	8.0				
Net Capital Assets	137,151,598	127,717,312	9,434,286	7.4				
Total Assets	124,768,408,649	115,714,687,605	9,053,721,044	7.8				
Total Liabilities and Deferred Inflows	10,499,253,720	9,399,761,934	1,099,491,786	11.7				
Net Position, End of Year	114,269,154,929	106,314,925,671	7,954,229,258	7.5				
Net Position, Beginning of Year	106,314,925,671	94,143,057,612	12,171,868,059	12.9				
Net Increase in Net Position	\$7,954,229,258	\$12,171,868,059	(\$4,217,638,801)	(34.7%)				

Summary

OPERS remains dedicated to keeping this System strong today and well into the future. OPERS continues to manage the System in a manner that proactively addresses issues and trends; thus contributing to the strength of the System. The funding levels and 2020 results are found, in detail, and by category, in this annual report.

△ Combining Statement of Fiduciary	Net Position (as of Dec	cember 31, 2020)	
		Pension	
	Traditional Pension Plan	Combined Plan	Member- Directed Plan
Assets Cash and Cash Equivalents	\$5,723,034,710	\$44,975,508	\$2,412,001
Receivables		·	
Members and Employers	270,491,174	4,252,538	9,116,813
Vendor and Other	5,073,881		
Investment Sales Proceeds	223,555,396	1,974,359	421,506
Accrued Interest and Dividends	279,007,234	2,246,216	110,708
Total Receivables	778,127,685	8,473,113	9,649,027
Investments			
Fixed Income	26,670,184,913	398,498,247	356,035,598
Domestic Equities	18,759,606,098	540,376,995	749,694,467
Real Estate	8,817,244,681	70,985,390	3,498,599
Private Equity International Equities	10,411,061,417 20,864,291,235	83,816,802 343,993,577	4,131,011 343,843,053
Other Investments	6,165,911,913	49,640,185	2,446,576
Total Investments	91,688,300,257	1,487,311,196	1,459,649,304
Collateral on Loaned Securities	9,949,399,797	76,605,925	3,476,392
	3,343,333,131	70,003,323	3,470,332
Capital Assets Land	2 626 999	92.647	92 550
Building and Building Improvements	2,626,888 77,727,801	82,647 2,445,465	82,550 2,442,603
Furniture and Equipment	109,759,942	4,462,872	3,099,069
Right-to-use Assets	16,077,718	304,412	288,237
Total Capital Assets	206,192,349	7,295,396	5,912,459
Accumulated Depreciation	(99,061,594)	(3,128,704)	(3,056,552)
Net Capital Assets	107,130,755	4,166,692	2,855,907
Prepaid Expenses and Other Assets	2,305,525		
TOTAL ASSETS	108,248,298,729	1,621,532,434	1,478,042,631
Liabilities and Deferred Inflows			
Liabilities			
Undistributed Deposits	865,297		
Benefits Payable	739,550	0.400.050	005 745
Investment Commitments Payable Accounts Payable and Other Liabilities	247,111,672 24,914,911	2,129,852	365,745
Obligations Under Securities Lending	9,946,907,092	76,586,731	3,475,521
Total Liabilities	10,220,538,522	78,716,583	3,841,266
Deferred Inflows—Lessor Obligations	3,041,594	,,	3,0,200
TOTAL LIABILITIES AND DEFERRED INFLOWS	10,223,580,116	78,716,583	3,841,266
Net Positions Restricted for Pensions	, , ,		3,041,200
and OPEB	\$98,024,718,613	\$1,542,815,851	\$1,474,201,365

See Notes to Combining Financial Statements, beginning on page 40.

Financial Section

(continued from previous page)	
115	Total Danaian and
Health Care Trust	Total Pension and Health Care
Truck	Tioditi Gaio
\$1,027,292,218	\$6,797,714,437
1,911,304	285,771,829
17,761,491	22,835,372
31,752,833	257,704,094
45,461,914	326,826,072
96,887,542	893,137,367
4,895,416,249	32,320,135,007
3,518,558,498	23,568,236,058
	8,891,728,670
3,079,326,933	10,499,009,230 24,631,454,798
726,811,028	6,944,809,702
12,220,112,708	106,855,373,465
53,244,143	10,082,726,257
30,211,110	10,00=,1=0,=01
942,728	3,734,813
27,894,673	110,510,542
32,258,995	149,580,878
2,521,393	19,191,760
63,617,789	283,017,993
(40,619,545)	(145,866,395)
22,998,244	137,151,598
	2,305,525
13,420,534,855	124,768,408,649
22,848	888,145
107,300,342	108,039,892
32,561,762	282,169,031
. ,	24,914,911
53,230,803	10,080,200,147
193,115,755	10,496,212,126
	3,041,594
193,115,755	10,499,253,720
\$13,227,419,100	\$114,269,154,929

Combining Statement of Change	s in Fiduciary Net I	Position (for the year ende	ed December 31, 2020)			
	Pension					
	Traditional Pension Plan	Combined Plan	Member- Directed Plan			
Additions						
Member Contributions Employer Contributions Contract and Other Receipts Other Income, net Interplan Activity	\$1,411,917,040 1,976,105,188 78,348,543 906,079 42,849,507	\$44,320,854 62,084,708 407,896	\$61,499,467 61,500,701 665,031			
Total Non-investment Income	3,510,126,357	106,813,458	123,665,199			
Income/(Loss) from Investing Activities Net Increase in the Fair Value of Investments Bond Interest Dividends Real Estate Operating Income, net International Income Other Investment Income/(Loss) External Asset Management Fees Net Investment Income From Securities Lending Activity Securities Lending Income Securities Lending Expenses Net Securities Lending Income	8,786,756,937 805,475,541 361,466,898 290,423,525 (281,018) 586,647,882 (464,907,464) 10,365,582,301 88,895,924 (45,140,325) 43,755,599	162,517,868 7,187,736 1,919,423 1,667,924 (2,153) 3,212,029 (691,464) 175,811,363 681,238 (345,925) 335,313	183,909,122 2,207,116 42,268 75,154 (97) 787,934 (291,607) 186,729,890 30,696 (15,587) 15,109			
Unrealized Gains	236,050	3,403	262			
Net Income from Securities Lending	43,991,649	338,716	15,371			
Investment Administrative Expenses	(37,844,531)	(449,610)	(448,013)			
Net Income from Investing Activity	10,371,729,419	175,700,469	186,297,248			
TOTAL ADDITIONS	13,881,855,776	282,513,927	309,962,447			
Deductions Benefits Refunds of Contributions Administrative Expenses Interplan Activity	6,507,132,869 420,286,261 51,327,751	7,843,951 15,670,706 2,781,210 19,075,396	2,447,433 47,471,584 2,652,969 23,774,111			
TOTAL DEDUCTIONS	6,978,746,881	45,371,263	76,346,097			
Net Increase Net Positions Restricted for Pensions and OPEB	6,903,108,895	237,142,664	233,616,350			
Balance, Beginning of Year	91,121,609,718	1,305,673,187	1,240,585,015			
Balance, End of Year	\$98,024,718,613	\$1,542,815,851	\$1,474,201,365			

See Notes to Combining Financial Statements, beginning on page 40.

Financial Section

115 Health Care Trust \$1,517,737,361 \$24,489,938 \$513,509 430,729 \$1,336,808 42,849,507 25,434,176 3,766,039,190 1,098,039,399 10,231,223,326 950,972,979 92,781,749 456,210,338 292,166,603 (45,357) (832,267) (832,267) (24,247,532) (490,138,067) 1,301,798,578 12,029,922,132 452,507 (229,778) (45,731,615) 222,729 44,328,750		T .
\$24,489,938	Health Care	
1,098,039,399 10,231,223,326 136,102,586 950,972,979 92,781,749 456,210,338 292,166,603 (45,357) (328,625) (832,267) 589,815,578 (24,247,532) (490,138,067) 1,301,798,578 12,029,922,132 452,507 90,060,365 (229,778) (45,731,615) 222,729 44,328,750	513,509	2,124,180,535 79,934,979 1,336,808
136,102,586 950,972,979 92,781,749 456,210,338 292,166,603 (45,357) (328,625) (832,267) 589,815,578 (24,247,532) (490,138,067) 1,301,798,578 12,029,922,132 452,507 90,060,365 (229,778) (45,731,615) 222,729 44,328,750	25,434,176	3,766,039,190
452,507 90,060,365 (229,778) (45,731,615) 222,729 44,328,750	136,102,586 92,781,749 (45,357) (832,267)	950,972,979 456,210,338 292,166,603 (328,625) 589,815,578
452,507 90,060,365 (229,778) (45,731,615) 222,729 44,328,750		12,029,922,132
12 602 252 107	(229,778)	(45,731,615)
	,	
235,421 44,581,157		, ,
(5,646,094) (44,388,248)	(, , , ,	(, , , ,
1,296,387,905 12,030,115,041		
1,321,822,081 15,796,154,231	1,321,822,081	15,790,154,231
725,265,912 7,242,690,165 483,428,551 16,194,820 72,956,750 42,849,507		483,428,551 72,956,750
741,460,732 7,841,924,973	741 460 732	
580,361,349 7,954,229,258		
12,647,057,751 106,314,925,671	, ,	. , ,
\$13,227,419,100 \$114,269,154,929	\$13,227,419,100	\$114,269,154,929

1. Description of OPERS

a. Organization—The Ohio Public Employees Retirement System (OPERS or System) is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/defined contribution plan; and the Member-Directed Plan, a defined contribution plan. OPERS is a qualified governmental plan under Section 401(a) of the Internal Revenue Code (IRC). OPERS is administered in accordance with Chapter 145 of the Ohio Revised Code (ORC). All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. New public employees (those who establish membership in OPERS on or after January 1, 2003) have 180 days from the commencement of employment to select membership in one of the three pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the plan elected by the member, as appropriate.

The OPERS health care plans are reported as cost-sharing, multiple-employer other postemployment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options has changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees who purchase supplemental coverage through the Connector may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses. Upon termination or retirement, Member-Directed Plan participants can use vested retiree medical account (RMA) funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015 will vest in the RMA over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015 vest in the RMA over a five-year period at a rate of 20% per year. Health care coverage is neither guaranteed nor statutorily required. Please see the Plan Statement beginning on page 221 for additional details.

OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for the HRA, as the prior trust structure, the 401(h) Health Care Trust (401(h) Trust) and the Voluntary Employees' Beneficiary Association Trust (VEBA Trust), could not legally support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Trust was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The VEBA Trust accumulated funding for RMAs for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning 2016, the 115 Trust, established under IRC Section 115, is the funding vehicle for all health care plans.

Financial Section

Notes to Combining Financial Statements

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, and with the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14.* These statements require that financial statements of the reporting entity include all the organizations, activities, functions and component units for which the reporting entity is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board of directors and either (1) the reporting entity's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the reporting entity. OPERS does not have financial accountability over any entities.

Individual audited financial statements, as of and for the year ended December 31, 2020, for each of the following plans and trust as presented in the Combining Statements of Fiduciary Net Position and Changes in Fiduciary Net Position, were issued:

- Combined Plan
- · Member-Directed Plan
- 115 Health Care Trust

OPERS is not part of the state of Ohio financial-reporting entity, nor is OPERS a component unit of the state of Ohio. Responsibility for the organization is vested in the OPERS Board of Trustees; there is no financial interdependency with the state of Ohio. The Board is the governing body of OPERS, with responsibility for administration and management. Of the Board, seven members are elected by the group they represent: the retirees (two representatives), employees of the state, employees of counties, employees of municipalities, non-teaching employees of state colleges and universities, and miscellaneous employees. The remaining four members are appointed or designated by position. The Governor, General Assembly and the Treasurer of the state of Ohio each appoint an investment expert Board member. The Director of the Ohio Department of Administrative Services completes the Board.

The Board appoints the Executive Director, an actuary, investment consultants and other consultants necessary for the transaction of business. The Board typically meets monthly and receives no compensation, but is reimbursed for necessary expenses.

Plan membership—All state and local governmental employees, except those covered by another state retirement system in Ohio or the Cincinnati Retirement System, are required to become contributing members of OPERS when they begin public employment unless they are exempted or excluded as defined by the ORC. For actuarial purposes, employees who have earned sufficient service credit (five years) are entitled to a future retirement benefit from OPERS. Employer, employee and retiree data as of December 31, 2020 is found on the next page.

				115 Health Care Trust ²		
As of December 31, 2020	Traditional Pension Plan	Combined Plan ¹	Member- Directed Plan	Traditional Pension and Combined Plans Retiree- Sponsored Programs	Member- Directed Plan Retiree- Sponsored Program	2020 Total
Employer Units State Division Local Division Law Enforcement and Public Safety Divisions						3,695 241 3,219 235
Retirees and Inactive Members—Defined Benefit Pension Retirees and Primary Beneficiaries currently receiving benefits Dependents and Other Beneficiaries currently receiving benefits Inactive Members eligible for, but not yet receiving, benefits³ Inactive Members not yet age-eligible for benefits³ Inactive Members eligible for refund value of account only³	215,728 3,773 10,830 28,824 630,028	465 9 128 774 1,515	330 3			892,407 216,523 3,785 10,958 29,598 631,543
Retirees and Inactive Members—Defined Contribution Accounts Retirees currently receiving benefits Inactive Members		4	3 5,774			5,781 7 5,774
Retirees and Inactive Members—Health Care Retirees and Primary Beneficiaries currently receiving benefits Dependents and Other Beneficiaries currently receiving benefits Inactive Members eligible for, but not yet receiving, benefits				138,906 25,130 2,957	7,171	174,164 146,077 25,130 2,957
Active Employees State Division Local Division Law Enforcement Division Public Safety Division	94,643 169,543 8,002 55	2,671 4,571	3,565 6,385			289,435 100,879 180,499 8,002 55

¹ Combined Plan members receiving a defined formula benefit may also be receiving a distribution of their defined contribution account, therefore may be counted more than once in this table.

- b. Benefits—All benefits of the System, and any benefit increases, are established by the legislature pursuant to ORC Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension Plan and Combined Plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board.
 - Age-and-Service Defined Benefits—Effective January 7, 2013, Senate Bill (SB) 343 modified components of the Traditional Pension Plan and Combined Plan. Members were impacted (to varying degrees) by the changes based on their transition group. Three transition groups (A, B and C) were designed to ease the transition for key components of the pension plan changes. Members who were eligible to retire under law in effect prior to SB 343, or were eligible to retire no later than five years after January 7, 2013, comprise transition Group A. Members who had at least 20 years of service credit prior to January 7, 2013, or will be eligible to retire no later than 10 years after January 7, 2013, are included in transition Group B. Group C included those members who are not in either of the other groups and members who were hired on or after January 7, 2013. Please see the Plan Statement for additional details.

²All health care coverage is funded through the 115 Health Care Trust. This table reflects the breakout of health care programs between those supporting members in the Traditional Pension Plan and Combined Plan, and a separate column for the Member-Directed Plan.

³ Inactive members in transition Groups A and B with at least five years of service are eligible for a retirement benefit at the age of 60. Inactive members in transition Group C with at least five years of service are eligible for a retirement benefit at the age of 62. Inactive members with less than five years of service are eligible for a refund of account. Inactive members with five or more years of service are displayed based on their age eligibility for a retirement benefit as of the end of the year.

Benefits in the Traditional Pension Plan for State and Local members are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with five years of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement benefits at age 57 with 25 years of service or at age 62 with five years of service. For Groups A and B, the annual benefit is based on 2.2% of FAS multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Refer to the age-and-service tables located in the Plan Statement beginning on page 221 for additional information regarding the requirements for reduced and unreduced benefits. Members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

Effective January 1, 2001, House Bill 416 divided the OPERS Law Enforcement Program into two separate divisions: Law Enforcement and Public Safety. Both groups of members, as defined in ORC Chapter 145, and updated in House Bill 520, are eligible for special retirement options under the Traditional Pension Plan and are not eligible to participate in the Member-Directed Plan or Combined Plan. Public Safety members may file an application for full retirement benefits at age 48 or older with 25 or more years of credited service or 52 or older with 15 or more years of credited service for Groups A and B. Public Safety Group C is eligible for benefits at age 52 or older with 25 years or at age 56 or older with 15 years. Those members classified as Law Enforcement officers are eligible for full retirement at age 52 or older with 15 or more years of credited service for Group A. Law Enforcement Group B is eligible at age 48 or older with 25 years or at age 52 or older with 15 years of service. Law Enforcement Group C is eligible at age 48 or older with 25 years of service or at age 56 with 15 years of service. Annual benefits under both divisions are calculated by multiplying 2.5% of FAS by the actual years of service for the first 25 years of service credit, and 2.1% of FAS for each year of service over 25 years. These options also permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

Prior to 2000, payments to OPERS benefit recipients were limited under Section 415(b) of the IRC. OPERS entered into a Qualified Excess Benefit Arrangement (QEBA) with the IRS to allow OPERS benefit recipients to receive their full statutory benefit even when the benefit exceeds IRC 415(b) limitations. Monthly QEBA payments start when the total amount of benefits received by the recipients exceeds the IRC limit each year. The portion of the benefit in excess of the IRC 415(b) limit is paid out of the QEBA and taxed as employee payroll in accordance with IRS regulations.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit

receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

- Defined Contribution Benefits—Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit account (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance (net of taxes withheld), or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.
- Early Retirement Incentive Plan (ERIP)—Employers under OPERS may establish an early retirement incentive plan by purchasing service credit for eligible employees. To be eligible, employees must be able to retire under existing plan provisions after the purchase of the additional credit. Electing employers must contribute all such additional costs as are actuarially determined to fund the benefit. Such a plan, if adopted by an employer, must be offered to a minimum of 5% of covered employees, and may provide for the purchase of up to five years of service credit, limited to a maximum of 20% of the member's total service credit. Members electing to participate in the employer's plan must retire within 90 days of receiving notice of the purchased service or the service is withdrawn and refunded to the employer.

Employers offering an ERIP may choose to pay the full cost of the additional benefits at the time the plan is adopted, or elect an installment payment plan. The required contributions are recognized in full by OPERS in the year in which the payment plan becomes effective. In addition, interest is charged annually on the unpaid balance.

• Disability Benefits—OPERS administers two disability plans for participants in either the Traditional Pension Plan or Combined Plan. Members in the plan as of July 29, 1992, could elect, by April 7, 1993, coverage under either the original plan or the revised plan. All members who entered the System after July 29, 1992 are automatically covered under the revised plan. Under the original plan, a member who becomes disabled before age 60 and has completed five years of total service is eligible for a disability benefit. Benefits are funded by the employee and employer contributions and terminate if the member is able to return to work. The revised plan differs in that a member who becomes disabled at any age with five years of total service will be eligible for disability benefits until a determined age. The benefit is funded by reserves accumulated from employer contributions. After the disability benefit ends, the member may apply for a service retirement benefit or a refund of contributions, which

are not reduced by the amount of disability benefits received. Law Enforcement officers are immediately eligible for disability benefits if disabled by an on-duty illness or injury. Members participating in the Member-Directed Plan are not eligible for disability benefits.

- Survivor Benefits—Dependents of deceased members who participated in either the
 Traditional Pension Plan or the Combined Plan may qualify for survivor benefits if the
 deceased employee had at least one and a half years of service credit with the plan, and at
 least one quarter year of credit within the two and one-half years prior to the date of death.
 ORC Chapter 145, updated by House Bill 520, and the corresponding Combined Plan document
 specify the dependents and the conditions under which they qualify for survivor benefits.
 Qualified survivors of Law Enforcement and Public Safety officers are eligible for survivor
 benefits immediately upon employment.
- Health Care Coverage—The ORC permits, but does not require, OPERS to offer postemployment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or, generally, 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-enrolled retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management and other programs. Additional details on health care coverage can be found in the Plan Statement beginning on page 221.

Participants in the Member-Directed Plan are not eligible for health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to an RMA. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from these accounts.

An additional RMA was also established several years ago when three health care coverage levels were available to retirees. These RMA balances were transferred to the HRA for retirees with both types of accounts. OPERS initiated an automatic claims payment process for reimbursements for retiree health care costs paid through pension deduction. This process reimburses members for eligible health care premiums paid to OPERS, currently through pension deduction, up to the member's available RMA balance.

- Other Benefits—Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, the member is eligible for an annual cost-of-living adjustment. This cost-of-living adjustment is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3%. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index (CPI), capped at 3%. A death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.
- Money Purchase Annuity—Age-and-service retirees who become re-employed in an OPERS-covered position must contribute the regular contribution rates, which are applied towards a money purchase annuity. The money purchase annuity calculation is based on the accumulated contributions of the retiree for the period of re-employment, and an amount of the employer contributions determined by the Board. Upon termination of service, members over the age of 65 can elect to receive a lump-sum payout or a monthly annuity. Members under age 65 may leave the funds on deposit with OPERS to receive an annuity benefit at age 65, or may elect to receive a refund of their employee contributions made during the period of re-employment, plus interest.
- Refunds—Members who have terminated service in OPERS-covered employment may
 file an application for refund of their account. The ORC and applicable plan documents
 require a two-month waiting period after service termination before the refund may be paid.
 The acceptance of a refund payment cancels the individual's rights and benefits in OPERS.
 - Refunds processed for Traditional Pension Plan members include the member's accumulated contributions, interest, and any qualifying employer funds, as determined by the Board. A Combined Plan member's refund may consist of member contributions for the purchase of service plus interest, qualifying employer funds, as determined by the Board, and the value of the account in the defined contribution plan consisting of member contributions adjusted by the gains or losses incurred based on their investment selections. Refunds paid to participants in the Member-Directed Plan include member contributions and vested employer contributions adjusted by the gains or losses incurred based on their investment selections.
- c. Contributions—The OPERS funding policy provides for periodic member and employer contributions to all three plans (Traditional Pension, Combined and Member-Directed) at rates established by the Board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of the System's actuary. All contribution rates were within the limits authorized by the ORC.
 - Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for the year ended December 31, 2020. Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Member contributions within the Combined Plan are used to fund the defined contribution benefits and are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method. This formula determines the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to

pay for defined benefits earned by the members during the current service year; and (2) the prior service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time. The annual employer contributions reported for the Traditional Pension Plan for 2020 were \$1,976,105,188. Employer contributions for the Combined Plan for 2020 were \$62,084,708. Employers satisfied 100% of the contribution requirements.

The following table displays the member and employer contribution rates as a percent of covered payroll for each division for 2020. With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. For 2020, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan and the Combined Plan. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts for 2020 was 4.0%.

Board of Trustees—Approved Contribution Rates—All Plans							
	2020 Employee Rate	2020 Employer Rate					
State Division	10.0%	14.0%					
Local Division	10.0	14.0					
Law Enforcement Division	13.0	18.1					
Public Safety Division	12.0	18.1					

The member and employer contribution rates for the State and Local divisions are currently set at the maximums authorized by the ORC of 10.0% and 14.0%, respectively. The Public Safety and Law Enforcement employer rates are also set at the maximum authorized rate of 18.1%. The member rate for Public Safety is determined by the Board and has no maximum rate established by the ORC. The member rate for Law Enforcement is also determined by the Board, but is limited by the ORC to not more than 2.0% greater than the Public Safety rate.

ORC Chapter 145 assigns authority to the Board to amend the funding policy. As of December 31, 2020, the Board adopted the contribution rates that were recommended by the actuary. The contribution rates were included in a funding policy adopted by the Board in October 2013, and are certified periodically by the Board as required by the ORC.

As of December 31, 2020, the date of the last pension actuarial study, the funding period for all defined benefits of the System was 18 years.

d. Federal Subsidies—OPERS participated in federal programs that subsidized or provided reimbursements to the 115 Trust. Retiree Drug Subsidy (RDS) is a voluntary federal program that reimburses 28% of the cost of prescription drugs for Medicare beneficiaries in the United States. OPERS continues to participate in the RDS program with minimal subsidy generated primarily from Medicare-eligible participants who are re-employed and enrolled in the OPERS Medicare Secondary Plan and the Commercial prescription drug plan. Beginning 2017, health care-related receipts have been netted against expenses included in the Benefits line item in the Combining Statement of Changes in Fiduciary Net Position.

e. Commitments and Contingencies—OPERS has committed to fund various private equity and real estate investments totaling approximately \$11.6 billion as of December 31, 2020. The expected funding dates for these commitments extend through 2026. OPERS is a party in various lawsuits relating to plan benefits and investments. While the final outcome cannot be determined at this time, management is of the opinion that the liability, if any, for these legal actions will not have a material adverse effect on OPERS' financial position.

2. Summary of Significant Accounting Policies

The following are the significant accounting policies followed by OPERS for all pension and health care plans:

a. Basis of Accounting—The financial statements are prepared using the accrual basis of accounting under which deductions are recorded when the expense is incurred and revenues are recognized when earned. Pension benefit payments are due the first day of the month following the retirement of a member, and the first of each month thereafter. Health care payments are considered an expense and recognized as a liability in the Combining Statement of Fiduciary Net Position when a present obligation exists and a condition that requires the event creating the liability has taken place. Therefore, OPEB plan expenses are recognized when the benefits are currently due and payable in accordance with the benefit terms, as clarified in GASB Statement No. 74 (GASB 74), Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. GASB 74 also requires health care expenses be reported net of certain health care receipts. Beginning with the implementation of GASB 74 in 2017, the presentation of retiree-paid health care premiums, federal subsidy and rebates previously included in Contract and Other Receipts, has been revised and these health care receipts are now included in health care expenses in Benefits under Deductions in the Combining Statement of Changes in Fiduciary Net Position. Previously, these receipts were reflected in the Additions section of the statement. Health care liabilities contain estimates on incurred but not reported amounts for the current year.

OPERS notionally funds and tracks member balances in the HRA, Member-Directed health care accounts and wellness RMAs. As of December 31, 2020, the notional member balances in the HRAs were \$433.4 million and the amount recognized as currently due for 2020 claims based on estimates was \$48.9 million. As of December 31, 2020, the notional member balances in the Member-Directed health care accounts and wellness RMAs were \$282.4 million and \$0.9 million, respectively. The claim amounts currently due as of December 31, 2020 were estimated at \$0.9 million and \$0.1 million, respectively. As previously noted, the Member-Directed health care accounts were originally funded through the VEBA Trust, prior to the 115 Trust, and the VEBA Trust was historically reported separately in the combining financial statements. Although all health care activity is now reflected in the 115 Trust, OPERS internally accounts for health care activity separately. Total net position reported for the 115 Trust as of December 31, 2020 was \$13.2 billion, which includes a net position of \$374.5 million in the Member-Directed health care plan.

Refunds, for any member who makes a written application to withdraw his/her contributions, are payable two months after termination of the member's OPERS-covered employment. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Additions to the plans consist of contributions (member and employer), other contracts and receipts, interplan activities, net investment income, and other miscellaneous income. Contributions are recorded in the period the related salaries are earned and become measurable pursuant to formal commitments, statutory or contractual requirements. Accordingly, both member and employer contributions for the year ended December 31, 2020 include year-end accruals based upon estimates derived from subsequent payment activity and historical payment patterns. Member and employer contributions are due 30 days after the month in which salaries are earned based on pay period end date. Health care reimbursements are recognized

when they become measurable and due to OPERS based on contractual requirements. Therefore, health care reimbursements contain estimates based on information received from health care vendors and other sources. Plan changes, or interplan activity, are recorded as an addition or deduction based on the nature of the transaction, when the transaction occurs. Investment purchases and sales are recorded as of their trade date.

The accounting and reporting policies of OPERS conform to accounting principles generally accepted in the United States (referred to as GAAP) as applicable to government organizations. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

In June 2017, GASB issued Statement No. 87 (GASB 87), Leases. This standard requires the recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as additions or deductions to/from fiduciary net position based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a receivable and a deferred inflow of resources. The effective date of this standard is fiscal years beginning after June 15, 2021. OPERS early adopted the requirements of the guidance effective January 1, 2020, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Contracts identified as leases are presented as right-to-use assets in the current-year financial statements. Lease arrangements are discussed further in Note 2c.

In March 2020, GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. This statement is in response to global reference rate reform, under which the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments utilizing LIBOR as a reference rate. The effective date of this standard is for reporting periods beginning after June 15, 2021, except for certain provisions that are effective for reporting periods beginning after December 31, 2021.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, and later. The effective date of this statement was immediate and postponed certain provisions contained in GASB 93 by one year and GASB 87 by 18 months.

In May 2020, GASB issued Statement No. 96 (GASB 96), Subscription-Based Information Technology Arrangements. This standard provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The guidance defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The statement also provides capitalization criteria for outlays other than subscription payments, including implementation costs, and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB 87. The effective date of this standard is fiscal periods beginning after June 15, 2022. OPERS early adopted the requirements of the guidance

effective January 1, 2020, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Contracts identified as SBITAs are presented as right-to-use assets in the current-year financial statements. SBITA arrangements are discussed further in Note 2c.

In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and, enhance the relevance, consistency, and comparability of the accounting and financial reporting for IRC Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The effective date of this standard is fiscal years beginning after June 15, 2021.

b. Investments—OPERS is authorized by ORC Section 145.11 to invest under a prudent person standard and does so through an investment policy established by the Board. ORC 145.11 states:

The Board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the public employees retirement system; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

Member-Directed Plan participants self-direct the investment of both member and employer contributions. Contributions must be invested with an investment manager approved by the Board. Similarly, participants in the Combined Plan self-direct the investment of member contributions. The investment assets for all other plans and the health care trust are invested under the direction of the OPERS Investment staff in conformance with policies approved by the Board.

Investments are generally reported at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, that is, other than in a forced or liquidation sale. All investments, with the exception of real estate, private equity, and hedge funds, are valued based on closing market prices or broker quotes. Securities not having a quoted market price have been valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of some real estate investments, private equity and hedge funds is based on a net asset value, which is established by the fund or by the fund's third-party administrator. Refer to Note 3i for additional information on valuation of investments.

Net increase/(decrease) in the fair value of investments is determined by calculating the change in the fair value of investments between the end of the year and the beginning of the year, less purchases of investments at cost, plus sales of investments at fair value. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Commissions paid to brokers are considered a part of the investment

asset cost and are, therefore, not reported as expenses of the System. Brokerage commissions for 2020 were \$9,576,196. Investment administrative expenses consist of custodial banking fees and those expenses directly related to OPERS internal investment operations, and include a proportional amount of allocated overhead.

- **c. Capital Assets**—OPERS maintains three categories of capital assets, including tangible capital assets, intangible right-to-use lease assets, and intangible right-to-use subscription assets.
 - Tangible Capital Assets—Tangible capital assets are recorded at cost and do not meet
 the definition of an investment under GASB Statement No. 72, Fair Value Measurement
 and Application. OPERS has adopted a capitalization threshold used to identify whether
 assets purchased by the System are classified as capital assets or operating expenses.
 Building enhancements, furniture and equipment with a cost equal to or greater than
 \$5,000 and computer software purchases of \$25,000 or more are recorded as tangible
 capital assets and depreciated based on the useful life of the asset.

Depreciation for tangible capital assets is computed using the straight-line method over the estimated useful lives of the related assets according to the following schedule:

▲ Useful Lives of Tangible Capital Assets						
Years						
Buildings and Building Improvements	50					
Furniture and Equipment	3-10					
Computer Software	3-10					

 Intangible Right-to-use Lease Assets—OPERS enters into contracts that convey control of the right to use an underlying asset for a period of time, as specified in the contract, in an exchange or exchange-like transaction. For eligible contracts with a term greater than 12 months, OPERS records intangible right-to-use lease assets and a related lease liability at the commencement date of the lease. Lease liabilities, included within Accounts Payable and Other Liabilities on the Combining Statement of Fiduciary Net Position, represent OPERS' obligation to make lease payments arising from the lease and are measured at the present value of expected lease payments over the lease term. The contracts do not provide information about the discount rate implicit in the lease. Therefore, OPERS has elected to use its incremental borrowing rate to calculate the present value of expected lease payments. The intangible right-to-use lease asset, included with Right-to-use Assets on the Combining Statement of Fiduciary Net Position, is based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. OPERS has adopted a capitalization threshold of \$5,000, consistent with the capitalization thresholds for building enhancements, furniture and equipment. Intangible right-touse lease assets are amortized over the shorter of the term of the contract or the useful life of the underlying asset. Interest expense is recognized ratably over the contract term.

OPERS accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for leases and non-lease components, and it is impractical to estimate the price of such components, OPERS treats the components as a single lease unit.

OPERS leases equipment as well as office space for disaster recovery purposes under long-term, non-cancelable lease agreements. The leases expire at various dates through 2023 and provide for renewal options ranging from one to five years. The term used in the

measurement of the lease liability includes options to extend or terminate the lease when it is reasonably certain that OPERS will exercise that option. Certain leases provide for increases in future minimum annual rental payments based on defined increases in CPI, subject to certain minimum increases. To the extent these future increases are considered likely, they are included in the measurement of the lease liability. Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease liability. Deviations from estimated future minimum annual rental payments, and variable payments based on future performance or usage of the underlying asset, are recognized as deductions to net position in the periods in which the obligation for those payments is incurred. During the year ended December 31, 2020, OPERS made no variable payments as none were required by lease agreements.

The outstanding lease liability as of December 31, 2020 was \$0.4 million. Total future minimum lease payments under the lease agreements are as follows:

Future Minimum Lease Payments							
Year Ended	Principal	Interest					
2021	\$151,195	\$6,822					
2022	\$139,439	\$3,598					
2023	\$95,629	\$629					

Intangible Right-to-use Subscription Assets—OPERS enters into contracts that convey control of the right to use another entity's information technology software, alone or with information technology tangible capital assets, for a period of time, as specified in the contract, in an exchange or exchange-like transaction. For eligible contracts with a term greater than 12 months, OPERS records intangible right-to-use subscription assets and a related subscription liability at the commencement date of the contract. Subscription liabilities, included within Accounts Payable and Other Liabilities on the Combining Statement of Fiduciary Net Position, represent OPERS' obligation to make subscription payments arising from the contract and are measured at the present value of expected subscription payments over the contract term. The contracts do not provide information about the discount rate implicit in the lease. Therefore, OPERS has elected to use its incremental borrowing rate to calculate the present value of expected subscription payments. The intangible right-to-use subscription asset, included with Right-to-use Assets on the Combining Statement of Fiduciary Net Position, is based on the initial measurement of the subscription liability, plus any payments made to the vendor at or before the commencement of the contract term and certain direct costs. OPERS has adopted a capitalization threshold of \$25,000, consistent with the capitalization threshold for computer software purchases. Intangible right-to-use subscription assets are amortized over the shorter of the term of the contract, as defined by GASB 96, or the estimated remaining useful life of the underlying asset. Intangible right-to-use subscription assets, including implementation costs of intangible right-to-use subscription assets before the commencement of the subscription term, are amortized over the shorter of the term of the contract or the useful life of the underlying software. Interest expense is recognized ratably over the contract term.

OPERS accounts for contracts containing both subscription and non-subscription components as separate contracts when possible. In cases where the contract does not provide separate price information for the subscription and non-subscription components, and it is impractical to estimate the price of such components, OPERS treats the components as a single unit.

OPERS enters into contracts for software subscriptions to support the routine functions of the organization, including investment management and reporting software. The contracts expire at various dates through 2025 and provide for renewal options ranging from one to three years. The term used in the measurement of the subscription liability includes options to extend or terminate the subscription when it is reasonably certain that OPERS will exercise that option. Certain contracts provide for increases in future minimum annual subscription payments based on defined increases in CPI, subject to certain minimum increases. To the extent these future increases are considered likely, they are included in the measurement of the subscription liability. Some subscriptions require variable payments based on usage of the underlying software and are not included in the measurement of the subscription liability. Deviations from estimated future minimum annual subscription payments, and variable payments based on future usage of the underlying software, are recognized as deductions to net position in the periods in which the obligation is incurred. During the year ended December 31, 2020, OPERS made variable payments, as required by the subscription contracts, totaling \$2.5 million. The implementation costs of intangible rightto-use subscription assets included are \$5.9 million as of December 31, 2020.

The outstanding subscription liability as of December 31, 2020 was \$9.6 million. Total future minimum subscription payments under the subscription agreements are as follows:

Future Minimum Subscription Payments							
Year Ended	Principal	Interest					
2021	\$3,171,159	\$158,155					
2022	\$2,103,955	\$102,459					
2023	\$1,412,706	\$65,655					
2024	\$1,445,968	\$33,147					
2025	\$1,454,202	\$14,521					

The table below is a schedule of the capital asset account balances as of December 31, 2019 and 2020, with changes to those account balances during the year ended December 31, 2020:

△ Capital Asset Account Balances						
	Land	Building and Building Improvements	Furniture and Equipment	Intangible Right-to-use Leases	Intangible Right-to-use Subscriptions	Total Capital Assets
Cost Balances December 31, 2019 Additions Disposals Transfers	\$3,734,813	\$110,813,656 (303,114)	\$165,222,558 9,046,819 (21,765,255) (2,923,244)	\$453,034	\$15,815,482 2,923,244	\$279,771,027 25,315,335 (22,068,369)
Balances December 31, 2020	3,734,813	110,510,542	149,580,878	453,034	18,738,726	283,017,993
Accumulated Depreciation and Amortization Balances December 31, 2019 Depreciation and Amortization Expense Disposals		41,048,020 2,325,423 (109,956)	111,005,695 10,453,609 (21,303,294)	67,901	2,378,997	152,053,715 15,225,930 (21,413,250)
Balances December 31, 2020		43,263,487	100,156,010	67,901	2,378,997	145,866,395
Net Capital Assets December 31, 2020	\$3,734,813	\$67,247,055	\$49,424,868	\$385,133	\$16,359,729	\$137,151,598

- d. Lessor Obligations—OPERS leases building space to two lessees under long-term, non-cancelable lease arrangements with no option to purchase. These leases convey control of the right to use the related space to the lessee. The first agreement is a five-year lease with a renewal option of up to five-years and scheduled annual rent increases. The second agreement is a ten-year lease with no renewal option and scheduled future rental increases. These agreements qualify as leases and OPERS recognizes a lease receivable and a deferred inflow of resources (lessor obligation) at the commencement of the lease term. The lease receivable and lessor obligation are measured at the present value of lease payments expected to be received during the lease term. The lease receivable is recognized as additions to net position over the term of the lease. The term used in the measurement of the lease receivable and lessor obligation includes options to extend or terminate the lease when it is reasonably certain that OPERS will exercise that option. The contracts do not provide information about the discount rate implicit in the lease. Therefore, OPERS has elected to use its incremental borrowing rate to calculate the present value of expected lease payments. OPERS accounts for contracts containing both lease and non-lease components as separate contracts.
 - During 2020, OPERS recognized \$0.4 million in rental income and \$0.1 million in interest income from these leases. Deferred inflows of \$3.0 million related to expected future payments for these lease arrangements are included on the Combining Statement of Fiduciary Net Position.
- **e. Undistributed Deposits**—Cash receipts are recorded as undistributed deposits until allocated to employer receivables, member contributions, miscellaneous or investment income.
- **f. Federal Income Tax Status**—OPERS is a qualified plan under Section 401(a) of the IRC and is exempt from federal income taxes under Section 501(a).
- g. Funds—In accordance with the ORC and IRS regulations, various funds have been established to account for the reserves held for future and current payments. Statutory and IRS-mandated funds within each of the three pension plans are described below:

Traditional Pension Plan

- The Employees' Savings Fund—represents member contributions held in trust pending
 refund or transfer to a benefit disbursement fund. Upon a member's refund or retirement, such
 member's account is credited with an amount of interest (statutory interest) on the member's
 contributions based on a Board-approved rate, which currently ranges from 1% to 4%.
 Members eligible for a refund also receive additional funds from the Employers' Accumulation
 Fund, if qualified. The ORC Chapter 145 requires statutory interest to be compounded annually.
- The Employers' Accumulation Fund—accumulates employer contributions to provide the
 reserves required for transfer to the Annuity and Pension Reserve Fund as members retire or
 become eligible for disability benefits, and to the Survivors' Benefit Fund for benefits due to
 dependents of deceased members.
- The Employers' Accumulation Health Care Fund (IRC 115)—accumulates employer
 contributions to provide the reserves required for transfer to the Annuity and Pension
 Reserve and Survivors' Benefit funds for health care coverage paid for non-Medicare
 retirees and eligible dependents of deceased members and monthly deposits to an HRA
 for Medicare-enrolled retirees and eligible dependents of deceased members under the
 Connector program.
- The Annuity and Pension Reserve Fund—is the fund from which retirement benefits that do
 not exceed the IRC 415(b) limitations and health care coverage are paid. By law, OPERS is
 obligated to pay certain benefits that have commenced with retirees. In order to make these
 payments each year and hold sufficient assets in this fund to pay the vested benefits of all

retirees and beneficiaries as of the actuarial valuation date, OPERS transfers funds from the active member employer fund (the Employers' Accumulation Fund) to the pension funds (the Annuity and Pension Reserve Fund and the Survivors' Benefit Fund). Thus, the active member funding was 52% as of December 31, 2020.

- The Survivors' Benefit Fund—is the fund from which benefits due to beneficiaries of deceased members of the System that do not exceed the IRC 415(b) limitations are paid. Refer to the description under the Annuity and Pension Reserve Fund for additional information.
- Qualified Excess Benefit Arrangement (QEBA) Fund—is the fund from which annuity, disability and survivors' benefits are paid when the recipient exceeds the IRC 415(b) limits. This reserve is funded by employer contributions.
- The Income Fund—is the fund credited with all investment gains or losses and
 miscellaneous income. Annually, the balance in this fund is transferred to other funds
 to aid in the funding of future benefit payments and administrative expenses.
- *The Expense Fund*—provides for the payment of administrative expenses with the necessary monies allocated to it from the Income Fund.

Member-Directed Plan

- The Defined Contribution Fund—represents member and employer contributions held
 in trust pending refund or commencement of benefit payments. Members self-direct the
 investment of these funds. The member vests in employer contributions over a five-year
 period at a rate of 20% per year.
- The Annuity and Pension Reserve Fund—is the fund from which purchased annuity benefits are paid. Upon retirement, Member-Directed participants may elect to liquidate their defined contribution accounts to purchase a defined benefit annuity. The value of the annuity is based on the value of the defined contribution account at the time of liquidation.
- The Income Fund—is the fund credited with all investment gains or losses, account fees, and
 miscellaneous income. The balance in this fund is used to fund the gains or losses incurred by
 participants and to fund the administrative expenses of the Member-Directed Plan.
- *The Expense Fund*—provides for the payment of administrative expenses with the necessary monies allocated to it from the Income Fund.
- The Employers' Accumulation Health Care Fund (IRC 115)—accumulates a portion of employer contributions into an RMA for Member-Directed Plan members.

Combined Plan

- The Defined Contribution Fund—represents member contributions held in trust pending refund or commencement of benefit payments. Members self-direct the investment of these funds.
- The Employees' Savings Fund—represents member deposits for the purchase of service credit held in trust pending refund or transfer to the plan Annuity and Pension Reserve Fund. Upon a member's refund or retirement, accounts are credited with an amount of interest (statutory interest) on the member's deposits based on a Board-approved rate. The interest rate has been 1% since January 1, 2003.
- The Employers' Accumulation Fund—accumulates employer contributions to provide the
 reserves required for transfer to the Annuity and Pension Reserve Fund as members retire.
 Disability and survivor benefits are funded by transfers to Traditional Pension Plan funds,
 which pay such benefits.

- The Employers' Accumulation Health Care Fund (IRC 115)—accumulates employer
 contributions to provide the reserves required for transfer to the Annuity and Pension Reserve
 and Survivors' Benefit funds for health care coverage paid for non-Medicare retirees and eligible
 dependents of deceased members and monthly deposits to an HRA for Medicare-enrolled
 retirees and eligible dependents of deceased members under the Connector program.
- The Annuity and Pension Reserve Fund—is the fund from which retirement benefits and health care coverage are paid.
- The Income Fund—is the fund credited with all investment gains or losses, account fees
 and miscellaneous income. The balance in this fund is transferred to other funds, to the
 credit of member accounts and to aid in the funding of future benefit payments and
 administrative expenses.
- **The Expense Fund**—provides for the payment of administrative expenses with the necessary monies allocated to it from the Income Fund.

The statutory funds defined by ORC Chapter 145 and the IRC-required funds are not mutually exclusive. The Combining Statement of Fiduciary Net Position and the Combining Statement of Changes in Fiduciary Net Position (pages 36-39) are presented based on IRC requirements. The following schedule provides the values of the statutory funds and how they are distributed among the various retirement plans and the health care trust administered by the System. The rows represent the statutory funds required by the ORC. In total, these funds will equal the fiduciary net position of the System. To support the fiduciary net position for each plan and trust included in the statements, the schedule has been expanded to include the value of the statutory funds as they relate to each plan and trust.

Statutory and IRC Fund Balances as of December 31, 2020 were as follows:

Statutory and IRC Fund Balances (as of December 31, 2020)						
	Traditional Pension Plan	Combined Plan	Member- Directed Plan	115 Health Care Trust	Total	
Employees' Savings Fund	\$15,550,154,652	\$4,021,558	\$94,554		\$15,554,270,764	
Employers' Accumulation Fund	15,608,698,783	740,437,194	18,354,748	\$13,227,419,100	29,594,909,825	
Annuity and Pension Reserve Fund	64,783,256,041	44,713,041	20,445,982		64,848,415,064	
Survivors' Benefit Fund	1,958,351,137				1,958,351,137	
Defined Contribution Fund		753,644,058	1,435,306,081		2,188,950,139	
Income Fund	112,583,998				112,583,998	
Expense Fund	11,674,002				11,674,002	
Total	\$98,024,718,613	\$1,542,815,851	\$1,474,201,365	\$13,227,419,100	\$114,269,154,929	

h. Risk Management—OPERS is exposed to various risks of loss related to theft of, damage to, or destruction of assets; injuries to employees; and court challenges to fiduciary decisions. To cover these risks, OPERS maintains commercial insurance and holds fidelity bonds on employees. There were no reductions in coverage nor have there been any settlements exceeding insurance coverage. As required by state law, OPERS is registered and insured through the state of Ohio Bureau of Workers' Compensation for injuries to employees. OPERS is self-insured for employee health care coverage. The only outstanding liabilities at the end of 2020 were related to the employee health care coverage (see Note 7).

3. Cash and Investments

A summary of cash, cash equivalents and investments held as of December 31, 2020 was as follows:

Summary of Cash, Cash Equivalents and Investments (as of December 31, 2020)				
	Fair Value			
Cash and Cash Equivalents				
Cash	\$244,107,856			
Cash Equivalents				
Commercial Paper	1,238,097,516			
U.S. Treasury Obligations	1,952,061,854			
Repurchase Agreements	2,355,000,000			
Interest-Bearing Short-Term Certificates	75,000,000			
Short-Term Investment Funds (STIF)	933,447,211			
Subtotal Cash Equivalents	6,553,606,581			
Total Cash and Cash Equivalents	\$6,797,714,437			

Investments	
Fixed Income U.S. Corporate Bonds	\$7,507,368,732
Non-U.S. Notes and Bonds U.S. Government and Agencies U.S. Mortgage Backed	8,564,806,410 11,843,970,139 4,403,989,726
Subtotal Fixed Income	32,320,135,007
Domestic Equities Real Estate Private Equity International Equities Other Investments ¹	23,568,236,058 8,891,728,670 10,499,009,230 24,631,454,798 6,944,809,702
Total Investments Before Collateral on Loaned Securities	106,855,373,465
Collateral on Loaned Securities Securities and Reinvested Cash Collateral for Loaned Securities	10,082,726,257
Total Collateral on Loaned Securities	10,082,726,257
Total Investments Including Collateral on Loaned Securities	\$116,938,099,722

Total Cash, Cash Equivalents and Investments	\$123,735,814,159

¹ Includes hedge funds, derivative instruments and risk parity.

- a. Custodial Credit Risk, Deposits—Custodial credit risk for deposits is risk that, in the event of the failure of a depository financial institution, OPERS will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. The total amount of cash balances reported was \$244,107,856 at December 31, 2020. OPERS has not experienced any losses in accounts and the System is not exposed to significant credit risk on its cash. OPERS has no formal policy specific to custodial credit risk. These assets are under the custody of the Treasurer of the state of Ohio.
- b. Custodial Credit Risk, Investments—Custodial credit risk for investments is the risk that, in the event of the failure of the custodian, OPERS will not be able to recover the value of its investment or collateral securities that are in the possession of the custodian. The Treasurer of the state of Ohio, as custodian, selects the custodian in the name of OPERS or its nominee; thus, OPERS investments are not exposed to custodial credit risk.
- **c. Credit Risk**—Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by ratings assigned by a nationally recognized statistical rating organization.
 - The OPERS Public Fixed Income Policy limits non-investment grade securities to within 15 percentage points of the market value percentage of non-investment grade securities in the Fixed Income Aggregate Benchmark within the Defined Benefit portfolio, the Health Care portfolio, fixed income components of any target date funds and fixed income funds offered directly to OPERS members. Limitations on holdings of non-investment grade securities are included in portfolio guidelines.
- d. Interest Rate Risk—Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. OPERS monitors the interest rate risk inherent in its portfolio by measuring the weighted-average duration of its portfolio. Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The effective duration measures the sensitivity of the market price to parallel shifts in the yield curve. The OPERS Fixed Income Policy limits the average option-adjusted duration of the defined benefit and health care fixed income assets to within 20% of the option-adjusted duration of the benchmark.

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The following table presents the credit quality ratings and effective durations of OPERS fixed income assets, including short-term investments, as of December 31, 2020:

2020 Average Credit Quality and Exposure Levels of Guaranteed Investments					
Fixed Income Security Type	Fair Value	Percent of All Fixed Income Assets	Weighted Average Duration to Maturity (years)	AAA	AA
Commercial Paper	\$1,238,097,516	3.18%	0.04	\$920,431,184	\$184,672,843
·					\$104,072,043
Short-Term Investment Funds (STIF)	933,447,211	2.40	0.08	933,447,211	
Repurchase Agreements	2,355,000,000	6.06	0.12	1,605,000,000	550,000,000
Interest-Bearing Short-Term Certificates	75,000,000	0.19	0.01		75,000,000
Corporate Bonds	5,888,340,655	15.15	6.90	38,353,317	530,748,438
Municipal Bonds	45,929,621	0.12	4.15		37,113,960
Asset-Backed Securities	1,114,003,855	2.87	3.45	488,751,865	92,784,155
Mortgages	1,257,843,474	3.24	4.45	387,300,363	177,454,389
Agency Mortgages	3,030,671,675	7.80	3.52		3,030,671,675
Non-U.S. Corporate Bonds	2,778,865,555	7.15	4.53	295,323,370	160,295,839
Non-U.S. Mortgage & Asset-Backed Securities	494,654,331	1.27	1.09	206,081,949	101,778,334
Non-U.S. Government	5,291,286,524	13.61	6.81	224,699,546	350,120,700
Agency Bonds	797,385,452	2.05	1.10		797,385,452
Commingled Long-Term Global Funds	670,632,756	1.72	5.55	165,608,530	500,851,758
Total Non-Government Guaranteed	25,971,158,625	66.81		5,264,997,335	6,588,877,543
U.S. Treasury Notes	6,355,904,249	16.35	3.36		6,355,904,249
U.S. Treasury Bonds	1,695,525,623	4.36	19.17		1,695,525,623
U.S. Treasury Inflation Protected	2,899,091,237	7.46	7.57		2,899,091,237
U.S. Treasury Discount Notes	1,952,061,854	5.02	0.42		1,952,061,854
Total Fixed Income and Cash Equivalents	\$38,873,741,588	100.00%	4.93	\$5,264,997,335	\$19,491,460,506

2020 Average Credit Quality and Exposure Levels of Guaranteed Investments (continued from previous page)								
Α	BBB	BB	В	CCC	СС	С	D	Not Rated
\$132,993,489								
								*
								\$200,000,000
828,710,721	\$2,318,055,825	\$1,300,606,117	\$589,461,417	\$157,811,051	\$1,850,238	\$1,212,563	\$2,490,000	119,040,968
8,815,661								
243,156,840	211,985,858	27,272,461		3,537,170	12,250,676	176,333	100,415	33,988,082
46,338,023	371,128,242	70,592,519	36,443,539			3,125,308	2,084,788	163,376,303
465,838,492	904,782,550	404,473,496	354,362,630	98,492,565	4,843,750	1,190,913	431,440	88,830,510
17,377,940	36,698,144	52,971,446	7,574,314	29,684,105	1,271,674	1,100,010	401,440	41,216,425
459,349,288	1,976,617,788	941,391,199	913,436,799	300,945,322	30,686,552	15,913,024	18,676,662	59,449,644
								4,172,468
2,202,580,454	5,819,268,407	2,797,307,238	1,901,278,699	590,470,213	50,902,890	21,618,141	23,783,305	710,074,400
\$2,202,580,454	\$5,819,268,407	\$2,797,307,238	\$1,901,278,699	\$590,470,213	\$50,902,890	\$21,618,141	\$23,783,305	\$710,074,400

- e. Concentration of Credit Risk—Concentration of credit risk is the risk of loss that may be attributed to the magnitude of an investment in a single issuer. As of December 31, 2020, the portfolio has no single-issuer exposure that comprises 5% or more of the overall portfolio, excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments. Therefore, no concentration of credit risk exists.
- f. Foreign Currency Risk—Foreign currency risk is the risk that changes in exchange rates will adversely impact the local currency value of an investment. The OPERS foreign currency exposures primarily reside within non-U.S. investment holdings. The OPERS investment policy allows external managers to decide what action to take within approved portfolio guidelines for their respective portfolios' foreign currency exposures using forward-currency contracts. See chart on the next page for foreign currency detail.

				International		
Currency	Cash	Forwards	Fixed Income	Equities	Real Estate	Private Equity
Argentine Peso	\$101,520		\$35,239,236			
Australian Dollar	3,011,547			\$726,170,618		
Belarusian Ruble			8,874,577			
Brazilian Real	904,662		271,090,909	354,584,128		
British Pound Sterling	6,203,026	(\$276,273)		1,949,546,195		\$921,760,871
Canadian Dollar	3,366,794			669,927,041		
Chilean Peso	1,539		43,641,067	6,880,611		
Chinese Yuan Renminbi	98,946	(2,016,178)	129,568,120	83,262,175		
Colombian Peso	20,983		226,628,807	6,321,864		
Czech Koruna	138,297	14,305,416	105,524,011	4,215,135		
Danish Krone	840,131			464,544,081		
Dominican Peso			32,103,597			
Egyptian Pound	4,840,325		45,891,802	10,107,012		
Euro Currency	3,984,157	(73,254,134)	84,753,168	3,911,772,190	\$7,912,462	1,105,802,985
Georgian Lari	.,,	(-,,,	12,074,029	.,. ,,	, ,,	,,,-
Ghanaian Cedi	14		13,738,780			
Hong Kong Dollar	2,386,518	(2,284,329)	.0,100,100	1,641,713,190		
Hungarian Forint	1,007	10,822,292	69,285,415	20,562,732		
Indian Rupee	1,967,322	10,022,202	26,645,769	531,103,499		
Indonesian Rupiah	965,566	(12,482,147)	328,735,170	102,292,580		
Israeli Shekel	7,385	(12,402,141)	320,733,170	50,397,563		
Japanese Yen	12,608,347	(6,169,510)	968,378	3,035,648,099		
Kazakhstani Tenge	12,000,347	(0, 109,510)	15,367,120	3,033,046,099		
Kenyan Shilling			17,441,197			
Kuwaiti Dinar	232,628		17,441,197	5,710,686		
	97,990	(2.096.125)	142,654,164	48,556,938		
Malaysian Ringgit Mexican Peso	· · · · · · · · · · · · · · · · · · ·	(2,086,125)				
New Zealand Dollar	2,852,928	12,005,514	394,029,399	82,137,886		
	361,958		4 575 220	51,917,243		
Nigerian Naira	111,562		1,575,339	140 570 750		
Norwegian Krone	1,853,026	005 000	00.055.740	149,576,750		
Peruvian Nuevo Sol	366,812	865,393	98,955,716	356,558		
Philippine Peso	16,842		1,311,042	31,363,651		
Polish Zloty	30,781	25,662,625	142,080,715	63,935,715		
Qatari Rial	29,121		00 540 004	9,838,451		
Romanian New Leu	4		66,513,821			
Russian Ruble			307,100,663			
Saudi Riyal	10,190			48,088,029		
Singapore Dollar	2,786,584		2.4	142,421,987		
South African Rand	247,179	5,322,598	247,241,851	165,048,026		
South Korean Won	298,660			1,128,257,654		
Swedish Krona	5,782,540	(59,388)		400,177,862		
Swiss Franc	4,711,838			1,131,185,791		
Taiwan Dollar	1,466,774			772,377,199		
Thailand Baht	11,108	3,332,778	118,827,257	88,883,881		
Turkish Lira	46,105	1,775,155	75,510,807	90,301,761		
UAE Dirham	14,462			12,835,460		
Ukrainian Hryvnia			16,563,093			
Uruguay Peso			82,284,247			
Uzbekistani Soʻm			5,616,583			
Total	\$62,777,178	(\$24,536,313)	\$3,167,835,849	\$17,992,020,241	\$7,912,462	\$2,027,563,856

g. Securities Lending—OPERS maintains a securities lending program. OPERS uses its discretion to determine the type and amount of securities lent under the program. Under this program, securities are loaned to brokers. In return, OPERS receives cash collateral or collateral securities considered liquid and agrees to return the collateral for the same securities in the future. Securities loaned are collateralized at a minimum of 102% of the fair value of loaned U.S. securities and 105% of the fair value of loaned international securities. Collateral is marked-to-market daily. Cash collateral from securities loaned is, simultaneous to the loan, reinvested in repurchase agreements and short-term securities. OPERS does not have the ability to pledge or sell reinvested collateral securities during the term of a loan absent a broker default. OPERS has the ability to pledge or sell collateral securities from securities loaned. If the fair value of the collateral held falls below the required levels, additional collateral is provided.

As of December 31, 2020, the fair value of securities on loan was \$9,768,892,032. Associated collateral totaling \$10,080,200,147 was received, of which \$8,132,186,725 was reinvested cash collateral and \$1,948,013,422 was securities collateral. The fair market value of reinvested collateral was \$10,082,726,257 as of December 31, 2020, which includes net unrealized gains on securities lending activity totaling \$252,407.

Net securities lending income/(loss) is composed of four components: gross income, broker rebates, agent fees and unrealized gains/(losses) on collateral. Gross income is equal to earnings on cash collateral received in a securities lending transaction. A broker rebate is the cost of using that cash collateral. Agent fees represent the fees paid to the agent for administering the lending program. Unrealized gains/(losses) result from the change in fair value of the reinvested cash collateral. Net securities lending income is equal to gross income less broker rebates, agent fees, and unrealized gains/(losses) on collateral. Securities lending income for 2020 was recorded on an accrual basis.

- h. Derivative Instruments—Derivative instruments are generally defined as contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index. OPERS has classified the following as derivative instruments:
 - Forward-Currency Contracts—OPERS enters into various forward-currency contracts to manage exposure to changes in foreign currency exchange rates on its foreign portfolio holdings. The System may also enter into forward-currency exchange contracts to provide a quantity of foreign currency needed at a future time at the current exchange rates, if rates are expected to change dramatically. A forward-exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. Risk associated with such contracts includes movement in the value of foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. The contracts are valued at forward-exchange rates, and the changes in value of open contracts are recognized as net increase/decrease in the fair value of investments in the Combining Statement of Changes in Fiduciary Net Position. The forward-currency purchases are recognized in Investment Commitments Payable on the Combining Statement of Fiduciary Net Position and the forward-currency sales are recognized in Investment Sales Proceeds. The realized gains or losses on forward-currency contracts represent the difference between the value of the original contracts and the closing value of such contracts and are included as net increase/decrease in the fair value of investments in the Combining Statement of Changes in Fiduciary Net Position. The net realized and unrealized loss on forward-currency contracts for the year 2020 was \$7,380,902.

The fair values of forward-currency contracts and contracts hedged were as follows:

Fair Value of Forward-Currency and Hedged Contracts (as of December 31, 2020)				
Forward-currency purchases \$125,250,411				
Forward-currency sales (\$149,786,724)				
Unrealized loss (\$1,748,989)				

• Futures Contracts—OPERS enters into various futures contracts to manage exposure to changes in equity, fixed income and currency markets and to take advantage of movements on an opportunistic basis. A stock index future is a futures contract that uses a stock index as its base, and which is settled by cash or delivery of the underlying stocks in the index. Financial futures represent an off balance sheet obligation, as there are no balance sheet assets or liabilities associated with those contracts; however, the realized and unrealized gains and losses on futures are recorded in the Combining Statement of Changes in Fiduciary Net Position. Futures contracts differ from forward-currency contracts by their standardization, exchange trading, margin requirements, and daily settlement (marking-to-market). Risk associated with stock index futures contracts includes adverse movements in the underlying stock index. The following table shows the futures positions held by OPERS as of December 31, 2020. The net realized and unrealized loss on futures contracts for the year 2020 was \$719,893,911.

Futures Positions Held (as of December 31, 2020)					
Futures Contracts	Number of Contracts	Contract Principal			
U.S. Equity Index Futures purchased long	10,237	\$1,883,805,922			
U.S. Treasury Futures purchased long	11,793	\$1,874,844,072			
U.S. Treasury Futures purchased short	2,169	(\$336,501,789)			
Non-U.S. Equity Index Futures purchased long	20,395	\$1,850,589,015			
Commodities Futures purchased long	748	\$33,392,427			

• Total Return Swaps—OPERS may manage market exposure through the use of total return swaps. A total return swap is an agreement in which one party commits to pay a fee in exchange for a return linked to the market performance of an underlying security, group of securities, index or other asset (reference obligation). Risks may arise if the value of the swap acquired decreases because of an unfavorable change in the price of the reference obligation or in the counterparty's ability to meet the terms of the contract. OPERS held total return swaps with a notional value of \$3,985,669,275 as of December 31, 2020. The unrealized gain as of December 31, 2020 was \$240. The net realized and unrealized loss in total return swaps for the year 2020 was \$214,495,637.

- Credit Default Swaps—OPERS may manage credit exposure through the use of credit default swaps or credit default swap indices. A credit default swap is a contract whereby the credit risk associated with an investment is transferred by entering into an agreement with another party, who, in exchange for periodic fees, agrees to make payments in the event of a default or other predetermined credit event. A credit default swap allows for exposure to credit risk while limiting exposure to other risks, such as interest rate and currency risk. OPERS held credit default swaps with a notional value of \$280,000,000 as of December 31, 2020. The net realized and unrealized gain in credit default swaps for the year 2020 was \$935.451.
- Options—Options give buyers the right, but not the obligation, to buy or sell an asset at a
 predetermined strike price over a specified period. The option premium is usually a small
 percentage of the underlying asset value. When writing an option, OPERS receives a
 premium initially and bears the risk of an unfavorable change in the price of the underlying
 asset during the option life. When OPERS purchases an option, it pays a premium to a
 counterparty that bears the risk of an unfavorable change in the price of the underlying asset
 during the option life. OPERS did not invest in options during 2020.
- i. Fair Value Leveling—Generally accepted accounting principles specify a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:
 - Level 1—Unadjusted quoted prices for identical instruments in active markets.
 - Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and, model-derived valuations in which all significant inputs and significant value drivers are observable.
 - Level 3—Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy; in which case OPERS defaults to the lowest level input that is significant to the fair value measurement in its entirety. These levels are not necessarily an indication of the risk or liquidity associated with the investments.

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The following tables present fair value as of December 31, 2020:

▲ Investments and Short-Term Holdings M	easured At Fair	Value (as of December	r 31, 2020)	
		Fair \	Value Measurements U	sing
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Fixed Income U.S. Corporate Bonds Non-U.S. Notes and Bonds U.S. Government and Agencies U.S. Mortgage Backed	\$7,002,344,507 8,564,806,410 11,793,836,182 4,288,515,153		\$6,761,713,159 8,023,089,213 11,793,836,182 4,198,785,925	\$240,631,348 541,717,197 89,729,228
Total Fixed Income	31,649,502,252		30,777,424,479	872,077,773
Equities Domestic Equities International Equities	22,318,056,003 20,347,788,403	\$22,288,835,902 20,252,288,189	12,053 33,317,015	29,208,048 62,183,199
Total Equities	42,665,844,406	42,541,124,091	33,329,068	91,391,247
Real Estate Direct-owned Real Estate	5,349,412,838			5,349,412,838
Total Investments by Fair Value Level	\$79,664,759,496	\$42,541,124,091	\$30,810,753,547	\$6,312,881,858
Investments Measured at the Net Asset Value (NAV) Real Estate Private Equity Other Investments¹ Commingled Mutual Funds U.S. Corporate Bonds U.S. Mortgage Backed Domestic Equities International Equities Defined Contribution Commingled Mutual Funds Domestic Equities U.S. Corporate Bonds U.S. Government and Agencies International Equities Total Investments Measured at the NAV Investment Derivative Instruments Foreign Exchange Contracts Swaps (Total Return and Credit Default)	\$3,542,315,832 10,499,009,230 6,945,685,652 137,722,475 115,474,573 118,581,035 3,772,081,610 1,131,599,020 350,462,863 50,133,957 511,584,785 \$27,174,651,032 (\$1,748,989) 873,039		(\$1,748,989) 873,039	
Total Investment Derivative Instruments	(\$875,950)		(\$875,950)	
Investments Not Subject to Fair Value Leveling (at cost or amortized cost) Cash Commercial Paper Interest-Bearing Short-Term Certificates Repurchase Agreements Short-Term Investment Funds (STIF) U.S. Treasury Obligations Stable Value Funds ²	\$244,107,856 1,238,097,516 75,000,000 2,355,000,000 933,447,211 1,952,061,854 16,838,887			
Total Investments Not Subject to Fair Value Leveling	\$6,814,553,324			
Total Cash and Investments Before Collateral on Loaned Securities	\$113,653,087,902			

 $^{^{\}mathbf{1}}$ Includes hedge funds and risk parity.

²Valued at contract value, which approximates fair value.

Other Investment Derivative Instruments (as of December 31, 2020)					
		Fair	Value Measurements U	Jsing	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investment Commitments Payable—Forward-Currency Purchases Investment Sales Proceeds—Forward-Currency Sales	\$125,250,411 (\$149,786,724)		\$125,250,411 (\$149,786,724)		

		Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level Fixed Income					
U.S. Government and Agencies U.S. Corporate Bonds Non-U.S. Government and Agencies Non-U.S. Corporate Notes and Bonds	\$1,303,051,166 1,701,152,305 2,008,013,422 110,066,034		\$1,303,051,166 1,701,152,305 2,008,013,422 110,066,034		
Total Investments by Fair Value Level	5,122,282,927		5,122,282,927		
Investments Not Subject to Fair Value Leveling (at cost or amortized cost)					
Cash Certificates of Deposit Commercial Paper	109,745,936 790,000,000 1,685,768,035				
Commingled Funds Receivables/Payables	73,856,639 3,633,106				
Repurchase Agreements Short-Term Debt	597,742,114				
Short-Term Investment Funds U.S. Treasury Obligations Less than One Year	620,319,870 1,079,377,630				
Total Securities and Reinvested Cash Collateral for Loaned Securities	\$10,082,726,257		\$5,122,282,927		

Investments classified as Level 1 in the previous tables are comprised of U.S. corporate notes, common stock, international equity and exchange-traded funds.

Investments classified as Level 2 are primarily comprised of investments in U.S. corporate notes and bonds, international debt, U.S. mortgage-backed securities and U.S. government and agency securities, including Federal Home Loan Mortgage Corporation (Freddie Mac) securities, Federal National Mortgage Association (Fannie Mae) securities, Government National Mortgage Association (Ginnie Mae) securities, U.S. Treasury notes and bonds, U.S. Treasury floating rate notes, U.S. and commercial mortgage trusts, and derivative instruments, including foreign exchange contracts and swaps.

Investments classified as Level 3 are comprised of common stock, U.S. corporate notes and bonds, U.S. mortgage-backed securities, international equity, international debt and direct-owned real estate.

Changes in the significant unobservable inputs may result in a materially higher or lower fair value measurement.

In certain instances, debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by brokers/dealers or pricing services (Level 1 in the tables). In determining the value of a particular investment, pricing services may use information with respect to transactions in such investments, including broker quotes, pricing matrices, market transactions in comparable investments and various relationships between investments. As part of its independent price verification process, OPERS selectively performs detailed reviews of valuations provided by brokers/dealers or pricing services.

Foreign exchange contracts are valued by interpolating a value using the spot foreign exchange rate and forward points (based on the spot rate and currency interest rate differentials), which are all inputs that are observable in active markets (Level 2 in the tables).

In the absence of observable market prices, OPERS values its investments using valuation methodologies applied on a consistent basis (Levels 2 or 3 in the tables). For some investments, little market activity may exist; management's determination of fair value is then based on the best information available in the circumstances, and may incorporate management's own assumptions and involves a significant degree of judgement, taking into consideration a combination of internal and external factors. Such investments are evaluated on a quarterly basis, taking into consideration any changes in key inputs and changes in economic and other relevant conditions, and valuation models are updated accordingly. The valuation process also includes a review by the OPERS internal valuation committee, comprised of senior members from various departments within OPERS. The valuation committee provides independent oversight of the valuation policies and procedures.

The fair values in certain investments are based on the net asset value (NAV) per share (or its equivalent) provided by the investee or third-party administrator, as applicable, and are considered to be alternative investments. Investments categorized according to NAV include hedge funds, some real estate, and private equity limited partnership interests. These represent OPERS' collective ownership interests in limited partnership vehicles that invest in non-registered funds which are valued based on the net asset values of the underlying investments.

Unlike more traditional investments, alternative investments generally do not have readily obtainable market values and take the form of limited partnerships. OPERS values these investments based on the partnerships' audited financial statements, typically calendar year-end. If December 31 statements are available, those values are used for these statements. However, some partnerships have fiscal years ending on dates other than December 31. If December 31 valuations are not available, the value is progressed from the most recently available valuation on the financial statements, taking into account subsequent calls and distributions.

Financial Section

Notes to Combining Financial Statements

Hedge funds are most often established as private investment limited partnerships open to a limited number of accredited investors. Investments in hedge funds may be illiquid as investors in certain funds may be required to keep their investment in the fund for a year or longer, and withdrawals may be limited to intervals such as monthly, quarterly, annually or bi-annually. OPERS monitors liquidity provisions of each individual hedge fund investment and reports characteristics of the asset class.

Real estate investments typically do not trade on organized exchanges, but rather through privately negotiated transactions between a buyer and a seller, and transactions are predicated on the availability of capital, and a willing buyer and seller. Investments in direct-owned real estate assets are classified as Level 3 and other real estate assets are catergorized under NAV in the tables.

The nature of the private equity investments is that distributions are received through the liquidation of the underlying assets of the fund, rather than through redemptions, and these assets are not sold in the secondary market.

The expected liquidation period for alternative investments is as follows:

Private Equity	10 to 12 years
Closed-End Real Estate	10 to 12 years
Open-End Real Estate	Quarterly
Direct-owned Real Estate	3 to 10 years
Hedge Funds	Monthly, Quarterly, Annually, Bi-Annually

As of December 31, 2020, the alternative investments are not expected to be sold at an amount different from the NAV per share (or its equivalent) of the System's ownership interest in partners' capital.

The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for OPERS' alternative investments measured at NAV as of December 31, 2020:

Investments Measured at the Net Asset Value (NAV) (as of December 31, 2020)				
	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real Estate				
Closed-End Private Real Estate ¹	\$1,463,869,570	\$1,863,949,058	N/A	N/A
Open-End Private Real Estate ²	2,078,446,262	237,965,713	Quarterly	90 Days
Private Equity ³	10,499,009,230	8,610,387,378	N/A	N/A
Other Investments ⁴				
Event-Driven⁵	683,975,310	N/A	Monthly, Quarterly, Annual	30-90 Days
Long/Short Equity ⁶	173,972	N/A	Monthly, Quarterly	5-60 Days
Multi-strategy ⁷	5,429,856,663	N/A	Monthly	3-5 Days
Relative Value ⁸	616,308,530	N/A	Monthly, Quarterly	30-60 Days
Tactical Trading ⁹	215,371,177	N/A	Monthly, Quarterly	2-60 Days
Commingled Mutual Funds ¹⁰				
U.S. Corporate Bonds	137,722,475	N/A	Monthly	10 Days
U.S. Mortgage Backed	115,474,573	N/A	Monthly	15 Days
Domestic Equities	118,581,035	N/A	Daily, Monthly	1-7 Days
International Equities	3,772,081,610	N/A	Daily, Monthly	1-7 Days
Defined Contribution Commingled Mutual Funds ¹¹				
Domestic Equities	1,131,599,020	N/A	Daily	Daily
U.S. Corporate Bonds	350,462,863	N/A	Daily	Daily
U.S. Government and Agencies	50,133,957	N/A	Daily	Daily
International Equities	511,584,785	N/A	Daily	Daily
Total Investments Measured at the NAV	\$27,174,651,032			

- Closed-End Private Real Estate—Closed-end private real estate includes finite-life, commingled or fund of one, private-market investment vehicles that are typically structured as limited partnerships, where the investors are limited partners (LPs) and the fund sponsor/manager is the general partner (GP). The LPs have limited control and limited liability. Real estate closed-end funds typically invest in value add and opportunistic private market real estate assets. The valuations are based on manager-provided net asset values, located in quarterly capital account statements, that are cash flow adjusted to the end of the reporting period.
- Open-End Private Real Estate—Open-end private real estate holds infinite-life, commingled, private-market investment vehicles that typically invest in stabilized properties in major metropolitan areas. Open-end commingled funds provide liquidity to investors quarterly, subject to each fund's ability to honor investment and redemption requests. The valuations are based on manager-provided net asset values, located in quarterly capital account statements, that are cash flow adjusted to the end of the reporting period.
- Private Equity—Private equity invests through closed-end, finite-life, commingled funds or fund of one that are typically structured as limited partnerships, where the investors are LPs and the fund sponsor/manager is the GP. The LPs have limited control and limited liability. Private equity closed-end funds typically invest in corporate finance, venture capital and special situations (secondary fund-of-funds and distressed debt strategies). The valuations are based on manager-provided net asset values, located in quarterly capital account statements, that are cash flow adjusted to the end of the reporting period.

Notes to Combining Financial Statements

- ⁴ Other Investments—Includes hedge funds and risk parity.
- 5 Event Driven—Event-driven managers maintain positions in companies currently or prospectively involved in various corporate transactions including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative instrument securities. Event-driven exposure includes a combination of sensitivities to equity markets, credit markets and company-specific developments. The valuations are based on manager-provided net asset values located in the monthly capital account statements, that are adjusted for estimated performance.
- 6 Long/Short Equity—Equity hedge strategies maintain positions both long and short in primarily equity and equity derivative instrument securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques. Strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalization and valuation ranges of typical portfolios. The valuations are based on manager-provided net asset values located in the monthly capital account statements, and are adjusted for estimated performance.
- Multi-strategy—Multi-strategy managers combine several strategies within the same fund to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through active allocation adjustments based on market opportunities. Risk is managed through a combination of quantitative and qualitative constraints including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivative instruments risk, and leverage risk. The valuations are based on manager-provided net asset values located in the monthly capital account statements, that are adjusted for estimated performance.
- Relative Value—Relative-value managers maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights, and security types range broadly across equity, fixed income, derivative instrument or other security types. Fixed Income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity. The valuations are based on manager-provided net asset values located in the monthly capital account statements, that are adjusted for estimated performance.
- Tactical Trading—Tactical-trading managers execute a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency, and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analyses, combinations of top down and bottom up disciplines, quantitative and fundamental approaches, and long- and short-term holding periods. The valuations are based on manager-provided net asset values located in the monthly capital account statements, that are adjusted for estimated performance.
- Commingled Mutual Funds—The commingled mutual funds seek to outperform the Bloomberg Barclays U.S. Corporate High Yield Bond Index, Bloomberg Barclays U.S. Aggregate Bond Index, MSCI All Country World Free x U.S. Index, and MSCI Emerging Markets Small Cap Index (net). The valuations are based on manager-provided net asset values located in the monthly capital account statements.
- 11 Defined Contribution Commingled Mutual Funds—The defined contribution funds, other than the Stable Value Fund, not included in this activity, are index-managed, meaning they seek to mirror investment results of broadly based and publicly quoted market indices. They are not intended to outperform such indices. The valuations are based on manager-provided net asset values located in the monthly capital account statements.

4. Vacation and Sick Leave

As of December 31, 2020, OPERS accrual for unused vacation and sick leave for employees was \$9,247,567. Employees who resign or retire are entitled to full compensation for all earned but unused vacation leave for balances up to three times their annual accrual rate at the time of separation. Unused sick leave is forfeited upon termination. However, employees who retire with more than 10 years of service with OPERS are entitled to receive payment for 50% of unused sick leave up to a maximum of 2,000 hours, or payment of 1,000 hours.

5. Deferred Compensation Plan

OPERS does not sponsor a deferred compensation program. OPERS employees are eligible to participate in the deferred compensation plan sponsored by the state of Ohio. The state-sponsored plan was created in accordance with IRC Section 457. The plan is available to all OPERS employees and permits them to defer a portion of their salary until future years. Deferred compensation assets are not available to employees until termination, retirement, death, or unforeseeable emergency.

IRC Section 457 requires that the amount of compensation assets deferred under a plan, all property and rights, and all income attributable to those amounts, property or rights, be held in trust for the benefit of the participants. This insulates IRC Section 457 benefits from the claims of an employer's general creditors. Accordingly, OPERS does not include the deferred compensation assets or liabilities of the Ohio Deferred Compensation Plan in its financial statements.

6. Schedule of Required Contributions

All employees of OPERS are eligible for membership in the benefit plans of the System. The employer contributions paid on behalf of these employees are funded by revenues in the Income Fund, arising from investment activity and other income. The annual required pension and health care contributions for employees for the year ended December 31, 2020 are as follows:

Annual Required Pension and Health Care Contributions						
	Pen	sion	Health Care			
Year Ended	Annual Required Contributions	Percent Contributed	Annual Required Contributions	Percent Contributed		
2020	\$6,426,813	100%	\$578,883	100%		

In accordance with accounting rules, internal payroll related to the implementation of capital projects and SBITA is capitalized as part of the capital asset cost. The capitalized cost includes salary and wages, as well as the corresponding employer-paid Medicare and retirement contribution expenses. The portion of the 2020 Annual Required Contributions included in capital assets for capital projects and SBITA was \$575,797 for pension and \$51,754 for health care.

Notes to Combining Financial Statements

7. Self-insured Employee Health Care

Under a professionally administered plan, OPERS self-insures for general health, hospitalization, and prescription drug employee benefits. OPERS maintained specific stop-loss coverage per employee for combined prescription and medical benefits in the amount of \$250,000 for 2020. Employees share in the cost of coverage by payroll deductions, which are netted against the claims cost. Employee deductions and vendor rebates totaled \$2,472,385 in 2020, including accrued estimated vendor rebates of \$634,223 to be received in 2021 related to 2020 claims. The summary of changes in the liability for self-insured employee health care for the year ended December 31, 2020 follows:

Employee Health Insurance Liability			
	2020		
Balance January 1	\$675,825		
Claims Incurred	7,272,371		
Claims Paid	(7,272,371)		
Change in Estimated Claims Incurred but Not Reported	(97,213)		
Balance December 31	\$578,612		

The liability for self-insured employee health care is included in Accounts Payable and Other Liabilities on the Combining Statement of Fiduciary Net Position.

8. Net Pension Liability

The components of the net pension liability of the defined benefit portion of the pension plans as of December 31, 2020 are as follows:

Net Pension Liability/(Asset) (\$ in millions)						
As of December 31, 2020	All Plans	Traditional Pension Plan	Combined Plan ¹	Member-Directed Plan ¹		
Total Pension Liability Plan Fiduciary Net Position	\$113,354 98,853	\$112,833 98,025	\$500 789	\$21 39		
Employers' Net Pension Liability/(Asset)	\$14,501	\$14,808	(\$289)	(\$18)		
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.21%	86.88%	157.67%	188.21%		

¹ The Combined Plan and Member-Directed Plan information in the Net Pension Liability/(Asset) includes only the defined benefit portion of these plans to comply with GASB-reporting standards and does not include the defined contribution portion. The Combining Statements of Fiduciary Net Position and Changes in Fiduciary Net Position present the combined defined benefit and defined contribution portions of the Combined Plan and Member-Directed Plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

A Key Methods and A	ssumptions Used in Valuatio	on of Total Pension Liability	
Actuarial Information	Traditional Pension Plan	Combined Plan	Member-Directed Plan
Measurement and Valuation Date	December 31, 2020	December 31, 2020	December 31, 2020
Experience Study	5-Year Period Ended December 31, 2015	5-Year Period Ended December 31, 2015	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age	Individual entry age
Actuarial Assumptions			
Investment Rate of Return	7.20%	7.20%	7.20%
Wage Inflation	3.25%	3.25%	3.25%
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)	3.25%-8.25% (includes wage inflation at 3.25%)	3.25%-8.25% (includes wage inflation at 3.25%)
Cost-of-living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 0.50% Simple through 2021, then 2.15% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 0.50% Simple through 2021, then 2.15% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 0.50% Simple through 2021, then 2.15% Simple

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The discount rate used to measure the total pension liability was 7.2% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to Combining Financial Statements

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation as of December 31, 2020	Weighted Average Long-Term Expected Rate of Return (Arithmetic)
Fixed Income	25.00%	1.32%
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other Investments	9.00	4.75
TOTAL	100.00%	5.43%

The following table presents the net pension liability or asset calculated using the discount rate of 7.2%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

Sensitivity of Net Pension Liability/(Asset) to Changes in the Discount Rate (\$ in millions)					
Employers' Net Pension Liability/(Asset) As of December 31, 2020	1% Decrease 6.2%	Current Discount Rate 7.2%	1% Increase 8.2%		
All Plans	\$28,029	\$14,501	\$3,260		
Traditional Pension Plan	\$28,246	\$14,808	\$3,634		
Combined Plan	(\$201)	(\$289)	(\$354)		
Member-Directed Plan	(\$16)	(\$18)	(\$20)		

The funding status of the three pension plans and their Schedules of Funding Progress may be found in the Actuarial Section of this document on pages 157-158. The Member-Directed Plan is a defined contribution pension plan allowing members at retirement to have the option to convert their defined contribution account to a defined benefit annuity. The defined contribution annuitized balances under this plan were included in this annual report from a GASB 67 perspective.

9. Net OPEB Liability/(Asset)—Health Care

The components of the net OPEB liability or asset of the defined benefit health care plans as of December 31, 2020 were as follows:

Net OPEB Liability/(Asset) (\$ in millions)	
As of December 31, 2020	
Total OPEB Liability	\$11,446
Plan Fiduciary Net Position	13,227
Employers' Net OPEB Liability/(Asset)	(\$1,781)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	115.57%

The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans. In accordance with GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Member-Directed Plan health care is a defined benefit health care plan, although the pension plan is defined contribution. Interest of 4.0% is credited to member accounts as long as the Defined Benefit portfolio earns a positive return. Beginning January 2020, interest accrues based on the investment performance of the OPERS Stable Value Fund, not to exceed 4.0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Notes to Combining Financial Statements

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability			
Actuarial Information			
Actuarial Valuation Date December 31, 2019			
Rolled-Forward Measurement Date	December 31, 2020		
Experience Study	5-Year Period Ended December 31, 2015		
Actuarial Cost Method	Individual entry age		
Actuarial Assumptions			
Single Discount Rate	6.00%		
Investment Rate of Return	6.00%		
Municipal Bond Rate	2.00%		
Wage Inflation	3.25%		
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)		
Health Care Cost Trend Rate	8.50% initial, 3.50% ultimate in 2035		

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially

determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

	Target Allocation as of	Weighted Average Long-Term Expected Rate of Return
Asset Class	December 31, 2020	(Arithmetic)
Fixed Income	34.00%	1.07%
Domestic Equities	25.00	5.64
REITs	7.00	6.48
International Equities	25.00	7.36
Other Investments	9.00	4.02
TOTAL	100.00%	4.43%

Notes to Combining Financial Statements

The following table presents the net OPEB liability or asset calculated using the single discount rate of 6.00%, and the expected net OPEB liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

Sensitivity of Net OPEB Liability/(Asset) to Changes in the Discount Rate (\$ in millions)					
1% Decrease Single Discount Rate 1% Increase As of December 31, 2020 5.00% 6.00% 7.00%					
Employers' Net OPEB Liability/(Asset)	(\$443)	(\$1,781)	(\$2,882)		

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Sensitivity of Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate (\$ in millions)					
As of December 31, 2020	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase		
Employers' Net OPEB Liability/(Asset)	(\$1,825)	(\$1,781)	(\$1,733)		

Retiree health care valuations use a health care cost-trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

The funding status of health care and the Schedule of Funding Progress are found in the Actuarial Section of this document on page 159.

Defined Benefit Pension Plans

The Schedules of Changes in Net Pension Liability and Related Ratios display the components of the total pension liability and plan fiduciary net position for each pension plan with a defined benefit component, calculated in conformity with the requirements of GASB 67. Covered Payroll represents the collective total of the OPERS eligible wages of all OPERS employers within each plan. GASB 67 requires that data be reported for 10 years; however, data prior to 2014 is not available.

Schedule of Changes in Net Pension	et Pension Liability and Related Ratios (\$ in millions) All Plans ¹						
	2020	2019	2018	2017	2016	2015	2014
Net Change in Total Pension Liability							
Service Cost	\$2,038.1	\$1,988.6	\$1,976.7	\$1,823.3	\$1,763.4	\$1,710.7	\$1,685.3
Interest on Total Pension Liability	7,842.1	7,655.8	7,475.5	7,347.3	7,131.5	6,978.9	6,778.9
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(956.7)	(249.2)	(339.8)	(456.1)	37.5	(334.0)	(321.4)
Changes in Assumptions	-	-	3,433.9	-	5,344.6	-	-
Benefit Payments, Including Refunds of Employee							
Contributions	(6,937.7)	(6,728.5)	(6,498.4)	(6,227.6)	(5,942.8)	(5,808.6)	(5,502.2)
Net Change in Total Pension Liability	1,985.8	2,666.7	6,047.9	2,486.9	8,334.2	2,547.0	2.640.6
Total Pension Liability—Beginning	111,367.9	108,701.2	102,653.3	100,166.4	91,832.2	89,285.2	86,644.6
Total Pension Liability—Ending	\$113,353.7	\$111,367.9	\$108,701.2	\$102,653.3	\$100,166.4	\$91,832.2	\$89,285.2
Net Change in Plan Fiduciary Net Position							
Employer Contributions	\$2,038.6	\$2,037.3	\$1,958.6	\$1,779.6	\$1,606.0	\$1,564.7	\$1,520.3
Member Contributions	1,411.9	1,410.5	1,354.2	1,324.5	1,294.8	1,246.7	1,228.1
Net Investment Income/(Loss)	10,455.1	13,630.5	(2,541.1)	12,657.6	5,976.9	276.3	5,074.7
Benefit Payments, Including Refunds of Employee							
Contributions	(6,937.7)	(6,728.5)	(6,498.4)	(6,227.6)	(5,942.8)	(5,808.6)	(5,502.2)
Non-Investment Administrative Expenses	(51.3)	(51.9)	(51.8)	(52.2)	(51.9)	(49.1)	(49.8)
Other ²	121.7	89.3	100.9	108.8	71.1	66.9	125.5
Net Change in Plan Fiduciary Net Position	7,038.3	10,387.2	(5,677.6)	9,590.7	2,954.1	(2,703.1)	2,396.6
Plan Fiduciary Net Position—Beginning	91,814.5	81,427.3	87,104.9	77,514.2	74,560.1	77,263.2	74,866.6
Plan Fiduciary Net Position—Ending	\$98,852.8	\$91,814.5	\$81,427.3	\$87,104.9	\$77,514.2	\$74,560.1	\$77,263.2
Net Pension Liability/(Asset)	\$14,500.9	\$19,553.4	\$27,273.9	\$15,548.4	\$22,652.2	\$17,272.1	\$12,022.0
Plan Fiduciary Net Position as a Percentage of the Total							
Pension Liability/(Asset)	87.21%	82.44%	74.91%	84.85%	77.39%	81.19%	86.54%
Covered Payroll	\$14,998.1	\$14,987.6	\$14,391.1	\$14,058.0	\$13,717.6	\$13,177.0	\$12,932.5
Net Pension Liability/(Asset) as a Percentage of							
Covered Payroll	96.69%	130.46%	189.52%	110.60%	165.13%	131.08%	92.96%

¹ Includes Traditional Pension Plan and defined benefit portions of Combined Plan and Member-Directed Plan. Does not tie exactly to the combined total of the following three schedules for the Traditional Pension Plan, Combined Plan and Member-Directed Plan due to rounding.

See Notes to Required Supplementary Information, beginning on page 90.

² Other includes Contract and Other Receipts, Other Income and Interplan Activity.

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios (\$ in millions)					Tradition	nal Pensi	on Plan¹
	2020	2019	2018	2017	2016	2015	2014
Net Change in Total Pension Liability	#2 000 F	£4.050.5	£4.040.0	¢4.700.0	₽4 7 00 C	¢4.007.0	Φ4 CEO C
Service Cost Interest on Total Pension Liability	\$2,008.5 7,806.8	\$1,959.5 7,623.7	\$1,948.6 7,446.3	\$1,796.9 7,320.5	\$1,738.6 7,107.3	\$1,687.0 6,956.7	\$1,659.6 6,759.0
Changes of Benefit Terms Difference Between Expected and Actual Experience Changes in Assumptions Benefit Payments, Including Refunds of Employee	(942.7)	(242.3) -	(331.5) 3,417.0	- (441.6) -	45.5 5,328.8	(322.3)	(309.7)
Contributions	(6,927.4)	(6,718.2)	(6,489.7)	(6,219.8)	(5,936.9)	(5,804.1)	(5,498.8)
Net Change in Total Pension Liability Total Pension Liability—Beginning	1,945.2 110,887.3	2,622.7 108,264.6	5,990.7 102,273.9	2,456.0 99,817.9	8,283.3 91,534.6	2,517.3 89,017.3	2,610.1 86,407.2
Total Pension Liability—Ending	\$112,832.5	\$110,887.3	\$108,264.6	\$102,273.9	\$99,817.9	\$91,534.6	\$89,017.3
Net Change in Plan Fiduciary Net Position							
Employer Contributions	\$1,976.1	\$1,974.2	\$1,895.5	\$1,722.9	\$1,556.5	\$1,498.7	\$1,476.1
Member Contributions	1,411.9	1,410.5	1,354.2	1,324.5	1,294.8	1,246.7	1,228.1
Net Investment Income/(Loss)	10,371.7	13,532.5	(2,524.6)	12,586.4	5,947.2	274.9	5,056.3
Benefit Payments, Including Refunds of Employee							
Contributions	(6,927.4)	(6,718.2)	,	(' /	, , ,	(5,804.1)	(5,498.8)
Non-Investment Administrative Expenses	(51.3)	(51.9)	` '	` '	` '	, ,	(49.8)
Other ²	122.1	98.0	107.1	114.4	86.6	90.0	125.8
Net Change in Plan Fiduciary Net Position	6,903.1	10,245.1	(5,709.3)	9,476.2	2,896.3	(2,742.9)	2,337.7
Plan Fiduciary Net Position—Beginning	91,121.6	80,876.5	86,585.8	77,109.6	74,213.3	76,956.2	74,618.5
Plan Fiduciary Net Position—Ending	\$98,024.7	\$91,121.6	\$80,876.5	\$86,585.8	\$77,109.6	\$74,213.3	\$76,956.2
Net Pension Liability/(Asset)	\$14,807.8	\$19,765.7	\$27,388.1	\$15,688.1	\$22,708.3	\$17,321.3	\$12,061.1
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
Covered Payroll	\$13,939.9	\$13,931.9	\$13,375.7	\$13,085.0	\$12,794.0	\$12,321.2	\$12,139.7
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	106.23%	141.87%	204.76%	119.89%	177.49%	140.58%	99.35%

Includes money purchase annuities for re-employed retirees and additional annuities.
 Other includes Contract and Other Receipts, Other Income and Interplan Activity.

See Notes to Required Supplementary Information, beginning on page 90.

Schedule of Changes in Net Pension Liability and Related Ratios (\$ in millions)						Combin	ed Plan
	2020	2019	2018	2017	2016	2015	2014
Net Change in Total Pension Liability							
Service Cost	\$29.6	\$29.0	\$28.1	\$26.4	\$24.8	\$23.7	\$25.7
Interest on Total Pension Liability	33.9	31.0	28.3	26.0	23.5	21.6	19.4
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(15.9)	(11.8)	(12.3)	(17.9)	(10.2)	(13.3)	(13.2
Changes in Assumptions	-	-	16.5	-	15.2	-	-
Benefit Payments, Including Refunds of Employee							
Contributions	(7.6)	(7.3)	(6.1)	(5.6)	(5.0)	(3.7)	(2.8)
Net Change in Total Pension Liability	40.0	40.9	54.5	28.9	48.3	28.3	29.1
Total Pension Liability—Beginning	460.5	419.6	365.1	336.2	287.9	259.6	230.5
Total Pension Liability—Ending	\$500.5	\$460.5	\$419.6	\$365.1	\$336.2	\$287.9	\$259.6
Net Change in Plan Fiduciary Net Position							
Employer Contributions	\$62.1	\$62.7	\$60.2	\$53.6	\$47.1	\$44.0	\$44.2
Member Contributions	-	-	-	-	-	-	-
Net Investment Income/(Loss)	79.8	94.4	(15.9)	68.6	28.8	1.3	17.9
Benefit Payments, Including Refunds of Employee							
Contributions	(7.6)	(7.3)	(6.1)	(5.6)	(5.0)	(3.7)	(2.8
Non-Investment Administrative Expenses	-	-	-	-	-	-	-
Other ²	(14.1)	(12.2)	(8.0)	(7.3)	(15.6)	(3.1)	(2.2)
Net Change in Plan Fiduciary Net Position	120.2	137.6	30.2	109.3	55.3	38.5	57.1
Plan Fiduciary Net Position—Beginning	669.0	531.4	501.2	391.9	336.6	298.1	241.0
Plan Fiduciary Net Position—Ending	\$789.2	\$669.0	\$531.4	\$501.2	\$391.9	\$336.6	\$298.1
Net Pension Liability/(Asset)	(\$288.7)	(\$208.5)	(\$111.8)	(\$136.1)	(\$55.7)	(\$48.7)	(\$38.5)
Plan Fiduciary Net Position as a Percentage of the Total							
Pension Liability/(Asset)	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%
Covered Payroll	\$443.2	\$447.9	\$430.5	\$412.7	\$392.3	\$366.9	\$346.0
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Net Pension Liability/(Asset) as a Percentage of							

¹ Includes annuitized defined contribution accounts. The Combined Plan information in the Net Pension Asset includes only the defined benefit portion of this plan to comply with GASB-reporting standards and does not include the defined contribution portion. The Combining Statements of Fiduciary Net Position and Changes in Fiduciary Net Position present the combined defined benefit and defined contribution portions of the Combined Plan.

See Notes to Required Supplementary Information, beginning on page 90.

² Other includes Contract and Other Receipts, Other Income and Interplan Activity.

Required Supplementary Information

▲ Schedule of Changes in Net Pension Liability and Related Ratios (\$ in millions)					Memb	er-Direct	ed Plan
	2020	2019	2018	2017	2016	2015	2014
Net Change in Total Pension Liability							
Service Cost	-	-	-	-	-	-	-
Interest on Total Pension Liability	\$1.4	\$1.1	\$0.9	\$0.8	\$0.7	\$0.6	\$0.5
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	1.9	4.9	4.0	3.4	2.2	1.6	1.5
Changes in Assumptions	-	-	0.4	-	0.6	-	-
Benefit Payments, Including Refunds of Employee							
Contributions	(2.7)	(2.9)	(2.6)	(2.2)	(0.9)	(8.0)	(0.6)
Net Change in Total Pension Liability	0.6	3.1	2.7	2.0	2.6	1.4	1.4
Total Pension Liability—Beginning	20.1	17.0	14.3	12.3	9.7	8.3	6.9
Total Pension Liability—Ending	\$20.7	\$20.1	\$17.0	\$14.3	\$12.3	\$9.7	\$8.3
Net Change in Plan Fiduciary Net Position							
Employer Contributions	\$0.4	\$0.4	\$2.9	\$3.1	\$2.4	\$22.0	-
Member Contributions	-	-	-	-	-	-	-
Net Investment Income/(Loss)	3.6	3.6	(0.6)	2.5	0.9	0.1	\$0.5
Benefit Payments, Including Refunds of Employee							
Contributions	(2.7)	(2.9)	(2.6)	(2.2)	(0.9)	(0.8)	(0.6)
Non-Investment Administrative Expenses	-	-	-	_	-	-	-
Other ²	13.7	3.5	1.8	1.7	0.1	(20.0)	1.9
Net Change in Plan Fiduciary Net Position	15.0	4.6	1.5	5.1	2.5	1.3	1.8
Plan Fiduciary Net Position—Beginning	23.9	19.3	17.8	12.7	10.2	8.9	7.1
Plan Fiduciary Net Position—Ending	\$38.9	\$23.9	\$19.3	\$17.8	\$12.7	\$10.2	\$8.9
Net Pension Liability/(Asset)	(\$18.2)	(\$3.8)	(\$2.3)	(\$3.5)	(\$0.4)	(\$0.5)	(\$0.6)
Plan Fiduciary Net Position as a Percentage of the Total							
Pension Liability/(Asset)	188.21%	118.84%	113.42%	124.46%	103.40%	103.91%	107.10%
Covered Payroll	\$615.0	\$607.9	\$584.8	\$560.3	\$531.3	\$488.9	\$446.8
Net Pension Liability/(Asset) as a Percentage of							
Covered Payroll	(2.96%)	(0.62%)	(0.39%)	(0.62%)	(0.08%)	(0.08%)	(0.13%)

¹ Includes annuitized defined contribution accounts. The Member-Directed Plan information in the Net Pension Asset includes only the defined benefit annuities purchased in this plan to comply with GASB-reporting standards and does not include the defined contribution portion. The Combining Statements of Fiduciary Net Position and Changes in Fiduciary Net Position present the combined defined benefit and defined contribution portions of the Member-Directed Plan.

See Notes to Required Supplementary Information, beginning on page 90.

² Other includes Contract and Other Receipts, Other Income and Interplan Activity.

Within the Traditional Pension Plan, OPERS classifies employees into four divisions: State, Local, Law Enforcement and Public Safety. The Public Safety and Law Enforcement divisions have different contribution rates, benefit formulas, and retirement eligibility requirements than those of the State and Local members. The member and employer contribution rates are actuarially determined within the constraints of statutory limits for each division. Both the member and employer contribution rates for Public Safety and Law Enforcement members are higher than those of the State and Local members to recognize the higher cost of these benefits. Accordingly, both member and employer contributions are used to calculate the proportionate shares of employers.

▲ Schedule	of Member and	Traditional	Pension Plan ¹		
Year Ended December 31	Actuarially Determined Contributions ²	Contributions Paid	Contribution Deficiency/ (Excess)	Covered Payroll ³	Contributions as a Percent of Covered Payroll
2020	\$3,388,022,228	\$3,388,022,228	-	\$13,939,862,740	24.3%
2019	3,384,674,147	3,384,674,147	-	13,931,857,036	24.3
2018	3,249,698,135	3,249,698,135	-	13,375,730,324	24.3
2017	3,047,313,879	3,047,313,879	-	13,085,037,696	23.3
2016	2,851,382,826	2,851,382,826	-	12,793,976,661	22.3
2015	2,745,411,751	2,745,411,751	-	12,321,236,358	22.3
2014	2,704,218,157	2,704,218,157	-	12,139,692,990	22.3
2013	2,778,566,900	2,778,566,900	-	11,999,928,351	23.2
2012	2,407,224,107	2,407,224,107	-	11,883,831,019	20.3
2011	2,454,599,959	2,454,599,959	-	12,103,258,896	20.3

¹The actuarially determined contribution to fund the cost of pensions includes member and employer contributions. The contributions reported in this schedule are consistent with the presentation of the employers' proportionate shares.

The Combined Plan defined benefit pension is funded only from the employer contributions, with the member contributions deposited to a defined contribution account. Both member and employer contributions for the Member-Directed Plan are deposited into the participants' defined contribution accounts. However, the Member-Directed Plan defined benefit annuities of eligible Member-Directed Plan retirees are funded with accumulated member contributions, vested employer contributions and gains or losses resulting from the member-selected investment options. As a result, the Member-Directed Plan table on page 86 shows all employer contributions to the plan as no separate actuarially determined contributions are calculated for annuities. Employer contributions are used to determine the proportionate share for employers of this actuarial liability and related activity. The tables beginning on the next page display the actuarially determined contributions for employers of the defined benefit pension plans based on the actuarially determined rate, and the amount of these contributions paid by the employers each year.

See Notes to Required Supplementary Information, beginning on page 90. See accompanying Independent Auditors' Report, beginning on page 20.

² The Board has approved all contribution rates as recommended by the actuary.

³ Covered Payroll was calculated based on actual information obtained from OPERS-contributing employers during the fiscal year.

Required Supplementary Information

Schedule	Schedule of Employer Contributions¹					
Year Ended December 31	Actuarially Determined Contributions	Contributions Paid	Contribution Deficiency/ (Excess)	Covered Payroll ²	Contributions as a Percent of Covered Payroll	
2020	\$2,099,690,597	\$2,099,690,597	-	\$14,998,065,952	14.0%	
2019	2,097,664,257	2,097,664,257	-	14,987,616,732	14.0	
2018	2,014,194,303	2,014,194,303	-	14,391,093,639	14.0	
2017	1,832,523,797	1,832,523,797	-	14,058,005,653	13.0	
2016	1,656,729,065	1,656,729,065	-	13,717,592,219	12.1	
2015	1,611,150,408	1,611,150,408	-	13,177,006,156	12.2	
2014	1,568,121,657	1,568,121,657	-	12,932,540,544	12.1	
2013	1,655,726,521	1,655,726,521	-	12,331,162,054	13.4	
2012	1,267,795,786	1,267,795,786	-	12,193,467,217	10.4	
2011	1,290,029,652	1,290,029,652	-	12,399,464,698	10.4	

▲ Schedule	of Employer Co	Traditional	Pension Plan		
Year Ended December 31	Actuarially Determined Contributions	Contributions Paid	Contribution Deficiency/ (Excess)	Covered Payroll ²	Contributions as a Percent of Covered Payroll
2020	\$1,976,105,188	\$1,976,105,188	-	\$13,939,862,740	14.2%
2019	1,974,172,176	1,974,172,176	-	13,931,857,036	14.2
2018	1,895,462,837	1,895,462,837	-	13,375,730,324	14.2
2017	1,722,856,378	1,722,856,378	-	13,085,037,696	13.2
2016	1,556,529,162	1,556,529,162	-	12,793,976,661	12.2
2015	1,498,679,737	1,498,679,737	-	12,321,236,358	12.2
2014	1,476,074,083	1,476,074,083	-	12,139,692,990	12.2
2013	1,571,758,150	1,571,758,150	-	11,999,928,351	13.1
2012	1,208,150,727	1,208,150,727	-	11,883,831,019	10.2
2011	1,233,002,841	1,233,002,841	-	12,103,258,896	10.2

¹The Board has approved all contribution rates recommended by the actuary. Actuarially determined contributions exclude funds deposited for purchase of service, employer-paid retirement incentive programs, interest and penalties. These deposits are included in Contract and Other Receipts in the Combining Statement of Changes in Fiduciary Net Position.

See Notes to Required Supplementary Information, beginning on page 90.

² Covered Payroll was calculated based on actual information obtained from OPERS-contributing employers during the fiscal year.

▲ Schedule	of Employer Co	С	ombined Plan		
Year Ended December 31	Actuarially Determined Contributions	Contributions Paid	Contribution Deficiency/ (Excess)	Covered Payroll ²	Contributions as a Percent of Covered Payroll
2020	\$62,084,708	\$62,084,708	-	\$443,208,542	14.0%
2019	62,699,159	62,699,159	-	447,866,875	14.0
2018	60,249,275	60,249,275	-	430,541,632	14.0
2017	53,636,897	53,636,897	-	412,658,782	13.0
2016	47,079,023	47,079,023	-	392,326,896	12.0
2015	44,022,120	44,022,120	-	366,851,607	12.0
2014	44,196,044	44,196,044	-	346,043,977	12.8
2013	45,427,520	45,427,520	-	331,233,703	13.7
2012	23,998,486	23,998,486	-	309,636,198	7.8
2011	23,280,520	23,280,520	-	296,205,802	7.9

Schedule	of Employer Co	Member-	Directed Plan		
Year Ended December 31	Actuarially Determined Contributions	Contributions Paid	Contribution Deficiency/ (Excess)	Covered Payroll ^{2, 3}	Contributions as a Percent of Covered Payroll
2020	\$61,500,701	\$61,500,701	-	\$614,994,670	10.0%
2019	60,792,922	60,792,922	-	607,892,821	10.0
2018	58,482,191	58,482,191	-	584,821,683	10.0
2017	56,030,522	56,030,522	-	560,309,175	10.0
2016	53,120,880	53,120,880	-	531,288,662	10.0
2015	68,448,551	68,448,551	-	488,918,191	14.0
2014	47,851,530	47,851,530	-	446,803,577	10.7
2013	38,540,851	38,540,851	-		
2012	35,646,573	35,646,573	-		
2011	33,746,291	33,746,291	-		

¹The Board has approved all contribution rates recommended by the actuary. Actuarially determined contributions exclude funds deposited for purchase of service, employer-paid retirement incentive programs, interest and penalties. These deposits are included in Contract and Other Receipts in the Combining Statement of Changes in Fiduciary Net Position.

See Notes to Required Supplementary Information, beginning on page 90.

² Covered Payroll was calculated based on actual information obtained from OPERS-contributing employers during the fiscal year.

³ Covered Payroll calculated in conjunction with GASB 67 implementation in 2014. Information not available prior to 2014 implementation.

Required Supplementary Information

During 2020, OPERS managed its investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, with the exception of Member-Directed annuitized accounts, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered the same for all plans within the portfolio. GASB 67 requires that data be reported for 10 years; however, data prior to 2014 is not available.

▲ Schedule of Investment	Returns Defined Benefit Portfolio
Year	Annual Money-Weighted Rate of Return Net of Investment Expenses
2020	11.7%
2019	17.2%
2018	(2.9%)
2017	16.8%
2016	8.3%
2015	0.4%
2014	6.9%

See Notes to Required Supplementary Information, beginning on page 90.

Post-employment Health Care Coverage or OPEB

The Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios displays the components of the total OPEB liability and plan fiduciary net position for the defined benefit health care plans, calculated in conformity with the requirements of GASB 74. Covered Payroll represents the collective total of the OPERS eligible wages of all OPERS employers within each pension plan. GASB 74 requires that data be reported for 10 years; however, data prior to 2017 is not available.

▲ Schedule of Changes in Net OPEB Liability/(Asset) a	nd Related	Ratios (\$ in mi	illions) He	alth Care
	2020	2019	2018	2017
Net Change in Total OPEB Liability				
Service Cost	\$715.3	\$542.3	\$617.4	\$546.9
Interest on Total OPEB Liability	836.0	957.4	906.7	921.2
Changes of Health Care Terms ²	(9,414.6)	-	-	-
Difference Between Expected and Actual Experience	(1,772.4)	(1,982.8)	(52.8)	12.5
Changes in Assumptions	(4,652.8)	3,420.0	11.5	1,168.7
Health Care Payments, Including Refunds of Employee Contributions	(725.3)	(767.9)	(870.3)	(952.0)
Net Change in Total OPEB Liability	(15,013.8)	2,169.0	612.5	1,697.3
Total OPEB Liability—Beginning	26,459.6	24,290.6	23,678.1	21,980.8
Total OPEB Liability—Ending	\$11,445.8	\$26,459.6	\$24,290.6	\$23,678.1
Net Change in Plan Fiduciary Net Position				
Employer Contributions	\$24.5	\$24.3	\$23.4	\$157.4
Contributions—Non-employer Contributing Entities	-	-	-	-
Employee Contributions	-	-	-	-
Net Investment Income/(Loss)	1,296.4	2,155.1	(700.4)	1,756.8
Health Care Payments, Including Refunds of Employee Contributions	(725.3)	(767.9)	(870.3)	(952.0)
Non-Investment Administrative Expenses	(16.2)	(18.0)	(19.6)	(24.9)
Other ¹	0.9	0.7	1.0	1.0
Net Change in Plan Fiduciary Net Position	580.3	1,394.2	(1,565.9)	938.3
Plan Fiduciary Net Position—Beginning	12,647.1	11,252.9	12,818.8	11,880.5
Plan Fiduciary Net Position—Ending	\$13,227.4	\$12,647.1	\$11,252.9	\$12,818.8
Net OPEB Liability/(Asset)	(\$1,781.6)	\$13,812.6	\$13,037.7	\$10,859.3
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%
Covered Payroll	\$14,998.1	\$14,987.6	\$14,391.1	\$14,058.0
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	(11.88%)	92.16%	90.60%	77.25%

¹ Other includes Contract and Other Receipts and Other Income.

With the assistance of the System's actuary, the Board may approve a portion of each employer contribution to OPERS to be set aside for the funding of post-employment health care coverage. No employer contributions were allocated to health care in 2020. The employer contribution as a percent of covered payroll deposited for the Member-Directed Plan participants' health care accounts for 2020 was 4.0%. Interest of 4.0% is credited to member accounts as long as the Defined Benefit portfolio earns a positive return. Beginning January 2020, interest accrues based on the investment performance of the OPERS Stable Value Fund, not to exceed 4.0%.

See Notes to Required Supplementary Information, beginning on page 90.

² Refer to the Notes to Required Supplementary Information, Factors Significantly Affecting Trends in Reported Amounts, for additional information.

Required Supplementary Information

The table below displays the actuarially determined contributions for employers allocated to health care based on the actuarially determined rate, and the amount of these contributions paid by the employers each year based on the allocations determined by the Board. Due to the discretionary nature of health care funding and the potential for frequent changes in allocations, including no funding to health care for some plans, the calculation of proportionate shares of employers is based on total employer contributions, as disclosed in the Schedules of Employer Contributions within the Defined Benefit Pension Plans section of the Required Supplementary Information.

▲ Schedule	of Employer Co	ntributions			Health Care
Year Ended December 31	Actuarially Determined Contributions	Contributions Paid	Contribution Deficiency/(Excess)	Covered Payroll ¹	Contributions as a Percent of Covered Payroll
2020	\$987,819,505	\$24,489,938	\$963,329,567	\$14,998,065,952	0.2%
2019	855,315,505	24,318,141	830,997,364	14,987,616,732	0.2
2018	850,929,552	23,441,668	827,487,884	14,391,093,640	0.2
2017	739,451,097	157,417,888	582,033,209	14,058,005,653	1.1
2016ª	762,698,127	284,903,259	477,794,868	13,717,592,219	2.1
2015	731,847,564	253,673,333	478,174,231	13,177,006,156	1.9
2014	684,421,764	247,083,670	437,338,094	12,932,540,544	2.0
2013	1,555,931,467	120,056,440	1,435,875,027	12,331,162,054	1.1
2012	1,422,859,434	494,048,415	928,811,019	12,193,467,217	4.2
2011	1,831,329,260	503,458,216	1,327,871,044	12,399,464,698	4.2

a In 2016, IRS guidance allowed OPERS to consolidate all health care funding into the 115 Trust. Based on criteria in GASB 74, all OPERS health care plans are reported as defined benefit OPEB. Therefore, beginning in 2016, the total employer contributions presented includes the contributions for all health care plans.

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plan are assumed to be received continuously through the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. GASB 74 requires that data be reported for 10 years; however, data prior to 2017 is not available.

▲ Sched	ule of Investment Returns	Health Care Portfolio
Year	Annual Money-Weighted Rate of Return	Net of Investment Expenses
2020	10.5%	
2019	19.7%	
2018	(5.6%)	
2017	15.3%	

See Notes to Required Supplementary Information, beginning on page 90.

¹ Covered Payroll was calculated based on actual information obtained from OPERS-contributing employers during the fiscal year, which differs from the Covered Payroll in the funding valuation. Covered Payroll used in the funding valuation is based on the annualized pay rate of all pension plan active members as of the valuation date.

Defined Benefit Pension Plans

Actuarial Assumptions and Methods Used in Determining Contribution Rates

Actuarially determined contributions are constrained by contribution limits established by statute. The actuarial assumptions and methods used to determine contribution rates for the year ended December 31, 2020 are based on the December 31, 2017 pension actuarial valuation and are described below.

- Valuation Method—Individual entry age actuarial cost method of valuation is used in determining benefit liabilities and normal cost. Differences between assumed and actual experience (the actuarial gains and losses) become part of the total pension liability.
- ➤ **Asset Valuation Method**—For actuarial purposes, assets are valued utilizing a method that recognizes assumed total investment returns each year. Differences between actual and assumed investment returns are phased in over a closed four-year period. This funding value is not permitted to deviate from fair value by a corridor of plus or minus 12.00%.
- Amortization Method—Level percent of payroll, closed amortization period, for the Traditional Pension and Combined plans; Level dollar, closed amortization period, for the Member-Directed Plan.
- > Investment Return—An investment rate of return of 7.50% compounded annually (net after investment expenses) was assumed for 2017, and 7.20% for the years ended December 31, 2018, 2019 and 2020.
- Wage Inflation—The active member payroll was assumed to increase 3.25% annually, which is the portion of the individual pay increase assumption attributable to inflation and overall productivity.
- > Salary Scale—Wage inflation plus additional projected salary increases ranged up to 7.50% per year depending on age, attributable to seniority and merit, or 3.25% to 10.75%, including inflation.
- > Cost-of-living Adjustments—Pre-January 7, 2013 retirees: 3.0% simple; post-January 7, 2013 retirees: 3.0% simple through 2018, then 2.15% simple.
- Multiple Decrement Tables-Mortality—Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Post-employment Health Care Coverage or OPEB

Actuarial Assumptions and Methods Used in Determining Contribution Rates

The Actuarial Determined Employer Contribution for the year ended December 31, 2020 was based on the December 31, 2018 health care actuarial valuation. The actuarial assumptions and methods used to determine contribution rates are described below.

- > Valuation Method—Individual entry age actuarial cost method of valuation is used in determining health care liabilities and normal cost. Differences between assumed and actual experience (the actuarial gains and losses) become part of the total OPEB liability.
- > Asset Valuation Method—For actuarial purposes, assets are valued utilizing a method that recognizes assumed total investment returns each year. Differences between actual and assumed investment returns are phased in over a closed four-year period. This funding value is not permitted to deviate from fair value by a corridor of plus or minus 12.00%.
- > Amortization Method—Level percent of payroll, open 15 year amortization period.
- > Investment Return—An investment rate of return of 6.00% compounded annually (net after investment and administrative expenses) was assumed.
- > Wage Inflation—The active member payroll was assumed to increase 3.25% annually, which is the portion of the individual pay increase assumption attributable to inflation and overall productivity.
- > **Salary Scale**—Wage inflation plus additional projected salary increases ranged up to 7.50% per year depending on age, attributable to seniority and merit, or 3.25% to 10.75%, including inflation.
- Multiple Decrement Tables-Mortality—Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Factors Significantly Affecting Trends in Reported Amounts

There were no recent significant changes of pension benefit terms, health care plans, investment policies, the size or composition of the population covered by the benefit terms and health care plans impacting the actuarial valuation studies for pension and health care for the measurement date of December 31, 2020, with the exception of the changes noted below.

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements, however, they are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020. For more information on these changes, see the Plan Statement, pages 235-236.

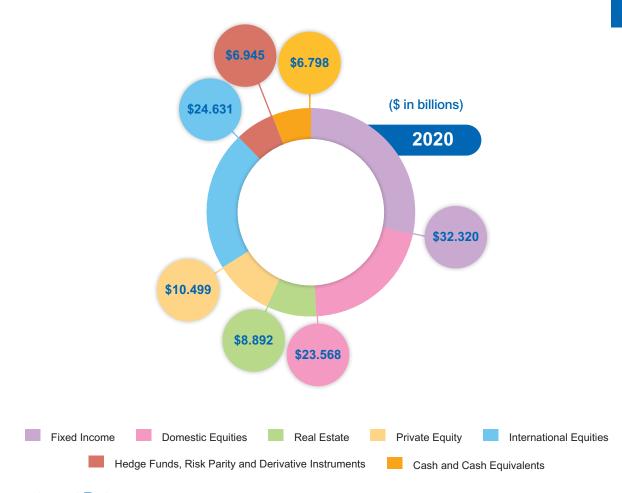
Administrative Expenses (for the year ended December 31, 2020)	
Personnel Expenses	
Wages and Salaries	\$49,611,482
Retirement Contributions—OPERS	6,378,145
Retirement Contributions—Medicare	693,192
Employee Insurance	8,208,349
Other Personnel Expense	74,127
Purchased Services and Supplies	
Professional Expenses	
Audit Services	364,126
Actuarial Services	624,341
Consulting Services	505,212
Investment and Financial Services	15,345,709
Legal and Investigation Services	1,532,187
Medical Examinations	717,929
Retirement Study Council	296,567
Custodial and Banking Fees	3,994,489
Information Technology	9,083,904
Communications	1,682,012
Office Supplies, Equipment and Other Miscellaneous	626,812
Education—Member and Staff	563,721
Facility Expenses	3,976,732
Subtotal Operating Expenses	104,279,036
Depreciation and Amortization Expense	
Building	2,325,421
Furniture and Equipment	10,453,609
Right-to-use Asset	286,932
Subtotal Depreciation and Amortization	13,065,962
Total Administrative Expenses	117,344,998
Investment Expenses	(44,388,248)
Net Administrative Expenses	\$72,956,750

Schedule of Investment Expenses¹ (for the year ended December 31, 2020)					
Investment Staff Expense \$20,877,070					
Investment Services	20,213,817				
Investment Legal Services	998,969				
Allocation of Administrative Expenses (See Note 2b to Financial Statements)	2,298,392				
Total Investment Expenses	\$44,388,248				

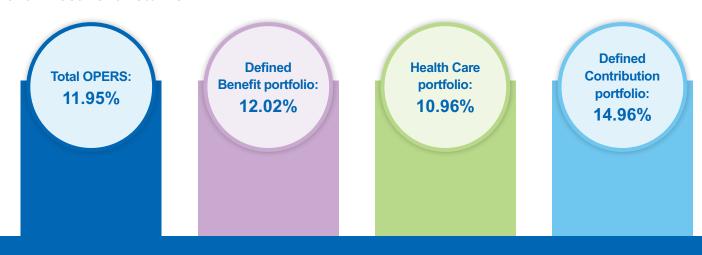
¹ Excludes fees and commissions, please see Schedules of Brokerage Commissions Paid beginning on page 106.

Investment Section

Continuing forward: During 2020, in one of the most volatile markets in decades, the Investment Division continued forward with a comprehensive strategy that reduced fees to external managers and provided transparency. The results? The OPERS portfolios all exceeded internal and external benchmarks and delivered strong returns.



2020 Investment Returns





Ohio Public Employees Retirement System

277 East Town Street Columbus, Ohio 43215-4642 1-800-222-7377 www.opers.org

To My Fellow Members:

I am extremely proud of the performance delivered by the Investment Division staff in 2020. Without a doubt, the past year was historic in many ways and, in financial markets, it was a year of extreme market volatility. Although we anticipate, and prepare for, unpredictable markets, no institution could have anticipated the global pandemic and the global-governments reactions to COVID-19. Simply put, strong results were garnered in an extremely difficult year. The OPERS Defined Benefit Fund returned 12.02%, above the benchmark return of 11.65% and the actuarial target of 7.2%. While the Health Care Fund returned 10.96%, which exceeded the actuarial target of 6.0% and the portfolio benchmark result of 10.13%.

A Review of 2020

As a result of the pandemic and broad government restrictions on global movement and economic activity, financial markets were stressed in 2020. In fact, four particular market regimes were experienced in 2020. Through February and March, COVID risks were first priced by market participants—producing illiquidity, higher real interest rates, falling inflation and a flight by investors to cash. The second financial regime started in April as central banks stepped in aggressively and provided liquidity. This action triggered a decline in real rates and led investors to sell cash and buy high quality assets. Starting in July, a third market regime started where monetary and fiscal policy—combined with optimism about better COVID-19 treatments and reduced mortality—led to a rotation from high quality assets to lower quality assets and higher inflation expectations. The final regime in the fourth quarter was a reflation trade characterized by significant global fiscal, monetary and health developments, producing a phenomenal recovery from the historic market lows experienced in March.

Throughout the year, in the most volatile of markets, staff rebalanced and managed our portfolios, advanced key initiatives and delivered strong excess returns—all while working from home and without operational issues.

Key 2020 Initiatives

Each year, the Investment Division undertakes significant initiatives to enhance the capabilities and performance of the Defined Benefit and Health Care portfolios. The 2020 strategic initiatives are highlighted below; all of these initiatives were successfully completed during the year.

We finalized Project Restock, a project first approved by the OPERS Board of Trustees in April 2019. This project was extensive and designed to maximize returns while streamlining asset management fees. Project Restock positioned the OPERS holdings for the future and involved the following actions:

- Within the large U.S. equity allocation, the entire external active midcap allocation
 was eliminated due to high fees and poor performance and the capital was returned to
 internal passive management.
- Our internal active U.S. equity fundamental strategy was closed due to poor historical performance. Capital from that strategy was returned to internally managed passive portfolios.
- Both the global tactical asset allocation (GTAA) and hedge funds allocations were completely eliminated due to their weak performance, opaqueness, complexity and high fee structures.

Project Restock is expected to produce a savings of tens of millions in fees. It also creates a more transparent, simplified investment program and meaningfully increases the amount of money managed in-house. Once again, the Project Restock portfolio changes were accomplished in a remote office environment. Despite the large amounts transitioned, there were no gaps or issues, which demonstrated the skill, professionalism, and dedication of the Investment Division staff.

Other significant projects during the year included:

- Completion of a Health Care Plan asset liability study and a new asset allocation was approved by the Board and implemented by staff.
- An internally managed risk parity portfolio was launched.
- Staff also implemented our first-ever U.S. equity-focused Environmental, Social and Corporate Governance (ESG) mandate.

Key 2021 Initiatives

In 2021, our key initiatives will be:

- Continue the implementation of the Defined Contribution target date fund strategy review.
- Focus on researching and enacting diversification-and-risk mitigation strategies for the portfolios.
- Research the appropriateness of the current commodity portfolio and non-U.S. equity asset class benchmarks.
- Launch a total plan investment-risk system review.
- Within the Investment Division, senior investment staff will evaluate the existing department committees with a goal of enhancing information sharing and reducing redundancies.

Looking Ahead

As always, the OPERS Board of Trustees is recognized and thanked. This governing body fully vetted the investment strategies, had the courage to approve these strategies and empowered staff. Working with OPERS leadership, these investments were executed flawlessly by the OPERS Investment Division. This teamwork, between staff and OPERS Board, produced the strong results achieved in 2020. While not all years will be as challenging or as robust as 2020, I remain confident my team—with guidance and insight from our Board—will continue to deliver results for our current and future members.

Paul Greff

Chief Investment Officer

April 22, 2021

Note: The returns presented throughout the Investment Section are the result of the returns generated by Defined Benefit, Health Care and Defined Contribution portfolio investments, based on a combination of time-weighted and market value-weighted calculations. The returns presented are net of external manager fees, overdraft charges, debit interest, registration expenses, stamp duties, and taxes spent on foreign securities. In addition, securities lending money market returns are net of custodial fees, transfer agent expenses, and professional fees.

Board Investment and Fiduciary Duties

- (A) The members of the public employees retirement board shall be the trustees of the funds created by section 145.23 of the Revised Code. The board shall have full power to invest the funds. The board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the public employees retirement system; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
- (B) In exercising its fiduciary responsibility with respect to the investment of the funds, it shall be the intent of the board to give consideration to investments that enhance the general welfare of the state and its citizens where the investments offer quality, return, and safety comparable to other investments currently available to the board. In fulfilling this intent, equal consideration shall also be given to investments otherwise qualifying under this section that involve minority owned and controlled firms and firms owned and controlled by women either alone or in joint venture with other firms.





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April 22, 2021

Board of Trustees Ohio Public Employees Retirement System 277 East Town Street Columbus, OH 43215-4642

As an independent investment advisor to the Ohio Public Employees Retirement System ('OPERS') and the Board of Trustees (the 'Board'), NEPC, LLC is providing an opinion on the reporting of OPERS investment results, investment policies, internal compliance procedures and the Board's oversight of the Retirement System's investments.

Investment Results

To the best of NEPC's knowledge and belief, OPERS investment results, as presented in this Comprehensive Annual Financial Report, accurately represent the performance of the Retirement System's Defined Benefit, Health Care and Defined Contribution assets. All measurements shown have been calculated using standard performance evaluation methods and are presented in a manner that is consistent with investment industry standards.

Investment Policies

OPERS investment policies can be accessed online at

https://www.opers.org/investments/inv-plans.shtml
and are organized as follows: Part I:
Investment Objectives and Asset Allocation Policies; Part II: Asset Class and Sub-Asset
Class Policies; Part III: Investment-Wide Policies; and Part IV: Corporate Governance and
Proxy Voting Policies.

In NEPC's opinion, OPERS assets are managed under a set of transparent investment policies and guidelines. These policies and guidelines adequately highlight the strategic performance objectives of the Ohio Public Employees Retirement System and emphasize the dual importance of maintaining robust risk controls and program diversification.

Internal Compliance

The constant testing of Fund portfolios and the continuous review of the compliance function itself is considered to be best practice within the investment industry. While serving as OPERS generalist investment consultant, NEPC has witnessed Staff's consistent and ongoing efforts to improve the effectiveness of their internal compliance procedures. NEPC also believes that the Investment Division's support of the CFA® Institute's Code of

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Ethics and Standards of Professional Conduct, as well as the guidelines and procedures that are set forth in the OPERS Code of Ethics and OPERS Personal Trading Policies, are consistent with industry best practice for investment professionals.

Prudent Oversight

The daily management of the OPERS assets has been clearly delegated to the Retirement System's investment Staff. In NEPC's opinion, this clear delegation of accountability helps the Board maintain effective oversight of the OPERS Defined Benefit, Health Care and Defined Contribution Funds through quarterly performance reviews, regular oversight of Staff's activities and monthly meetings with Staff, the investment consultants and other independent service providers.

Craig Svendsen, CFA

Crain lumber

Partner



Overview Investment Section

Introduction

The total OPERS investment portfolio, as reflected in the Combining Statement of Fiduciary Net Position, pages 36-37, is comprised of Defined Benefit, Health Care, and Defined Contribution portfolio assets. The Defined Benefit portfolio assets originate from Traditional Pension Plan member and employer contributions, employer contributions to the Combined Plan, and funds from defined contribution accounts for annuities. The investment of these assets is the responsibility of the Investment staff, adhering to the policies approved by the OPERS Board of Trustees.

The Health Care portfolio assets are segregated from the pension portfolio and invested with a more conservative and shorter term asset-allocation strategy. The Health Care portfolio is comprised of assets set aside to provide post-employment health care for the retirees of the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The investment of these assets is the responsibility of the Investment staff, adhering to the policies approved by the Board. Prior to 2017, heath care assets were included in two trusts established under Internal Revenue Code Sections 115 and 401(h). Accordingly, historical information reported in this section reflects both the 401(h) Health Care Trust portfolio and the more recent 115 Health Care Trust portfolio. The 401(h) Health Care Trust portfolio was transferred to the 115 Health Care Trust portfolio on July 1, 2016 resulting in one health care portfolio. Historical information in this section reflects the different health care portfolios in place for the time periods reported.

Defined Contribution portfolio assets originate from member contributions to the Combined Plan and both member and employer contributions to the Member-Directed Plan. The investment of Defined Contribution portfolio assets is self-directed by members of the Combined and Member-Directed plans, but is limited to investment options approved by the Board and the self-directed brokerage account window.

Investment Summary

The Total Investment Summary (starting on the following page) relates to System-wide investments and includes the assets of all three portfolios as of December 31, 2020. The balance of information in this Investment Section is organized as follows: Defined Benefit portfolio investments (pages 111-115) relating exclusively to defined benefit assets; Health Care portfolio investments (pages 117-121) relating exclusively to health care assets; and Defined Contribution portfolio investments (pages 123-125) relating exclusively to defined contribution assets. The Investment Objectives and Policies and Asset Class Policies (pages 126-135) provide information on the System investment policies and performance objectives.

The returns presented throughout the Investment Section are the result of the returns generated by Defined Benefit, Health Care and Defined Contribution portfolio investments, based on a combination of time-weighted and market value-weighted calculations. The returns presented throughout this Investment Section are net of external manager fees, overdraft charges, debit interest, registration expenses, stamp duties, and taxes spent on foreign securities. In addition, securities lending money market returns are net of custodial fees, transfer-agent expenses, and professional fees.

A complete list of assets held as of December 31, 2020 is available upon request.

Investment Section

The table below reflects the total investment portfolio, which includes three component portfolios, as of December 31, 2020: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last-reported sales price at current exchange rates. Performance results and fair values for the real estate and private equity asset classes are typically reported on a quarter lag basis, adjusted for cash flow activity during the fourth quarter. If any significant market gains or losses occur in the fourth quarter, these asset classes are adjusted for financial reporting purposes to reflect the estimated fair value at year end. The investment results reported for these asset classes in the Investment Section reflect this practice. The table below displays the fair values of investment assets consistent with the presentation in the financial statements on pages 36-37.

Summary of Cash, Cash Equivalents and Investments (as of December 31, 2020)					
	Fair Value	Percent of Total Fair Value			
Cash and Cash Equivalents					
Cash	\$244,107,856	0.21%			
Cash Equivalents					
Commercial Paper	1,238,097,516	1.09			
U.S. Treasury Obligations	1,952,061,854	1.72			
Repurchase Agreements	2,355,000,000	2.07			
Interest-Bearing Short-Term Certificates	75,000,000	0.07			
Short-Term Investment Funds (STIF)	933,447,211	0.82			
Total Cash and Cash Equivalents	6,797,714,437	5.98			
Investments					
Fixed Income					
U.S. Corporate Bonds	7,507,368,732	6.61			
Non-U.S. Notes and Bonds	8,564,806,410	7.54			
U.S. Government and Agencies	11,843,970,139	10.42			
U.S. Mortgage Backed	4,403,989,726	3.87			
Subtotal Fixed Income	32,320,135,007	28.44			
Domestic Equities	23,568,236,058	20.74			
Real Estate	8,891,728,670	7.82			
Private Equity	10,499,009,230	9.24			
International Equities	24,631,454,798	21.67			
Other Investments ¹	6,944,809,702	6.11			
Total Long-Term Investments	106,855,373,465	94.02			
Total Cash, Cash Equivalents and Investments ²	\$113,653,087,902	100.00%			

¹ Includes hedge funds, derivative instruments and risk parity.

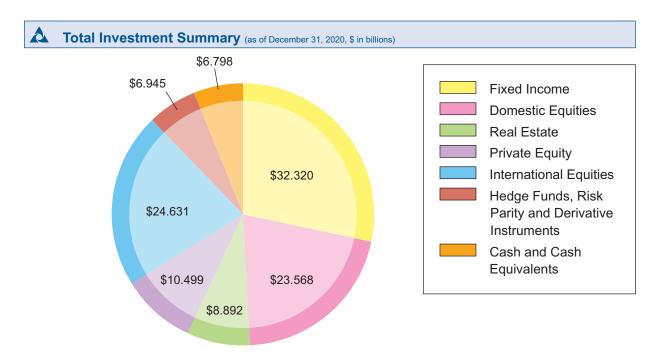
² Excludes collateral on loaned securities.

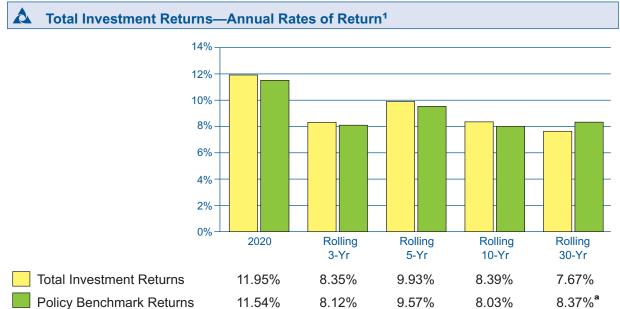
The table below reflects the breakdown of the total investment portfolio into the three component portfolios—the Defined Benefit, the Health Care and the Defined Contribution portfolios.

Total Summary of Cash, Cash Equivalents and Investments by Portfolio ¹ (as of December 31, 2020)					
			Defined		
	Defined Benefit	Health Care	Contribution	Total	
Fixed Income	\$26,895,482,251	\$4,895,416,249	\$529,236,507	\$32,320,135,007	
Domestic Equities	18,918,078,540	3,518,558,498	1,131,599,020	23,568,236,058	
Real Estate	8,891,728,670			8,891,728,670	
Private Equity	10,499,009,230			10,499,009,230	
International Equities	21,040,543,080	3,079,326,933	511,584,785	24,631,454,798	
Other Investments ²	6,217,998,674	726,811,028		6,944,809,702	
Cash and Cash Equivalents	5,770,422,219	1,027,292,218		6,797,714,437	
Total	\$98,233,262,664	\$13,247,404,926	\$2,172,420,312	\$113,653,087,902	

¹ Assets summarized on performance basis.

 $^{^{\}mathbf{2}}$ Includes hedge funds, derivative instruments and risk parity.





 $^{^{\}mathbf{a}}\!$ The benchmark returns for 1996 and prior years were estimated.

¹ Annual Rates of Return—The returns are the result of the returns generated by Defined Benefit, Health Care and Defined Contribution portfolio investments, based on a combination of time-weighted calculations and market value-weighted calculations. The policy benchmark is derived by a market value-weighted calculation of the Defined Benefit, Health Care and Defined Contribution investment policy benchmarks while all other returns throughout the remainder of this section are derived from a time-weighted calculation. All returns presented throughout the Investment Section are net of external manager fees, overdraft charges, debit interest, registration expenses, stamp duties, and taxes spent on foreign securities. In addition, the securities lending money market returns are net of custodial fees, transfer-agent expenses, and professional fees.

A Histo	rical Investmen	t Returns			
Year	Total Portfolio Return	Total Defined Benefit Return ¹	Total 401(h) Health Care Trust Return¹	Total 115 Health Care Trust Return (Health Care Portfolio)	Total Defined Contribution Return ²
2020	11.95%	12.02%		10.96%	14.96%
2019	17.59	17.23		19.59	21.74
2018	(3.38)	(2.99)		(5.76)	(6.65)
2017	16.62	16.82		15.25	17.39
2016	8.23	8.31 ^a	4.73% ^a	5.11ª	9.51
2015	(0.03)	0.33	(2.18)	(3.23)	(1.71)
2014	6.70	6.96	5.28	(0.03) ^b	4.83
2013	14.00	14.38	11.36		20.45
2012	14.40	14.54	13.72		13.37
2011	0.20	0.36	(0.38)		(2.59)
2010	13.90	13.98	13.93		13.74
2009	20.06	19.09	24.80		26.44
2008	(26.92)	(27.15)	(25.77)		(28.00)
2007	8.52	8.89	6.87		5.80
2006	14.66	15.05	12.78		12.96
2005	9.03	9.25	8.00		6.88
2004	12.49	12.50			9.73
2003	25.39	25.39			
2002	(10.73)	(10.73)			
2001	(4.58)	(4.58)			
2000	(0.71)	(0.71)			
1999	12.10	12.10			
1998	14.45	14.45			
1997	13.37	13.37			
1996	7.85	7.85			
1995	20.47	20.47			
1994	(0.02)	(0.02)			
1993	9.72	9.72			
1992	5.66	5.66			
1991	15.68	15.68			

a Returns are six-month cumulative returns as of June 30, 2016 in the 401(h) Health Care Trust. The 401(h) Health Care Trust and the Voluntary Employees' Beneficiary Association (VEBA) Trust were closed as of June 30, 2016. Prior to July 1, 2016, the VEBA Trust assets were included in the Defined Benefit portfolio. On July 1, 2016, the 401(h) Health Care Trust and VEBA Trust assets were transferred to the 115 Health Care Trust portfolio. The combined return on the total health care assets for the year ended December 31, 2016 was 7.55%. The number disclosed in the 115 Health Care Trust column, 5.11%, represents the return for the 115 Health Care Trust portfolio assets.

b The 115 Health Care Trust was established September 2014. Returns are two-month cumulative returns in 2014 since funding of the 115 Health Care Trust portfolio began November 2014.

¹ Prior to 2005, the 401(h) Health Care Trust assets were included in the Defined Benefit portfolio. In 2005, the 401(h) Health Care Trust assets were segregated from the Defined Benefit portfolio into a separate portfolio with portfolio-specific asset allocation and investment policies. Accordingly, Defined Benefit returns for 2004 and prior represent a composite of the Defined Benefit and 401(h) Health Care Trust assets.

² Defined Contribution plans commenced January 1, 2003, with a separate portfolio established in 2004.

Largest Equity Holdings (by fair value)¹ (as of December 31, 2020)					
Description	Shares	Fair Value			
Apple Inc.	10,139,496	\$1,345,409,724			
Microsoft Corp.	4,663,614	1,037,281,026			
Amazon.com Inc.	261,879	852,921,571			
Taiwan Semiconductor Manufacturing Company, Ltd.	19,883,263	615,634,229			
Samsung Electronics Co. Ltd.	5,611,709	451,534,140			
Facebook Inc.	1,468,126	401,033,298			
Tencent Holdings Ltd.	5,238,764	380,548,690			
Alibaba Group Holding Ltd.	5,101,703	351,279,336			
Alphabet Inc. Class A	188,770	330,845,853			
Tesla Inc.	462,514	326,382,254			
Total	53,019,838	\$6,092,870,121			

Largest Bond Holdings (by fair value) ¹ (as of December 31, 2020)					
Description	Coupon	Maturity	Rating	Par Value	Fair Value
U.S. Treasury Bond	2.500%	2/15/2045	AAA	\$310,141,000	\$369,940,062
U.S. Treasury Note	1.875	3/31/2022	AAA	255,584,000	261,144,948
U.S. Treasury Note	2.000	8/15/2025	AAA	182,865,000	196,994,179
U.S. Treasury Note	1.500	1/31/2022	AAA	175,068,000	177,666,666
U.S. Treasury Note	1.625	5/15/2026	AAA	163,417,000	173,975,271
U.S. Treasury Note	1.875	5/31/2022	AAA	164,553,000	168,621,830
Fannie Mae Pool	3.500	2/1/2048	AAA	135,879,974	149,109,785
Freddie Mac Pool	3.000	7/1/2049	AAA	137,059,894	143,635,771
U.S. Treasury Note	1.500	8/15/2026	AAA	134,347,000	142,229,391
U.S. Treasury Note	1.875	1/31/2022	AAA	137,643,000	140,245,313
Total				\$1,796,557,868	\$1,923,563,216

¹A complete list of assets held as of December 31, 2020 is available upon request.

Brokerage Firm	U.S. Equity Commissions Paid	Shares Traded	Average Commission Per Share
UBS Securities LLC	\$1,273,657	139,869,542	\$0.009
Merrill Lynch & Co. Inc.	143,146	33,260,434	0.004
J.P. Morgan Securities LLC	127,758	343,041,478	<0.001
Barclays Capital Inc.	108,098	40,640,820	0.003
RBC Capital Markets Corp.	105,417	7,618,099	0.014
Liquidnet Inc.	79,432	4,533,203	0.018
Northern Trust Inc.	75,737	2,524,564	0.030
Credit Suisse Securities (USA) LLC	70,930	5,194,515	0.014
Sanford C. Bernstein & Co.	70,321	7,873,358	0.009
Pershing LLC	68,772	6,311,264	0.011
Goldman Sachs & Co.	61,819	7,080,015	0.009
Citigroup Global Markets Inc.	61,313	5,651,135	0.011
BofA Securities, Inc.	56,177	3,281,505	0.017
Morgan Stanley & Co.	47,340	9,916,576	0.005
Jefferies & Co.	41,450	5,828,351	0.007
Investment Technology Group Inc.	36,592	13,907,710	0.003
HSBC Securities Inc.	30,944	3,176,498	0.010
Wells Fargo Securities LLC	28,406	1,375,943	0.021
Cantor Fitzgerald & Co. Inc.	27,009	2,185,609	0.012
Instinet LLC	26,287	4,345,222	0.006
WallachBeth Capital LLC	21,045	1,402,987	0.015
Other Commissions less than \$20,000	178,151	125,385,698	0.001
Total U.S. Equity Commissions	\$2,739,801	774,404,526	\$0.004

Brokerage Firm	Non-U.S. Equity Commissions Paid	Shares Traded	Average Commission Per Share
UBS Securities LLC	\$583,708	589,628,454	\$0.001
J.P. Morgan Securities LLC	482,851	549,742,560	0.001
Goldman Sachs & Co.	360,125	194,973,308	0.002
Merrill Lynch & Co. Inc.	356,204	408,231,324	0.001
Morgan Stanley & Co.	314,374	298,492,488	0.001
Instinet LLC	294,722	194,719,000	0.002
Jefferies & Co.	289,267	68,011,744	0.004
Credit Suisse Securities LLC	270,429	124,045,265	0.002
Citigroup Global Markets Inc.	235,828	128,682,943	0.002
Sanford C. Bernstein & Co.	195,622	75,692,888	0.003
Macquarie Bank Ltd.	173,764	150,843,618	0.001
Credit Lyonnais Bank	167,364	135,065,968	0.001
HSBC Securities Inc.	152,423	103,231,691	0.001
Pershing Securities Ltd.	123,386	16,359,917	0.008
Barclays Capital Inc.	102,351	30,106,035	0.003
Daiwa Capital Markets Inc.	88,248	1,835,366	0.048
Banque BNP Paribas	85,577	41,170,823	0.002
CLSA Global Markets Pte Ltd.	77,953	36,448,774	0.002
Bank of New York Mellon Corp.	75,243	13,885,905	0.005
Liquidnet Inc.	64,503	5,047,498	0.013
S.G. Securities	61,746	61,287,128	0.001
Exane	55,003	15,503,049	0.004
Investment Technology Group Inc.	54,542	31,306,690	0.002
Societe Generale Securities Services	47,609	19,548,199	0.002
Maybank Kim Eng Securities Pte Ltd.	44,313	1,624,959	0.027
SMBC Nikko Securities Inc.	41,859	762,085	0.055
Berenberg Gossler & CIE	37,572	1,535,329	0.024
Kotak Securities	37,524	749,989	0.050
Banco Itaú Unibanco S.A.	33,928	6,442,733	0.005
Ambit Capital Private Ltd	33,158	1,572,201	0.021
BofA Securities, Inc.	28,660	133,717,174	<0.001
RBC Capital Markets Corp.	27,361	13,392,889	0.002
D Carnegie & Co. AB	25,588	1,243,206	0.021
Mizuho Securities	24,723	2,493,827	0.010
Banco Bradesco SA	20,282	6,919,986	0.003
Other Commissions less than \$20,000	470,947	97,009,985	0.005
Total Non-U.S. Equity Commissions	\$5,538,757	3,561,324,998	\$0.002

Futures Commissions (for the year ended December 31, 2020)						
Brokerage Firm	Futures Commissions Paid	Contracts Traded	Average Commission Per Contract			
Goldman Sachs & Co.	\$924,190	553,636	\$1.67			
Credit Suisse Securities LLC	373,448	194,909	1.92			
Total Futures Commissions \$1,297,638 748,545 \$1.73						
Total U.S. Equity, Non-U.S. Equity and Futures Commissions	\$9,576,196	N/A	N/A			

Brokerage commissions do not include commissions paid by external investment managers using commingled fund structures. OPERS maintains a commission recapture program with several of its non-U.S. Equity managers. Capital Institutional Services Inc. and Frank Russell Securities Inc. perform record-keeping services for the commission recapture program.

The total commissions schedule includes \$253,939 in commissions paid that were part of a commission sharing agreement (CSA). CSA funds are held by the participating brokers and may be used to purchase qualifying investment research services. During 2020, \$230,000 of investment research services were purchased using CSA funds.

Schedule of Fees to External Asset Managers by Portfolio (for the year ended December 31, 2020)							
	Defined Benefit	Health Care	Defined Contribution	Total			
Fixed Income	\$19,226,962	\$2,495,145	\$218,298	\$21,940,405			
Domestic Equities	6,458,084	943,463	109,217	7,510,764			
International Equities	48,908,024	7,005,726	78,339	55,992,089			
Private Equity ¹	210,230,294			210,230,294			
Other Investments ¹	107,887,965	13,803,198		121,691,163			
Real Estate ¹	72,773,352			72,773,352			
Total Fees	\$465,484,681	\$24,247,532	\$405,854	\$490,138,067			

¹ All investment manager fees reported to OPERS, whether directly invoiced or subtracted from the fund on a net basis, are reported as External Asset Management Fees in the Combining Statement of Changes in Fiduciary Net Position. OPERS makes a good faith attempt to account for fees that are not readily separable. Net Management Fees are net of management fee offsets. Performance Fees represent the investment managers' share of the profits realized by the fund during the period. Other Investments includes hedge funds, derivative instruments and risk parity.

Schedule of Fees to External Asset Managers by Category (for the year ended December 31, 2020)						
	Net Management Fees	Fund Expenses	Subtotal	Performance Fees	Total	
Fixed Income	\$21,940,405		\$21,940,405		\$21,940,405	
Domestic Equities	7,510,764		7,510,764		7,510,764	
International Equities	55,992,089		55,992,089		55,992,089	
Private Equity ¹	95,607,267	\$29,381,144	124,988,411	\$85,241,883	210,230,294	
Other Investments ¹	55,549,018	16,611,863	72,160,881	49,530,282	121,691,163	
Real Estate ¹	53,884,192	5,844,409	59,728,601	13,044,751	72,773,352	
Total Fees	\$290,483,735	\$51,837,416	\$342,321,151	\$147,816,916	\$490,138,067	

¹ All investment manager fees reported to OPERS, whether directly invoiced or subtracted from the fund on a net basis, are reported as External Asset Management Fees in the Combining Statement of Changes in Fiduciary Net Position. OPERS makes a good faith attempt to account for fees that are not readily separable. Net Management Fees are net of management fee offsets. Performance Fees represent the investment managers' share of the profits realized by the fund during the period. Other Investments includes hedge funds, derivative instruments and risk parity.

Schedule of External Asset Managers

Schedule of External Asset Managers (for the year ended December 31, 2020)						
U.S. Equity Managers						
Atlanta Capital Management Company LLC	Hahn Capital Management LLC	Quantitative Management Associates LLC				
Decatur Capital Management	Jacobs Levy Equity Management Inc.	Wasatch Advisors Inc.				
Disciplined Growth Investors	NewSouth Capital Management	Westwood Management Corp.				

Non-U.S. Equity Managers					
Acadian Asset Management LLC	Fisher Investments	Strategic Global Advisors			
AQR Capital Management LLC	J.P. Morgan Investment Management	T. Rowe Price International Ltd.			
Ariel Investments, LLC	J O Hambro Capital Management Ltd.	Trivalent Capital Management			
Arrowstreet Capital LP	Kayne Anderson Rudnick	Vontobel Asset Management			
Baillie Gifford	Lazard Asset Management LLC	Walter Scott & Partners			
BlackRock Financial Management Inc.	LSV Asset Management	Wasatch Advisors Inc.			
Copper Rock Capital Partners LLC	Oldfield Partners LLP				
Dimensional Fund Advisors	Schroder Investment Management NA Inc.				

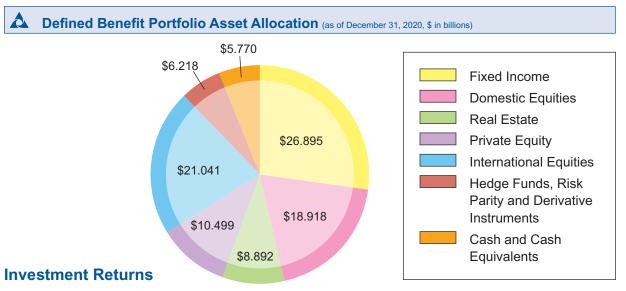
Bond Managers		
Aberdeen Asset Management	Doubleline Group, LP	Nomura Group
AFL-CIO Housing Investment Trust	Fort Washington Investment Advisors Inc.	Payden & Rygel Investment Management
Ashmore Investment Management Ltd.	Franklin Templeton Institutional LLC	Post Advisory Group
Capital Guardian Trust Company	Lazard Asset Management LLC	Stone Harbor Investment Partners LP
CIFC	Neuberger Berman Investment Advisors LLC	

Hedge Fund Managers ¹		
AQR Capital Management LLC	Davidson Kempner Institutional Partners LP	Magnetar Financial LLC
Aristeia Capital LLC	Egerton Capital	Oceanwood Capital Management LLP
Arrowgrass Partnership	First Quadrant	Panagora Asset Management
Beach Point Capital Management	Highline Capital Partners	Prisma Capital Partners LP
BlackRock Financial Management Inc.	K2 Advisors	Scopia Capital
Bridgewater Associates	Kepos Capital	Sculptor Capital Management (fka Och Ziff Capital Management)
Brigade Capital Management LP	KLS Diversified Asset Management	Taconic Investment Partners
Canyon Capital Advisors LLC	Kynikos Associates	Wellington Management
Capital Fund Management S.A.	Lakewood Capital Partners	Winton Capital
CQS Management	Lynx Asset Management AB	York Capital Management

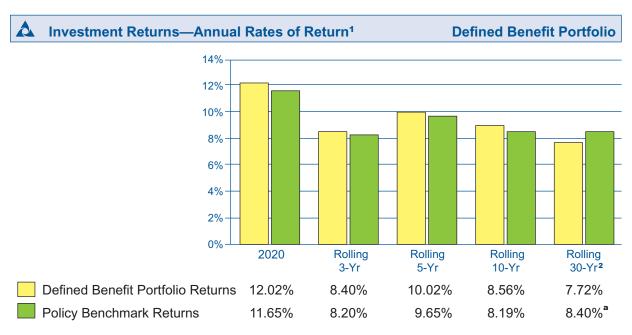
¹ Hedge fund allocations eliminated in 2020.

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As noted previously, the Investment Division manages the total investment portfolio by dividing it into three sub-portfolios. These portfolios are: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. All information prior to this point has been reported on the OPERS total investment portfolio; however, all the following information will be presented at the specific portfolio level.



The Defined Benefit portfolio reported an investment return of 12.02% in 2020. The overall portfolio return is compared to a composite benchmark return that could be achieved by a portfolio that is passively invested in the broad market, with percentage weights allocated to each asset class as specified in the *OPERS Statement of Investment Objectives and Policies*. The return of the policy benchmark for 2020 was 11.65%.



^a The benchmark returns for 1996 and prior years were estimated.

¹ Annual Rates of Return—The Defined Benefit portfolio return is based on a time-weighted calculation. The policy benchmark is derived by a market value-weighted calculation of the Defined Benefit investment policy benchmarks. All returns are net of external manager fees, overdraft charges, debit interest, registration expenses, stamp duties, and taxes spent on foreign securities.

²The 401(h) Health Care Trust portfolio was segregated from the Defined Benefit portfolio in 2005; thus, the 30-year rolling return information reflects both the Defined Benefit and 401(h) Health Care Trust portfolios.

Investment returns for the Defined Benefit portfolio underlying asset class composites and the respective benchmarks are shown below:

	2020	Rolling 3-Year	Rolling 5-Year
Total Defined Benefit Portfolio	12.02%	8.40%	10.02%
Total Defined Benefit Portfolio Benchmark ¹	11.65	8.20	9.65
U.S. Equity Composite	19.64	14.06	15.04
U.S. Equity Composite Benchmark	20.89	14.49	15.43
Non-U.S. Equity Composite	14.50	6.37	10.74
Non-U.S. Equity Composite Benchmark	11.90	4.93	9.52
Core Fixed Composite	9.09	5.83	4.77
Core Fixed Composite Benchmark	7.51	5.34	4.44
TIPS Composite	10.89	5.88	5.04
TIPS Composite Benchmark	10.99	5.92	5.08
High Yield Composite	7.23	6.29	7.94
High Yield Composite Benchmark	7.11	6.24	8.59
Emerging Markets Debt Composite	5.06	3.78	6.92
Emerging Markets Debt Composite Benchmark	4.32	4.03	6.85
Securitized Debt Composite	7.40	7.38	5.72
Securitized Debt Composite Benchmark	1.18	4.81	5.21
Private Equity Composite	16.38	14.06	13.62
Private Equity Composite Benchmark	13.78	12.22	12.04
Real Estate Composite	2.41	4.69	6.91
Real Estate Composite Benchmark	1.37	5.10	6.54
Hedge Funds Composite²	N/A	N/A	N/A
Hedge Funds Composite Benchmark²	N/A	N/A	N/A
Commodities Composite	(21.96)	(7.46)	(1.15)
Commodities Composite Benchmark	(23.72)	(8.22)	(1.85)
Cash Composite³	0.82	1.82	1.47
Cash Composite Benchmark³	0.67	1.60	1.20
Additional Annuity Composite	2.13	2.35	2.17
Additional Annuity Composite Benchmark	0.67	1.60	1.20
Risk Parity Composite	5.96	7.54	11.23
Risk Parity Composite Benchmark	5.25	7.14	7.97
U.S. Treasury Composite	8.08	5.21	3.77
U.S. Treasury Composite Benchmark	8.00	5.19	3.77

Defined Benefit Portfolio Benchmark—The returns for this benchmark are derived from the asset class composite benchmark returns summarized in the table above, the historical asset class target allocations listed on the next page, and the asset class composite benchmark indices listed in the table on page 114.

² Hedge fund allocations eliminated in 2020.

³ Cash Composites have a zero allocation but can hold residual cash balances of the Defined Benefit portfolio. This can result in residual performance that does not affect the overall Defined Benefit portfolio.

A Historical Asset Class Target Allo	Historical Asset Class Target Allocations Defined Benefit Portfol				
Asset Class	2020	2019	2018	2017	2016
U.S. Equity	20.5%	20.0%	20.9%	22.0%	22.4%
Opportunistic	2.0	2.0	0.1	0.1	0.1
Core Fixed	11.0	11.0	10.9	8.9	9.8
Floating Rate Debt	N/A	N/A	0.1	0.1	0.2
Global High Yield	N/A	N/A	N/A	N/A	1.0
Securitized Debt	1.0	1.0	1.0	1.0	1.0
Non-U.S. Equity	22.5	20.0	20.0	18.9	18.5
Private Real Estate	10.0	10.0	10.0	10.0	10.0
Private Equity	12.0	12.0	10.0	10.0	10.0
High Yield	2.0	2.0	2.0	3.0	3.0
Emerging Markets Debt	6.0	6.0	6.0	7.0	6.0
Hedge Funds	N/A	5.0	8.0	8.0	8.0
Commodities	1.0	1.0	1.0	1.0	1.0
Risk Parity	5.0	5.0	5.0	5.0	5.0
GTAA	N/A	N/A	2.0	2.0	2.0
TIPS	2.0	2.0	2.0	2.0	1.0
U.S. Treasury	5.0	3.0	1.0	1.0	1.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%

To arrive at customized benchmark performance, the asset allocation targets are multiplied by the performance of the corresponding asset class reference indices. The asset class reference indices are specified by the Investment Policy, and are displayed below:

Asset Class	cal Asset Class Co	•	As of December 31		Benefit Portfolio
Composite			A3 01 December 31		
Benchmarks	2020	2019	2018	2017	2016
U.S. Equity	Russell 3000 Stock Index ¹	Russell 3000 Stock Index	Russell 3000 Stock Index	Russell 3000 Stock Index	Russell 3000 Stock Index
Opportunistic	Custom Opportunistic Benchmark ²	Custom Opportunistic Benchmark	Custom Opportunistic Benchmark	Custom Opportunistic Benchmark	Custom Opportunistic Benchmark
Core Fixed	Bloomberg Barclays U.S. Aggregate Bond Index³	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Aggregate Bond Index
Floating Rate Debt	N/A	N/A	Credit Suisse Leveraged Loan Index	Credit Suisse Leveraged Loan Index	Credit Suisse Leveraged Loan Index
Global High Yield	N/A	N/A	N/A	N/A	Bloomberg Barclays Global High Yield Index
Securitized Debt	Custom Securitized Debt Benchmark⁴	Custom Securitized Debt Benchmark	Custom Securitized Debt Benchmark	Non-Agency CMBS Component of Bloomberg Barclays U.S. Aggregate Bond Index + 2%	Bloomberg Barclays CMBS Index + 2%
Non-U.S. Equity	Custom Non-U.S. Equity Benchmark (net) ⁵	Custom Non-U.S. Equity Benchmark (net)	Custom Non-U.S. Equity Benchmark (net)	Custom Non-U.S. Equity Benchmark (net)	Custom Non-U.S. Equity Benchmark (net
Private Real Estate	Custom Private Real Estate Benchmark ⁶	Custom Private Real Estate Benchmark	Custom Private Real Estate Benchmark	Custom Private Real Estate Benchmark	Custom Private Real Estate Benchmark
Private Equity	SSPEI Index ⁷	SSPEI Index	SSPEI Index	SSPEI Index	SSPEI Index
Cash Equivalents	BofAML U.S. 3-Month Treasury Bill Index ⁸	BofAML U.S. 3-Month Treasury Bill Index	BofAML U.S. 3-Month Treasury Bill Index	BofAML U.S. 3-Month Treasury Bill Index	BofAML U.S. 3-Month Treasury Bill Index
High Yield	Bloomberg Barclays U.S. Corporate High Yield Bond Index ⁹	Bloomberg Barclays U.S. Corporate High Yield Bond Index	Bloomberg Barclays U.S. Corporate High Yield Bond Index	Bloomberg Barclays U.S. Corporate High Yield Bond Index	Bloomberg Barclays U.S. Corporate High Yield Bond Index
Emerging Markets Debt	Custom Emerging Markets Debt Benchmark 10	Custom Emerging Markets Debt Benchmark	Custom Emerging Markets Debt Benchmark	Custom Emerging Markets Debt Benchmark	Custom Emerging Markets Debt Benchmark
Hedge Funds	N/A	Custom Hedge Funds Benchmark	Custom Hedge Funds Benchmark	Custom Hedge Funds Benchmark	Custom Hedge Funds Benchmark
Commodities	S&P Goldman Sachs Commodity Total Return Index ¹¹	S&P Goldman Sachs Commodity Total Return Index	S&P Goldman Sachs Commodity Total Return Index	S&P Goldman Sachs Commodity Total Return Index	S&P Goldman Sachs Commodity Total Return Index
Risk Parity	HFR Risk Parity Vol 15 Institutional Index ¹²	HFR Risk Parity Vol 15 Institutional Index	HFR Risk Parity Vol 15 Institutional Index	Custom Risk Parity Benchmark	Custom Risk Parity Benchmark
GTAA	N/A	Custom GTAA Benchmark	Custom GTAA Benchmark	Custom GTAA Benchmark	Custom GTAA Benchmark
TIPS	Bloomberg Barclays U.S. TIPS Index ¹³	Bloomberg Barclays U.S. TIPS Index	Bloomberg Barclays U.S. TIPS Index	Bloomberg Barclays U.S. TIPS Index	Bloomberg Barclays U.S. TIPS Index
U.S. Treasury	Bloomberg Barclays U.S. Treasury Index 14	Bloomberg Barclays U.S. Treasury Index	Bloomberg Barclays U.S. Treasury Index	Bloomberg Barclays U.S. Treasury Index	Bloomberg Barclays U.S. Treasury Index

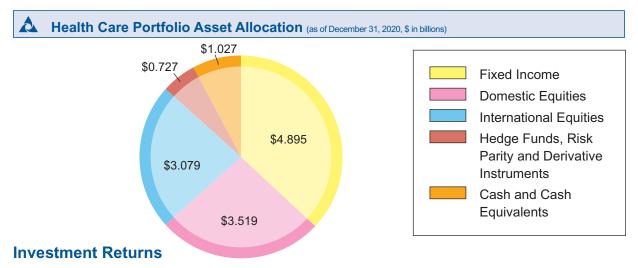
Footnotes found on next page.

Footnotes for Schedule of Investment Results—Defined Benefit Portfolio

The footnotes below provide definitions for the asset class composite benchmark indices as of December 31, 2020:

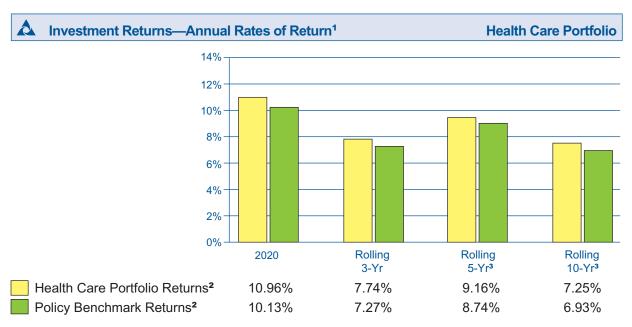
- 1 Russell 3000 Stock Index—A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.
- ² Custom Opportunistic Benchmark—Market value weight of the underlying portfolio benchmarks.
- ³ Bloomberg Barclays U.S. Aggregate Bond Index—A market value-weighted index consisting of Bloomberg Barclays corporate, government and mortgage-backed indices. This index is the broadest available measure of the aggregate U.S. fixed income market.
- 4 Custom Securitized Debt Benchmark—As of December 31, 2020, blend was 50% Bloomberg Barclays non-agency investment grade CMBS: BBB total return index unhedged USD, 50% Bloomberg Barclays non-agency CMBS agg eligible total return index value unhedged USD.
- 5 Custom Non-U.S. Equity Benchmark (net)—As of December 31, 2020, blend was 55% MSCI World Index x U.S. Standard (net), 31% MSCI Emerging Markets Standard Index (net), 10% MSCI World Index x U.S. Small Cap (net), and 4% MSCI Emerging Markets Small Cap Index (net).
- ⁶ Custom Private Real Estate Benchmark—NCREIF Fund Index Open-End Diversified Core Equity (NFI-ODCE) net of fees plus an annual premium of 85 bps is a capitalization-weighted index consisting of 24 open-end commingled funds pursuing a core investment strategy.
- State Street Private Equity Index (SSPEI)—Evaluates the performance of actively managed private equity portfolios. SSPEI includes venture capital, buyout, and distressed debt funds within the U.S.
- 8 Bank of America Merrill Lynch (BofAML) U.S. 3-Month Treasury Bill Index—The three-month Treasury Bill return as measured by Bank of America Merrill Lynch.
- Bloomberg Barclays U.S. Corporate High Yield Bond Index—Covers the universe of fixed rate, non-investment grade debt.
- 10 Custom Emerging Markets Debt Benchmark—As of December 31, 2020, blend was 50% J.P. Morgan EMBI Global Bond Index, and 50% J.P. Morgan GBI-Emerging Markets Global Diversified USD Index.
- 11 Standard & Poor's Goldman Sachs Commodity (S&P GSCI) Total Return Index—Tracks general price movements and inflation in the world economy. The index is calculated primarily on a world-production weighted basis and is comprised of the principal physical commodities that are the subject of active, liquid futures markets.
- 12 HFR Risk Parity Vol 15 Institutional Index—Includes funds with a volatility target of 15% or greater and are classified as Volatility Target: 15%. Funds must have assets under management of USD \$500 million or greater in order to be considered for inclusion in an HFR Risk Parity Institutional Index.
- ¹³ Bloomberg Barclays U.S. TIPS Index—Consists of inflation-protected securities issued by the U.S. Treasury.
- 14 Bloomberg Barclays U.S. Treasury Index—Is designed to measure U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded, but are part of a separate Short Treasury bond index. Separate Trading of Registered Interest and Principal of Securities (STRIPS) are excluded from the index. The U.S. Treasury index is a component of the U.S. Aggregate, U.S. Universal, Global Aggregate and Global Treasury indices.

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The Health Care portfolio reported an investment return of 10.96% in 2020. The overall returns are compared to a composite benchmark return that could be achieved by a portfolio that is passively invested in the broad market, with percentage weights allocated to each asset class as specified in the *OPERS* Statement of Investment Objectives and Policies. The return of the policy benchmark for 2020 was 10.13%.

Prior to 2017, health care assets were included in two trusts established under Internal Revenue Code Sections 115 and 401(h). Accordingly, historical information reported in this section reflects both the 401(h) Health Care Trust portfolio and the more recent 115 Health Care Trust portfolio. The 401(h) Health Care Trust portfolio was transferred to the 115 Health Care Trust portfolio on July 1, 2016 resulting in one health care portfolio. Historical information in this section reflects the different health care portfolios in place for the time periods reported.



¹ Annual Rates of Return—The Health Care portfolio return is based on a time-weighted calculation and market value-weighted calculation. The policy benchmark is derived by a market value-weighted calculation of the Health Care portfolio investment policy benchmarks. All returns are net of external manager fees, overdraft charges, debit interest, registration expenses, stamp duties, and taxes spent on foreign securities.

²The Health Care portfolio (previously known as the 401(h) Health Care Trust portfolio) was segregated from the Defined Benefit portfolio in 2005; thus, the 30-year rolling return information does not exist.

³ The 115 Health Care Trust portfolio was established in September 2014, and the 401(h) Health Care Trust portfolio was closed on June 30, 2016 with the assets transferring to the 115 Health Care Trust portfolio on July 1, 2016. Beginning 2017, one health care trust exists, referred to as the Health Care portfolio. The Rolling 5-Year returns and the Rolling 10-Year returns are the combined returns of the former 401(h) Health Care Trust portfolio and the current 115 Health Care Trust portfolio for all years prior to 2017.

Investment returns for the Health Care portfolio underlying asset class composites and the respective benchmarks are shown below:

Schedule of Investment Results (fo	2020	Rolling 3-Year	Rolling 5-Year ¹
Total Health Care Portfolio	10.96%	7.74%	9.16%
Total Health Care Portfolio Benchmark²	10.13	7.27	8.74
U.S. Equity Composite	19.64	14.06	15.04
U.S. Equity Composite Benchmark	20.89	14.49	15.43
Non-U.S. Equity Composite	14.50	6.37	10.73
Non-U.S. Equity Composite Benchmark	11.90	4.93	9.52
Core Fixed Composite	9.09	5.83	4.77
Core Fixed Composite Benchmark	7.51	5.34	4.44
TIPS Composite	10.89	5.88	5.04
TIPS Composite Benchmark	10.99	5.92	5.08
High Yield Composite	7.23	6.29	7.94
High Yield Composite Benchmark	7.11	6.24	8.59
Emerging Markets Debt Composite	5.06	3.78	6.92
Emerging Markets Debt Composite Benchmark	4.32	4.03	6.85
Securitized Debt Composite	7.40	7.38	5.72
Securitized Debt Composite Benchmark	1.18	4.81	5.21
REITs Composite	(11.40)	1.55	3.01
REITs Composite Benchmark	(11.20)	1.54	2.99
Hedge Funds Composite³	N/A	N/A	N/A
Hedge Funds Composite Benchmark³	N/A	N/A	N/A
Commodities Composite	(21.96)	(7.46)	(1.15)
Commodities Composite Benchmark	(23.72)	(8.21)	(1.85)
Cash Composite ⁴	0.83	1.83	1.49
Cash Composite Benchmark⁴	0.67	1.60	1.20
Risk Parity Composite	5.96	7.54	11.23
Risk Parity Composite Benchmark	5.25	7.14	7.97
U.S. Treasury Composite	8.08	5.21	3.77
U.S. Treasury Composite Benchmark	8.00	5.19	3.77

Footnotes found on next page.

Investment Section

- 1 The 115 Health Care Trust portfolio was established in September 2014, and the 401(h) Health Care Trust portfolio was closed on June 30, 2016 with the assets transferring to the 115 Health Care Trust portfolio on July 1, 2016. Beginning 2017, one health care trust remained, referred to as the Health Care portfolio. In the graph (page 118), the Rolling 5-Year returns shows the combined returns of the former 401(h) Health Care Trust portfolio and the current 115 Health Care Trust portfolio for all years prior to 2017.
- ² Health Care Portfolio Benchmark—The returns for this benchmark are derived from the asset class composite benchmark returns summarized in the table on the previous page, the historical asset class target allocations listed in the table below, and the asset class composite benchmark indices listed in the table on page 120.
- ³ Hedge fund allocations eliminated in 2020.
- ⁴ Cash Composites have a zero allocation but can hold residual cash balances of the Health Care portfolio. This can result in residual performance that does not affect the overall Health Care portfolio.

A Historical Asset Cla		Health Car	e Portfolio			
Asset Class	2020	2019	2018	2017 ^a	20	16 ^b
	115	115	115	115	401(h)	115
U.S. Equity	25.0%	22.0%	22.9%	24.1%	24.7%	24.5%
Commodities	4.0	2.0	2.0	2.0	2.0	2.0
Opportunistic	3.0	2.0	0.1	0.1	0.1	0.1
Core Fixed	17.0	18.0	17.9	15.9	16.6	16.8
Floating Rate Debt	N/A	N/A	0.1	0.1	0.4	0.2
Global High Yield	N/A	N/A	N/A	N/A	1.5	1.5
Securitized Debt	2.0	1.0	1.0	1.0	1.0	1.0
TIPS	7.0	6.0	6.0	6.0	5.0	5.0
High Yield	4.0	2.0	2.0	3.0	2.5	2.5
Non-U.S. Equity	25.0	22.0	22.0	20.8	20.2	20.4
Emerging Markets Debt	2.0	6.0	6.0	7.0	6.0	6.0
REITs	7.0	6.0	6.0	6.0	6.0	6.0
Hedge Funds	N/A	5.0	6.0	6.0	6.0	6.0
Risk Parity	2.0	5.0	5.0	5.0	5.0	5.0
GTAA	N/A	N/A	2.0	2.0	2.0	2.0
U.S. Treasury	2.0	3.0	1.0	1.0	1.0	1.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

^a Beginning 2017, one health care trust remained, the 115 Health Care Trust.

b With the transfer of the 401(h) Health Care Trust (401(h)) assets to the 115 Health Care Trust on July 1, 2016, the Board approved changing the target allocation for the 115 Health Care Trust to be the same as the target allocation for the 401(h) prior to June 30, 2016.

To arrive at customized benchmark performance, the asset allocation targets are multiplied by the performance of the corresponding asset class reference indices. The asset class reference indices are specified by the Investment Policy, and are displayed below:

	cal Asset Class C	omposite Delicii		Health	Care Portfolio ¹⁴	
Asset Class Composite			As of December 31			
Benchmarks	2020	2019	2018	2017	2016	
U.S. Equity	Russell 3000 Stock Index ¹	Russell 3000 Stock Index	Russell 3000 Stock Index	Russell 3000 Stock Index	Russell 3000 Stock Index	
Commodities	S&P Goldman Sachs Commodity Total Return Index ²	S&P Goldman Sachs Commodity Total Return Index	S&P Goldman Sachs Commodity Total Return Index	S&P Goldman Sachs Commodity Total Return Index	S&P Goldman Sachs Commodity Total Return Index	
Opportunistic	Custom Opportunistic Benchmark ³	Custom Opportunistic Benchmark	Custom Opportunistic Benchmark	Custom Opportunistic Benchmark	Custom Opportunistic Benchmark	
Core Fixed	Bloomberg Barclays U.S. Aggregate Bond Index ⁴	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Aggregate Bond Index	Bloomberg Barclays U.S. Aggregate Bond Index	
Floating Rate Debt	N/A	N/A	Credit Suisse Leveraged Loan Index	Credit Suisse Leveraged Loan Index	Credit Suisse Leveraged Loan Index	
Global High Yield	N/A	N/A	N/A	N/A	Bloomberg Barclays Global High Yield Index	
Securitized Debt	Custom Securitized Debt Benchmark⁵	Custom Securitized Debt Benchmark	Custom Securitized Debt Benchmark	Non-Agency CMBS Component of Bloomberg Barclays U.S. Aggregate Bond Index + 2%	Bloomberg Barclays CMBS Index + 2%	
TIPS	Bloomberg Barclays U.S. TIPS Index ⁶	Bloomberg Barclays U.S. TIPS Index	Bloomberg Barclays U.S. TIPS Index	Bloomberg Barclays U.S. TIPS Index	Bloomberg Barclays U.S. TIPS Index	
High Yield	Bloomberg Barclays U.S. Corporate High Yield Bond Index ⁷	Bloomberg Barclays U.S. Corporate High Yield Bond Index	Bloomberg Barclays U.S. Corporate High Yield Bond Index	Bloomberg Barclays U.S. Corporate High Yield Bond Index	Bloomberg Barclays U.S. Corporate High Yield Bond Index	
Non-U.S. Equity	Custom Non-U.S. Equity Benchmark (net) ⁸	Custom Non-U.S. Equity Benchmark (net)	Custom Non-U.S. Equity Benchmark (net)	Custom Non-U.S. Equity Benchmark (net)	Custom Non-U.S. Equity Benchmark (net	
Emerging Markets Debt	Custom Emerging Markets Debt Benchmark ⁹	Custom Emerging Markets Debt Benchmark	Custom Emerging Markets Debt Benchmark	Custom Emerging Markets Debt Benchmark	Custom Emerging Markets Debt Benchmark	
REITs	DJ U.S. Select RESI Total Return Index ¹⁰	DJ U.S. Select RESI Total Return Index	DJ U.S. Select RESI Total Return Index	DJ U.S. Select RESI Total Return Index	DJ U.S. Select RESI Total Return Index	
Cash Equivalents	BofAML U.S. 3-Month Treasury Bill Index ¹¹	BofAML U.S. 3-Month Treasury Bill Index	BofAML U.S. 3-Month Treasury Bill Index	BofAML U.S. 3-Month Treasury Bill Index	BofAML U.S. 3-Month Treasury Bill Index	
Hedge Funds	N/A	Custom Hedge Funds Benchmark	Custom Hedge Funds Benchmark	Custom Hedge Funds Benchmark	Custom Hedge Funds Benchmark	
Risk Parity	HFR Risk Parity Vol 15 Institutional Index ¹²	HFR Risk Parity Vol 15 Institutional Index	HFR Risk Parity Vol 15 Institutional Index	Custom Risk Parity Benchmark	Custom Risk Parity Benchmark	
GTAA	N/A	Custom GTAA Benchmark	Custom GTAA Benchmark	Custom GTAA Benchmark	Custom GTAA Benchmark	
U.S. Treasury	Bloomberg Barclays U.S. Treasury Index ¹³	Bloomberg Barclays U.S. Treasury Index	Bloomberg Barclays U.S. Treasury Index	Bloomberg Barclays U.S. Treasury Index	Bloomberg Barclays U.S. Treasury Index	

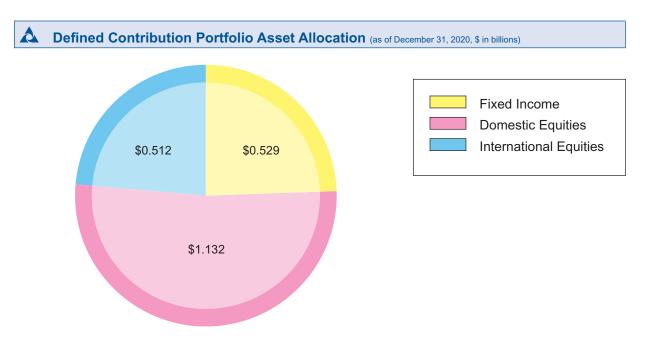
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Footnotes for Schedule of Investment Results—Health Care Portfolio

The footnotes below provide definitions for the asset class composite benchmark indices as of December 31, 2020:

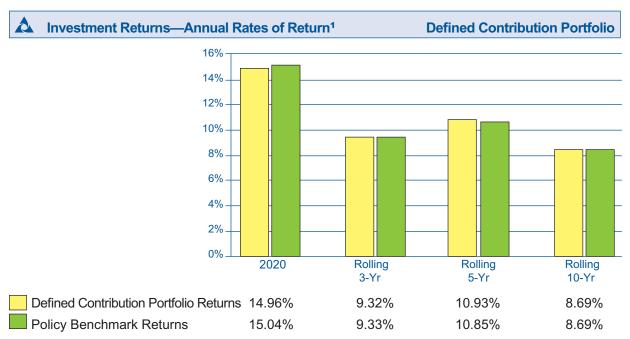
- 1 Russell 3000 Stock Index—A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.
- 2 Standard & Poor's Goldman Sachs Commodity (S&P GSCI) Total Return Index—Tracks general price movements and inflation in the world economy. The index is calculated primarily on a world-production weighted basis and is comprised of the principal physical commodities that are the subject of active, liquid futures markets.
- ³ Custom Opportunistic Benchmark—Market value weight of the underlying portfolio benchmarks.
- 4 Bloomberg Barclays U.S. Aggregate Bond Index—A market value-weighted index consisting of Bloomberg Barclays corporate, government and mortgage-backed indices. This index is the broadest available measure of the aggregate U.S. fixed income market.
- 5 Custom Securitized Debt Benchmark—As of December 31, 2020, blend was 50% Bloomberg Barclays non-agency investment grade CMBS: BBB total return index unhedged USD, 50% Bloomberg Barclays non-agency CMBS agg eligible total return index value unhedged USD.
- ⁶ Bloomberg Barclays U.S. TIPS Index—Consists of Inflation-Protection securities issued by the U.S. Treasury.
- Bloomberg Barclays U.S. Corporate High Yield Bond Index—Covers the universe of fixed rate, non-investment grade debt.
- ⁸ Custom Non-U.S. Equity Benchmark (net)—As of December 31, 2020, blend was 55% MSCI World Index x U.S. Standard (net), 31% MSCI Emerging Markets Standard Index (net), 10% MSCI World Index x U.S. Small Cap (net), and 4% MSCI Emerging Markets Small Cap Index (net).
- Oustom Emerging Markets Debt Benchmark—As of December 31, 2020, blend was 50% J.P. Morgan EMBI Global Bond Index, and 50% J.P. Morgan GBI-Emerging Markets Global Diversified USD Index.
- ¹⁰ **DJ U.S. Select RESI Total Return Index**—The Dow Jones U.S. Select RESI Total Return Index represents equity REITs and REOCs traded in the U.S.
- ¹¹ Bank of America Merrill Lynch (BofAML) U.S. 3-Month Treasury Bill Index—The three-month Treasury Bill return as measured by Bank of America Merrill Lynch.
- 12 HFR Risk Parity Vol 15 Institutional Index—Includes funds with a volatility target of 15% or greater and are classified as Volatility Target: 15%. Funds must have assets under management of USD \$500 million or greater in order to be considered for inclusion in an HFR Risk Parity Institutional Index.
- ¹³ Bloomberg Barclays U.S. Treasury Index—Is designed to measure U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded, but are part of a separate Short Treasury Bond index. Separate Trading of Registered Interest and Principal of Securities (STRIPS) are excluded from the index. The U.S. Treasury Index is a component of the U.S. Aggregate, U.S. Universal, Global Aggregate and Global Treasury indices.
- 14 The 115 Health Care Trust portfolio was established in September 2014, and the 401(h) Health Care Trust portfolio was closed on June 30, 2016 with the assets transferring to the 115 Health Care Trust on July 1, 2016. This table represents benchmark indices for both portfolios for the years disclosed. Beginning 2017, with one health care trust, this section was renamed to Health Care portfolio.

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Investment Returns

The Defined Contribution portfolio reported an investment return of 14.96% in 2020. The portfolio composite is derived from the individual investment option returns and their actual year-end market values. Members may not invest in this portfolio composite, but choose to invest in the individual investment options provided. The returns for the investment options, and their respective indices, are shown on the following page.



¹ Annual Rates of Return—The Defined Contribution portfolio return is the result of the returns generated by defined contribution investments based on a combination of time-weighted and market value-weighted calculations. The defined contribution plans began in 2003; thus, 30-year return information does not exist.

Investment returns for the Defined Contribution portfolio underlying asset class composites and the respective benchmarks are shown below:

Schedule of Investment Results	Defined Cor	Defined Contribution Portfolio			
	2020	Rolling 3-Year	Rolling 5-Year		
Target Payout Fund	8.12%	5.64%	6.09%		
Target Payout Fund Index¹	10.06	6.31	6.38		
Target 2025 Fund	11.59	7.15	8.76		
Target 2025 Fund Index ²	12.40	7.49	8.84		
Target 2030 Fund	14.94	8.39	10.42		
Target 2030 Fund Index ³	13.66	8.08	10.05		
Target 2035 Fund	14.14	8.26	10.61		
Target 2035 Fund Index⁴	14.65	8.48	10.67		
Target 2040 Fund	15.61	8.74	11.06		
Target 2040 Fund Index⁵	14.91	8.57	10.83		
Target 2045 Fund	14.72	8.57	11.13		
Target 2045 Fund Index ⁶	15.03	8.71	11.07		
Target 2050 Fund	15.05	8.68	11.29		
Target 2050 Fund Index ⁷	15.22	8.74	11.24		
Target 2055 Fund	15.45	8.83	11.41		
Target 2055 Fund Index ⁸	15.31	8.78	11.27		
Target 2060 Fund	15.46	8.83	11.44		
Target 2060 Fund Index ⁹	15.31	8.78	11.27		
Target 2065 Fund	N/A	N/A	N/A		
Target 2065 Fund Index ¹⁰	N/A	N/A	N/A		
Stable Value Index Portfolio	2.13	2.35	2.17		
Stable Value Index Benchmark ¹¹	3.87	2.31	2.09		
Bond Index Portfolio	7.54	5.34	4.43		
Bloomberg Barclays U.S. Aggregate Bond Index Benchmark ¹²	7.51	5.34	4.44		
U.S. Stock Index Portfolio	20.82	14.47	15.41		
Russell 3000 Stock Index Benchmark ¹³	20.89	14.49	15.43		
Large Cap Index Portfolio	21.20	14.86	15.59		
Russell 1000 Stock Index Benchmark ¹⁴	20.96	14.82	15.60		
Small Cap Index Portfolio	19.92	10.23	13.22		
Russell 2000 Stock Index Benchmark ¹⁵	19.96	10.25	13.26		
Non-U.S. Stock Index Portfolio	11.06	5.20	9.35		
MSCI ACWI Net Dividend Return x U.S. Index Benchmark ¹⁶	10.65	4.88	8.92		

Footnotes found on next page.

Footnotes for Schedule of Investment Results—Defined Contribution Portfolio

The footnotes below provide definitions for the asset class composite benchmark indices as of December 31, 2020:

- 1 Target Payout Fund Index—Blend was 25% Bloomberg Barclays Government 1-3 Year Index, 32% Bloomberg Barclays U.S. Aggregate Bond Index, 10% Russell 1000 Index, 5% Russell 2000 Index, 15% MSCI ACWI Net Dividend Return x U.S. Index, 13% Bloomberg Barclays U.S. TIPS Index.
- ² Target 2025 Fund Index—Blend was 5% Bloomberg Barclays Government 1-3 Year Index, 39% Bloomberg Barclays U.S. Aggregate Bond Index, 13% Russell 1000 Index, 10% Russell 2000 Index, 23% MSCI ACWI Net Dividend Return x U.S. Index, 10% Bloomberg Barclays U.S. TIPS Index.
- Target 2030 Fund Index—Blend was 35% Bloomberg Barclays U.S. Aggregate Bond Index, 17% Russell 1000 Index, 14% Russell 2000 Index, 32% MSCI ACWI Net Dividend Return x U.S. Index, 2% Bloomberg Barclays U.S. TIPS Index.
- Target 2035 Fund Index—Blend was 17% Bloomberg Barclays U.S. Aggregate Bond Index, 21% Russell 1000 Index, 18% Russell 2000 Index, 39% MSCI ACWI Net Dividend Return x U.S. Index, 5% Bloomberg Barclays U.S. Government/Credit Index.
- 5 Target 2040 Fund Index—Blend was 10% Bloomberg Barclays U.S. Aggregate Bond Index, 22% Russell 1000 Index, 19% Russell 2000 Index, 41% MSCI ACWI Net Dividend Return x U.S. Index, 8% Bloomberg Barclays U.S. Government/Credit Index.
- Target 2045 Fund Index—Blend was 8% Bloomberg Barclays U.S. Aggregate Bond Index, 23% Russell 1000 Index, 19% Russell 2000 Index, 42% MSCI ACWI Net Dividend Return x U.S. Index, 8% Bloomberg Barclays U.S. Government/Credit Index.
- ⁷ Target 2050 Fund Index—Blend was 7% Bloomberg Barclays U.S. Aggregate Bond Index, 24% Russell 1000 Index, 20% Russell 2000 Index, 43% MSCI ACWI Net Dividend Return x U.S. Index, 6% Bloomberg Barclays U.S. Government/Credit Index.
- Target 2055 Fund Index—Blend was 5% Bloomberg Barclays U.S. Aggregate Bond Index, 25% Russell 1000 Index, 20% Russell 2000 Index, 45% MSCI ACWI Net Dividend Return x U.S. Index, 5% Bloomberg Barclays U.S. Government/Credit Index.
- Target 2060 Fund Index—Blend was 5% Bloomberg Barclays U.S. Aggregate Bond Index, 25% Russell 1000 Index, 20% Russell 2000 Index, 45% MSCI ACWI Net Dividend Return x U.S. Index, 5% Bloomberg Barclays U.S. Government/Credit Index.
- Target 2065 Fund Index—Blend was 5% Bloomberg Barclays U.S. Aggregated Bond Index, 25% Russell 1000 Index, 20% Russell 2000 Index, 45% MSCI ACWI Net Dividend Return x U.S. Index, 5% Bloomberg Barclays U.S. Government/Credit Index. Inception date of the fund was December 2020.
- 11 Stable Value Index Benchmark—Blend was 15% Bloomberg Barclays U.S. Aggregate Bond Index, 45% Bloomberg Barclays 1-5 Year Government/Corporate Bond Index, 35% Bloomberg Barclays Intermediate Government/Corporate Bond Index, 5% Bank of America Merrill Lynch 3-Month U.S. Treasury Bill Index.
- ¹² Bloomberg Barclays U.S. Aggregate Bond Index Benchmark—A market value-weighted index consisting of Bloomberg Barclays corporate, government and mortgage-backed indices. This index is the broadest available measure of the aggregate U.S. fixed income market.
- ¹³ Russell 3000 Stock Index Benchmark—A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.
- 14 Russell 1000 Stock Index Benchmark—A capitalization-weighted stock index consisting of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.
- ¹⁵ Russell 2000 Stock Index Benchmark—A capitalization-weighted stock index consisting of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.
- ¹⁶ MSCI All Country World Net Dividend Return x U.S. Index (MSCI ACWI Net Dividend Return x U.S. Index) Benchmark—A capitalization-weighted index of stocks representing 45 developed and emerging country markets, excluding the U.S. market.

The largest direct investments in the state of Ohio, measured at the fair value of OPERS' investment in the securities of firms headquartered in Ohio, totaled approximately \$0.4 billion at the end of the year.

The largest indirect investments, measured at the fair value of OPERS' investment in the securities of companies with the largest employment presence in the state, totaled approximately \$1.6 billion. Employment presence is measured by the number of employees at a business located in Ohio, as defined by the Office of Strategic Research, Ohio Department of Development. Firms with the largest employment presence in Ohio in which OPERS held investments at the end of 2020 employed more than 212,000 people.

▲ Top Ohio Holdings	3 (as of December 31,	2020)							
Direct			Indirect						
Largest Firms Headquartered In Ohio	Fair Value	Firms with Largest Employment Presence	Ohio Employment Estimated Headcount	Fair Value					
Procter & Gamble Co.	\$207,097,785	Wal-Mart Stores Inc.	49,330	\$127,132,804					
Welltower Inc.	40,645,528	Kroger Co.	45,340	14,738,164					
Progressive Corp.	38,683,932	Amazon.com Inc.	22,500	852,921,571					
Sherwin-Williams Co.	36,146,548	JPMorgan Chase & Co.	21,000	317,571,669					
American Electric Power Co. Inc.	24,327,830	Honda Motor Co. Ltd.	14,000	27,670,453					
Parker-Hannifin Corp.	17,566,359	Progressive Corp.	13,400	38,683,932					
TransDigm Group Inc.	16,067,821	Home Depot Inc.	12,500	173,920,539					
Cintas Corp.	15,784,817	Lowe's Companies Inc.	12,000	72,732,699					
Kroger Co.	14,738,164	L Brands Inc.	11,800	4,191,462					
Mettler-Toledo International Inc.	14,027,181	Huntington Bancshares Inc.	10,500	6,442,752					
Total	\$425,085,965	Total	212,370	\$1,636,006,045					

Investment Objectives and Policies

The investment and fiduciary responsibilities of the Board are governed by ORC 145.11, the requirements of the *OPERS Code of Ethics and Personal Trading Policy* and applicable state statutes. The Board discharges its duties solely in the interest of participants and beneficiaries, for the exclusive purpose of providing benefits and defraying reasonable administrative expenses. Prudent Person standards apply.

The Board reviews all policies and approves changes or additions as appropriate. The Investment staff fulfills the mandates and obligations described in the policies and recommends changes to the Board, as appropriate. The following policies reflect those in place for the 2020 fiscal year.

The OPERS Board manages the assets in a fashion that reflects OPERS' unique liabilities, funding resources and portfolio size, by incorporating accepted investment theory and reliable, empirical evidence. The Board ensures adequate risk control of the portfolios through diversification, adhering to portfolio guidelines, providing risk budgeting, adhering to compliance and ongoing monitoring.

Investment Objectives and Policies

Investment Section

The purpose of the OPERS policies is to provide a broad strategic framework for managing portfolios. Approved Board asset class policies are summarized beginning on page 133 and are posted on the OPERS website, OPERS.org, where they can be viewed in their entirety.

Note: Policies adapted to meet plain-language standards of the OPERS Comprehensive Annual Financial Report and provide an overview. Complete policy information, with exact verbiage approved by the Board, is available on OPERS.org.

Rebalancing

Markets are dynamic and portfolios must be reviewed regularly to ensure holdings remain within their strategic asset allocations. To ensure conformance with the asset allocation policies, the portfolios are reviewed daily for compliance within the target asset allocation percentages, specified by portfolio, reasonable costs, and best interest of OPERS.

The Board establishes and reviews asset allocation targets, ranges and investment policies against capital market expectations, the investment landscape, and an annual actuarial assessment by the actuarial consultant. A comprehensive strategic asset allocation review is completed approximately every three-to-five years or if market conditions change substantially. This review helps assess the continuing appropriateness of the asset allocation policy. Additionally, the review may also include a study of portfolio design and comparisons with peers.

Strategic asset allocation reviews for the Defined Benefit and Health Care portfolios were completed in 2019 and 2020, respectively. Also in 2020, the Board approved the elimination of the allocation to the Hedge Fund asset class in both portfolios. To reduce the Hedge Funds allocation, transitional allocation targets were approved for both portfolios. The target allocations reported in this section reflect the allocation at December 31, 2020.

The strategic asset allocation review for the Health Care portfolio was finalized and changes to the asset allocation approved by the Board in October 2020, after the elimination of the allocation to hedge funds. This review resulted in several changes, after the elimination of hedge funds, to the Health Care portfolio also reflected in this section.

Defined Benefit Investment Policies

Investment Objective

The primary objective of the Defined Benefit portfolio is to secure statutory benefits provided by OPERS and to keep OPERS costs reasonable for employees and employers.

Asset Allocation and Performance Objectives

The Board's asset allocation policy establishes a framework designed to achieve the OPERS long-term investment objectives. The Defined Benefit portfolio performance objectives are to exceed the OPERS performance benchmark, net of investment expenses over five-year periods, and exceed the actuarial interest rate, currently 7.2%, over the long term.

The Board sets target allocations to various asset classes designed to meet the OPERS long-term investment objectives. Allocations for the Public Equity and Fixed Income asset classes are 43% and 27%, respectively, with the remaining 25% and 5% allocated to Alternatives (Private Equity, Real Estate, Commodities, Hedge Funds, and Opportunistic) and Risk Parity, respectively. The Board also establishes a band of minimum and maximum allowable allocations, or ranges, surrounding each asset class target. The purpose of ranges is to appropriately and cost-effectively balance the Board's investment policy with the investment strategies pursued over shorter time-periods. The following table lists the Defined Benefit portfolio target allocations, ranges and performance benchmarks for each asset class:

▲ Defined Ber	nefit Asset Alloc	ation	
Asset Class	Target Allocation	Range	Benchmark Index
Public Equity	43.0%	34.4 to 51.6%	
U.S. Equity	Custom Allocation ¹	+/- 5%	Russell 3000 Stock Index
Non-U.S. Equity	Custom Allocation ¹	+/- 5%	Custom benchmark of the following indices: 55% MSCI World Index x U.S. Standard (net) 10% MSCI World Index x U.S. Small Cap (net) 31% MSCI Emerging Markets Standard Index (net) 4% MSCI Emerging Markets Small Cap Index (net)
Fixed Income	27.0%	19 to 35%	
Core Fixed	11.0	8 to 14	Bloomberg Barclays U.S. Aggregate Bond Index
Emerging Markets Debt	6.0	4 to 8	Custom benchmark of the following indices: 50% J.P. Morgan Emerging Markets Bond Index (EMBI) Global 50% J.P. Morgan Government Bond Index (GBI)—Emerging Markets Global Diversified USD Index
Floating Rate Debt	0.0	0 to 2	Credit Suisse Leveraged Loan Index
Securitized Debt	1.0	0 to 2	Custom benchmark of the following indices: 50% Bloomberg Barclays Non-Agency Investment Grade CMBS: BBB Total Return Index Unhedged USD 50% Bloomberg Barclays Non-Agency CMBS Agg Eligible Total Return Index Value Unhedged USD
TIPS	2.0	0 to 5	Bloomberg Barclays U.S. TIPS Index
High Yield	2.0	1 to 5	Bloomberg Barclays U.S. Corporate High Yield Bond Index
U.S. Treasury	5.0	0 to 7	Bloomberg Barclays U.S. Treasury Index
Alternatives	25.0%	17 to 33%	
Private Equity	12.0	7 to 17	State Street Private Equity Index (SSPEI)
Real Estate	10.0	5 to 15	Net NFI-ODCE Index plus 85 basis points
Hedge Funds	0.0	0 to 2	Custom benchmark using the HFRI single-strategy indices weighted by the target allocations listed in the <i>Annual Investment Plan</i>
Opportunistic	2.0	0 to 4	Market value weight of underlying portfolio benchmarks
Commodities	1.0	0 to 2	S&P GSCI Total Return Index
Risk Parity	5.0%	2 to 8%	HFR Risk Parity Vol 15 Institutional Index
Operating Cash	0.0%	0 to 5%	N/A
Total	100.0%		

 $[{]f 1}$ The custom allocation is set to the fixed U.S. Equity and Non-U.S. Equity target weights.

Health Care Investment Policies

Investment Objective

The primary objective of the Health Care portfolio is to provide funding for discretionary health care for eligible members. The assets of the Health Care portfolio are invested with the objectives of: a) preservation of capital, and b) earning a reasonable return.

Asset Allocation and Performance Objectives

The approved asset allocation policy establishes a framework designed to achieve the long-term investment objective. The Health Care portfolio performance objective is to exceed the performance benchmark net of investment expenses. The table below sets forth targets, ranges and performance benchmarks for each asset class:

A Usalth Care	Accet Allegation		
Asset Class	Asset Allocation	Danas	Benchmark Index
	Target Allocation	Range	Benchmark Index
Public Equity	50.0%	40 to 60%	
U.S. Equity	Custom Allocation ¹	+/- 5%	Russell 3000 Stock Index
Non-U.S. Equity	Custom Allocation ¹	+/- 5%	Custom benchmark of the following indices: 55% MSCI World Index x U.S. Standard (net) 10% MSCI World Index x U.S. Small Cap (net) 31% MSCI Emerging Markets Standard Index (net) 4% MSCI Emerging Markets Small Cap Index (net)
Fixed Income	34.0%	24 to 44%	
Core Fixed	17.0	12 to 22	Bloomberg Barclays U.S. Aggregate Bond Index
Emerging Markets Debt	2.0	0 to 4	Custom benchmark of the following indices: 50% J.P. Morgan Emerging Markets Bond Index (EMBI) Global 50% J.P. Morgan Government Bond Index (GBI)—Emerging Markets Global Diversified USD Index
Floating Rate Debt	0.0	0 to 2	Credit Suisse Leveraged Loan Index
Securitized Debt	2.0	0 to 4	Custom benchmark of the following indices: 50% Bloomberg Barclays Non-Agency Investment Grade CMBS: BBB Total Return Index Unhedged USD 50% Bloomberg Barclays Non-Agency CMBS Agg Eligible Total Return Index Value Unhedged USD
TIPS	7.0	3 to 9	Bloomberg Barclays U.S. TIPS Index
High Yield	4.0	2 to 6	Bloomberg Barclays U.S. Corporate High Yield Bond Index
U.S. Treasury	2.0	0 to 4	Bloomberg Barclays U.S. Treasury Index
Alternatives	14.0%	10 to 18%	
REITs	7.0	4 to 10	Dow Jones U.S. Select RESI Total Return Index
Hedge Funds	0.0	0 to 2	Custom benchmark using the HFRI single-strategy indices weighted by the target allocations listed in the <i>Annual Investment Plan</i>
Opportunistic	3.0	0 to 5	Market value weight of underlying portfolio benchmarks
Commodities	4.0	2 to 8	S&P GSCI Total Return Index
Risk Parity	2.0%	0 to 4%	HFR Risk Parity Vol 15 Institutional Index
Operating Cash	0.0%	0 to 5%	N/A
Total	100.0%		

¹ The custom allocation is set to the fixed U.S. Equity and Non-U.S. Equity target weights.

Defined Contribution Investment Policies

Investment Objective

The Defined Contribution portfolio investment options are intended to be primary retirement savings vehicles for members. The long-term objectives of the Defined Contribution portfolio are to support defined contribution plan members in having independent control over their OPERS retirement assets, while providing a suitable framework to invest their assets over the long-term.

Asset Allocation

The asset allocation and diversification objective is based on three components: target date funds, OPERS funds and the self-directed brokerage account that offers members in the defined contribution plans (the Member-Directed Plan and the Combined Plan) diversified investment options. The default investment option for defined contribution plan members who fail to make a selection is the target date fund that most closely corresponds to the member's current age, assuming a payout at age 65.

Target Date Funds

Target Date Funds is a passive program that links a defined contribution member's investment portfolio to a particular time horizon, typically an expected retirement date. A target date fund with a corresponding target date in the distant future will have an allocation tilted more toward equities and other higher risk/higher reward asset classes to enhance the opportunity to accumulate capital. As target date funds move toward their target payout dates, allocations to such assets are reduced to better preserve accumulated capital, while simultaneously increasing allocation to fixed income and cash. These transitions, called glide paths, are accomplished by assigning each target date fund an asset class investment allocation and an asset class range surrounding such targets. The asset class ranges for each OPERS target date fund, for the period December 1, 2020 through March 31, 2022, are on the next page.

Investment Objectives and Policies

Defined Contribution Asset Allocation												
		OPERS Target Date Funds										
	Pay	out .	20	25	2030		2035		20	40		
OPERS Investment Fund	Target	Range	Target	Range	Target	Range	Target	Range	Target	Range		
Large Cap Index Fund	10.0%	+/-2.0%	13.0%	+/-2.0%	17.0%	+/-3.0%	21.0%	+/-3.0%	22.0%	+/-3.0%		
Small Cap Index Fund	5.0	+/-2.0	10.0	+/-2.0	14.0	+/-2.0	18.0	+/-3.0	19.0	+/-3.0		
Non-U.S. Stock Index Fund	15.0	+/-3.0	23.0	+/-3.0	32.0	+/-4.0	39.0	+/-5.0	41.0	+/-5.0		
Bond Index Fund	32.0	+/-4.0	39.0	+/-5.0	35.0	+/-5.0	17.0	+/-3.0	10.0	+/-2.0		
Short-Term Bond Fund	25.0	+/-4.0	5.0	+/-2.0	0.0	+/-0.0	0.0	+/-0.0	0.0	+/-0.0		
Long-Duration Bond Fund	0.0	+/-0.0	0.0	+/-0.0	0.0	+/-0.0	5.0	+/-2.0	8.0	+/-2.0		
TIPS Fund	13.0	+/-2.0	10.0	+/-2.0	2.0	+/-1.0	0.0	+/-0.0	0.0	+/-0.0		

Defined Contribution Asset Allocation (continued)												
		OPERS Target Date Funds										
	20	45	20	50	2055		2060		20	65		
OPERS Investment Fund	Target	Range	Target	Range	Target	Range	Target	Range	Target	Range		
Large Cap Index Fund	23.0%	+/-3.0%	24.0%	+/-3.0%	25.0%	+/-4.0%	25.0%	+/-4.0%	25.0%	+/-4.0%		
Small Cap Index Fund	19.0	+/-3.0	20.0	+/-3.0	20.0	+/-3.0	20.0	+/-3.0	20.0	+/-3.0		
Non-U.S. Stock Index Fund	42.0	+/-5.0	43.0	+/-5.0	45.0	+/-5.0	45.0	+/-5.0	45.0	+/-5.0		
Bond Index Fund	8.0	+/-2.0	7.0	+/-2.0	5.0	+/-2.0	5.0	+/-2.0	5.0	+/-2.0		
Short-Term Bond Fund	0.0	+/-0.0	0.0	+/-0.0	0.0	+/-0.0	0.0	+/-0.0	0.0	+/-0.0		
Long-Duration Bond Fund	8.0	+/-2.0	6.0	+/-2.0	5.0	+/-2.0	5.0	+/-2.0	5.0	+/-2.0		
TIPS Fund	0.0	+/-0.0	0.0	+/-0.0	0.0	+/-0.0	0.0	+/-0.0	0.0	+/-0.0		

OPERS Funds

OPERS offers members in the defined contribution plans low cost, primarily passive, asset class specific investment funds. Those funds, and their respective indices, are as follows:

OPERS Fund	Market Index
Stable Value	Custom Index ¹
Bond Index	Bloomberg Barclays U.S. Aggregate
Stock Index	Russell 3000
Large Cap	Russell 1000
Small Cap	Russell 2000
Non-U.S. Stock Index	MSCI ACWI Net Dividend Return x U.S.

¹ The Stable Value Fund (SVF) is managed actively. Its primary objective is to preserve the value of principal. Its secondary objective is to exceed the long-term return of a custom index comprised of 45% of the Bloomberg Barclays 1-5 Year Government/Corporate Bond Index, 35% of the Bloomberg Barclays Intermediate Government/Corporate Bond Index, 15% of the Bloomberg Barclays Aggregate Bond Index and 5% of the Bank of America Merrill Lynch 3-Month U.S. Treasury Bill Index. A typical stable value fund return fluctuates less than 1% a year; therefore, neither the short-term returns nor volatility of the SVF is consistent with market value instruments such as those in the custom index.

Self-Directed Brokerage Account

The self-directed brokerage account option provides defined contribution members more flexibility in choosing their own retirement savings investments by allowing them to invest in a variety of active and passive mutual funds. The program parameters are the following:

- > Only designated mutual funds can be purchased through the window.
- Maximum of 50% of a member's portfolio is allowed to be invested through the brokerage window. (The plan will not rebalance the brokerage investments should they grow to exceed 50% of participant's assets.)
- Account minimum of \$5,000 is required before a participant can use the window.
- The annual cost of the window is borne by the participant using the window.

Rebalancing

The ranges specified for the target date funds are a function of the expected volatility of each asset class and the proportion of the total fund allocated to the asset class. The staff ensures target date funds conform to the asset allocation policy through quarterly review and rebalancing.

Performance Objectives and Risk Management

The performance objective for the target date funds is to meet the return of the respective performance benchmarks primarily through the use of passive index funds. The performance benchmarks are a custom index comprised of market indices for the component funds weighted in accordance with the target date fund target allocations as specified in the Defined Contribution Fund policy. The performance objective for the OPERS funds is to meet the return of respective performance benchmarks, gross of investment manager fees. There is no plan-level performance objective for the self-directed brokerage account because the mutual funds purchased through it are selected by members.

Defined contribution fund investment options offer diversification to minimize the impact of loss from individual positions. In addition to diversification, the program is passively managed for the target date funds and OPERS funds. The self-directed brokerage account offers participants a broad range of mutual fund choices that are self-selected and subject to the program parameters.

Cash

Cash management seeks to preserve principal, provide liquidity and exceed its target benchmark, net of fees. This program actively invests cash and lending cash collateral relative to the target benchmarks for each portfolio. Interest rate, credit and liquidity risk are managed with quantitative and qualitative constraints.

Commodities

Commodity investments provide exposure to global commodities and achieve returns comparable to or in excess of the benchmark return, net of fees. Commodity portfolios are governed by guidelines that establish management parameters to achieve competitive commodity-based returns. Commodity investments may be in any of the commodities that comprise the Standard and Poor's Goldman Sachs Commodity Index and/or the Bloomberg Commodity Index at the time of purchase.

Derivatives

Derivative instruments are used periodically to mitigate risk and to smooth trading efficiencies so that the risk/return profile of individual securities or portfolios are better managed. Derivative instruments may be used to enhance returns and reduce risk by managing or hedging exposure including, but not limited to stock markets, commodities and currencies.

Derivative instruments are grouped into three categories:

- Category I: Securities-based and traded either via an exchange or over-the-counter transactions.
- Category II: Non-securities-based, exchange-traded such as futures, options on futures or options.
- Category III: Non-securities-based, over-the-counter transactions.

To manage overall fund liquidity and to balance the use of derivative instruments and physical securities, limits have been established:

- Use of Category III derivative instruments are limited to 10% of the total net asset value of public market assets held in separate accounts, excluding foreign exchange derivative instruments used for hedging. (Additional portfolio-level restrictions may apply.)
- The combined gross notional exposure of Category II and Category III derivative instruments will
 not exceed 25% of total net asset value, excluding foreign exchange derivative instruments used
 for hedging. (Additional portfolio-level restrictions may apply.)
- Currency forwards are one year or less to maturity, unless approved by the chief investment officer.

Fixed Income

A broad exposure to fixed-income asset classes to ensure diversification and provide a competitive return is the overriding goal. In doing so, OPERS is better positioned to provide for the known liabilities associated with the defined benefit plan and the health care trust. Diversification is established via activity in a variety of sub-asset classes including market debt, floating rate debt, securities debt, Treasury inflation-protected securities (TIPS), high yield and U.S. Treasuries.

Both active and passive management strategies are used by internal and external portfolio managers. Internal managers position the majority of the fixed income portfolio with risk-controlled active strategies, focusing on investment-grade securities and managing the TIPS and U.S. Treasury allocations as indices. External managers, with special expertise, manage the high yield, emerging debt and floating rate debt investments.

Opportunistic

Investments in the Opportunistic sub-asset class include investment strategies or assets not currently used or employed to the level desired in the respective Defined Benefit or Health Care portfolios, but which have the potential to improve investment results over time. Assets and strategies used must have the potential to be mainstreamed into the investment program over time, or be opportunistic-based on either valuation or circumstances.

Every strategy within the Opportunistic sub-asset class has a specific performance benchmark. The overall benchmark is the market value weight of the underlying benchmarks. Long-term returns should match or exceed the OPERS Total Fund benchmark, which is a measure of the cost of investing in this category.

The primary risk control mechanisms are the limited size of the opportunistic allocation and the limits on the size of single assets and strategies. No singe investment strategy or portfolio assigned to the same benchmark within the Opportunistic sub-asset class may exceed 0.5% of the sum of the Defined Benefit or Health Care portfolio assets at the time of funding.

Private Equity

Private equity seeks competitive returns plus a liquidity premium by investing with managers who have a consistent record of producing superior returns. Not publicly traded, this sub-asset class provides access to opportunities that may be long term.

Exclusively using external managers who employ active management strategies, private equity adds diversification to the Defined Benefit portfolio. Risk is managed by limiting the commitment amount to single, closed-end commingled funds to \$600 million for primary funds and to \$800 million for fund of funds, including secondary fund of funds. Additionally, specific quantitative and qualitative constraints govern the fund.

Performance is benchmarked against the State Street Private Equity Index (SSPEI).

Public Equities (domestic and international stocks)

With both active (active trades) and passive (indexed funds) components, this program provides broad exposure to global, publicly traded, stock markets. The active management of the program is structured to allow managers to identify and capture opportunities.

Both active and passive components are designed to produce risk-adjusted return, net of fees, that exceeds benchmarks over a complete market cycle—at all times conducting business within pre-established risk constraints.

This program is monitored using a tracking error range—tracking error is a statistical variance measurement that shows the degree to which OPERS returns differ from industry returns:

Asset Class	Benchmark	Tracking Error Range
U.S. Equity	Russell 3000 Stock Index	0-100 basis points
Non-U.S. Equity	Custom benchmark of the following indices: 55% MSCI World Index x U.S. Standard (net) 10% MSCI World Index x U.S. Small Cap (net) 31% MSCI Emerging Markets Standard Index (net) 4% MSCI Emerging Markets Small Cap Index (net)	0-300 basis points

Real Estate

The global real estate program encompasses both private and public markets.

The private market real estate program uses active management strategies implemented through external managers. Single managers are limited to no more than 20% of the program. A summary of the long-term guidelines are as follows:

- · Holdings outside the U.S. are limited to no more than 25% of the total.
- Any single direct investment is limited to 10% of the target allocation.
- Single closed-end commingled funds are limited to either \$400 million or 5% of the target allocation, whichever is greater.
- Single open-end commingled funds are limited to 10% of the target allocation.

The public market real estate portfolio may engage in active and index management strategies through internal and external managers.

The OPERS real estate program performance is monitored, or benchmarked, using the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index—Open End Diversified Core Equity (ODCE). This asset class is expected to meet or exceed the net ODCE plus 85 basis points, over rolling five-year periods. Health Care portfolio real estate is benchmarked against the Dow Jones U.S. Select RESI Total Return Index.

Risk Parity

Risk Parity is an alternative allocation of assets designed to achieve a better balance of economic outcomes in growth and inflation environments. This requires investing in multiple asset types and leveraging exposures to global markets in order to obtain the desired risk exposure. The Risk Parity allocation is structured to achieve roughly balanced risk exposure across equities, nominal fixed income, and inflation-sensitive assets, targeting a total volatility level comparable to that of the Defined Benefit and Health Care portfolios.

The overall benchmark is the market value weight of the underlying managers' benchmarks. The Board sets performance expectation through approval of the *Annual Investment Plan*. By allocating to multiple Risk Parity managers, concentration to any one manager is limited.

Securities Lending

The Securities Lending program actively lends securities through various programs to qualified borrowers to provide incremental income to the respective asset classes. Performance of the securities lending program is assessed annually.

Cash reinvestment risk and counterparty risk are managed through a combination of quantitative and qualitative constraints. Excess collateral, marked-to-market daily, is held for each loan in the amount of 102% for domestic securities and 105% for international securities. The maximum percentage of assets that may be on loan is 50% of the eligible assets while the maximum amount that may be on loan with any one borrower is 15% of the eligible assets.

Investment Rates by Portfolio—Defined Benefit and Health Care

OPERS uses several rates to evaluate the results of the investment portfolios. Actual and benchmark returns for the years listed can be found in this section. The expected rate of return is based on the asset allocation in place during the year presented and the actuarial assumed rate of return is the assumption used for the annual actuarial valuations, described further in the Actuarial Section. Finally, the single discount and long-term municipal bond rates reflect the requirements of Governmental Accounting Standards Board Statement No. 74. These rates are used in the Accounting Basis valuations for health care and not available prior to 2016.

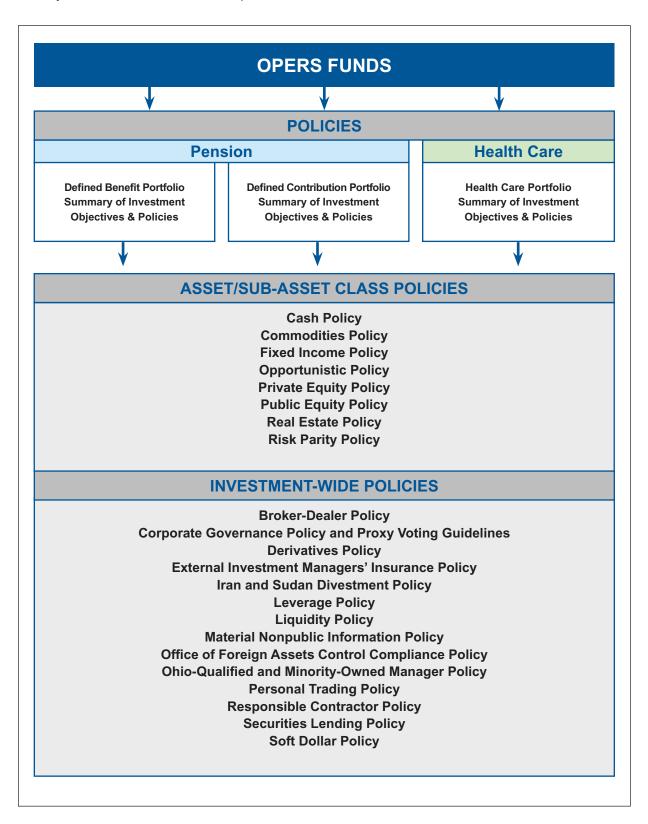
Rates are presented for eight years in the following table:

A Investment Rates by Portfolio										
	2020	2019	2018	2017	2016	2015	2014	2013		
Defined Benefit Portfolio Actual Rate of Return Benchmark Return Long-Term Expected Rate of Return Actuarial Assumed Rate of Return	12.02%	17.23%	(2.99%)	16.82%	8.31%	0.33%	6.96%	14.38%		
	11.65	17.06	(3.07)	15.19	8.64	0.25	5.81	14.24		
	6.90	8.00	8.00	8.00	8.00	8.00	8.00	8.00		
	7.20	7.20	7.20	7.50	7.50	8.00	8.00	8.00		
Health Care Portfolio¹ Actual Rate of Return Benchmark Return Long-Term Expected Rate of Return Actuarial Assumed Rate of Return Single Discount Rate (GASB 74)² Long-Term Municipal Bond Rate²	10.96%	19.59%	(5.76%)	15.25%	7.55%	(2.18%)	5.28%	11.36%		
	10.13	19.20	(5.96)	14.31	7.75	(1.88)	5.01	10.70		
	6.31	6.50	6.50	6.50	6.50	6.50	6.50	6.50		
	6.00	6.00	6.00	6.50	5.00	5.00	5.00	5.00		
	6.00	3.16	3.96	3.85	4.23	N/A	N/A	N/A		
	2.00	2.75	3.71	3.31	3.78	N/A	N/A	N/A		

¹ In 2016, the 401(h) Health Care Trust closed and assets were transferred to the 115 Health Care Trust. The 2016 partial year results for both portfolios can be found in this section, reflecting six month returns for the 401(h) Health Care Trust. For 2016, this chart displays the combined health care rates as disclosed in this section. For previous years, the rates represent the 401(h) Health Care Trust, as the majority of the health care assets resided in this trust until transferred to the 115 Health Care Trust.

² Projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on other post-employment benefits (OPEB) plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Additional information on the Single Discount Rate can be found in Note 9 of the Notes to Combining Financial Statements found in the Financial Section.

The following exhibit illustrates the structure and relationship of the 25 investment policies within the total System and its three investment portfolios in 2020.



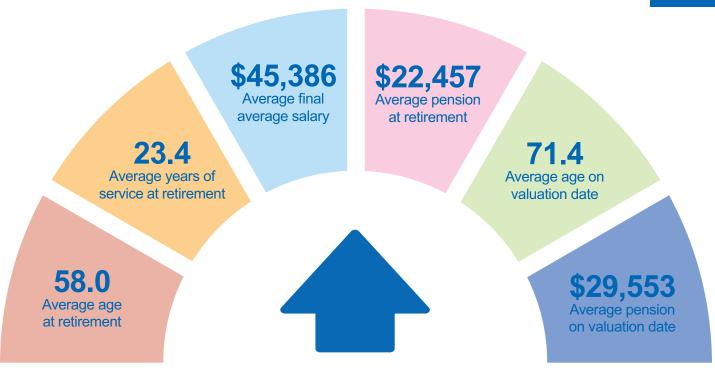
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Actuarial Section

Service delivered: As a pension System, OPERS continues to meet its commitments to all retirees. This accomplishment is achieved through regular monitoring and proposing incremental changes to adapt to anticipated trends. Some of the biggest trends encountered:

- · Retirees living longer in retirement
- · Escalating health care costs
- Active membership declines as employers' staffing decreases

20 20



Numbers in this graphic apply to Traditional Plan members only.

Continuing forward: Longevity is a strong quality for OPERS retirees.





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May 21, 2021

Retirement Board Ohio Public Employees Retirement System 277 East Town Street Columbus, Ohio 43215

Dear Board Members:

The basic financial objective of the defined benefit pension portion of the Ohio Public Employees Retirement System (OPERS) is to establish and receive contributions which:

- When expressed in terms of percents of active member payroll will remain approximately level from generation to generation, and
- When combined with present assets and future investment return will be sufficient to meet the financial obligations of OPERS to present and future retirees and beneficiaries.

This financial objective is addressed within the annual actuarial funding valuation of the defined benefit pension portion of OPERS. The purposes of the funding valuation are as follows:

- Measure the financial position of OPERS;
- Assist the Board in establishing employer and employee contribution rates necessary to fund the pension defined benefits provided by OPERS;
- Determine the number of years required to amortize the unfunded actuarial accrued liabilities based upon established contribution rates;
- Provide actuarial reporting and disclosure information for the System's financial report; and
- Analyze the experience of the System over the past year.

The most recent funding valuation was completed based upon population data, asset data, and plan provisions as of December 31, 2020. A report containing the results of the funding valuation is produced annually, in some cases due to timing issues after the publication of the Comprehensive Annual Financial Report.

In addition to the funding valuation report for the defined benefit pension plan, separate reports are issued to provide financial reporting information for OPERS in accordance with Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 (pension benefits) and Nos. 74 and 75 (retiree health benefits, or OPEB). Reports containing the actuarial results of the financial reporting valuations are produced annually, in some cases after the publication of the Comprehensive Annual Financial Report. Financial reporting information has been produced based upon a measurement date of December 31, 2020 for GASB Statement Nos. 67 and 68 and December 31, 2020 for GASB Statement Nos. 74 and 75.

One Towne Square \mid Suite 800 \mid Southfield, Michigan 48076-3723

Retirement Board Ohio Public Employees Retirement System May 21, 2021 Page 2

The following schedules in the Financial Section and Actuarial Section of the Comprehensive Annual Financial Report were prepared based upon certain information presented in the previously mentioned funding and financial reporting valuation reports:

Financial Section

- Net Pension Liability/(Asset)
- Key Methods and Assumptions Used in Valuation of Total Pension Liability/(Asset)
- Sensitivity of Net Pension Liability/(Asset) to Changes in the Discount Rate
- Net OPEB Liability/(Asset) Health Care
- Key Methods and Assumptions Used in Valuation of Total OPEB Liability/(Asset)
- Sensitivity of Net OPEB Liability/(Asset) to Changes in the Discount Rate
- Sensitivity of Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate
- Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios
- Schedules of Member and Employer Contributions
- Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios

Actuarial Section

- Summary of Assumptions
- Schedules of Average Defined Benefits Paid
- Actuarial Valuation Data Pension
- Schedules of Funding Progress
- Short-Term Solvency Test
- Analysis of Financial Experience

The individual member statistical data required for the valuations was furnished by OPERS, together with pertinent data on financial operations. The cooperation of OPERS in furnishing these materials is acknowledged with appreciation. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the data. Assets are valued on a market related basis that recognizes each year's difference between actual and assumed investment return over a closed four-year period. For determining the Net Pension Liability/(Asset) under GASB Statement No. 67, assets are valued on a market basis. The long-term assumed rate of investment return on pension fund assets is 7.20%. Based upon the results of a projection performed in accordance with GASB Statement No. 67 parameters, the Single Discount Rate for purposes of discounting pension liabilities for pension financial reporting purposes is also 7.20%. For determining the Net OPEB Liability/(Asset) under GASB Statement No. 74, assets are valued on a market basis. The long-term assumed rate of investment return on Health Care fund assets is 6.00%. Based upon the results of a projection performed in accordance with GASB Statement No. 74 parameters, the Single Discount Rate for purposes of discounting Health Care liabilities for OPEB financial reporting purposes is also 6.00%.



Retirement Board Ohio Public Employees Retirement System May 21, 2021 Page 3

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board adopted the actuarial assumptions after considering the advice of the actuary and other professionals. The assumptions and methods used for funding and financial reporting purposes are in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board. They are also in conformity with the Board's funding policy. The December 31, 2020 valuations were based upon assumptions that were recommended in connection with an Experience Study covering the 2011-2015 period and updated in conjunction with an Investment Return Assumption review performed between the December 31, 2017 and December 31, 2018 valuations.

The computed pension amortization period as of the December 31, 2020 annual valuation is 18 years and the System is 83% funded with respect to pension benefits, based upon the actuarial accrued liability and the funding value of assets.

Based upon the results of the December 31, 2020 valuations, we are pleased to report to the Board that the Public Employees Retirement System of Ohio is meeting its basic financial objective and continues to operate in accordance with the actuarial principles of level percent of payroll financing.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

Readers desiring a more complete understanding of the actuarial condition of OPERS are encouraged to obtain and read the complete valuation reports. The Actuarial and Financial Sections of this Comprehensive Annual Financial Report contain some, but not all of, the information in the valuation reports.

Brian B. Murphy and Mita D. Drazilov are Members of the American Academy of Actuaries (MAAA), are independent of the plan sponsor and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

Brie B Mayy

Brian B. Murphy, FSA, EA, FCA, MAAA, PhD

Mita D. Drazilov, ASA, FCA, MAAA

BBM/MDD:bd



Summary of Assumptions

The defined benefit pension and health care actuarial information presented in this 2020 Comprehensive Annual Financial Report (annual report) is based on the most current actuarial valuations for the System. This section presents actuarial information for pension and health care on a Funding Basis. The pension funding valuation results are valued and presented as of December 31, 2020; the health care funding valuation results are valued and presented as of December 31, 2019, based on the most recent data available. The pension actuarial assumptions are applicable to 2020. The health care actuarial assumptions are applicable to 2019, unless otherwise noted. In conjunction with Governmental Accounting Standards Board (GASB) Statement No. 67 (GASB 67), Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25, OPERS is reporting actuarial results of pensions as of the December 31, 2020 valuation date in the Financial Section of this annual report on a financial reporting basis, or Accounting Basis. Also, in conjunction with GASB Statement No. 74 (GASB 74), Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (or OPEB), OPERS is reporting actuarial results of health care as of the December 31, 2019 valuation date, rolled forward to the measurement date of December 31, 2020.

The Accounting Basis calculation methodologies defined by GASB 67 and 74 require different methods and may require different assumptions than are used to calculate the funded status of a plan. For example, both GASB 67 and 74 require the use of the fair value of assets, instead of the smoothed value of assets used for the Funding Basis. Both GASB 67 and 74 require that the actuarial information presented under the Accounting Basis represent the most current year-end or measurement period. Therefore, the GASB 67 net pension liability/(asset) and the GASB 74 net OPEB, or health care, liability/(asset) results will differ from the unfunded actuarial accrued liability results provided in the Schedules of Funding Progress included in this section, beginning on page 157. GASB 67 and 74 break the link between accounting and funding. These changes affect the accounting information disclosed in the Notes to Combining Financial Statements and Required Supplementary Information, both included in the Financial Section. However, the changes do not impact the actuarial methods and assumptions used by OPERS to determine the contributions needed to fund the plans. The assumptions disclosed in this section were used for both funding and financial reporting valuations, unless otherwise noted.

OPERS conducts an experience study every five years in accordance with Ohio Revised Code Section 145.22 with the next experience study occurring in 2021 for the period 2016-2020. In addition to the experience studies, conditions are monitored and assumptions are reviewed annually to ensure the assumptions remain reasonable until the next scheduled experience study. If conditions change materially, it may become necessary to review and update assumptions in advance of the next scheduled experience study. In 2018, the Board adopted changes to reduce the long-term pension investment return assumption from 7.5% to 7.2%. The long-term health care investment return assumption was reduced from 6.5% to 6.0%.

OPERS will conduct an experience study for the period 2016-2020 for which results will not be available until after the date of publication of this annual report. The 2020 valuation results will be restated at a later date to reflect the results from the experience study.

These methods and assumptions apply to the pension plans (Traditional Pension Plan, Combined Plan, and Member-Directed Plan) as well as health care.

Pension plan and health care details can be found in the Plan Statement beginning on page 221.

Valuation Data

The demographic and financial data used in the actuarial valuations were provided to the actuary by OPERS. The actuary examined the data for general reasonableness and year-to-year consistency, but did not audit the information.

Funding Method

The individual entry-age actuarial-cost method of valuation was used in determining pension and health care liabilities and normal costs under both of the funding valuations included in this section, as well as the financial reporting valuations done under GASB 67 and 74 included in the Financial Section. Differences between assumed and actual experience (actuarial gains and losses) become part of actuarial accrued liabilities. For funding valuation purposes, unfunded actuarial accrued liabilities are amortized to produce payments (principal and interest), which are a level percent of payroll contributions.

Asset Valuation Method

For actuarial purposes, and under the Funding Basis, the funding value of defined benefit pension and health care assets recognizes total assumed investment returns each year. Differences between actual and assumed investment returns are phased in over a closed four-year period. The funding value is not permitted to deviate from market value by more than 12%.

Economic Assumptions

The following economic assumptions were used by the actuary in the pension and health care valuations, as noted:

- *Investment Return*—For pension, 7.20% compounded annually, net of administrative expenses. For health care, 6.00% compounded annually, net of administrative expenses.
- Wage Inflation Rate—Calculated at 3.25% per year. Wage inflation is defined to be the portion
 of total pay increases for an individual due to macroeconomic forces including productivity, price
 inflation, and labor market conditions. The wage-inflation rate does not include the effects of pay
 changes related to individual merit and seniority.
- **Price Inflation**—For pension, 2.50% of the investment return rate and wage inflation rate is assumed to be price inflation.
- Assumed Real Rate of Return Over Wage Inflation—For pension, 3.95% per year. For health care, 2.75% per year. The assumed real rate of return for the Funding Basis is defined as the portion of the pension and the health care investment return, 7.20% and 6.00%, respectively, that is more than the assumed total wage growth rate of 3.25%. Refer to the Notes to Combining Financial Statements, Note 9, in the Financial Section for more information on the Single Discount Rate used for the Accounting Basis calculations of the health care liability.
- Active Member Population—For pension, the sum of the active members in the Traditional Pension
 Plan and Combined Plan is assumed to remain constant. For purposes of financing the unfunded
 actuarial accrued liabilities, total payroll is assumed to grow at the wage-inflation rate of 3.25% per year.
- Heath Care Payments—For the 2019 health care valuation, non-Medicare retirees' health care premiums were assumed to increase by 5.6% from 2020 to 2021. Beginning in 2022, these retirees were assumed to receive monthly allowances toward a health reimbursement arrangement (HRA) account, similar to Medicare retirees. The HRA allowances for eligible retirees were assumed to remain level through 2025, then increase by 3.00% annually thereafter. For projection and valuation purposes, HRA and retiree medical accounts (RMA), including Member-Directed Plan health care and wellness RMA accounts, are assumed to be allocated to the members and cannot be used in the future to fund other retiree health care expenses.

Individual Employee Pay Increases—An active employee's pay is assumed to increase each
year, in accordance with an age-based table. Part of the assumed increase was for merit and/
or seniority increases, and the balance recognizes the wage inflation rate. The following table
describes annual increase percentages for sample ages.

▲ Individual Employee Pay Increases									
	Merit and Seniority					Total Increas	se Next Year		
Age	State	Local	Public Safety	Law	Wage Inflation	State	Local	Public Safety	Law
30	3.38%	3.38%	3.70%	3.70%	3.25%	6.63%	6.63%	6.95%	6.95%
40	1.90	1.77	1.46	1.46	3.25	5.15	5.02	4.71	4.71
50	0.92	0.92	0.94	0.94	3.25	4.17	4.17	4.19	4.19
60	0.42	0.42	0.40	0.40	3.25	3.67	3.67	3.65	3.65

Demographic Assumptions

Turnover—Represents the probabilities of separation from OPERS-covered employment before
age-and-service retirement because of employment termination (withdrawal from service), death,
or disability. The separation probabilities are based on historical trends of OPERS actual
experience, without consideration of the manner in which the members' accounts are distributed.

A Percent Separating Within Next Year—Withdrawal from Employment									
					Witho	Irawal			
		Sta	ate	Lo	cal	Public	Safety	Law Enforcement	
Sample Ages	Years of Service	Men	Women	Men	Women	Men	Women	Men	Women
	0	50.00%	50.00%	40.00%	40.00%	20.00%	20.00%	16.00%	20.00%
	1	35.00	35.00	27.00	27.00	19.00	19.00	10.00	12.00
	2	20.00	20.00	18.00	18.00	15.00	15.00	8.00	9.00
	3	15.00	15.00	13.00	13.00	15.00	15.00	6.00	6.00
	4	12.00	12.00	11.00	11.00	10.00	10.00	5.00	6.00
30	5 & over	5.80	7.30	5.34	6.94	8.80	8.80	2.66	2.90
40	5 & over	3.14	3.46	2.82	3.52	3.50	3.50	1.48	1.50
50	5 & over	1.84	2.10	2.04	2.50	2.00	2.00	1.20	1.20
60	5 & over	1.80	2.10	2.00	2.50	2.00	2.00	1.20	1.20

A Percent Separating Within Next Year—Death or Disability									
		De	ath			Disa	bility		
	V .	All Div	visions	Sta	ate	Lo	cal		fety & Law cement
Sample Ages	Years of Service	Men	Women	Men	Women	Men	Women	Men	Women
25	5 & over	0.05%	0.02%	0.10%	0.10%	0.10%	0.10%	0.20%	0.60%
35	5 & over	0.05	0.03	0.16	0.16	0.13	0.10	0.34	0.60
45	5 & over	0.11	0.06	0.47	0.47	0.37	0.26	0.78	1.38
55	5 & over	0.27	0.17	1.05	1.05	0.90	0.71	2.32	2.65
60	5 & over	0.47	0.26	1.25	1.25	1.00	0.85	2.60	2.75

The turnover probabilities in the tables on the previous page and above estimate the number of active members who will separate from employment based on the criteria of age, gender, and years of service. These members may be eligible for a refund of their account or an annuity benefit, depending on the nature of the separation. Members eligible for an annuity benefit may be eligible to participate in one of the OPERS health care plans. The method of distribution and the resulting liabilities are calculated for this population based on the following assumptions:

- > Withdrawal from Service—Assumes that: 1) members terminating before age 35, 2) members terminating with less than five years of service, and 3) a percentage of all other members will withdraw their contributions and forfeit their entitlement to an employer-financed benefit. The percentage withdrawing their contributions is 100% at age 35 and is reduced for each year of age after 35, becoming 0% at age 55 (age 45 for Public Safety and Law Enforcement division members).
- > Death-in-service and Disability Benefits—Assumes that members with at least five years of service will elect to receive an annuity benefit. It is assumed that Combined Plan members will transfer to, and take a benefit from, the Traditional Pension Plan, unless a lump-sum distribution from the Combined Plan would have a greater value. Members eligible for an annuity may be eligible to participate in OPERS health care.
- Mortality—For pension and health care, pre-retirement mortality rates were based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees were based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 mortality improvement scale to all of the previously noted tables.
- Retirement—Probabilities of age-and-service retirement applicable to members eligible to retire are as shown in the schedules on pages 148-152.

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Actuarial Section

Summary of Assumptions

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three pension groups with varying provisions of the law applicable to each group:

- **Transition Group A**—Members eligible to retire under law in effect prior to SB 343, or who were eligible to retire no later than five years after January 7, 2013.
- **Transition Group B**—Members who had earned at least 20 years of service credit prior to January 7, 2013, or who will be eligible to retire no later than 10 years after January 7, 2013.
- **Transition Group C**—Members who are not in either of the other groups, as well as members who were hired on or after January 7, 2013.

See the Plan Statement beginning on page 221 for additional information.

Percent of Eligible Active Members Retiring Within Next Year

With Unreduced Age-and-Service Retirement Benefits

Members may retire with no reduction in benefits if they have attained the following division specific years of service credit and minimum ages:

Transition Group A

- State and Local—30 years of service at any age; five years of service at age 65:
 - A service-based probability is used for members who attain 30 years of service prior to age 65;
 - An age-based probability is used for members who attain 30 years of service on or after age 65.
- Public Safety—25 years of service and attained the age of 52; 15 years of service at age 62.
- Law Enforcement—25 years of service and attained the age of 48; 15 years of service at age 62.

	State		Local	
Years of Service	Men	Women	Men	Women
30	37%	40%	35%	35%
31	28	33	26	30
32-39	24	26	23	24
40-42	35	33	32	24
43-44	35	33	32	20
45	25	25	32	20
46-49	25	25	25	20
50 & Over	100	100	100	100

Retirement	Sta	ate	Local		
Age	Men	Women	Men	Women	
65-66	22%	22%	20%	20%	
67	20	20	15	20	
68-71	20	20	15	17	
72-76	15	20	15	17	
77-78	15	25	15	17	
79	15	25	15	22	
80-84	25	25	20	22	
85 & Over	100	100	100	100	

Retirement Age	Public Safety	Law Enforcement
48-51	N/A	20%
52-53	30%	20
54-55	25	20
56-57	25	23
58-59	20	25
60	35	30
61-69	35	25
70 & Over	100	100

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Transition Group B

- **State and Local**—31 years of service at age 52; 32 years of service at any age; or five years of service at age 66:
 - > A service-based probability is used for members who attain 32 years of service at any age;
 - > An age-based probability is used for members who attain 32 years of service on or after age 66.
- **Public Safety**—25 years of service and attained the age of 54; 15 years of service and attained the age of 64.
- Law Enforcement—25 years of service and attained the age of 50; 15 years of service and attained the age of 64.

	Sta	ate	Local		
Years of Service	Men	Women	Men	Women	
31	37%	40%	35%	35%	
32	28	33	26	30	
33-40	24	26	23	24	
41-43	35	33	32	24	
44-45	35	33	32	20	
46	25	25	32	20	
47-50	25	25	25	20	
51 & Over	100	100	100	100	

Retirement	Sta	ate	Local		
Age	Men	Women	Men	Women	
66-67	22%	22%	20%	20%	
68	20	20	15	20	
69-72	20	20	15	17	
73-77	15	20	15	17	
78-79	15	25	15	17	
80	15	25	15	22	
81-84	25	25	20	22	
85 & Over	100	100	100	100	

Retirement Age	Public Safety	Law Enforcement
50-53	N/A	20%
54-57	25%	20
58-59	20	23
60-61	35	25
62	35	30
63-69	35	25
70-71	100	25
72 & Over	100	100

Transition Group C

- **State and Local**—32 years of service at age 55 (55 & 32 Condition); or five years of service at age 67 (67 & 5 Condition):
 - A service-based probability is used for members who attain 32 years of service at or after age 55;
 - > An age-based probability is used for members who attain 32 years of service on or after age 67.
- **Public Safety**—25 years of service and attained the age of 56; or 15 years of service and attained the age of 64.
- Law Enforcement—25 years of service and attained the age of 52; or 15 years of service and attained the age of 64.

55 & 32 Condition	Sta	ate	Local		
Year of Eligibility	Men	Women	Men	Women	
1	37%	40%	35%	35%	
2	28	33	26	30	
3-10	24	26	23	24	
11-13	35	33	32	24	
14-15	35	33	32	20	
16	25	25	32	20	
17-20	25	25	25	20	
21 & Over	100	100	100	100	

67 & 5 Condition	Sta	ate	Local		
Retirement Age	Men	Women	Men	Women	
67-68	22%	22%	20%	20%	
69	20	20	15	20	
70-73	20	20	15	17	
74-78	15	20	15	17	
79-80	15	25	15	17	
81	15	25	15	22	
82-84	25	25	20	22	
85 & Over	100	100	100	100	

Retirement Age	Public Safety	Law Enforcement
52-55	N/A	20%
56-57	25%	20
58-59	20	20
60-61	35	23
62-63	35	25
64	35	30
65-69	35	25
70-73	100	25
74 & Over	100	100

Percent of Eligible Active Members Retiring Within Next Year

With Reduced Age-and-Service Retirement Benefits

Transition Group A

Members in the State and Local divisions who have a minimum of 25 years of total service credit and who have attained age 55, and members with five years of service who have attained age 60 may retire with a reduced benefit. Members in the Public Safety and Law Enforcement divisions who have a minimum of 25 years of service and who have attained age 48, and members with 15 years of service and who have attained age 52 may also retire with a reduced benefit.

Retirement	Sta	ate	Lo	cal	Public
Age	Men	Women	Men	Women	Safety
48-51	N/A	N/A	N/A	N/A	8%
52-54	N/A	N/A	N/A	N/A	N/A
55-58	10%	10%	9%	11%	N/A
59	10	11	9	11	N/A
60	10	12	9	11	N/A
61	10	13	9	12	N/A
62	15	15	13	13	N/A
63	15	15	14	14	N/A
64	15	15	12	15	N/A

Transition Group B

Members in the State and Local divisions who have a minimum of 25 years of total service credit and who have attained age 55, and members with five years of service who have attained age 60 may retire with a reduced benefit. Members in the Public Safety and Law Enforcement divisions who have a minimum of 25 years of service and who have attained age 48, and members with 15 years of service and who have attained age 52 may also retire with a reduced benefit.

Retirement	Sta	ate	Lo	cal	Public	Law
Age	Men	Women	Men	Women	Safety	Enforcement
48-49	N/A	N/A	N/A	N/A	8%	8%
50-53	N/A	N/A	N/A	N/A	8	N/A
54	N/A	N/A	N/A	N/A	N/A	N/A
55-58	10%	10%	9%	11%	N/A	N/A
59	10	11	9	11	N/A	N/A
60	10	12	9	11	N/A	N/A
61	10	13	9	12	N/A	N/A
62	15	15	13	13	N/A	N/A
63	15	15	14	14	N/A	N/A
64-65	15	15	12	15	N/A	N/A

Transition Group C

Members in the State and Local divisions who have a minimum of 25 years of total service credit and who have attained the age of 57, and members with five years of service who have attained age 62 may retire with a reduced benefit. Members in the Public Safety division who have a minimum of 25 years of service and who have attained age 52, and members with 15 years of service who have attained age 56 may retire with a reduced benefit. Members in the Law Enforcement division who have a minimum of 25 years of service and who have attained age 48 and members with 15 years of service who have attained age 56 may also retire with a reduced benefit.

Retirement	Sta	ate	Lo	cal	Public	Law
Age	Men	Women	Men	Women	Safety	Enforcement
48-51	N/A	N/A	N/A	N/A	N/A	8%
52-55	N/A	N/A	N/A	N/A	8%	N/A
56	N/A	N/A	N/A	N/A	N/A	N/A
57-60	10%	10%	9%	11%	N/A	N/A
61	10	11	9	11	N/A	N/A
62	10	12	9	11	N/A	N/A
63	10	13	9	12	N/A	N/A
64	15	15	13	13	N/A	N/A
65	15	15	14	14	N/A	N/A
66	15	15	12	15	N/A	N/A

Actuarial Section

Schedules of Average Defined Benefits Paid

The tables below display statistical information regarding the average defined pension benefits paid to retirees receiving an age-and-service, disability or survivor benefit. Additional benefits paid through the additional annuity and re-employed retiree programs, and annuities purchased from defined contribution accounts are excluded, as these benefits are not calculated under the defined benefit formula.

A A	verage Defined	d Benefits Paid	OPERS Retired	es	Traditiona	l Pension Plan
Year	Average Age at Retirement	Average Service at Retirement	Average Final Average Salary	Average Pension at Retirement	Average Age on Valuation Date	Average Pension on Valuation Date
2020	58.0	23.4	\$45,386	\$22,457	71.4	\$29,553
2019	57.9	23.3	44,368	21,912	71.1	28,784
2018	57.8	23.2	43,386	21,456	70.7	27,981
2017	57.7	23.1	42,479	21,016	70.4	27,192
2016	57.6	23.0	41,519	20,545	70.2	26,396
2015	57.6	22.9	40,600	20,092	69.9	25,600
2014	57.6	22.8	39,749	19,686	69.7	24,849
2013	57.4	22.8	38,760	19,299	69.5	24,220
2012	57.4	22.7	37,741	18,832	69.3	23,468
2011	57.3	22.6	36,549	18,221	69.3	22,614

A	Average Defined	d Benefits Paid	OPERS Retired	es	(Combined Plan
Year	Average Age at Retirement	Average Service at Retirement	Average Final Average Salary	Average Pension at Retirement	Average Age on Valuation Date	Average Pension on Valuation Date
2020	64.9	11.4	\$51,079	\$4,849	69.8	\$5,294
2019	64.8	11.1	50,618	4,686	69.1	5,107
2018	64.8	10.6	49,007	4,338	68.7	4,697
2017	64.7	10.3	47,455	4,000	68.2	4,304
2016	64.8	10.0	46,614	3,709	67.9	3,956
2015	64.6	9.8	45,141	3,401	67.3	3,596
2014	64.7	9.7	44,349	3,284	66.8	3,421
2013	64.9	8.7	43,403	2,839	67.0	2,962
2012	64.2	8.5	45,218	2,785	66.2	2,891
2011	64.2	7.9	49,751	2,757	66.0	2,828

The following tables display the actuarial valuation data for the active and retired members of the Traditional Pension Plan, and the defined benefit component of the Combined Plan:

				Active	Members			Retired Lives	
Valuation Year	Participating Employers ¹	Employer Units ¹	Number	Annual Payroll ² (\$ millions)	Average Pay ²	Percent Increase in Average Pay ²	Number ³	Annual Allowance (\$ millions)	Average Allowance
2020	3,222	3,695	271,345	\$13,499	\$49,748	5.12%	222,577	\$6,448	\$28,972
2019	3,219	3,694	285,843	13,528	47,327	2.56	220,448	6,219	28,209
2018	3,221	3,693	284,808 ^a	13,143	46,147	11.95	218,226	5,986	27,431
2017	3,227	3,683	323,318	13,328	41,223	2.12	216,260	5,766	26,663
2016	3,232	3,678	323,179	13,046	40,368	3.17	213,550	5,527	25,882
2015	3,247	3,683	321,383	12,575	39,128	2.53	210,792	5,296	25,124
2014	3,251	3,692	322,318	12,300	38,161	3.41	208,395	5,085	24,401
2013	3,260	3,718	325,181	12,000	36,903	1.29	201,841	4,803	23,796
2012	3,264	3,702	326,227	11,885	36,432	(1.08)	195,622	4,523	23,121
2011	3,248	3,695	328,640	12,103	36,828	1.27	189,753	4,232	22,303

				Active	Members			Retired Lives	
Valuation Year	Participating Employers ¹	Employer Units ¹	Number	Annual Payroll ² (\$ millions)	Average Pay²	Percent Increase in Average Pay ²	Number ³	Annual Allowance (\$ millions)	Average Allowance
2020	3,222	3,695	7,264	\$439	\$60,435	3.92%	430	\$2	\$5,294
2019	3,219	3,694	7,549	439	58,153	4.91	392	2	5,107
2018	3,221	3,693	7,739	429	55,434	5.15	339	2	4,697
2017	3,227	3,683	7,948	419	52,718	2.84	283	1	4,304
2016	3,232	3,678	7,803	400	51,262	4.25	239	1	3,956
2015	3,247	3,683	7,626	375	49,174	3.56	196	1	3,596
2014	3,251	3,692	7,455	354	47,485	3.85	158	1	3,421
2013	3,260	3,718	7,239	331	45,725	2.82	100	0	2,962
2012	3,264	3,702	6,948	309	44,473	0.88	57	0	2,891
2011	3,248	3,695	6,714	296	44,087	3.13	36	0	2,828

^a In 2018, the data aggregation methodology was modified for active and inactive member counts after system reconfigurations. No material impact to the actuarial valuations resulted.

¹ The number of employer units exceeds the number of reporting or participating employers as some employers report multiple divisions or agencies. The employer unit count also includes private-sector employers that have assumed privatized functions from public employers for indeterminate periods. The number of participating employers is included to comply with GASB 67 requirements for presentation of a primary government and its component units as one employer.

² The Annual Payroll, Average Pay and Percent Increase in Average Pay values in this table, for 2014 through 2016, were restated to reflect the annual covered payroll calculated under the Funding Basis. The annual covered payroll under the Funding Basis represents the annualized pay rate for all active Traditional Pension and Combined plan members. The previous amounts reported were calculated under the Accounting Basis, which calculated annual covered payroll based on member contributions submitted within a given calendar year.

³ The number of Retired Lives represents an individual count of retirees and beneficiaries.

Members of the Combined Plan and Member-Directed Plan may purchase a defined benefit annuity with the funds available in their defined contribution accounts. The following table displays the actuarial valuation data for these annuitized accounts:

Actu	arial Valuation	Data		Purchased Annuities			
	Me	ember-Directed Pla	an¹		Combined Plan ¹		
Valuation Year	Number²	Annual Allowance (\$ millions)	Average Allowance	Number²	Annual Allowance (\$ millions)	Average Allowance	
2020	331	\$2	\$5,337	314	\$1	\$4,314	
2019	317	2	5,301	267	1	4,097	
2018	280	1	4,948	230	1	3,840	
2017	242	1	4,849	193	1	3,623	
2016	219	1	4,593	159	1	3,618	
2015	185	1	4,480	128	0	3,303	
2014	155	1	4,305	101	0	3,257	
2013	131	1	4,146	64	0	3,248	
2012	62	0	3,516	38	0	2,922	
2011	38	0	2,652	22	0	2,286	

¹ Plan inception January 1, 2003.

² Number represents an individual count of retirees and beneficiaries.

Retirees and Beneficiaries Added to and Removed from Rolls Actuarial Section

The tables below display the changes in the retiree population that occurred each year within the Traditional Pension Plan and the Combined Plan. The Annual Allowances in the Rolls at End of Year and the Average Annual Allowances represent the value of pension payments for the retiree population on the rolls at December 31, 2020.

The statistics presented below represent the number of retired members' accounts under which either the member or the members' beneficiaries are receiving defined formula benefits for age-and-service retirements, disability or survivor benefits. Annual Allowances include annual cost-of-living adjustments, but exclude other annuities such as money purchase or additional annuities (refer to the Plan Statement beginning on page 221 for a description of these benefits).

A s	chedule o	of Retirees ar	nd Beneficiaries	s Added t	o and Remove	d from Ro	lls	Traditional P	ension Plan
		Added to Rolls		Remov	Removed from Rolls		at End of Year	Percentage	
Year Ended	Number	Average Age at Retirement ¹	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Increase in Annual Allowances	Average Annual Allowances
2020	8,586	62.9	\$259,254,620	7,110	\$143,422,966	214,189	\$6,414,934,298	3.4%	\$29,950
2019	8,088	62.8	233,501,735	6,148	121,202,196	212,713	6,201,602,950	3.9	29,155
2018	8,294	62.7	227,073,532	6,326	123,469,913	210,773	5,968,955,234	3.9	28,319
2017	8,610	61.5	236,113,024	6,185	115,031,952	208,805	5,746,885,962	4.3	27,523
2016	8,394		222,425,424	5,724	101,173,388	206,380	5,510,557,484	4.4	26,701
2015	8,235		202,901,884	5,849	101,124,098	203,710	5,277,086,404	4.2	25,905
2014	12,001		270,725,495	5,609	93,114,033	201,324	5,065,543,814	5.9	25,161
2013	10,946		265,957,588	5,371	83,764,472	194,932	4,784,927,394	6.3	24,547
2012	11,263		281,185,485	5,772	87,465,474	189,357	4,501,952,331	6.8	23,775
2011 ^a	12,235		321,228,243	5,402	80,530,077	183,866	4,215,359,130	10.2	22,926

A s	chedule c	of Retirees an	d Beneficiarie	s Added to	o and Remove	d from Ro	lls Combined	l Plan—Defir	ned Benefit²
		Added to Ro	olls	Remov	Removed from Rolls		at End of Year	Percentage	
Year Ended	Number	Average Age at Retirement ¹	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	Increase in Annual Allowances	Average Annual Allowances
2020	77	65.0	\$527,176	3	\$16,272	465	\$2,535,201	27.0%	\$5,452
2019	55	64.9	370,742	1	2,601	391	1,996,370	25.7	5,106
2018	54	64.4	334,790	0	0	337	1,587,670	30.4	4,711
2017	49	64.1	279,099	4	16,442	283	1,217,952	31.0	4,304
2016	43		209,341	1	5,304	238	929,456	31.9	3,905
2015	41		162,966	1	3,333	196	704,864	33.4	3,596
2014	56		223,294	0	0	156	528,211	78.3	3,386
2013	45		133,159	0	0	100	296,172	87.2	2,962
2012	19		59,135	0	0	55	158,191	68.4	2,876
2011 ^a	15		50,537	0	0	36	93,925	119.2	2,609

^a Data aggregation methodology modified from values reported in the 2011 Comprehensive Annual Financial Report.

¹ Average age of new age-and-service retirees only, beginning in 2017. Information for prior years is unavailable.

² Plan inception January 1, 2003.

Schedules of Funding Progress

The Schedules of Funding Progress below include the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the actuarial impact of the annuitized defined contribution accounts for the Combined Plan and Member-Directed Plan. Members in the Combined Plan and Member-Directed Plan have the option of converting their defined contribution accounts to a defined benefit annuity at retirement. This section also includes the Schedules of Funding Progress for health care. Separate schedules are displayed for each pension plan and health care reflecting the funding status of the plans on a valuation, or funding, basis. See pages 197 and 199 in the Statistical Section for the schedules of funding progress on an accounting, or financial, basis, for pension and health care, respectively. Separate schedules are included in the Required Supplementary Information of the Financial Section disclosing the 10-year schedule of actuarially determined contributions and actual contributions paid.

A Sch	edule of Fund	ing Progr	ess—Funding B	asis¹ (\$ in	millions)	All Per	sion Plans
Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as Percent of Active Member Payroll	Amortization Years
2020	\$113,372	\$93,970	\$19,402	82.9%	\$14,383	135%	18
2019	111,371	88,572	22,799	79.5	14,380	159	23
2018	108,705	84,287	24,418	77.5	13,807	177	27
2017°	106,090	83,292	22,798	78.5	13,498	169	25
2017	102,656	83,292	19,364	81.1	13,498	143	18
2016	100,167	80,280	19,887	80.1	13,186	151	19
2015ª	97,177	78,061	19,116	80.3	12,688	148	20
2015 ^b	91,832	78,061	13,771	85.0	12,688	106	19
2014	89,285	74,865	14,420	83.8	12,486	114	21
2013	86,645	71,411	15,234	82.4	12,331	124	24
2012	83,878	67,855	16,023	80.9	12,193	131	26
2011	84,530	65,436	19,094	77.4	12,399	154	30

▲ Sch	edule of Fund	ing Progre	ess—Funding B	Basis¹ (\$ ir	n millions)	Traditional Pe	ension Plan
Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as Percent of Active Member Payroll	Amortization Years
2020	\$112,833	\$93,181	\$19,652	82.6%	\$13,940	141%	18
2019	110,887	87,903	22,984	79.3	13,932	165	23
2018	108,265	83,715	24,550	77.3	13,376	184	28
2017 ^c	105,691	82,797	22,894	78.3	13,085	175	26
2017	102,274	82,797	19,477	81.0	13,085	149	19
2016	99,818	79,865	19,953	80.0	12,794	156	20
2015ª	96,863	77,700	19,163	80.2	12,321	152	20
2015 ^b	91,535	77,700	13,835	84.9	12,321	110	19
2014	89,017	74,567	14,450	83.8	12,140	117	21
2013	86,407	71,175	15,232	82.4	12,000	127	25
2012	83,664	67,670	15,994	80.9	11,884	135	26
2011	84,325	65,274	19,051	77.4	12,103	157	30

^a Revised actuarial assumptions based on experience study.

b Results from original valuation prior to restatement after completion of experience study.

^c Results after change in discount rate from 7.5% to 7.2%.

¹ The amounts reported on this schedule do not include assets or liabilities for health care. For the health care funding progress, refer to the table on page 159.

The Combined Plan is a retirement plan with both a defined benefit and a defined contribution component. At retirement, members have the option to convert their defined contribution account to a defined benefit annuity. The schedule below includes the funding status for both defined formula benefits and the purchased annuities, when applicable.

A Sch	Schedule of Funding Progress—Funding Basis¹ (\$ in millions)							
Valuation	Actuarial Accrued	Valuation	Unfunded Actuarial Accrued Liabilities/(Assets)	Ratio of Assets	Active Member	UAAL as Percent of Active Member	Amortization	
Year	Liabilities (AAL)	Assets	(UAAL)	to AAL	Payroll	Payroll	Years	
2020	\$502	\$752	(\$250)	149.8%	\$443	0%	0	
2019	461	646	(185)	140.1	448	0	0	
2018	420	552	(132)	131.3	431	0	0	
2017°	382	479	(97)	125.3	413	0	0	
2017	365	479	(114)	131.0	413	0	0	
2016	336	402	(66)	119.6	392	0	0	
2015 ^a	303	350	(47)	115.6	367	0	0	
2015 b	288	350	(62)	121.7	367	0	0	
2014	260	289	(29)	111.2	346	0	0	
2013	230	229	1	99.5	331	0	0	
2012	212	183	29	86.2	310	9	1	
2011	203	161	42	79.3	296	14	2	

^a Revised actuarial assumptions based on experience study.

The Member-Directed Plan is a defined contribution plan. At retirement, members have the option to convert their defined contribution account to a defined benefit annuity. The schedule below displays the funding status of the purchased defined benefit annuities.

A Sch	edule of Funding	Progress—	-Funding Basis¹ (\$	in thousands)	Member-Di	irected Annuities
			Unfunded			
	Actuarial		Actuarial Accrued	Ratio of	Active	UAAL as Percent of
Valuation	Accrued	Valuation	Liabilities/(Assets)	Assets	Member	Active Member
Year	Liabilities (AAL)	Assets	(UAAL)	to AAL	Payroll	Payroll
2020	\$37,151	\$37,151	\$0	100.0%	N/A	N/A
2019	22,821	22,821	0	100.0	N/A	N/A
2018	19,917	19,917	0	100.0	N/A	N/A
2017 ^d	16,770	16,770	0	100.0	N/A	N/A
2016°	12,961	12,961	0	100.0	N/A	N/A
2015 ^a	10,291	10,622	(331)	103.2	N/A	N/A
2015 ^b	9,767	10,622	(855)	108.8	N/A	N/A
2014	8,291	8,772	(481)	105.8	N/A	N/A
2013	6,884	6,826	58	99.2	N/A	N/A
2012	2,666	2,524	142	94.7	N/A	N/A
2011	1,173	1,156	17	98.6	N/A	N/A

^a Revised actuarial assumptions based on experience study.

^b Results from original valuation prior to restatement after completion of experience study.

c Results after change in discount rate from 7.5% to 7.2%.

¹ The amounts reported on this schedule do not include assets or liabilities for health care. For the health care funding progress, refer to the table on the following page.

^b Results from original valuation prior to restatement after completion of experience study.

Restated upon finalization of actuarial valuation subsequent to issuance of the 2016 Comprehensive Annual Financial Report.

d Change in discount rate from 7.5% to 7.2% did not have an impact on the results from original valuation prior to the change in discount rate.

¹ The amounts reported on this schedule do not include assets or liabilities for health care. Participants in the Member-Directed Plan do not have access to health care provided to the members of the Traditional Pension Plan or Combined Plan. Instead, a portion of the employer contributions are deposited in a retiree medical account. The retiree medical account can reimburse qualified medical expenses when a Member-Directed Plan participant terminates service or retires. For the health care funding progress, refer to the table on the following page.

Schedules of Funding Progress

The health care assets provide funding for a group of cost-sharing, multiple-employer health care plans that provide health care coverage for eligible benefit recipients in the Traditional Pension Plan and Combined Plan, as well as the Member-Directed Plan retiree medical accounts. The schedule below displays the estimated solvency years the health care assets will be able to provide health care under the intermediate actuarial assumptions.

A Sch	Schedule of Funding Progress—Funding Basis (\$ in millions)							
Valuation Year	Actuarial Accrued Liabilities (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liabilities/(Assets) (UAAL)	Ratio of Assets to AAL	Active Member Payroll	UAAL as Percent of Active Member Payroll	Solvency Years ¹	
2019 ^d	\$11,462	\$11,943	(\$481)	104.2%	\$14,380	(3%)	23	
2018	17,849	11,647	6,202	65.3	13,807	45	11	
2017°	18,393	12,021	6,372	65.4	13,498	47	13	
2017	17,389	12,021	5,368	69.1	13,498	40	13	
2016	19,924	12,098	7,826	60.7	13,186	59	12	
2015ª	19,224	11,933	7,291	62.1	12,688	57	Indefinite	
2015 °	18,515	11,933	6,582	64.5	12,688	52	Indefinite	
2014	19,405	12,062	7,343	62.2	12,486	59	Indefinite	
2013	19,784	12,031	7,753	60.8	12,331	63	Indefinite	
2012	19,182	12,193	6,989	63.6	12,193	57	Indefinite	
2011	31,020	12,115	18,905	39.1	12,399	153	10	
2010ª	30,531	12,320	18,211	40.4	12,450	146	11	
2010 ^b	26,929	11,267	15,662	41.8	12,450	126	11	

^a Revised actuarial assumptions based on experience study.

^b Results from original valuation prior to restatement after completion of experience study.

^c Results after change in discount rate from 6.5% to 6.0%.

d Results reflect health care program changes effective January 2022, approved by the Board in January 2020.

¹ Solvency Years represents an estimate of the number of years the fund will be able to provide health care under the intermediate actuarial assumptions. Indefinite indicates funds are expected to be sufficient to fund future health care needs.

The OPERS funding objective is to pay for retirement benefits through contributions that remain approximately level from year to year as a percent of member payroll. If the contributions to the System are level in concept and soundly executed, the System will pay all promised benefits when due—the ultimate test of financial soundness.

A short-term solvency test is one means of checking a plan's progress under its funding program. In a short-term solvency test, the plan's present assets (cash and investments) are compared to: 1) active and inactive member contributions on deposit; 2) the liabilities for future benefits payable to present retired lives; and 3) the liabilities for service already rendered by active/inactive members.

In a plan following the discipline of level percent of payroll financing, the liabilities for member contributions on deposit (Columns (1)) and the liabilities for future benefits payable to present retired lives (Columns (2)) will be fully covered by existing assets (except in rare circumstances). In addition, the liabilities for service already rendered by active/inactive members (Columns (3)) will be partially or fully covered by the remaining value of actuarial assets at year end.

The following tables display the results of the Short-Term Solvency Test for asset values in the defined benefit Traditional Pension Plan and Combined Plan, based on the actuarial value of assets at year end.

Accrue	ed Pension Lia	Traditional Pension Plan					
	Aggr	egate Accrued L	iabilities for		Portions of Accrued Liabilities Covered by Reported Assets		
Valuation Year	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active/Inactive Members (Employer-Financed Portion)	Valuation Assets ¹	(1)	(2) ^d	(3)
2020	\$15,550	\$71,737	\$25,546	\$93,181	100%	100%	23%
2019	15,209	70,089	25,589	87,903	100	100	10
2018	14,764	68,379	25,122	83,715	100	100	2
2017°	14,298	66,546	24,847	82,797	100	100	8
2017	14,298	64,834	23,142	82,797	100	100	16
2016	13,912	62,798	23,108	79,865	100	100	14
2015ª	13,469	56,376	27,018	77,700	100	100	29
2015 ^b	13,469	56,815	21,250	77,700	100	100	35
2014	13,191	55,102	20,724	74,567	100	100	30
2013	12,826	52,404	21,177	71,175	100	100	28
2012	12,640	49,667	21,357	67,670	100	100	25
2011	12,299	46,588	25,439	65,274	100	100	25

^a Results restated based on experience study.

^b Results from original valuation prior to completion of experience study.

^c Results after change in discount rate from 7.5% to 7.2%.

^d By law, OPERS is obligated to pay certain benefits that have commenced with retirees. In order to make these payments each year and hold sufficient assets in this fund to pay the vested benefits of all retirees and beneficiaries as of the actuarial valuation date, OPERS transfers funds from the active member employer fund (the Employers' Accumulation Fund) to the pension funds (the Annuity and Pension Reserve Fund and the Survivors' Benefit Fund). Thus, the amount available for active member funding is negatively impacted.

¹ Does not include assets set aside for health care.

Accrue	d Pension Lia			Combin	ned Plan			
	Aggr	egate Accrued L	iabilities for		Portions of Accrued Liabilities Covered by Reported Assets			
Valuation Year	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active/Inactive Members (Employer-Financed Portion)	Valuation Assets ¹	(1)	(2) ^d	(3)	
2020	\$4	\$44	\$454	\$752	100%	100%	155%	
2019	3	37	421	646	100	100	144	
2018	3	31	386	552	100	100	134	
2017°	3	24	355	479	100	100	127	
2017	3	23	340	479	100	100	133	
2016	3	18	315	402	100	100	121	
2015ª	2	14	287	350	100	100	116	
2015 b	3	13	272	350	100	100	123	
2014	3	10	246	289	100	100	112	
2013	2	6	223	229	100	100	100	
2012	2	3	207	183	100	100	86	
2011	1	2	200	161	100	100	79	

^a Results restated based on experience study.

Actual vs. Recommended Contribution Rates

The Board adopted all contribution rates as recommended by the actuary.

^b Results from original valuation prior to completion of experience study.

Results after change in discount rate from 7.5% to 7.2%.

^d By law, OPERS is obligated to pay certain benefits that have commenced with retirees. In order to make these payments each year and hold sufficient assets in this fund to pay the vested benefits of all retirees and beneficiaries as of the actuarial valuation date, OPERS transfers funds from the active member employer fund (the Employers' Accumulation Fund) to the pension funds (the Annuity and Pension Reserve Fund and the Survivors' Benefit Fund). Thus, the amount available for active member funding is negatively impacted.

¹ Does not include assets set aside for health care.

The following tables display the actual financial experience in relation to the actuarially assumed experience for each of the defined benefit pension plans and health care. Actuarial gains and losses in accrued liabilities result from differences between the assumed experience and actual experience.

	(Gains (or Lo	sses) for Yea	r
Type of Activity	2020	2019	2018	2017
Age-and-Service Retirements When members retire at older ages than assumed, a gain results. If members retire at ages younger than assumed, a loss occurs.	(\$53.3)	\$16.9	\$51.2	\$62.2
Disability Retirements When disability claims are less than assumed, a gain results. If claims are greater than assumed, a loss occurs.	96.3	95.2	79.6	72.8
Death-In-Service Annuities When survivor claims are less than assumed, a gain results. If claims are greater than assumed, a loss occurs.	37.4	35.2	45.9	36.0
Other Separations When liabilities released by other separations are greater than assumed, a gain results. If liabilities released are less than assumed, a loss occurs.	41.5	14.1	31.1	(6.1)
Pay Increases When pay increases are less than assumed, a gain results. If pay increases are greater than assumed, a loss occurs.	476.7	189.7	183.0	410.6
Investment Return When investment returns are greater than assumed, a gain results. If investment returns are less than assumed, a loss occurs.	2,541.8	1,565.8	(1,743.5)	203.5
Retiree Mortality¹ When liabilities released due to death of members are greater than assumed, a gain results. If liabilities released are less than assumed, a loss occurs.	231.3	12.3	121.8	82.4
Retiree Cost-of-Living Adjustments When cost-of-living adjustments are less than assumed, a gain results. If cost-of-living adjustments are greater than assumed, a loss occurs.	262.1	108.0	(104.6)	
Gains/(Losses) During Year From Financial Experience	\$3,633.8	\$2,037.2	(\$1,335.5)	\$861.4

Analysis of Financial Experience (\$ in millions, continued on next p	age)			
	Gains (or Losses) for Year			
Type of Activity	2020	2019	2018	2017
Age-and-Service Retirements When members retire at older ages than assumed, a gain results. If members retire at ages younger than assumed, a loss occurs.	(\$0.58)	(\$0.07)	\$0.05	\$0.21
Disability Retirements When disability claims are less than assumed, a gain results. If claims are greater than assumed, a loss occurs.	5.93	5.89	4.32	4.30
Death-In-Service Annuities When survivor claims are less than assumed, a gain results. If claims are greater than assumed, a loss occurs.	0.46	0.58	0.53	(0.04)
Other Separations When liabilities released by other separations are greater than assumed, a gain results. If liabilities released are less than assumed, a loss occurs.	(0.14)	0.46	(0.04)	(1.16)
Pay Increases When pay increases are less than assumed, a gain results. If pay increases are greater than assumed, a loss occurs.	7.95	4.64	3.42	9.89
Investment Return When investment returns are greater than assumed, a gain results. If investment returns are less than assumed, a loss occurs.	17.45	9.88	(9.22)	3.99
Retiree Mortality¹ When liabilities released due to death of members are greater than assumed, a gain results. If liabilities released are less than assumed, a loss occurs.	(0.23)	(0.17)	0.16	0.02
Retiree Cost-of-Living Adjustments When cost-of-living adjustments are less than assumed, a gain results. If cost-of-living adjustments are greater than assumed, a loss occurs.	0.44	0.17	(0.12)	
Gains/(Losses) During Year From Financial Experience	\$31.28	\$21.38	(\$0.90)	\$17.21

¹ In 2019, the data aggregation methodology was modified for retiree mortality. Restated data for years prior to 2019 is not available.

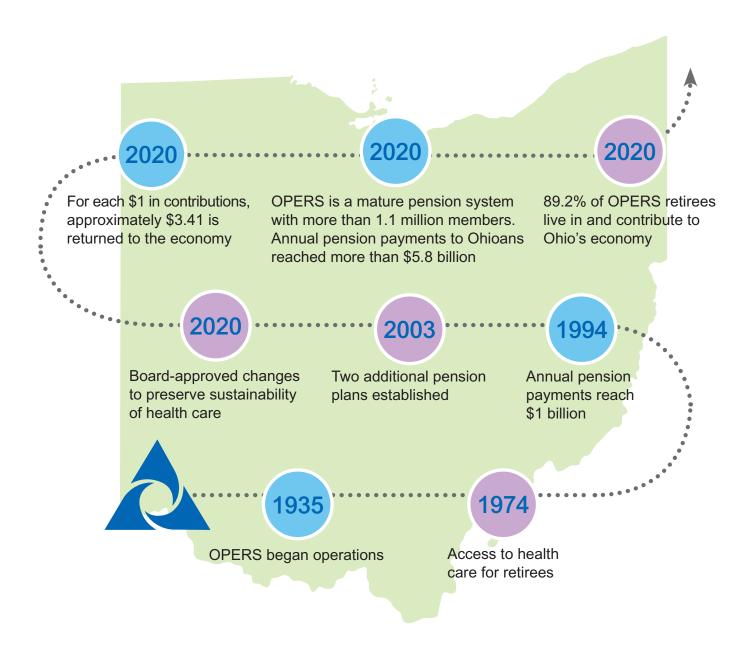
	Traditional Pension Plan								
		Gains (or Lo	sses) for Yea	ar					
2016	2015	2014	2013	2012	2011				
\$55.5	\$71.6	(\$91.9)	(\$77.2)	(\$113.2)	(\$179.0)				
61.2	83.1	95.0	64.0	71.6	88.1				
41.3	41.0	40.4	29.5	42.0	36.1				
5.2	22.1	4.7	(13.0)	8.9	15.9				
(48.1)	367.1	461.8	551.7	1,261.7	359.5				
(467.8)	261.6	471.3	617.1	(398.4)	(1,193.8)				
31.9	74.4	95.8	140.4						
(\$320.8)	\$920.9	\$1,077.1	\$1,312.5	\$872.6	(\$873.2)				

	Combined Plan								
		Gains (or Lo	sses) for Ye	ar					
2016	2015	2014	2013	2012	2011				
\$0.06	\$0.07	(\$0.16)	(\$0.09)	(\$0.11)	(\$0.09)				
3.82	3.93	4.66	4.34	4.86	4.52				
0.94	0.42	1.04	0.66	0.59	(0.02)				
(0.44)	0.23	(0.74)	(0.09)	0.44	0.55				
4.09	5.92	4.92	5.53	7.55	3.00				
(2.02)	(0.08)	3.05	2.84	(0.38)	(2.69)				
(0.03)	0.29	0.04	0.10						
\$6.42	\$10.78	\$12.81	\$13.29	\$12.95	\$5.27				

Analysis of Financial Experience ¹ (\$ in millions)	Health Care	
	Gains (or Los	sses) for Year
Type of Activity	2019	2018
Premiums Gains resulting from actual premiums in valuation year versus that assumed from prior valuation, and changes in assumed future premium increases.	\$1,189.8	\$484.7
Investment Return When investment returns are greater than assumed, a gain results. If investment returns are less than assumed, a loss occurs.	380.6	(204.4)
Other Sources Difference between assumed and actual experience in other sources, including but not limited to, benefits paid, demographic experience, data adjustments and method changes.	390.3	952.0
Gains During Year From Financial Experience	\$1,960.7	\$1,232.3

¹ This schedule was added for the valuation year ended December 31, 2018. Data prior to 2018 is not available.

Delivering service: OPERS has a tradition of providing members with financial security in retirement. Importantly, OPERS provides a service to all Ohioans; the System is a strong economic engine for Ohio.



The Statistical Section provides pertinent information to assist readers when viewing the Financial Statements, Notes to the Financial Statements and Required Supplementary Information to help in understanding and assessing the System's overall financial condition. The information reported here is in compliance with Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*. This statement establishes standardized reporting requirements for the supplementary information provided in this section.

The schedules and graphs beginning on the next page show financial trend information about the growth of assets for the past 10 years (where available). These schedules provide detailed information about the trends of key sources of additions and deductions to the System's assets and assist in providing a context framing how the OPERS financial position has changed over time. The financial trend schedules presented are:

- · Net Position by Plan,
- Statutory Fund Balance by Plan,
- Fiduciary Net Position,
- Changes in Fiduciary Net Position,
- · Additions by Source,

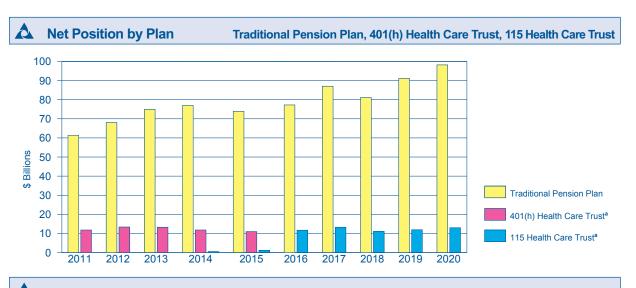
- Deductions by Type,
- · Benefits by Type,
- · Health Care Expenses by Type,
- · Refunds by Type, and
- · Number of Refund Payments by Plan.

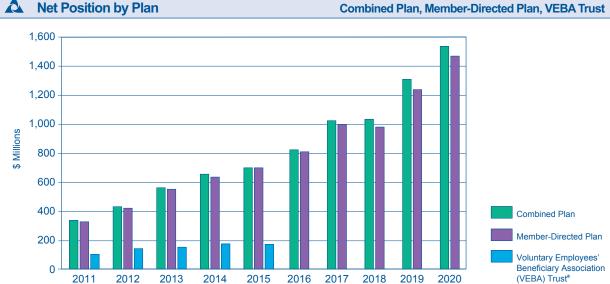
The schedules on pages 197-198 compare the pension assets accumulated to cover the projected pension liabilities that are ultimately due at retirement for each of the defined benefit plans and the corresponding funded ratio under both the accounting basis (GASB Statement No. 67) and the funding basis. Health care coverage is not statutorily guaranteed and may be changed to ensure long-term solvency of the plans and OPERS' ability to provide future coverage for all eligible retirees. The schedules on pages 199-200 display similar information for health care assets and projected liabilities under both the accounting basis (GASB Statement No. 74) and the funding basis. The Health Care Solvency schedule shows the estimated number of years, under the funding basis, for which assets are available to cover the projected liabilities. Refer to the schedules of pension and health care assets vs. liabilities.

The schedules beginning on page 196 show demographic and economic information and operating information. The demographic and economic information is designed to assist in understanding the environment in which OPERS operates. The operating information is intended to provide contextual information about operations to assist in assessing the System's economic condition. The demographic and economic information and the operating information presented include:

- Funds Restricted for Member Health Care Accounts.
- · Pension Assets vs. Pension Liabilities,
- · Health Care Assets vs. Health Care Liabilities,
- Contribution Rates (Health Care),
- Health Care Self-Funding Rate,
- · Investment Rates by Portfolio—Defined Benefit and Health Care,
- · Number of Retirees/Benefit Recipients by Category,
- Number of Covered Lives by Category,
- Schedule of Retirees by Benefit Type and Amount,
- · Number of New Pension Retirees,
- · Schedule of Average Benefits (Traditional Pension Plan and Combined Plan),
- Member Counts by Plan,
- 2020 Pension Benefits and Retirees by Ohio County,
- · Retirees by Geographical Location,
- · Contribution Rates (Pension Plans),
- · Number of Employer Units, and
- · Principal Participating Employers.

All non-accounting data is derived from OPERS internal sources.





A	Net Position by Plan (last 10 fiscal years)								
Year	Traditional Pension Plan	Combined Plan	Member- Directed Plan	115 Health Care Trust ¹	401(h) Health Care Trust	Voluntary Employees' Beneficiary Association (VEBA) Trust	Total Net Position		
2020	\$98,024,718,613	\$1,542,815,851	\$1,474,201,365	\$13,227,419,100			\$114,269,154,929		
2019	91,121,609,718	1,305,673,187	1,240,585,015	12,647,057,751			106,314,925,671		
2018	80,876,605,054	1,036,089,962	977,376,894	11,252,985,702			94,143,057,612		
2017	86,585,851,024	1,022,418,029	998,717,118	12,818,833,665			101,425,819,836		
2016 ^a	77,109,633,485	815,852,017	804,850,860	11,880,487,863			90,610,824,225		
2015	74,213,320,352	700,914,409	698,540,030	841,112,040	\$10,671,068,181	\$166,446,806	87,291,401,818		
2014	76,956,230,642	650,249,727	635,272,613	386,080,172	12,440,522,790	175,539,164	91,243,895,108		
2013	74,618,532,269	559,612,889	547,022,037		13,111,684,807	153,084,296	88,989,936,298		
2012	67,668,091,799	420,197,546	410,662,967		12,828,625,322	119,615,875	81,447,193,509		
2011 ^b	61,330,891,370	333,095,015	317,193,338		11,959,000,311	90,696,132	74,030,876,166		

^a The 401(h) Health Care Trust and the VEBA Trust were terminated as of June 30, 2016 and the net positions of these trusts were consolidated into the 115 Health Care Trust on July 1, 2016.

^b Net Position by Plan was restated to correct the allocation of investment income as of December 31, 2010, with the restatement rolled forward through 2011 and 2012. The restatement by plan did not impact the total net position of the System.

¹ The 115 Health Care Trust was established in 2014.

Statutory Fund Balance by Plan (ast 10 fiscal years)		(0	continued on next page)
Year	2020	2019	2018	2017
All Plans Employees' Savings Fund Employers' Accumulation Fund—Pension/Health Care Annuity and Pension Reserve Fund Survivors' Benefit Fund Defined Contribution Fund—Retirement/Health Care Income Fund Expense Fund	\$15,554,270,764 29,594,909,825 64,848,415,064 1,958,351,137 2,188,950,139 112,583,998 11,674,002	\$15,212,833,485 24,428,538,501 62,844,328,205 1,846,874,240 1,853,332,241 121,965,749 7,053,250	\$14,767,713,107 16,550,272,093 59,469,119,341 1,766,560,528 1,462,705,849 122,296,958 4,389,736	\$14,300,330,700 25,650,181,722 58,106,232,497 1,742,699,663 1,502,124,254 112,115,080 12,135,920
Total Fund Balance	\$114,269,154,929	\$106,314,925,671	\$94,143,057,612	\$101,425,819,836
Traditional Pension Plan Employees' Savings Fund Employers' Accumulation Fund—Pension Annuity and Pension Reserve Fund Survivors' Benefit Fund Income Fund Expense Fund	\$15,550,154,652 15,608,698,783 64,783,256,041 1,958,351,137 112,583,998 11,674,002	\$15,209,312,543 11,147,191,027 62,789,212,909 1,846,874,240 121,965,749 7,053,250	\$14,764,276,344 4,795,082,942 59,423,998,546 1,766,560,528 122,296,958 4,389,736	\$14,297,505,057 12,351,857,327 58,069,537,977 1,742,699,663 112,115,080 12,135,920
Total Fund Balance	\$98,024,718,613	\$91,121,609,718	\$80,876,605,054	\$86,585,851,024
Combined Plan Employees' Savings Fund Employers' Accumulation Fund—Pension Annuity and Pension Reserve Fund Defined Contribution Fund—Retirement Total Fund Balance	\$4,021,558 740,437,194 44,713,041 753,644,058 \$1,542,815,851	\$3,426,466 630,733,294 34,924,190 636,589,237 \$1,305,673,187	\$3,342,013 499,982,476 28,176,089 504,589,384 \$1,036,089,962	\$2,587,678 476,864,676 21,799,531 521,166,144 \$1,022,418,029
Total Fullu Balance	\$1,542,615,651	\$1,303,073,107	\$1,030,009,902	\$1,022,410,029
Member-Directed Plan Employees' Savings Fund Employers' Accumulation Fund—Pension Annuity and Pension Reserve Fund Defined Contribution Fund—Retirement	\$94,554 18,354,748 20,445,982 1,435,306,081	\$94,476 3,556,429 20,191,106 1,216,743,004	\$94,750 2,220,973 16,944,706 958,116,465	\$237,965 2,626,054 14,894,989 980,958,110
Total Fund Balance	\$1,474,201,365	\$1,240,585,015	\$977,376,894	\$998,717,118
115 Health Care Trust ¹ Employers' Accumulation Fund—Health Care	\$13,227,419,100	\$12,647,057,751	\$11,252,985,702	\$12,818,833,665
Total Fund Balance	\$13,227,419,100	\$12,647,057,751	\$11,252,985,702	\$12,818,833,665
401(h) Health Care Trust ¹ Employers' Accumulation Fund—Health Care				
Total Fund Balance				
Voluntary Employees' Beneficiary Association (VEBA) Trust ¹ Defined Contribution Fund—Health Care				
Total Fund Balance				

^a Net Position by Plan was restated to correct the allocation of investment income as of December 31, 2010, with restatement rolled forward through 2011 and 2012. The restatement by plan did not impact the total net position of the System.

¹ The 115 Health Care Trust was established in 2014. The 401(h) Health Care Trust and the VEBA Trust were terminated as of June 30, 2016. The net positions of these trusts were consolidated into the 115 Health Care Trust on July 1, 2016.

Statutory	Fund Balance by	<i>r</i> Plan			
2016	2015	2014	2013	2012	2011 ^a
\$13,914,959,537 19,218,910,213 54,462,722,183 1,669,466,891 1,216,155,401 123,776,306 4,833,694	\$13,471,062,846 16,076,648,809 54,705,647,821 1,694,085,497 1,219,165,845 122,714,098 2,076,902	\$13,194,306,671 22,768,644,951 52,331,183,968 1,675,926,615 1,154,079,903 114,494,235 5,258,765	\$12,828,423,536 22,852,975,720 50,525,254,541 1,654,787,855 1,011,655,646 113,671,739 3,167,261	\$12,641,655,468 19,074,270,351 47,232,908,883 1,627,212,197 763,702,610 107,444,000	\$12,300,117,438 15,959,261,830 43,513,048,458 1,568,050,108 587,622,632 99,016,985 3,758,715
\$90,610,824,225	\$87,291,401,818	\$91,243,895,108	\$88,989,936,298	\$81,447,193,509	\$74,030,876,166
\$13,912,277,541 6,965,583,478 54,433,695,575 1,669,466,891 123,776,306 4,833,694	\$13,468,694,332 4,243,982,790 54,681,766,733 1,694,085,497 122,714,098 2,076,902	\$13,191,067,352 9,655,043,969 52,314,439,706 1,675,926,615 114,494,235 5,258,765	\$12,826,142,567 9,507,406,396 50,513,356,451 1,654,787,855 113,671,739 3,167,261	\$12,639,906,042 6,066,140,290 47,227,389,270 1,627,212,197 107,444,000	\$12,298,673,251 3,850,924,715 43,510,467,596 1,568,050,108 99,016,985 3,758,715
\$77,109,633,485	\$74,213,320,352	\$76,956,230,642	\$74,618,532,269	\$67,668,091,799	\$61,330,891,370
\$2,629,485 372,135,835 17,116,877 423,969,820	\$2,343,149 320,876,515 13,366,406 364,328,339	\$2,994,501 286,747,478 8,359,792 352,147,956	\$1,894,549 233,588,347 5,481,510 318,648,483	\$1,606,472 179,466,995 3,114,881 236,009,198	\$1,362,904 149,374,928 1,514,253 180,842,930
\$815,852,017	\$700,914,409	\$650,249,727	\$559,612,889	\$420,197,546	\$333,095,015
\$52,511 703,037 11,909,731 792,185,581	\$25,365 (390,717) 10,514,682 688,390,700	\$244,818 250,542 8,384,470 626,392,783	\$386,420 296,170 6,416,580 539,922,867	\$142,954 37,744 2,404,732 408,077,537	\$81,283 (38,124 1,066,609 316,083,570
\$804,850,860	\$698,540,030	\$635,272,613	\$547,022,037	\$410,662,967	\$317,193,338
\$11,880,487,863	\$841,112,040	\$386,080,172			
\$11,880,487,863	\$841,112,040	\$386,080,172			
	\$10,671,068,181	\$12,440,522,790	\$13,111,684,807	\$12,828,625,322	\$11,959,000,311
	\$10,671,068,181	\$12,440,522,790	\$13,111,684,807	\$12,828,625,322	\$11,959,000,311
				-	
	\$166,446,806	\$175,539,164	\$153,084,296	\$119,615,875	\$90,696,132
	\$166,446,806	\$175,539,164	\$153,084,296	\$119,615,875	\$90,696,132

Fiduciary Net Position (last 10 fiscal years)		(cc	ontinued on next page)
Year	2020	2019	2018	2017
All Plans				
Assets				
Cash and Cash Equivalents Receivables	\$6,797,714,437 893,137,367	\$5,153,032,873 1,023,900,774	\$3,986,157,970 888,861,210	\$4,625,708,094 1,113,071,247
Investments	106,855,373,465	101,068,997,469	89,977,800,332	96,357,409,903
Collateral on Loaned Securities	10,082,726,257	8,338,502,346	8,170,412,140	7,935,816,160
Net Capital Assets	137,151,598	127,717,312	127,110,017	131,801,306
Prepaid Expenses and Other Assets	2,305,525	2,536,831	2,062,788	1,304,949
Total Assets	124,768,408,649	115,714,687,605	103,152,404,457	110,165,111,659
Liabilities, Deferred Inflows and Net Position	400 000 000	445	400.000.004	
Benefits Payable	108,039,892	115,782,241	120,372,871	114,904,201
Investment Commitments Payable Obligations Under Securities Lending	282,169,031 10,080,200,147	927,267,321 8,336,228,643	702,901,475 8,167,622,811	671,584,704 7,933,640,759
Other Liabilities	25,803,056	20,483,729	18,449,688	19,162,159
Deferred Inflows—Lessor Obligations	3,041,594		12,112,222	,,
Net Position (Fund Balance)	114,269,154,929	106,314,925,671	94,143,057,612	101,425,819,836
Total Liabilities, Deferred Inflows and Net Position	\$124,768,408,649	\$115,714,687,605	\$103,152,404,457	\$110,165,111,659
T 100 1 D 1				
Traditional Pension Plan Assets				
Cash and Cash Equivalents	\$5,723,034,710	\$4,308,875,497	\$3,374,454,554	\$3,781,114,065
Receivables	778,127,685	888,425,919	768,486,959	954,982,358
Investments	91,688,300,257	86,619,951,352	77,239,220,653	82,334,875,328
Collateral on Loaned Securities	9,949,399,797	8,278,711,065	8,116,371,929	7,891,300,747
Net Capital Assets Prepaid Expenses and Other Assets	107,130,755 2,305,525	99,046,577 2,536,831	96,834,232 2,062,788	99,218,172 1,304,949
Total Assets	108,248,298,729	100,197,547,241	89,597,431,115	95,062,795,619
Liabilities, Deferred Inflows and Net Position	100,240,290,729	100, 197, 347, 241	09,397,431,113	95,002,795,019
Benefits Payable	739,550	600,465	840,787	260,431
Investment Commitments Payable	247,111,672	778,596,013	588,145,541	568,614,823
Obligations Under Securities Lending	9,946,907,092	8,276,453,666	8,113,604,843	7,889,137,549
Other Liabilities	25,780,208	20,287,379	18,234,890	18,931,792
Deferred Inflows—Lessor Obligations Net Position (Fund Balance)	3,041,594 98,024,718,613	91,121,609,718	80,876,605,054	86,585,851,024
Total Liabilities, Deferred Inflows and Net Position	\$108,248,298,729	\$100,197,547,241	\$89,597,431,115	\$95,062,795,619
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Combined Plan				
Assets	¢44.075.500	\$25 F22 00F	¢46.064.770	₽40 700 E40
Cash and Cash Equivalents Receivables	\$44,975,508 8,473,113	\$25,533,095 12,995,951	\$16,264,772 12,076,641	\$18,789,542 14,429,447
Investments	1,487,311,196	1,269,150,215	1,008,282,317	988,897,434
Collateral on Loaned Securities	76,605,925	57,596,103	52,042,473	42,918,686
Net Capital Assets	4,166,692	3,938,747	3,905,804	3,947,072
Total Assets	1,621,532,434	1,369,214,111	1,092,572,007	1,068,982,181
Liabilities and Net Position				
Investment Commitments Payable	2,129,852	5,960,527	4,460,993	3,657,231
Obligations Under Securities Lending Other Liabilities	76,586,731	57,580,397	52,021,052	42,906,921
Net Position (Fund Balance)	1,542,815,851	1,305,673,187	1,036,089,962	1,022,418,029
Total Liabilities and Net Position	\$1,621,532,434	\$1,369,214,111	\$1,092,572,007	\$1,068,982,181
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Member-Directed Plan				
Assets	00.410.00	0440.00	40== 05=	M4 000 0 :=
Cash and Cash Equivalents	\$2,412,001	\$419,694	\$255,302	\$1,938,245
Receivables Investments	9,649,027 1,459,649,304	9,619,158 1,228,537,895	10,324,579 965,305,936	13,193,710 981,494,690
Collateral on Loaned Securities	3,476,392	2,195,178	1,997,738	1,596,727
Net Capital Assets	2,855,907	2,675,144	2,757,251	2,891,519
Total Assets	1,478,042,631	1,243,447,069	980,640,806	1,001,114,891
Liabilities and Net Position				
Investment Commitments Payable	365,745	667,474	1,266,996	801,484
Obligations Under Securities Lending	3,475,521	2,194,580	1,996,916	1,596,289
Other Liabilities Net Position (Fund Balance)	1,474,201,365	1,240,585,015	977,376,894	998,717,118
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Total Liabilities and Net Position	\$1,478,042,631	\$1,243,447,069	\$980,640,806	\$1,001,114,891

See footnotes on page 172

	Net Position	2014	2012	2012	20118
2016	2015	2014	2013	2012	2011 ^a
\$4,586,305,505	\$3,064,065,686	\$2,882,858,353	\$3,333,382,605	\$2,780,697,535	\$2,847,839,85
1,112,083,698	954,980,282	1,088,837,041	1,092,845,990	2,212,003,770	1,554,352,79
85,449,650,603	83,819,475,118	87,891,142,075	85,137,610,781	77,617,850,120	71,149,016,09
8,288,355,523	8,270,812,672	7,854,368,780	6,958,964,420	6,827,172,458	10,401,223,94
132,961,073	132,811,651	133,629,210	131,389,851	121,172,935	112,092,86
764,515	1,217,369	2,261,461	2,912,709	3,841,978	779,63
99,570,120,917	96,243,362,778	99,853,096,920	96,657,106,356	89,562,738,796	86,065,305,17
110 206 252	02 550 710	00 944 076	00 115 020	101 100 640	110 501 26
110,396,253	93,550,718	99,844,976	90,115,030	101,188,640	119,591,36
539,826,060	475,568,951	593,164,943	554,398,461	1,116,869,935	1,423,836,31
8,285,285,181	8,271,338,789	7,852,803,699	6,953,717,885	6,816,672,766	10,410,130,42
23,789,198	111,502,502	63,388,194	68,938,682	80,813,946	80,870,90
90,610,824,225	87,291,401,818	91,243,895,108	88,989,936,298	81,447,193,509	74,030,876,16
99,570,120,917	\$96,243,362,778	\$99,853,096,920	\$96,657,106,356	\$89,562,738,796	\$86,065,305,17
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\$3,695,255,724	\$2,381,670,021	\$2,357,796,670	\$2,826,596,339	\$2,324,824,614	\$2,321,930,95
880,590,006	637,347,978	709,932,322	760,735,070	1,690,953,615	1,181,127,05
72,913,065,131	71,514,345,166	74,279,082,505	71,393,042,048	64,487,332,183	58,890,460,78
8,247,367,947	8,215,428,672	7,809,036,934	6,924,316,299	6,797,920,566	10,363,838,80
98,085,389	96,541,605	96,963,543	98,948,820	85,661,140	84,923,33
764,515	1,217,369	2,261,461	2,912,709	3,841,978	779,63
85,835,128,712	82,846,550,811	85,255,073,435	82,006,551,285	75,390,534,096	72,843,060,55
1,253,982	255,699	311,575	78,477	682,136	1,061,65
456,426,672	393,965,905	475,297,939	451,977,660	918,234,060	1,124,645,82
8,244,312,788	8,215,951,266	7,807,480,885	6,919,095,886	6,787,465,861	10,372,713,26
23,501,785	23,057,589	15,752,394	16,866,993	16,060,240	13,748,43
77,109,633,485	74,213,320,352	76,956,230,642	74,618,532,269	67,668,091,799	61,330,891,37
85,835,128,712	\$82,846,550,811	\$85,255,073,435	\$82,006,551,285	\$75,390,534,096	\$72,843,060,55
· · · · ·					
\$15,750,245	\$10,566,328	\$8,947,770	\$9,425,463	\$6,574,926	\$6,248,67
12,005,543	22,378,455	21,472,538	17,071,301	9,350,843	7,707,80
787,029,411	674,801,893	623,991,406	534,668,467	416,161,716	339,986,99
39,693,971	34,258,885	27,497,528	20,966,014	18,059,949	23,506,89
3,885,497	3,950,559	3,998,438	3,921,730	4,357,765	65,08
858,364,667	745,956,120	685,907,680	586,052,975	454,505,199	377,515,45
· · ·	, ,			, ,	, ,
2,833,383	1,801,004	1,787,256	1,549,789	2,690,744	2,823,63
39,679,267	34,261,065	27,492,049	20,950,208	18,032,174	23,527,02
	8,979,642	6,378,648	3,940,089	13,584,735	18,069,78
815,852,017	700,914,409	650,249,727	559,612,889	420,197,546	333,095,01
\$858,364,667	\$745,956,120	\$685,907,680	\$586,052,975	\$454,505,199	\$377,515,45
\$666,696	\$334,220	\$274,295	\$282,346	\$91,299	\$980,01
11,590,244	23,237,455	21,577,499	15,586,438	6,821,748	7,353,27
790,661,959	677,842,112	638,145,075	560,933,809	432,851,458	338,695,47
1,293,605	2,237,421	767,134	482,373	205,837	111,64
2,962,075	3,025,179	3,150,369	2,856,649	3,667,974	94,93
807,174,579	706,676,387	663,914,372	580,141,615	443,638,316	347,235,34
4 000 500	045.000	407 EOF	406 000	4EE 0EF	100.00
	245,260	137,585	196,803	155,855	123,66
1,030,593	0.007.500				
1,030,593 1,293,126	2,237,563	766,982	482,009	205,521	
1,293,126	5,653,534	27,737,192	32,440,766	32,613,973	111,74 29,806,59
	i i			•	

continued from previous page

Fiduciary Net Position (last 10 fiscal year	2020	2019	2018	2017
rear	2020	2019	2010	2017
115 Health Care Trust ¹ Assets				
Cash and Cash Equivalents	\$1,027,292,218	\$818,204,587	\$595,183,342	\$823,866,24
Receivables	96,887,542	112,859,746	97,973,031	130,465,73
Investments Collateral on Loaned Securities	12,220,112,708 53,244,143	11,951,358,007	10,764,991,426	12,052,142,45
Net Capital Assets	22,998,244	22,056,844	23,612,730	25,744,54
Total Assets	13,420,534,855	12,904,479,184	11,481,760,529	13,032,218,96
Liabilities and Net Position				
Benefits Payable Investment Commitments Payable	107,300,342 32,561,762	115,181,776 142,043,307	119,532,084 109,027,945	114,643,77 98,511,16
Obligations Under Securities Lending	53,230,803	142,043,307	109,027,945	90,511,10
Other Liabilities	22,848	196,350	214,798	230,36
Net Position (Fund Balance)	13,227,419,100	12,647,057,751	11,252,985,702	12,818,833,66
Total Liabilities and Net Position	\$13,420,534,855	\$12,904,479,184	\$11,481,760,529	\$13,032,218,96
401(h) Health Care Trust ¹ Assets Cash and Cash Equivalents				
Receivables				
Investments				
Net Capital Assets				
Total Assets				
Liabilities and Net Position Benefits Payable Investment Commitments Payable				
Other Liabilities Net Position (Fund Balance)				
Total Liabilities and Net Position				
Voluntary Employees' Beneficiary Association (VEBA) Trust ¹				
Assets Cash and Cash Equivalents Receivables				
Investments				
Collateral on Loaned Securities Net Capital Assets				
Total Assets				
Liabilities and Net Position				
Benefits Payable Investment Commitments Payable				
Obligations Under Securities Lending				
Other Liabilities				
Net Position (Fund Balance)				
Total Liabilities and Net Position				

^a Net Position by Plan was restated to correct the allocation of investment income as of December 31, 2010, with the restatement rolled forward through 2011 and 2012. The adjustment is reflected in the Cash and Cash Equivalents line and had no impact on the total net position of the System.

¹ The 115 Health Care Trust was established in 2014. The 401(h) Health Care Trust and the VEBA Trust were terminated as of June 30, 2016. The net positions of these trusts were consolidated into the 115 Health Care Trust on July 1, 2016.

Fiduciary	Net Position				
2016	2015	2014	2013	2012	2011 ^a
\$874,632,840	\$228,930,728	\$7,797,254			
207,897,905 10,958,894,102	173,883,586 484,975,264	197,641,190			
10,956,694,102	404,975,204	182,748,955			
28,028,112	1,441,984				
12,069,452,959	889,231,562	388,187,399			
109,142,271	1,634,811				
79,535,412	1,789,658	1,803,774			
	, ,	, ,			
287,413	44,695,053	303,453			
11,880,487,863	841,112,040	386,080,172			
\$12,069,452,959	\$889,231,562	\$388,187,399			
	# 407.000.005	# 500,000,407	0404.074.040	0440.054.045	#540.044.40
	\$437,888,805 83,230,392	\$503,893,407 125,472,731	\$491,371,340 290,484,285	\$446,851,345 500,838,389	\$516,841,40 355,160,43
	10,314,427,768	12,008,141,647	12,510,470,437	12,167,526,143	11,492,400,59
	27,020,679	28,631,421	24,866,659	26,625,770	26,945,87
	10,862,567,644	12,666,139,206	13,317,192,721	13,141,841,647	12,391,348,30
	91,451,759	99,279,185	90,019,865	100,495,333	118,529,28
	76,923,764	113,120,724	99,797,215	194,165,994	294,572,62
	23,123,940 10,671,068,181	13,216,507 12,440,522,790	15,690,834 13,111,684,807	18,554,998 12,828,625,322	19,246,09 11,959,000,31
	\$10,862,567,644	\$12,666,139,206	\$13,317,192,721	\$13,141,841,647	\$12,391,348,30
	\$10,002,507,044	\$12,000,139,200	\$13,317,192,721	\$13,141,041,04 <i>1</i>	\$12,391,340,30
	\$4,675,584	\$4,148,957	\$5,707,117	\$2,355,351	\$1,838,81
	14,902,416	12,740,761	8,968,896	4,039,175	3,004,21
	153,082,915	159,032,487	138,496,020	113,978,620	87,472,24
	18,887,694	17,067,184	13,199,734	10,986,106	13,766,59
	831,645	885,439	795,993	860,286	63,64
	192,380,254	193,874,828	167,167,760	132,219,538	106,145,50
	208,449	254,216	16,688	11,171	42
	843,360	1,017,665	876,994	1,623,282	1,670,56
	18,888,895	17,063,783	13,189,782	10,969,210	13,778,38
	5,992,744	,,-	.,,	-,,	
	166,446,806	175,539,164	153,084,296	119,615,875	90,696,13
	\$192,380,254	\$193,874,828	\$167,167,760	\$132,219,538	\$106,145,50

Changes in Fiduciary Net Position	Changes in Fiduciary Net Position (last 10 fiscal years) (continued on next page)						
Year	2020	2019	2018	2017			
All Plans Additions Member Contributions Employer Contributions Contract and Other Receipts ¹ Retiree-Paid Health Care Premiums ¹ Federal Subsidy ¹	\$1,517,737,361 2,124,180,535 79,934,979	\$1,516,077,941 2,121,982,398 67,502,046	\$1,455,771,629 2,037,635,971 81,169,718	\$1,421,754,296 1,989,941,685 93,061,535			
Net Income/(Loss) from Investing Activity Other Income/(Expense), net Interplan Activity	12,030,115,041 1,336,808 42,849,507	16,100,992,982 696,586 31,219,619	(3,350,345,567) 2,844,546 25,435,260	14,619,914,555 2,641,100 20,961,756			
Total Additions	15,796,154,231	19,838,471,572	252,511,557	18,148,274,927			
Deductions Pension Benefits Health Care Expenses ¹ Refunds of Contributions Administrative Expenses Interplan Activity	6,517,424,253 725,265,912 483,428,551 72,956,750 42,849,507	6,318,731,252 767,888,929 472,604,688 76,159,025 31,219,619	6,109,237,279 870,284,919 453,441,020 76,875,303 25,435,260	5,839,789,809 952,001,573 443,220,698 77,305,480 20,961,756			
Total Deductions	7,841,924,973	7,666,603,513	7,535,273,781	7,333,279,316			
Net Increase/(Decrease) Net Position Restricted for Pensions and OPEB, Beginning of Year	7,954,229,258 106,314,925,671	12,171,868,059 94,143,057,612	(7,282,762,224) 101,425,819,836	10,814,995,611 90,610,824,225			
Net Position Restricted for Pensions and OPEB, End of Year	\$114,269,154,929			\$101,425,819,836			
Traditional Pension Plan Additions Member Contributions Employer Contributions Contract and Other Receipts Net Income/(Loss) from Investing Activity Other Income/(Expense), net Interplan Activity	\$1,411,917,040 1,976,105,188 78,348,543 10,371,729,419 906,079 42,849,507	\$1,410,501,971 1,974,172,176 66,023,563 13,532,537,160 694,862 31,219,619	\$1,354,235,298 1,895,462,837 79,562,553 (2,524,213,911) 2,112,353 25,435,260	\$1,324,457,501 1,722,856,378 90,937,696 12,586,432,979 2,516,572 20,961,756			
Total Additions	13,881,855,776	17,015,149,351	832,594,390	15,748,162,882			
Deductions Pension Benefits Refunds of Contributions Administrative Expenses	6,507,132,869 420,286,261 51,327,751	6,310,936,996 407,308,374 51,899,317	6,101,603,746 388,067,394 52,169,220	5,835,175,377 384,615,309 52,154,657			
Total Deductions	6,978,746,881	6,770,144,687	6,541,840,360	6,271,945,343			
Special Item ²							
Net Increase/(Decrease) Net Position Restricted for Pensions, Beginning of Year	6,903,108,895 91,121,609,718	10,245,004,664 80,876,605,054	(5,709,245,970) 86,585,851,024	9,476,217,539 77,109,633,485			
Net Position Restricted for Pensions, End of Year	\$98,024,718,613	\$91,121,609,718	\$80,876,605,054	\$86,585,851,024			

See footnotes on page 180

⚠ Changes i	n Fiduciary Net F	Position			
2016	2015	2014	2013	2012	2011 ^a
\$1,387,215,220 1,941,632,324 172,338,832 184,368,783 4,065,058 6,926,572,065 (2,544,366) 17,205,339	\$1,332,308,994 1,864,823,741 172,067,637 248,601,375 175,930,875 9,415,961 (4,887,359) 19,759,373	\$1,307,428,830 1,829,907,525 270,728,202 238,406,380 176,619,891 5,775,317,835 8,304,360 10,357,663	\$1,279,945,223 1,794,039,132 250,228,379 178,140,822 105,965,762 11,006,164,375 13,898,739 13,034,171	\$1,266,800,236 1,778,728,069 218,259,489 159,614,898 182,579,917 10,375,431,044 12,103,692 16,981,683	\$1,286,385,298 1,809,470,716 211,847,098 148,370,246 192,118,407 179,956,702 11,255,503 10,077,664
10,630,853,255	3,818,020,597	9,617,070,686	14,641,416,603	14,010,499,028	3,849,481,634
5,588,000,966 1,197,374,344 429,791,141 79,059,058 17,205,339	5,401,880,992 1,822,571,428 449,265,410 77,036,684 19,759,373	5,112,123,787 1,740,814,106 425,701,829 74,114,491 10,357,663	4,931,491,707 1,644,244,641 441,284,204 68,619,091 13,034,171	4,590,938,871 1,609,157,697 307,486,279 69,617,155 16,981,683	4,329,918,267 1,576,457,152 323,672,042 70,101,033 10,077,664
7,311,430,848	7,770,513,887	7,363,111,876	7,098,673,814	6,594,181,685	6,310,226,158
3,319,422,407	(3,952,493,290)	2,253,958,810	7,542,742,789	7,416,317,343	(2,460,744,524)
87,291,401,818	91,243,895,108	88,989,936,298	81,447,193,509	74,030,876,166	76,491,620,690
\$90,610,824,225	\$87,291,401,818	\$91,243,895,108	\$88,989,936,298	\$81,447,193,509	\$74,030,876,166
\$1,294,853,664 1,556,529,162 77,862,156 5,947,233,326 (2,560,081) 11,168,557	\$1,246,732,014 1,498,679,737 75,209,820 274,898,652 (4,887,369) 19,759,373	\$1,228,144,074 1,476,074,083 114,830,564 5,056,307,357 625,549 10,357,663	\$1,206,808,750 1,571,758,150 121,818,099 9,423,847,940 414,878 13,034,171	\$1,199,073,380 1,208,150,727 122,281,629 8,713,817,411 329,493 16,918,042	\$1,221,597,118 1,233,002,841 121,560,871 274,530,266 340,460 10,077,664
8,885,086,784	3,110,392,227	7,886,339,290	12,337,681,988	11,260,570,682	2,861,109,220
5,584,517,896 352,362,641 51,871,700	5,398,844,664 405,320,800 49,137,053	5,109,100,939 389,707,612 49,832,366	4,928,972,847 411,321,700 46,946,971	4,589,973,216 284,217,216 49,179,821	4,329,452,581 302,812,289 51,196,146
5,988,752,237	5,853,302,517	5,548,640,917	5,387,241,518	4,923,370,253	4,683,461,016
(21,414)					
2,896,313,133 74,213,320,352	(2,742,910,290) 76,956,230,642	2,337,698,373 74,618,532,269	6,950,440,470 67,668,091,799	6,337,200,429 61,330,891,370	(1,822,351,796) 63,153,243,166
\$77,109,633,485	\$74,213,320,352	\$76,956,230,642	\$74,618,532,269	\$67,668,091,799	\$61,330,891,370

continued on next page

Changes in Fiduciary Net Position (last 10 fiscal years)					
Year	2020	2019	2018	2017	
Combined Plan Additions Member Contributions Employer Contributions Contract and Other Receipts Net Income/(Loss) from Investing Activity Other Income, net	\$44,320,854 62,084,708 407,896 175,700,469	\$44,786,688 62,699,159 291,108 202,970,429	\$43,054,163 60,249,275 515,564 (54,622,602)	\$41,265,878 53,636,897 688,384 142,733,244 2,135	
Total Additions	282,513,927	310,747,384	49,196,400	238,326,538	
Deductions Pension Benefits Refunds of Contributions Administrative Expenses Interplan Activity	7,843,951 15,670,706 2,781,210 19,075,396	5,310,887 17,531,723 3,906,211 14,415,338	4,489,811 16,808,080 2,730,700 11,495,876	3,089,538 16,220,141 3,181,465 9,269,382	
Total Deductions	45,371,263	41,164,159	35,524,467	31,760,526	
Net Increase Net Position Restricted for Pensions, Beginning of Year	237,142,664 1,305,673,187	269,583,225 1,036,089,962	13,671,933 1,022,418,029	206,566,012 815,852,017	
Net Position Restricted for Pensions, End of Year	\$1,542,815,851	\$1,305,673,187	\$1,036,089,962	\$1,022,418,029	
Member-Directed Plan Additions Member Contributions Employer Contributions Contract and Other Receipts Net Income/(Loss) from Investing Activity Other Income, net	\$61,499,467 61,500,701 665,031 186,297,248	\$60,789,282 60,792,922 646,566 210,427,422	\$58,482,168 58,482,191 812,423 (71,099,374)	\$56,030,917 56,030,522 577,914 139,385,790 4,511	
Total Additions	309,962,447	332,656,192	46,677,408	252,029,654	
Deductions Pension Benefits Refunds of Contributions Administrative Expenses Interplan Activity	2,447,433 47,471,584 2,652,969 23,774,111	2,483,369 47,764,591 2,395,830 16,804,281	3,143,722 48,565,546 2,368,980 13,939,384	1,524,894 42,385,248 2,560,880 11,692,374	
Total Deductions	76,346,097	69,448,071	68,017,632	58,163,396	
Net Increase/(Decrease) Net Position Restricted for Pensions, Beginning of Year	233,616,350 1,240,585,015	263,208,121 977,376,894	(21,340,224) 998,717,118	193,866,258 804,850,860	
Net Position Restricted for Pensions, End of Year	\$1,474,201,365	\$1,240,585,015	\$977,376,894	\$998,717,118	

See footnotes on page 180

Changes i	n Fiduciary Net F	Position			
2016	2015	2014	2013	2012	2011 ^a
\$39,232,690 47,079,023 620,078 63,694,711	\$36,685,161 44,022,120 492,260 (6,501,919)	\$34,604,398 44,196,044 412,808 32,379,863	\$32,535,565 45,427,520 680,258 78,379,140	\$30,193,165 23,998,486 745,347 50,732,608	\$29,256,952 23,280,520 386,879 (5,810,229)
150,626,502	74,697,622	111,593,113	157,022,483	105,669,606	47,114,122
1,981,664 21,857,512 2,559,387 9,290,331	1,791,115 12,577,944 2,522,610 7,141,271	2,230,987 10,974,442 2,375,278 5,375,568	1,526,005 7,731,155 2,264,293 6,085,687	610,545 6,173,714 2,295,688 9,487,128	305,215 6,462,849 2,559,312 5,129,362
35,688,894	24,032,940	20,956,275	17,607,140	18,567,075	14,456,738
114,937,608 700,914,409	50,664,682 650,249,727	90,636,838 559,612,889	139,415,343 420,197,546	87,102,531 333,095,015	32,657,384 300,437,631
\$815,852,017	\$700,914,409	\$650,249,727	\$559,612,889	\$420,197,546	\$333,095,015
\$53,128,866 53,120,880 527,291 66,099,386	\$48,891,819 68,448,551 495,540 (13,070,950)	\$44,680,358 47,851,530 700,770 28,212,549	\$40,600,908 38,540,851 785,072 88,633,791	\$37,533,691 35,646,573 492,890 46,860,344	\$35,531,228 33,746,291 802,270 (10,151,205)
172,876,423	104,764,960	121,445,207	168,560,622	120,533,498	59,928,584
1,501,406 55,570,988 2,305,383 7,187,816	1,245,213 31,366,666 2,260,306 6,625,358	791,861 25,019,775 2,400,900 4,982,095	992,855 22,231,349 2,028,864 6,948,484	355,110 17,095,349 2,118,855 7,494,555	160,471 14,396,904 2,354,183 4,920,130
66,565,593	41,497,543	33,194,631	32,201,552	27,063,869	21,831,688
106,310,830 698,540,030	63,267,417 635,272,613	88,250,576 547,022,037	136,359,070 410,662,967	93,469,629 317,193,338	38,096,896 279,096,442
\$804,850,860	\$698,540,030	\$635,272,613	\$547,022,037	\$410,662,967	\$317,193,338

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Changes in Fiduciary Net Position (last 10 fiscal years)							
Year	2020	2019	2018	2017			
115 Health Care Trust ² Additions Employer Contributions Contract and Other Receipts ¹ Retiree-Paid Health Care Premiums ¹ Federal Subsidy ¹	\$24,489,938 513,509	\$24,318,141 540,809	\$23,441,668 279,178	\$157,417,888 857,541			
Net Income/(Loss) from Investing Activity Other Income, net Interplan Activity	1,296,387,905 430,729	2,155,057,971 1,724	(700,409,680) 732,193	1,751,362,542 117,882			
Total Additions	1,321,822,081	2,179,918,645	(675,956,641)	1,909,755,853			
Deductions Health Care Expenses ¹ Administrative Expenses	725,265,912 16,194,820	767,888,929 17,957,667	870,284,919 19,606,403	952,001,573 19,408,478			
Total Deductions	741,460,732	785,846,596	889,891,322	971,410,051			
Special Item ²							
Net Increase/(Decrease) Net Position Restricted for OPEB, Beginning of Year	580,361,349 12,647,057,751	1,394,072,049 11,252,985,702	(1,565,847,963) 12,818,833,665	938,345,802 11,880,487,863			
Net Position Restricted for OPEB, End of Year	\$13,227,419,100	\$12,647,057,751	\$11,252,985,702	\$12,818,833,665			

401(h) Health Care Trust Additions Employer Contributions Contract and Other Receipts Retiree-Paid Health Care Premiums Federal Subsidy Net Income/(Loss) from Investing Activity Other Income, net		
Total Additions		
Deductions Health Care Expenses Administrative Expenses		
Total Deductions		
Special Item ²		
Net Increase/(Decrease) Net Position Restricted for OPEB, Beginning of Year		
Net Position Restricted for OPEB, End of Year		

See footnotes on page 180

Changes in	Changes in Fiduciary Net Position							
2016	2015	2014	2013	2012	2011 ^a			
\$274,419,455 93,306,585 184,368,783 4,065,058 352,629,538 15,715 6,036,782	\$253,673,333 95,860,582 175,930,875 (23,073,355) 10	\$111,561,319 143,813,190 131,904,250 (1,193,356) 76,970						
914,841,916	502,391,445	386,162,373						
1,195,956,899 21,693,387	45,184,620 2,174,957	82,201						
1,217,650,286	47,359,577	82,201						
11,342,184,193								
11,039,375,823 841,112,040	455,031,868 386,080,172	386,080,172						
\$11,880,487,863	\$841,112,040	\$386,080,172						

	\$9.435	\$135,522,351 10,950,386	\$120,056,440 126.941.889	\$494,048,415 94,730,390	\$503,458,216 89,087,996
	248,601,375	238,406,380	178,140,822	159,614,898	148,370,246
		44,715,641	105,965,762	182,579,917	192,118,407
\$490,208,570	(223,464,384)	648,566,894	1,397,348,823	1,549,970,894	(78,923,627)
		7,601,841	13,483,861	11,774,199	10,915,043
490,208,570	25,146,426	1,085,763,493	1,941,937,597	2,492,718,713	865,026,281
	1,774,989,836	1,738,596,173	1,642,525,598	1,607,921,528	1,575,561,578
	19,611,199	18,329,337	16,352,514	15,172,174	13,076,814
	1,794,601,035	1,756,925,510	1,658,878,112	1,623,093,702	1,588,638,392
(11,161,276,751)					
(10,671,068,181)	(1,769,454,609)	(671,162,017)	283,059,485	869,625,011	(723,612,111)
10,671,068,181	12,440,522,790	13,111,684,807	12,828,625,322	11,959,000,311	12,682,612,422
\$0	\$10,671,068,181	\$12,440,522,790	\$13,111,684,807	\$12,828,625,322	\$11,959,000,311

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Changes in Fiduciary Net Position (last 10 fiscal years)							
Year	2020	2019	2018	2017			
Voluntary Employees' Beneficiary Association (VEBA) Trust Additions Employer Contributions ³ Contract and Other Receipts Net Income/(Loss) from Investing Activity Other Income, net Interplan Activity							
Total Additions							
Deductions Health Care Expenses Administrative Expenses Interplan Activity							
Total Deductions							
Special Item ²							
Net Increase/(Decrease) Net Position Restricted for OPEB, Beginning of Year							
Net Position Restricted for OPEB, End of Year							

^a Net Position by Plan was restated to correct the allocation of investment income as of December 31, 2010, with the restatement shown in the beginning net position of 2011. The restatement by plan did not impact the total net position of the System.

¹ GASB Statement No. 74 requires health care expenses be reported net of certain health care receipts. The presentation of Retiree-Paid Health Care Premiums, Federal Subsidy and formulary rebates included in Contract and Other Receipts has been revised and is now included in Health Care Expenses, starting in 2017 upon implementation of this standard.

² The 115 Health Care Trust was established in 2014. The 401(h) Health Care Trust and the VEBA Trust were terminated as of June 30, 2016. The net positions of these trusts were consolidated into the 115 Health Care Trust on July 1, 2016. The Special Item represents this interplan activity and nets to zero in consolidation.

³ Beginning October 2014, the Board approved the funding of the VEBA Trust participant accounts using the reserves in the VEBA Trust rather than the allocation of employer contributions. Instead, employer contributions were allocated to the Member-Directed Plan to repay the original plan start-up and administrative costs.

A Changes i	n Fiduciary Net F	Position			
2016	2015	2014	2013	2012	2011 ^a
\$10,483,804 22,722 6,706,534	\$627,917	\$14,702,198 20,484 11,044,528	\$18,256,171 3,061 17,954,681	\$16,883,868 9,233 14,049,787 63,641	\$15,982,848 9,082 311,497
17,213,060	627,917	25,767,210	36,213,913	31,006,529	16,303,427
1,417,445 629,201 727,192	2,396,972 1,330,559 5,992,744	2,217,933 1,094,409	1,719,043 1,026,449	1,236,169 850,617	895,574 914,578 28,172
2,773,838	9,720,275	3,312,342	2,745,492	2,086,786	1,838,324
(180,886,028)					
(166,446,806) 166,446,806	(9,092,358) 175,539,164	22,454,868 153,084,296	33,468,421 119,615,875	28,919,743 90,696,132	14,465,103 76,231,029
\$0	\$166,446,806	\$175,539,164	\$153,084,296	\$119,615,875	\$90,696,132

Member Contributions	Additions by Source (last 10 fiscal years)	2000			
Member Contributions	Year	2020	2019	2018	2017
Employer Contributions					
Purchase of Service Retiree-Paid health Care Premiums¹ Early Retirement Incentive Payments Transfers from Other Retirement Systems 45,301,454 150,000 210,056 30,000 21,056 30,000 210,056 31,241,255 210,241,241,241 210,241,241 210,241,241 210,241,		\$1,517,737,361	\$1,516,077,941	\$1,455,771,629	\$1,421,754,29
Purchase of Service Relitree-Paid Health Care Premiums¹ Early Relitrement Incentive Payments Transfers from Other Relitrement Systems 4 5,301,454 2,868,488 4,868,616 5,537,1 1,843,828 2,082,248 5,537,1 1,843,828 2,082,248 5,537,1 1,843,828 2,082,248 5,537,1 1,843,828 2,082,248 5,537,1 1,843,828 2,082,248 5,537,1 1,843,828 2,082,248 5,537,1 1,843,828 2,082,248 5,537,1 1,843,828 2,184,888 3,185,187,1 1,843,828 2,184,828 2,184,848 3,185,184 2,184,828 3,184,828 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,188 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,184 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,17 3,184,185,184 3,184,185 3,184,185,184 3,184,185 3,184,185,184 3,184,185 3,184,1	Employer Contributions	2,124,180,535	2,121,982,398	2,037,635,971	1,989,941,68
Retirone-Paid Health Care Premiums* Early Retirement Incentive Payments 13,735,825 1,843,828 2,082,248 5,537,1 Transfers from Other Retirement Systems 45,301,454 45,301,454 150,000 210,056 30,000 317,726 Additional Annuity/Voluntary Contributions 12,356,214 1,908,125 2,128,309 2,136,3 11,240,6 11,7076,927 14,154,556 11,240,6 11,308,018 11,	Purchase of Service			, , ,	22,466,32
Transfers from Other Retirement Systems	Retiree-Paid Health Care Premiums ¹	,,		,,	,,
Transfers from Other Retirement Systems	Early Retirement Incentive Payments	3.735.825	1.843.828	2.082.248	5,537,16
Vendor Rebates and Other Receipts		-,,-			
Additional Annuity/Voluntary Contributions 2 366 214 1,908,125 2,128,309 2,138.20 2		, ,	. , ,	-,,	- ,,
Other Employer Payments Federal Subsidy* 16,013,114 17,076,927 14,154,556 11,240,676,6727 Federal Subsidy* 12,030,115,041 16,100,992,982 (3,350,345,567) 14,619,914,62,264,133,836,808 696,596 2,841,566 2,941,716,141 16,100,992,982 (3,350,345,567) 14,619,914,62,264,131 1,916,100,982,982 (3,350,345,567) 14,619,914,62,264,131 1,916,100,982,982 (3,350,345,567) 14,619,914,62,264,131 1,916,100,982,982 (3,350,345,567) 14,619,914,62,264,131 1,916,100,982,982 (3,350,345,567) 14,619,914,62,264,131 1,916,100,982,982 (3,350,345,567) 14,619,914,62,264,131 1,916,100,982,982 (3,350,345,567) 14,619,914,62,264,131 1,916,100,982,982 (3,350,345,567) 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,57,91 14,619,914,62,24,52,91 14,619,914,62,24,52,91		· · · · · · · · · · · · · · · · · · ·	.,	,	,
Traditional Pension Plan			1 1	, ,	
Net Income/(Loss) from Investing Activity Other Income/(Expense), net 12,030,115,041 16,100,992,982 (3,350,345,567) 14,619,914,6 2,641,1 2,6		10,013,114	17,070,927	14, 134,330	11,240,00
Other Income/(Expense), net Interplan Activity 1,336,808 42,849,507 31,219,619 2,844,566 2,543,5260 2,641,1 (20,961,7 (20,		40,000,445,044	40 400 000 000	(0.050.045.507)	44 040 044 50
Interplan Activity				, , , , ,	
Total Additions			,		, ,
Traditional Pension Plan Member Contributions \$1,411,917,040 \$1,410,501,971 \$1,354,235,298 \$1,324,457,525 \$1,2268,618 \$1,974,172,176 \$1,895,462,837 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,722,856,352 \$1,950,680 \$5,227,17 \$1,895,462,837 \$1,950,680 \$5,227,17 \$1,895,462,837 \$1,950,680 \$5,227,17 \$1,950,680 \$5,227,17 \$1,950,680 \$5,227,17 \$1,950,680 \$5,227,17 \$1,950,680 \$5,227,17 \$1,950,680 \$5,227,17 \$1,950,680 \$5,227,17 \$1,950,680 \$5,227,17 \$1,950,680 \$5,227,17 \$1,950,680 \$1,975,331 \$1,244,462 \$1,014,664 \$1,182,50 \$1,975,331 \$1,244,462 \$1,014,664 \$1,182,50 \$1,975,331 \$1,974,462 \$1,942,565 \$1,942,60 \$1,975,331 \$1,975,331 \$1,974,391 \$1,950,665 \$1,942,60 \$1,960,79 \$1,944,662 \$1,942,60 \$1,960,79 \$1,944,950 \$1,950,860 \$1,279,850 \$2,112,353 \$2,516,50 \$1,960,979 \$1,944,950 \$2,434,950 \$1,219,610 \$2,434,52,60 \$2,961,7 \$1,244 \$1,950,80 \$1,975,94 \$1,950,940 \$1,975,94 \$1,950,940 \$1,975,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,950,940 \$1,974,94 \$1,	Interplan Activity	42,849,507	31,219,619	25,435,260	20,961,75
Member Contributions	Total Additions	\$15,796,154,231	\$19,838,471,572	\$252,511,557	\$18,148,274,92
Member Contributions					
Employer Contributions 1,976,105,188	Traditional Pension Plan				
Employer Contributions 1,976,105,188 1,974,172,176 1,895,462,837 1,722,856.3 1,2268,618 13,635,133 19,435,537 22,321,6 2,231,6 1,363,133 19,435,537 22,321,6 2,231,6 1,363,133 1,324,535 19,435,537 22,321,6 2,231,6 1,363,133 1,324,535 1,350,680 5,227,1 1,712,584 1,950,680 5,227,1 1,712,584 1,950,680 5,227,1 1,712,584 1,950,680 43,166,016 51,563,7 1,722,849,462 32,689,498 43,166,016 51,563,7 1,722,849,131 1,244,462 1,014,664 1,182,5 1,014,664 1,182,5 1,014,664 1,182,5 1,014,664 1,182,5 1,014,664 1,182,5 1,044,662 1,014,664 1,182,5 1,044,662 1,044,662 1,044,662 1,044,662 1,044,662 1,044,662 1,044,662 1,044,664 1,182,5 1,044,662 1,044,664 1,182,5 1,044,662 1,044,664 1,182,5 1,044,662 1,044,664 1,182,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,243,5 1,253,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,243,5 1,243,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,662 1,044,664 1,282,5 1,044,664 1,044,664 1,282,5 1,044,664 1,282,5 1,283,5 1,044,646 1,244,66,68 1,244,66,6	Member Contributions	\$1,411,917,040	\$1,410,501,971	\$1,354,235,298	\$1,324,457,50
Purchase of Service	Employer Contributions	1.976.105.188			
Early Retirement Incentive Payments Transfers from Other Retirement Systems Additional Annuity Contributions Other Employer Payments 15,775,381 16,741,886 13,995,656 10,642,6 Net Income/(Loss) from Investing Activity Other Income/(Expense), net Payments 10,371,729,419 11,532,537,160 110,371,729,419 110,371,729,419 110,371,729,419 110,371,729,419 110,371,729,419 110,371,729,419 110,532,537,160 110,642,64 11,642,6 110,642,64 110,64,				, , ,	
Transfers from Other Retirement Systems				, ,	
Additional Annuity Contributions 1,479,131 1,244,462 1,014,664 1,182,50 Other Employer Payments 15,775,381 16,741,886 13,995,656 10,642,6 11,82,5 12,586,432,9 12,516,5 12,51					
Other Employer Payments 15,775,381 16,741,886 13,995,656 10,642,6 Net Income/(Loss) from Investing Activity 10,371,729,419 13,532,537,160 (2,524,213,911) 12,586,432,2 Other Income/(Expense), net 906,079 694,862 2,112,353 2,516,5 Interplan Activity 42,849,507 31,219,619 25,435,260 20,961,7 Total Additions \$13,881,855,776 \$17,015,149,351 \$832,594,390 \$15,748,162,8 Combined Plan Member Contributions \$44,320,854 \$44,786,688 \$43,054,163 \$41,265,8 Employer Contributions 62,084,708 62,699,159 60,249,275 53,636,8 Employer Contributions 109,754 138,210 171,324 141,5 Transfers from Other Retirement Systems 282,768 149,940 326,985 398,3 Other Employer Payments 15,374 2,958 17,255 148,1 Net Income/(Loss) from Investing Activity 175,700,469 202,970,429 (54,622,602) 142,733,2 Other Income, net \$61,590,701 60,789,282 <				-,,	
Net Income/(Loss) from Investing Activity 10,371,729,419 31,532,537,160 (2,524,213,911) 12,586,432,9 906,079 694,862 2,112,353 2,516,5 10,510,5149,351 \$832,594,390 \$15,748,162,85 \$13,881,855,776 \$17,015,149,351 \$832,594,390 \$15,748,162,85 \$13,881,855,776 \$17,015,149,351 \$832,594,390 \$15,748,162,85 \$13,881,855,776 \$17,015,149,351 \$832,594,390 \$15,748,162,85 \$15,015,149,351 \$15,748,162,85 \$15,748,162,85 \$109,754 \$138,210 \$171,324 \$141,955 \$16,010,754 \$138,210 \$171,324 \$141,955 \$16,010,754 \$138,210 \$171,324 \$141,955 \$16,010,754 \$16,010,754 \$16,010,755 \$16,0					
Other Income/(Expense), net Interplan Activity 906,079 42,849,507 694,862 31,219,619 2,112,353 25,435,260 2,516,5 20,961,7 Total Additions \$13,881,855,776 \$17,015,149,351 \$832,594,390 \$15,748,162,8 Combined Plan Member Contributions \$44,320,854 \$44,786,688 \$43,054,163 \$41,265,8 Employer Contributions 62,084,708 62,699,159 60,249,275 53,636,8 Purchase of Service 109,754 138,210 171,324 141,9 Transfers from Other Retirement Systems 282,768 149,940 326,985 398,3 Voluntary Contributions 282,768 149,940 326,985 398,3 Other Employer Payments 15,374 2,958 17,255 148,1 Net Income/(Loss) from Investing Activity 175,700,469 202,970,429 (54,622,602) 142,733,2 Other Income, net \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,5 Employer Contributions \$61,500,701 60,792,922 58,482,191 56,030,5 Employer Contributions \$94,315 513,723 <td></td> <td></td> <td></td> <td></td> <td></td>					
Interplan Activity					
Combined Plan \$44,320,854 \$44,786,688 \$43,054,163 \$41,265,8 Employer Contributions 62,084,708 62,699,159 60,249,275 53,636,8 Purchase of Service 109,754 138,210 171,324 141,9 Transfers from Other Retirement Systems 282,768 149,940 326,985 398,3 Other Employer Payments 15,374 2,958 17,255 148,1 Net Income/(Loss) from Investing Activity 175,700,469 202,970,429 (54,622,602) 142,733,2 Other Income, net \$282,513,927 \$310,747,384 \$49,196,400 \$238,326,5 Member-Directed Plan \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,5 Member Contributions \$61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248<					20,961,75
Combined Plan \$44,320,854 \$44,786,688 \$43,054,163 \$41,265,8 Employer Contributions 62,084,708 62,699,159 60,249,275 53,636,8 Purchase of Service 109,754 138,210 171,324 141,9 Transfers from Other Retirement Systems 282,768 149,940 326,985 398,3 Other Employer Payments 15,374 2,958 17,255 148,1 Net Income/(Loss) from Investing Activity 175,700,469 202,970,429 (54,622,602) 142,733,2 Other Income, net \$282,513,927 \$310,747,384 \$49,196,400 \$238,326,5 Member-Directed Plan \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,6 Member-Directed Plan \$61,500,701 60,792,922 58,482,191 56,030,6 Member-Directed Plan \$61,500,701 50,792,922 58,482,191 56,030,6 Member-Directed Plan \$61,500,701 50,792,922 58,482,191 56,030,6 Voluntary Contributions \$54,315 513,723 786,660 555,5 Other Emplo	•				
Member Contributions \$44,320,854 \$44,786,688 \$43,054,163 \$41,265,8 Employer Contributions 62,084,708 62,699,159 60,249,275 53,636,8 Purchase of Service 109,754 138,210 171,324 141,9 Transfers from Other Retirement Systems 282,768 149,940 326,985 398,3 Other Employer Payments 15,374 2,958 17,255 148,1 Net Income/(Loss) from Investing Activity 175,700,469 202,970,429 (54,622,602) 142,733,2 Other Income, net \$282,513,927 \$310,747,384 \$49,196,400 \$238,326,5 Member-Directed Plan \$60,789,282 \$58,482,168 \$56,030,5 Employer Contributions \$61,500,701 60,792,922 58,482,168 \$56,030,5 Employer Contributions 61,500,701 60,792,922 58,482,168 \$56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 <td></td> <td></td> <td></td> <td></td> <td>. , , ,</td>					. , , ,
Member Contributions \$44,320,854 \$44,786,688 \$43,054,163 \$41,265,8 Employer Contributions 62,084,708 62,699,159 60,249,275 53,636,8 Purchase of Service 109,754 138,210 171,324 141,9 Transfers from Other Retirement Systems 282,768 149,940 326,985 398,3 Other Employer Payments 15,374 2,958 17,255 148,1 Net Income/(Loss) from Investing Activity 175,700,469 202,970,429 (54,622,602) 142,733,2 Other Income, net \$282,513,927 \$310,747,384 \$49,196,400 \$238,326,5 Member-Directed Plan \$60,789,282 \$58,482,168 \$56,030,5 Employer Contributions \$61,500,701 60,792,922 58,482,168 \$56,030,5 Employer Contributions 61,500,701 60,792,922 58,482,168 \$56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 <td>Combined Blan</td> <td></td> <td></td> <td></td> <td></td>	Combined Blan				
Employer Contributions Purchase of Service Purchase of Service 109,754 138,210 171,324 141,9 141,9 14,9 14		¢44 220 054	¢44.700.000	¢42.0E4.4G2	¢44.00E.05
Purchase of Service Transfers from Other Retirement Systems Voluntary Contributions Voluntary Contributions Other Employer Payments Net Income/(Loss) from Investing Activity Other Income, net Member-Directed Plan Member Contributions Employer Contributions \$282,768 149,940 326,985 398,3 17,255 148,1 175,700,469 202,970,429 (54,622,602) 142,733,2 2,1 Total Additions \$282,513,927 \$310,747,384 \$49,196,400 \$238,326,5 Member-Directed Plan Member Contributions Employer Contributions Employer Contributions Formula Service			' ' '	. , ,	' ' '
Transfers from Other Retirement Systems Voluntary Contributions Other Employer Payments Net Income/(Loss) from Investing Activity Other Income, net Total Additions \$282,768		, ,	' '		, ,
Voluntary Contributions 282,768 149,940 326,985 398,3 Other Employer Payments 15,374 2,958 17,255 148,1 Net Income/(Loss) from Investing Activity 175,700,469 202,970,429 (54,622,602) 142,733,2 Other Income, net \$282,513,927 \$310,747,384 \$49,196,400 \$238,326,5 Member-Directed Plan \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,9 Employer Contributions 61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5		109,754	138,210	171,324	141,95
Other Employer Payments 15,374 2,958 17,255 148,1 Net Income/(Loss) from Investing Activity 175,700,469 202,970,429 (54,622,602) 142,733,2 Other Income, net \$282,513,927 \$310,747,384 \$49,196,400 \$238,326,5 Member-Directed Plan Member Contributions \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,5 Employer Contributions 61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5					
Net Income/(Loss) from Investing Activity 175,700,469 202,970,429 (54,622,602) 142,733,2 2,1 Total Additions \$282,513,927 \$310,747,384 \$49,196,400 \$238,326,5 Member-Directed Plan Member Contributions \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,5 Employer Contributions 61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5			,	,	
Other Income, net 2,1 Total Additions \$282,513,927 \$310,747,384 \$49,196,400 \$238,326,5 Member-Directed Plan Member Contributions \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,5 Employer Contributions 61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5		- / -			
Section Sect		175,700,469	202,970,429	(54,622,602)	142,733,24
Member-Directed Plan \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,9 Employer Contributions 61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5	Other Income, net				2,13
Member Contributions \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,5 Employer Contributions 61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5	T : 4 - 1 A : 1 - 12 C :	\$282 513 927	\$310,747,384	\$49,196,400	\$238,326,53
Member Contributions \$61,499,467 \$60,789,282 \$58,482,168 \$56,030,5 Employer Contributions 61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5	Iotal Additions	Ψ202,313,321			
Employer Contributions 61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5	Total Additions	Ψ202,313,321			
Employer Contributions 61,500,701 60,792,922 58,482,191 56,030,5 Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5		ΨΔΟΣ, Ο 10, ΟΣ1			
Purchase of Service 269 1,728 2,7 Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5	Member-Directed Plan		\$60.789.282	\$58,482.168	\$56.030.9°
Voluntary Contributions 594,315 513,723 786,660 555,5 Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5	Member-Directed Plan Member Contributions	\$61,499,467	, , .		\$56,030,9° 56,030,52
Other Employer Payments 70,716 132,574 24,035 19,6 Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5	Member-Directed Plan Member Contributions Employer Contributions	\$61,499,467	60,792,922	58,482,191	56,030,52
Net Income/(Loss) from Investing Activity 186,297,248 210,427,422 (71,099,374) 139,385,7 Other Income, net 4,5	Member-Directed Plan Member Contributions Employer Contributions Purchase of Service	\$61,499,467 61,500,701	60,792,922 269	58,482,191 1,728	56,030,52 2,76
Other Income, net 4,5	Member-Directed Plan Member Contributions Employer Contributions Purchase of Service Voluntary Contributions	\$61,499,467 61,500,701 594,315	60,792,922 269 513,723	58,482,191 1,728 786,660	56,030,52 2,76 555,52
7	Member-Directed Plan Member Contributions Employer Contributions Purchase of Service Voluntary Contributions Other Employer Payments	\$61,499,467 61,500,701 594,315 70,716	60,792,922 269 513,723 132,574	58,482,191 1,728 786,660 24,035	56,030,52 2,76 555,52 19,62
Total Additions \$309,962,447 \$332,656,192 \$46,677,408 \$252,029,6	Member-Directed Plan Member Contributions Employer Contributions Purchase of Service Voluntary Contributions Other Employer Payments Net Income/(Loss) from Investing Activity	\$61,499,467 61,500,701 594,315 70,716	60,792,922 269 513,723 132,574	58,482,191 1,728 786,660 24,035	56,030,52 2,70 555,52

See footnotes on page 184

Additions	by Source				
2016	2015	2014	2013	2012	2011
\$1,387,215,220 1,941,632,324 18,073,121 184,368,783	\$1,332,308,994 1,864,823,741 22,850,005 248,601,375	\$1,307,428,830 1,829,907,525 26,521,581 238,406,380	\$1,279,945,223 1,794,039,132 60,100,714 178,140,822	\$1,266,800,236 1,778,728,069 62,507,139 159,614,898	\$1,286,385,298 1,809,470,716 59,976,857 148,370,246
44,266,370	2,636,885 47,270,349	15,180,991 69,328,737	7,294,662 46,370,923	13,568,992 39,590,467	23,366,505 31,487,779
91,735,221 2,074,383 16,189,737	91,372,473 1,668,697 6,269,228	150,377,554 1,693,612 7,625,727	121,660,735 5,786,692 9,014,653	90,103,930 5,402,253 7,086,708	84,515,422 5,334,480 7,166,055
4,065,058 6,926,572,065 (2,544,366) 17,205,339	175,930,875 9,415,961 (4,887,359) 19,759,373	176,619,891 5,775,317,835 8,304,360 10,357,663	105,965,762 11,006,164,375 13,898,739 13,034,171	182,579,917 10,375,431,044 12,103,692 16,981,683	192,118,407 179,956,702 11,255,503 10,077,664
\$10,630,853,255	\$3,818,020,597	\$9,617,070,686	\$14,641,416,603	\$14,010,499,028	\$3,849,481,634
\$1,294,853,664 1,556,529,162	\$1,246,732,014 1,498,679,737	\$1,228,144,074 1,476,074,083	\$1,206,808,750 1,571,758,150	\$1,199,073,380 1,208,150,727	\$1,221,597,118 1,233,002,841
17,926,008 44,199,326	22,718,488 2,649,968 43,081,440	26,297,267 14,427,760 66,309,930	59,756,708 6,943,575 42,242,610	62,193,231 13,134,027 36,013,336	59,770,075 22,388,005 28,505,778
1,235,194 14,501,628	830,196 5,929,728	945,803 6,849,804	4,744,751 8,130,455	4,530,704 6,410,331	4,447,182 6,449,831
5,947,233,326 (2,560,081) 11,168,557	274,898,652 (4,887,369) 19,759,373	5,056,307,357 625,549 10,357,663	9,423,847,940 414,878 13,034,171	8,713,817,411 329,493 16,918,042	274,530,266 340,460 10,077,664
\$8,885,086,784	\$3,110,392,227	\$7,886,339,290	\$12,337,681,988	\$11,260,570,682	\$2,861,109,220
\$39,232,690 47,079,023 136,029	\$36,685,161 44,022,120 131,373	\$34,604,398 44,196,044 218,582	\$32,535,565 45,427,520 343,752	\$30,193,165 23,998,486 313,711	\$29,256,952 23,280,520 201,906
336,536 147,513 63,694,711	353,335 7,552 (6,501,919)	153,014 41,212 32,379,863	270,861 65,645 78,379,140	425,653 5,983 50,732,608	35,957 134,608 14,408 (5,810,229)
	, , ,				, ,
\$150,626,502	\$74,697,622	\$111,593,113	\$157,022,483	\$105,669,606	\$47,114,122
\$53,128,866 53,120,880 11,084	\$48,891,819 68,448,551 144	\$44,680,358 47,851,530 5,732	\$40,600,908 38,540,851 254	\$37,533,691 35,646,573 197	\$35,531,228 33,746,291 4,876
502,653 13,554 66,099,386	485,166 10,230 (13,070,950)	594,795 100,243 28,212,549	771,080 13,738 88,633,791	445,896 46,797 46,860,344	752,690 44,704 (10,151,205)
	,				, ,
\$172,876,423	\$104,764,960	\$121,445,207	\$168,560,622	\$120,533,498	\$59,928,584

continued on next page

Additions by Source (last 10 fiscal years)				
Year	2020	2019	2018	2017
115 Health Care Trust ² Employer Contributions Retiree-Paid Health Care Premiums ¹ Early Retirement Incentive Payments Transfers from Other Retirement Systems Vendor Rebates and Other Receipts ¹ Other Employer Payments Federal Subsidy—Medicare Part D ¹ Federal Subsidy—Medicare PDP ¹ Net Income/(Loss) from Investing Activity	\$24,489,938 211,866 150,000 151,643 1,296,387,905	\$24,318,141 131,244 210,056 199,509 2,155,057,971	\$23,441,668 131,568 30,000 117,610 (700,409,680)	\$157,417,888 309,974 117,285 430,282 1,751,362,542
Other Income, net Interplan Activity Total Additions	430,729 \$1,321,822,081	1,724 \$2,179,918,645	732,193 (\$675,956,641)	117,882 \$1,909,755,853
401(h) Health Care Trust ² Employer Contributions Retiree-Paid Health Care Premiums Early Retirement Incentive Payments Transfers from Other Retirement Systems Vendor Rebates and Other Receipts Other Employer Payments Federal Subsidy—Medicare Part D Federal Subsidy—Medicare PDP Federal Subsidy—Early Retiree Reinsurance Program Net Income/(Loss) from Investing Activity Other Income, net				
Total Additions				
Voluntary Employees' Beneficiary Association (VEBA) Trust ² Employer Contributions ³ Other Employer Payments Net Income/(Loss) from Investing Activity Interplan Activity Total Additions				

¹ GASB Statement No. 74 requires health care expenses be reported net of certain health care receipts. The presentation of Retiree-Paid Health Care Premiums, Federal Subsidy and formulary rebates included in Vendor Rebates and Other Receipts has been revised and is now included in Health Care Expenses, starting in 2017 upon implementation of this standard.

² The 115 Health Care Trust was established in 2014. The 401(h) Health Care Trust and the VEBA Trust were terminated as of June 30, 2016. The net positions of these trusts were consolidated into the 115 Health Care Trust on July 1, 2016.

³ Beginning October 2014, the Board approved the funding of the VEBA Trust participant accounts using the reserves in the VEBA Trust rather than the allocation of employer contributions. Instead, employer contributions were allocated to the Member-Directed Plan to repay the original plan start-up and administrative costs. Contributions to the VEBA Trust resumed January 1, 2016.

Additions I	oy Source				
2016	2015	2014	2013	2012	2011
\$274,419,455 184,368,783	\$253,673,333	\$111,561,319			
67,044 91,735,221 1,504,320 122,044 3,943,014 352,629,538	(13,083) 4,188,909 91,362,132 322,624 743,345 175,187,530 (23,073,355)	2,742,476 140,981,424 89,290 223,579 131,680,671 (1,193,356)			
15,715 6,036,782	10	76,970			
\$914,841,916	\$502,391,445	\$386,162,373			
\$490,208,570 \$490,208,570	\$248,601,375 10,341 (906) (223,464,384) \$25,146,426	\$135,522,351 238,406,380 753,231 276,331 9,396,130 524,694 170,515 44,545,126 648,566,894 7,601,841 \$1,085,763,493	\$120,056,440 178,140,822 351,087 4,128,313 121,660,735 801,754 246,139 105,719,623 1,397,348,823 13,483,861 \$1,941,937,597	\$494,048,415 159,614,898 434,965 3,577,131 90,103,930 614,364 926,931 181,652,986 1,549,970,894 11,774,199 \$2,492,718,713	\$503,458,216 148,370,246 978,500 2,946,044 84,515,422 648,030 788,419 81,802,880 109,527,108 (78,923,627) 10,915,043
\$ 100,200,010	420,110,120	41,000,100	\$1,011,001,001	Ψ <u></u> 2, 10 <u>2</u> , 10, 10	+ + + + + + + + + + + + + + + + + + +
\$10,483,804 22,722 6,706,534	\$627,917	\$14,702,198 20,484 11,044,528	\$18,256,171 3,061 17,954,681	\$16,883,868 9,233 14,049,787 63,641	\$15,982,848 9,082 311,497
\$17,213,060	\$627,917	\$25,767,210	\$36,213,913	\$31,006,529	\$16,303,427

Deductions by Type (last 10 fiscal years)			(α	ontinued on next page
Year	2020	2019	2018	2017
All Plans ¹				
Pension—Annuities	\$6,504,001,839	\$6,304,870,000	\$6,093,820,180	\$5,828,340,070
Pension—Installment Payments	4,588,357	3,020,894	3,939,145	1,618,27
Pension—Other	6,514,288	8,768,755	9,578,847	7,893,61
Disability Case Management and Exams	2,319,769	2,071,603	1,899,107	1,937,85
Refunds	483,428,551	472,604,688	453,441,020	443,220,69
Medicare Parts A and B	29,510,216	27,592,178	25,719,123	23,597,59
Medical	159,540,651	190,799,426	266,028,377	296,063,52
Prescription Drug	102,466,609	113,576,636	136,584,728	148,293,99
Dental	27,326,103	27,990,391	31,626,966	30,321,16
Vision	4,490,993	4,803,238	5,238,871	5,518,19
Disease Management	125,086	3,060	79,224	3,304,10
Wellness Retiree Medical Account Plan Claims	100,665	152,950	1,607,726	15,038,20
Health Reimbursement Account Plan Claims	397,883,558	398,266,249	399,291,867	423,371,30
Member-Directed Retiree Medical Account Plan Claims	3,822,031	4,704,801	4,108,037	6,493,49
Administrative Expenses	72,956,750	76,159,025	76,875,303	77,305,48
Interplan Activity	42,849,507	31,219,619	25,435,260	20,961,75
Total Deductions	\$7,841,924,973	\$7,666,603,513	\$7,535,273,781	\$7,333,279,31
Pension—Annuities Pension—Other Disability Case Management and Exams Refunds Administrative Expenses Total Deductions Combined Plan Pension—Annuities Pension—Installment Payments Pension—Other Refunds Administrative Expenses Interplan Activity Total Deductions	\$6,498,298,812 6,514,288 2,319,769 420,286,261 51,327,751 \$6,978,746,881 \$3,915,351 3,928,600 15,670,706 2,781,210 19,075,396 \$45,371,263	\$6,300,103,138 8,762,255 2,071,603 407,308,374 51,899,317 \$6,770,144,687 \$3,178,430 2,125,957 6,500 17,531,723 3,906,211 14,415,338 \$41,164,159	\$6,090,125,792 9,578,847 1,899,107 388,067,394 52,169,220 \$6,541,840,360 \$2,362,506 2,127,305 16,808,080 2,730,700 11,495,876 \$35,524,467	\$5,825,344,90 7,892,6° 1,937,81 384,615,30 52,154,60 \$6,271,945,34 \$1,863,00 1,225,5° 1,00 16,220,14 3,181,40 9,269,36 \$31,760,52
Total Deductions	\$45,371,263	\$41,164,159	\$35,524,467	\$31,760,52
Member-Directed Plan				
Pension—Annuities	\$1,787,676	\$1,588,432	\$1,331,882	\$1,132,15
Pension—Installment Payments	659,757	894,937	1,811,840	392,73
Refunds	47,471,584	47,764,591	48,565,546	42,385,24
	2,652,969	2,395,830	2,368,980	2,560,88
Administrative Expenses		2,000,000	2,000,000	2,500,00
Administrative Expenses Interplan Activity	23,774,111	16,804,281	13,939,384	11,692,37

See footnotes on page 188

Deduction	s by Type				
2016	2015	2014	2013	2012	2011
\$5,577,629,182 1,112,846 7,857,337	\$5,390,859,219 1,003,891 8,647,208	\$5,101,735,902 1,628,513 7,482,091	\$4,920,408,972 1,549,139 7,913,434	\$4,582,583,776 463,923 7,891,172	\$4,322,202,507 207,443 7,508,317
1,401,601 429,791,141 50,445,768 588,576,618	1,370,674 449,265,410 77,867,474 940,420,011	1,277,281 425,701,829 113,967,145 921,172,088	1,620,162 441,284,204 112,820,822 912,071,417	307,486,279 112,530,781 888,700,307	323,672,042 109,072,281 872,219,550
170,627,591 55,456,293 9,902,183 2,090,646	672,710,524 53,818,027 9,847,918 3,865,654	634,474,812 50,907,491 9,564,606 3,840,401	551,391,403 48,106,058 9,038,035 4,535,512	541,552,286 41,711,390 7,896,366 4,711,813	530,404,030 38,467,223 7,288,175 4,620,914
6,990,116 310,233,492 3,051,637 79,059,058 17,205,339	16,460,228 45,184,620 2,396,972 77,036,684 19,759,373	4,669,630 2,217,933 74,114,491 10,357,663	4,562,351 1,719,043 68,619,091 13,034,171	10,818,585 1,236,169 69,617,154 16,981,684	13,489,405 895,574 70,101,033 10,077,664
\$7,311,430,848	\$7,770,513,887	\$7,363,111,876	\$7,098,673,814	\$6,594,181,685	\$6,310,226,158
\$5,575,258,958 7,857,337 1,401,601	\$5,388,827,561 8,646,429 1,370,674	\$5,100,341,567 7,482,091 1,277,281	\$4,919,439,251 7,913,434 1,620,162	\$4,582,082,044 7,891,172	\$4,321,944,264 7,508,317
352,362,641 51,871,700	405,320,800 49,137,053	389,707,612 49,832,366	411,321,700 46,946,971	284,217,216 49,179,821	302,812,289 51,196,146
\$5,988,752,237	\$5,853,302,517	\$5,548,640,917	\$5,387,241,518	\$4,923,370,253	\$4,683,461,016
* 4.44 * 0.004	44.055.050	**** ********************************	4500.000	4070.000	4.07.07.
\$1,443,631 538,033	\$1,255,978 534,358 779	\$773,394 1,457,593	\$533,920 992,085	\$273,809 336,736	\$187,051 118,164
21,857,512 2,559,387 9,290,331	12,577,944 2,522,610 7,141,271	10,974,442 2,375,278 5,375,568	7,731,155 2,264,293 6,085,687	6,173,714 2,295,688 9,487,128	6,462,849 2,559,312 5,129,362
\$35,688,894	\$24,032,940	\$20,956,275	\$17,607,140	\$18,567,075	\$14,456,738
\$926,593 574,813 55,570,988 2,305,383 7,187,816	\$775,680 469,533 31,366,666 2,260,306 6,625,358	\$620,941 170,920 25,019,775 2,400,900 4,982,095	\$435,801 557,054 22,231,349 2,028,864 6,948,484	\$227,923 127,187 17,095,349 2,118,854 7,494,556	\$71,192 89,279 14,396,904 2,354,183 4,920,130
\$66,565,593	\$41,497,543	\$33,194,631	\$32,201,552	\$27,063,869	\$21,831,688

continued on next page

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continued from previous page				
Deductions by Type (last 10 fiscal years)				
Year	2020	2019	2018	2017
115 Health Care Trust ^{1, 2} Medicare Parts A and B Medical Medical—Health Care Receipts Prescription Drug Dental Dental—Health Care Receipts Vision Vision—Health Care Receipts	\$29,510,216 370,800,164 (211,259,513) 102,466,609 63,510,605 (36,184,502) 10,437,845 (5,946,852)	\$27,592,178 405,183,547 (214,384,121) 113,576,636 59,440,671 (31,450,280) 10,200,203 (5,396,965)	\$25,719,123 485,597,781 (219,569,404) 136,584,728 57,730,622 (26,103,656) 9,562,830 (4,323,959)	\$23,597,598 512,594,568 (216,531,047) 148,293,992 52,497,066 (22,175,898) 9,554,018 (4,035,824)
Disease Management Wellness Retiree Medical Account Plan Claims Health Reimbursement Account Plan Claims Member-Directed Retiree Medical Account Plan Claims Administrative Expenses	125,086 100,665 397,883,558 3,822,031 16,194,820	3,060 152,950 398,266,249 4,704,801 17,957,667	79,224 1,607,726 399,291,867 4,108,037 19,606,403	3,304,104 15,038,205 423,371,301 6,493,490 19,408,478
Total Deductions	\$741,460,732	\$785,846,596	\$889,891,322	\$971,410,051
401(h) Health Care Trust ² Medicare Parts A and B Medical Prescription Drug Dental Vision Disease Management Wellness Retiree Medical Account Plan Claims Administrative Expenses				
Total Deductions				
Voluntary Employees' Beneficiary Association (VEBA) Trust ² Member-Directed Retiree Medical Account Plan Claims Administrative Expenses Interplan Activity				
Total Deductions				

¹ GASB Statement No. 74 requires health care expenses be reported net of certain health care receipts. The presentation of Retiree-Paid Health Care Premiums, Federal Subsidy and formulary rebates included in Vendor Rebates and Other Receipts (beginning on page 182) has been revised. Starting in 2017, upon implementation of GASB 74, these line items were included in Health Care Expenses. In this schedule, the receipts are included with Medical, Dental and Vision line items beginning in 2017.

² The 115 Health Care Trust was established in 2014. The 401(h) Health Care Trust and the VEBA Trust were terminated as of June 30, 2016. The net positions of these trusts were consolidated into the 115 Health Care Trust on July 1, 2016.

Deduction	s by Type				
2016	2015	2014	2013	2012	2011
\$50,445,768 588,576,618					
170,627,591 55,456,293					
9,902,183					
2,090,646 6,990,116 310,233,492	\$45,184,620				
1,634,192 21,693,387	2,174,957	\$82,201			
\$1,217,650,286	\$47,359,577	\$82,201			
	\$77,867,474 940,420,011 672,710,524 53,818,027 9,847,918 3,865,654 16,460,228 19,611,199	\$113,967,145 921,172,088 634,474,812 50,907,491 9,564,606 3,840,401 4,669,630 18,329,337	\$112,820,822 912,071,417 551,391,403 48,106,058 9,038,035 4,535,512 4,562,351 16,352,514	\$112,530,781 888,700,307 541,552,286 41,711,390 7,896,366 4,711,813 10,818,585 15,172,174	\$109,072,281 872,219,550 530,404,030 38,467,223 7,288,175 4,620,914 13,489,405 13,076,814
	\$1,794,601,035	\$1,756,925,510	\$1,658,878,112	\$1,623,093,702	\$1,588,638,392
\$1,417,445 629,201 727,192	\$2,396,972 1,330,559 5,992,744	\$2,217,933 1,094,409	\$1,719,043 1,026,449	\$1,236,169 850,617	\$895,574 914,578 28,172
\$2,773,838	\$9,720,275	\$3,312,342	\$2,745,492	\$2,086,786	\$1,838,324

Benefits by Type (last 10 fiscal years)			· · · · · · · · · · · · · · · · · · ·	ontinued on next page)
Year	2020	2019	2018	2017
All Plans				
Annuities and Installment Payments ¹	\$5,860,550,198	\$5,678,160,071	\$5,534,199,818	\$5,288,583,786
Disabilities	762,711,599 11,129,956	782,933,551 13,085,244	825,032,060	847,508,744
Other Systems/Death/QEBA ² Survivors	206,492,158	209,317,315	13,561,339 201,721,351	11,737,599 199,058,257
Wellness Retiree Medical Account Plan Claims	100,665	152,950	1,607,726	15,038,205
Health Reimbursement Account Plan Claims	397.883.558	398,266,249	399,291,867	423,371,301
Member-Directed Retiree Medical Account Plan Claims ¹	3,822,031	4,704,801	4,108,037	6,493,490
Total Pension Benefits and Health Care	\$7,242,690,165	\$7,086,620,181	\$6,979,522,198	\$6,791,791,382
Traditional Pension Plan				
Pension Benefits	¢E 646 404 440	ΦE 274 000 204	\$= 400 000 444	
Age-and-Service Annuities	\$5,616,491,442 645,191,523	\$5,371,860,284 651,557,547	\$5,169,969,144	\$4,916,944,682
Disabilities Other Systems	3,259	67,171	651,168,863 90,762	649,478,101 113,934
Survivors	204,927,439	207,496,643	198,522,383	192,915,530
Additional Annuities	6,148,527	5,961,467	5,864,866	5,698,454
Money Purchase Annuities	23,243,982	60,982,311	62,517,151	58,402,011
Death	6,514,288	8,762,255	9,578,847	7,892,618
QEBA ²	4,612,409	4,249,318	3,891,730	3,730,047
Total Pension Benefits	\$6,507,132,869	\$6,310,936,996	\$6,101,603,746	\$5,835,175,377
Combined Plan				
Pension Benefits				
Annuities	\$3,915,351	\$3,178,430	\$2,362,506	\$1,863,005
Installment Payments	3,928,600	2,125,957	2,127,305	1,225,533
Death Total Pension Benefits	\$7,843,951	6,500 \$5,310,887	\$4,489,811	1,000 \$3,089,538
	\$7,043,931	\$3,310,007	ψ 4 ,409,011	\$3,003,330
Member-Directed Plan				
Pension Benefits	¢4 707 676	₽4 E00 422	£4 224 002	¢4 400 457
Annuities Installment Payments	\$1,787,676 659,757	\$1,588,432 894,937	\$1,331,882 1,811,840	\$1,132,157 392,737
Total Pension Benefits	\$2,447,433	\$2,483,369	\$3,143,722	\$1,524,894
	+2,111,100	+2,100,000	40,110,122	\$1,02 i,00 i
115 Health Care Trust ³				
Health Care	\$364,477,356	\$391,064,476	£440.040.507	Ф4E4 040 E04
Annuities ⁴ Annuities—Health Care Receipts ⁴	(160,102,493)	(159,496,223)	\$443,342,537 (155,127,413)	\$454,218,561 (151,293,354)
Disabilities ⁴	209,582,685	221.863.263	267,018,801	286,728,726
Disabilities—Health Care Receipts ⁴	(92,062,609)	(90,487,259)	(93,155,604)	(88,698,083)
Survivors ⁴	2,790,484	3,068,556	4,912,970	8,894,059
Survivors—Health Care Receipts ⁴	(1,225,765)	(1,247,884)	(1,714,002)	(2,751,332)
Wellness Retiree Medical Account Plan Claims	100,665	152,950	1,607,726	15,038,205
Health Reimbursement Account Plan Claims	397,883,558	398,266,249	399,291,867	423,371,301
Member-Directed Retiree Medical Account Plan Claims ¹	3,822,031	4,704,801	4,108,037	6,493,490
Total Health Care	\$725,265,912	\$767,888,929	\$870,284,919	\$952,001,573
401(h) Health Care Trust ³				
Health Care				
Annuities Disabilities				
Survivors				
Wellness Retiree Medical Account Plan Claims				
Total Health Care				
Voluntary Employees' Beneficiary Association (VEBA) Trust ³				
Health Care Member-Directed Retiree Medical Account Plan Claims ¹				

Prior to 2016, the Member-Directed Retiree Medical Account Plan Claims were categorized with Annuities and Installment Payments. In order to consistently report all health care activity, the Member-Directed Retiree Medical Account Plan Claims is included on a separate line, similar to Wellness Retiree Medical Account Plan Claims and Health Reimbursement Account Plan Claims. The line item for Annuities and Installment Payments has been reduced for the Retiree Medical Account Plan Claims for all previous years presented.

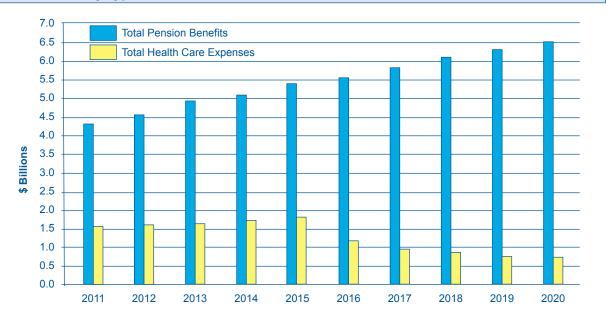
 $[{]f ^2}$ Qualified Excess Benefit Arrangement (QEBA) commenced in 2000.

0046	0015	0011	0040	0010	0011
2016	2015	2014	2013	2012	2011
55,272,086,225	\$5,833,988,140	\$5,534,152,991	\$5,277,262,585	\$4,903,795,068	\$4.644.669.8
974,782,897	1,070,397,368	1,057,979,091	1,040,711,575	1,017,238,745	984,655,9
11,682,188	12,010,912	10,646,707	13,550,680	34,367,830	31,381,2
206,548,755	244,014,180	243,271,541	237,930,114	232,640,171	231,283,4
6,990,116	16,460,228	4,669,630	4,562,351	10,818,585	13,489,4
310,233,492	45,184,620	,,,,,,,,,,	1,000,000	.,,	-,,
3,051,637	2,396,972	2,217,933	1,719,043	1,236,169	895,5
66,785,375,310	\$7,224,452,420	\$6,852,937,893	\$6,575,736,348	\$6,200,096,568	\$5,906,375,4
64,676,894,918	\$4,500,470,313	\$4,228,575,327	\$4,044,320,992	\$3,739,845,743	\$3,518,341,98
648,136,068	642,937,688	634,409,874	624,038,549	603,354,845	578,018,2
291,376	503,683	987,644	3,534,484	24,815,413	22,453,90
187,233,171	182,549,547	178,633,434	174,766,735	170,092,349	165,488,9
5,653,264	5.491.671	5.421.653	26,011,745	4,341,522	4,324,56
54,918,287	55,385,312	51,413,944	46,284,146	37,970,927	31,897,58
7,857,337	8,646,429	7,482,091	7,913,434	7,891,172	7,508,3
3,533,475	2,860,021	2,176,972	2,102,762	1,661,245	1,418,99
5,584,517,896	\$5,398,844,664	\$5,109,100,939	\$4,928,972,847	\$4,589,973,216	\$4,329,452,58
\$1,443,631	\$1,255,978	\$773,394	\$533,920	\$273,809	\$187,0
538.033	534,358	1,457,593	992,085	336,736	118,16
	779	.,,	352,535	,	
\$1,981,664	\$1,791,115	\$2,230,987	\$1,526,005	\$610,545	\$305,2
\$926,593	\$775,680	\$620,941	\$435,801	\$227,923	\$71,19
574,813	469,533	170,920	557,054	127,187	89,2
\$1,501,406	\$1,245,213	\$791,861	\$992,855	\$355,110	\$160,4
# 504 400 000					
\$531,136,686					
326,646,829					
19,315,584					
6,990,116					
310,233,492 1,634,192	\$45,184,620				
61,195,956,899	\$45.184.620				
61,195,956,899	\$45,184,620				
	\$1,269,605,295	\$1,245,719,219	\$1,158,126,842	\$1,120,671,221	\$1,089,640,0
	427,459,680	423,569,217	416,673,026	413,883,900	406,637,69
	61,464,633	64,638,107	63,163,379	62,547,822	65,794,43
	16,460,228	4,669,630	4,562,351	10,818,585	13,489,40
	\$1,774,989,836	\$1,738,596,173	\$1,642,525,598	\$1,607,921,528	\$1,575,561,5
\$1,417,445	\$2,396,972	\$2,217,933	\$1,719,043	\$1,236,169	\$895,5

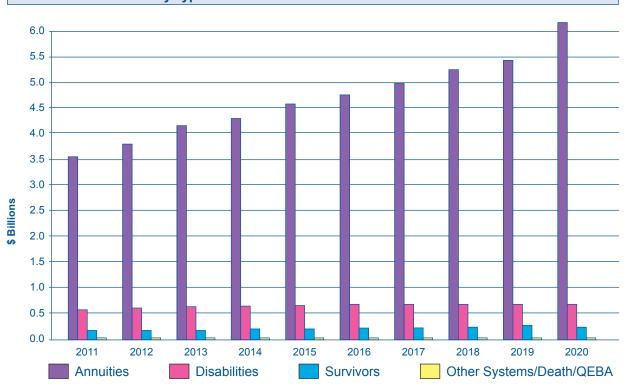
³ The 115 Health Care Trust was established and funding began in 2014. Notional deposits to retiree accounts and initial health care disbursements began in October 2015, during the initial open enrollment period, for January 2016 premium reimbursements. The 401(h) Health Care Trust and the VEBA Trust were terminated as of June 30, 2016. The net positions of these trusts consolidated into the 115 Health Care Trust on July 1, 2016.

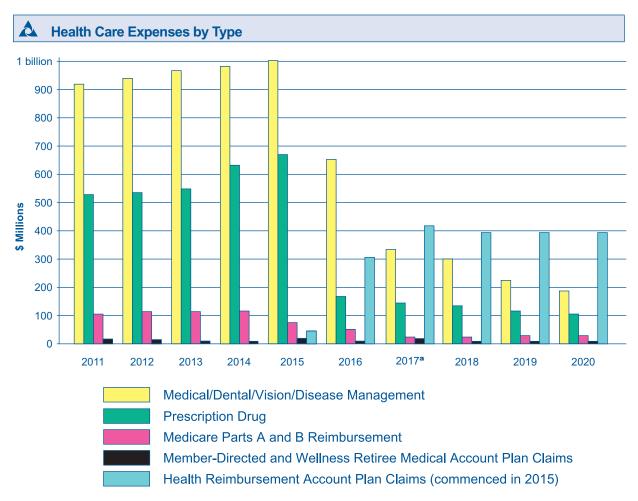
⁴ GASB Statement No. 74 requires health care expenses be reported net of certain health care receipts. The presentation of Retiree-Paid Health Care Premiums, Federal Subsidy and formulary rebates included in Vendor Rebates and Other Receipts (beginning on page 182) has been revised and is now included in health care deductions, starting in 2017 upon implementation of this standard. These health care receipts are broken out by Annuities, Disabilities and Survivors on this schedule.

A Benefits by Type



Pension Benefits by Type



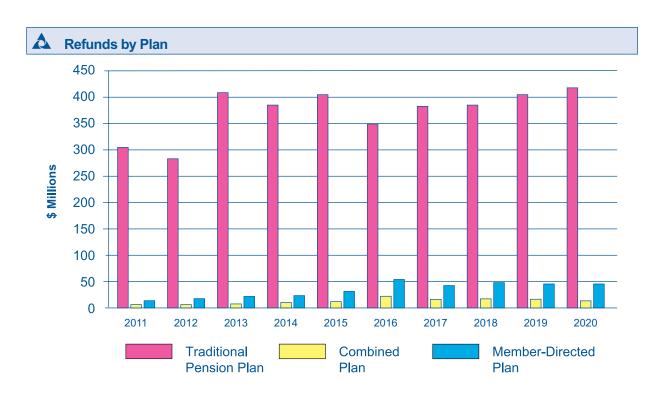


^a Beginning in 2017, GASB Statement No. 74 requires health care expenses to be reported net of certain health care receipts. The presentation of Retiree-Paid Health Care Premiums, Federal Subsidy and formulary rebates included in Vendor Rebates and Other Receipts (beginning on page 182) has been revised and is now included in health care deductions. In this table, the receipts are netted against the Medical/Dental/Vision/Disease Management category.

Refunds by Type (last 10 fiscal years)			(0	continued on next page
Year	2020	2019	2018	2017
All Plans Separation Beneficiaries Other	\$387,423,694 32,196,052 63,808,805	\$380,168,028 31,696,726 60,739,934	\$365,839,603 32,354,667 55,246,750	\$348,274,709 30,944,474 64,001,515
Total Refunds	\$483,428,551	\$472,604,688	\$453,441,020	\$443,220,698
Traditional Pension Plan Separation Beneficiaries Other	\$325,576,051 30,901,405 63,808,805	\$316,621,469 29,946,971 60,739,934	\$302,012,833 30,807,811 55,246,750	\$291,311,871 29,301,923 64,001,515
Total Refunds	\$420,286,261	\$407,308,374	\$388,067,394	\$384,615,309
Combined Plan Separation Beneficiaries	\$15,167,096 503,610	\$17,137,391 394,332	\$16,540,234 267,846	\$15,716,660 503,481
Total Refunds	\$15,670,706	\$17,531,723	\$16,808,080	\$16,220,141
Member-Directed Plan Separation Beneficiaries	\$46,680,547 791,037	\$46,409,168 1,355,423	\$47,286,536 1,279,010	\$41,246,178 1,139,070
Total Refunds	\$47,471,584	\$47,764,591	\$48,565,546	\$42,385,248

Number of R	efund Payments by F	Plan (last 10 fiscal years)		
Year	Traditional Pension Plan	Combined Plan	Member-Directed Plan	Total
2020	23,248	409	1,183	24,840
2019	22,108	487	1,351	23,946
2018	22,317	573	1,539	24,429
2017	23,409	544	1,401	25,354
2016	22,024	935	2,462	25,421
2015	29,454	412	998	30,864
2014	29,014	387	878	30,279
2013	25,670	378	1,071	27,119
2012	24,487	384	1,099	25,970
2011	26,686	391	893	27,970

Refunds b	у Туре				
2016 2015		2014	2013	2012	2011
\$342.642.457	\$322.526.720	\$313.034.142	\$299.488.361	\$275,020,766	\$291,727,781
31,834,420	25,357,397	22,186,469	17,577,111	23,366,136	21,276,967
55,314,264	101,381,293	90,481,218	124,218,732	9,099,376	10,667,294
\$429,791,141	\$449,265,410	\$425,701,829	\$441,284,204	\$307,486,278	\$323,672,042
\$266,436,121	\$279,546,170	\$277,494,212	\$270,224,068	\$252,159,989	\$271,336,582
30,612,256	24,393,337	21,732,182	16,878,900	22,957,850	20,808,413
55,314,264	101,381,293	90,481,218	124,218,732	9,099,376	10,667,294
\$352,362,641	\$405,320,800	\$389,707,612	\$411,321,700	\$284,217,215	\$302,812,289
\$21,752,826	\$12,254,484	\$10,789,116	\$7,605,803	\$6,138,096	\$6,319,318
104,686	323,460	185,326	125,352	35,618	143,531
\$21,857,512	\$12,577,944	\$10,974,442	\$7,731,155	\$6,173,714	\$6,462,849
\$54.453.510	\$30.726.066	\$24.750.814	\$21,658,490	\$16,722,681	\$14,071,881
1,117,478	640,600	268,961	572,859	372,668	325,023
\$55,570,988	\$31,366,666	\$25,019,775	\$22,231,349	\$17.095.349	\$14.396.904



OPERS notionally funds and tracks member balances in the health reimbursement arrangement (HRA) accounts, Member-Directed Plan retiree medical accounts, and wellness retiree medical accounts (RMA). The Combining Statement of Fiduciary Net Position recognizes health care payments as liabilities when a present obligation exists and a condition requires that the event creating the liability has taken place. Therefore, health care liabilities are recognized when the benefits are currently due and payable in accordance with benefit terms, as clarified in GASB 74. Health care liabilities recorded in the combining financial statements also contain estimates on incurred but not reported amounts for the current year. As a result, unspent balances remaining in the member health care accounts are not recorded as liabilities in the combining financial statements beyond what is described here as clarified in GASB 74. Total funds restricted for health care costs of all OPERS health care plans are \$13.2 billion as of December 31, 2020. While OPERS is not required to disclose the funds restricted for health care by individual plans, funds set aside in member health care accounts are tracked. This table shows these balances and a summary of activity for the year for the member HRA accounts, Member-Directed Plan and wellness RMAs, starting with the year 2016 as that was the year of implementation for the HRA and the consolidation of all health care assets into one trust.

▲ Funds Restricted for Member Health Car	e Account	S (last five years,	, \$ in millions)		
Year	2020	2019	2018	2017	2016
Health Reimbursement Arrangement (HRA) Accounts Notional Deposits into Member Accounts Transferred In—Wellness RMA Health Care Claims Paid Health Care Claims Accrued Transfer to 115 Trust—Forfeitures²	\$427.4 0.1 (349.0) (48.9)	\$417.7 0.1 (354.7) (43.6) (5.5)	\$441.2 0.5 (360.4) (38.9) (3.4)	\$529.1 8.5 (388.1) (35.3)	\$546.8 (292.8) (17.4)
Net Increase in Member Accounts Balance, Beginning of Year	29.6 403.8	14.0 389.8	39.0 350.8	114.2 236.6	236.6
Balance, End of Year	\$433.4	\$403.8	\$389.8	\$350.8	\$236.6
Wellness Retiree Medical Accounts (RMA) ¹ Notional Deposits into Member Accounts Transferred Out—HRA Health Care Claims Paid Health Care Claims Accrued Transfer to 115 Trust—Forfeitures ³	(\$0.1) (0.1) (0.1)	(\$0.1) (0.2)	(\$0.5) (0.6) (0.5)	(\$8.5) (4.6) (2.0)	\$2.5 (5.4) (1.8)
Net Decrease in Member Accounts Balance, Beginning of Year	(0.3) 1.2	(0.3) 1.5	(1.6) 3.1	(15.1) 18.2	(4.7) 22.9
Balance, End of Year	\$0.9	\$1.2	\$1.5	\$3.1	\$18.2
Member-Directed RMAs Notional Deposits into Member Accounts Health Care Claims Paid Health Care Claims Accrued Transfer to MD RMA Reserve—Forfeitures³	\$30.9 (2.9) (0.9) (2.8)	\$24.3 (3.5) (1.2) (2.5)	\$34.8 (3.0) (1.1)	\$30.0 (6.4) (0.1)	\$23.5 (2.7) (0.4)
Net Increase in Member Accounts Balance, Beginning of Year	24.3 258.1	17.1 241.0	30.7 210.3	23.5 186.8	20.4 166.4
Balance, End of Year	\$282.4	\$258.1	\$241.0	\$210.3	\$186.8
Net Position, End of Year, Member-Directed Health Care	\$374.5	\$319.3	\$248.9	\$242.0	\$195.3
Total Funds Restricted for Member Health Care Accounts	\$716.7	\$663.1	\$632.3	\$564.2	\$441.6

¹ Enrollment in wellness incentive programs was discontinued December 2016. Therefore, deposits to the wellness RMA ceased. If wellness RMA account holders also had an HRA account, the balance in the wellness RMA was transferred to the HRA. In addition, OPERS initiated an automatic claims payment process for reimbursements for retiree health care costs paid through pension deduction. This process will reimburse members for eligible health care premiums paid to OPERS up to the member's available wellness RMA balance.

² Upon the death of an HRA participant, the participant's coverage terminates. Any unused amount in the deceased participant's HRA is forfeited 24 months after the date of death. Prior to September 3, 2019, forfeitures occurred 24 months following the later of the date of death or the date the last claim was submitted on a rolling basis.

³ Upon the death of an RMA participant, the participant's coverage terminates. Any unused amount in the deceased participant's RMA is forfeited 12 months after the later of the date of death or the date the last claim was submitted on a rolling basis. Prior to March 25, 2015, forfeitures occurred 24 months following the later of the date of death or the date the last claim was submitted on a rolling basis.

Pension Assets vs Pension Liabilities—Accounting Basis¹ (last seven fiscal years, \$ in millions) All Plans											
Year	2020	2019	2018	2017	2016	2015	2014				
Plan Fiduciary Net Position	\$98,853	\$91,815	\$81,427	\$87,105	\$77,514	\$74,560	\$77,263				
Total Pension Liability	\$113,354	\$111,368	\$108,701	\$102,653	\$100,166	\$91,832	\$89,285				
Employers' Net Pension (Asset)/Liability	\$14,501	\$19,553	\$27,274	\$15,548	\$22,652	\$17,272	\$12,022				
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.21%	82.44%	74.91%	84.85%	77.39%	81.19%	86.54%				

Pension Assets vs Pension Liabilities—Accounting Basis¹ (last seven fiscal years, \$ in millions) Traditional Pension Plan											
Year	2020	2019	2018	2017	2016	2015	2014				
Plan Fiduciary Net Position	\$98,025	\$91,122	\$80,876	\$86,586	\$77,110	\$74,213	\$76,956				
Total Pension Liability	\$112,833	\$110,887	\$108,264	\$102,274	\$99,818	\$91,534	\$89,017				
Employers' Net Pension (Asset)/Liability	\$14,808	\$19,765	\$27,388	\$15,688	\$22,708	\$17,321	\$12,061				
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%				

Pension Assets vs Pension Liabilities—Accounting Basis¹ (last seven fiscal years, \$ in millions) Combined Plan										
Year	2020	2019	2018	2017	2016	2015	2014			
Plan Fiduciary Net Position	\$789	\$669	\$532	\$501	\$392	\$337	\$298			
Total Pension Liability	\$500	\$461	\$420	\$365	\$336	\$288	\$260			
Employers' Net Pension (Asset)/Liability	(\$289)	(\$208)	(\$112)	(\$136)	(\$56)	(\$49)	(\$38)			
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%			

Pension Assets vs Pension Liabilities—Accounting Basis¹ (last seven fiscal years, \$ in millions) Member-Directed Plan											
Year	2020	2019	2018	2017	2016	2015	2014				
Plan Fiduciary Net Position	\$39	\$24	\$19	\$18	\$12	\$10	\$9				
Total Pension Liability	\$21	\$20	\$17	\$14	\$12	\$10	\$8				
Employers' Net Pension (Asset)/Liability	(\$18)	(\$4)	(\$2)	(\$4)	\$0	\$0	(\$1)				
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	188.21%	118.84%	113.42%	124.46%	103.40%	103.91%	107.10%				

¹ The Accounting Basis is calculated under GASB 67. GASB 67 was initially implemented in 2014; data for years prior to 2014 is not available. For more information on the Accounting Basis, refer to Note 8 starting on page 73 in the Financial Section.

The calculation method defined in GASB 67 (Accounting Basis) requires different assumptions than are used to calculate the funded status of a plan (Funding Basis). The following table identifies the two key differences between the two methods. Additional details on the Accounting Basis actuarial assumptions can be found in the Financial Section (see Note 8 on page 73). Funding Basis assumptions can be found in the Actuarial Section starting on page 139.

A Pension Assumptions—Key Differences Between Accounting and Funding Valuations											
Valuation Basis	Accounting	Funding									
Measurement and Valuation Date	December 31, 2020	December 31, 2020									
Assets Valuation Method	Fair Value	4-year, smoothed market-12% corridor ²									
Investment Rate of Return Used to Calculate Liability	Single Discount Rate ¹ 7.2%	Actuarial Assumed 7.2%									

¹ As required in GASB 67, a Single Discount Rate may be required to measure the pension liability if existing assets are not projected to be available to make all projected future benefit payments of current plan members. The GASB 67 pension calculation determined that a blended rate for the year ended December 31, 2020 was not needed. Therefore, the long-term expected rate of return on pension plan investments, 7.2%, was applied to all periods of projected benefit payments to determine the Total Pension Liability.

² For actuarial purposes, and under the Funding Basis, the funding value of defined benefit assets recognizes total assumed investment returns fully each year. Differences between actual and assumed investment returns are phased in over a closed four-year period. The funding value is not permitted to deviate from fair value by more than 12%.

Pension Assets vs Pension Liabilities—Funding Basis¹ (last 10 fiscal years, \$ in millions)											All Plans		
Year	2020	2019	2018	2017 ^f	2017	2016 ^e	2015 ^a	2015 ^b	2014	2013	2012 ^d	2012 ^c	2011
Pension Assets	\$93,970	\$88,572	\$84,287	\$83,292	\$83,292	\$80,280	\$78,061	\$78,061	\$74,865	\$71,411	\$67,855	\$67,855	\$65,436
Accrued Liabilities	\$113,372	\$111,371	\$108,705	\$106,090	\$102,656	\$100,167	\$97,177	\$91,832	\$89,285	\$86,645	\$83,878	\$87,105	\$84,530
Unfunded Liabilities	\$19,402	\$22,799	\$24,418	\$22,798	\$19,364	\$19,887	\$19,116	\$13,771	\$14,420	\$15,234	\$16,023	\$19,250	\$19,094
Funded Ratio	82.89%	79.53%	77.54%	78.51%	81.14%	80.15%	80.33%	85.00%	83.85%	82.42%	80.90%	77.90%	77.41%
Amortization Years	18	23	27	25	18	19	20	19	21	24	26	30	30
Net Unrealized Gains/(Losses) ²	\$4,884	\$3,243	(\$2,860)	\$3,813	\$3,813	(\$2,766)	(\$3,501)	(\$3,501)	\$2,398	\$3,455	\$0	\$0	(\$3,589)

A Pension As	Pension Assets vs Pension Liabilities—Funding Basis ¹ (last 10 fiscal years, \$ in millions)										Traditional Pension Plan			
Year	2020	2019	2018	2017 ^f	2017	2016	2015 ^a	2015 ^b	2014	2013	2012 ^d	2012 ^c	2011	
Pension Assets	\$93,181	\$87,903	\$83,715	\$82,797	\$82,797	\$79,865	\$77,700	\$77,700	\$74,567	\$71,175	\$67,670	\$67,670	\$65,274	
Accrued Liabilities	\$112,833	\$110,887	\$108,265	\$105,691	\$102,274	\$99,818	\$96,863	\$91,535	\$89,017	\$86,407	\$83,664	\$86,876	\$84,325	
Unfunded Liabilities	\$19,652	\$22,984	\$24,550	\$22,894	\$19,477	\$19,953	\$19,163	\$13,835	\$14,450	\$15,232	\$15,994	\$19,206	\$19,051	
Funded Ratio	82.58%	79.27%	77.32%	78.34%	80.96%	80.01%	80.22%	84.89%	83.77%	82.37%	80.88%	77.89%	77.41%	
Amortization Years	18	23	28	26	19	20	20	19	21	25	26	31	30	
Net Unrealized Gains/(Losses) ²	\$4,845	\$3,219	(\$2,839)	\$3,789	\$3,789	(\$2,755)	(\$3,487)	(\$3,487)	\$2,389	\$3,443	(\$2)	(\$2)	(\$3,581)	

A Pension As	Pension Assets vs Pension Liabilities—Funding Basis¹ (last 10 fiscal years, \$ in millions)										C	Combined Plan		
Year	2020	2019	2018	2017 ^f	2017	2016	2015 ^a	2015 ^b	2014	2013	2012 ^d	2012 ^c	2011	
Pension Assets	\$752	\$646	\$552	\$479	\$479	\$402	\$350	\$350	\$289	\$229	\$183	\$183	\$161	
Accrued Liabilities	\$502	\$461	\$420	\$382	\$365	\$336	\$303	\$288	\$260	\$230	\$212	\$226	\$203	
Unfunded Liabilities	(\$250)	(\$185)	(\$132)	(\$97)	(\$114)	(\$66)	(\$47)	(\$62)	(\$29)	\$1	\$29	\$43	\$42	
Funded Ratio	149.80%	140.08%	131.43%	125.39%	130.97%	119.62%	115.59%	121.71%	111.15%	99.57%	86.32%	80.97%	79.31%	
Amortization Years	0	0	0	0	0	0	0	0	0	0	1	0	2	
Net Unrealized Gains/(Losses) ²	\$37	\$23	(\$20)	\$23	\$23	(\$10)	(\$14)	(\$14)	\$9	\$12	\$2	\$2	(\$8)	

A Pension Ass	Pension Assets vs Pension Liabilities—Funding Basis¹ (last 10 fiscal years, \$ in millions) Member-Directed Annuities											nuities
Year	2020	2019	2018	2017 ^f	2017	2016 ^e	2015 ^a	2015 ^b	2014	2013	2012	2011
Pension Assets	\$37.151	\$22.821	\$19.917	\$16.770	\$16.770	\$12.961	\$10.622	\$10.622	\$8.772	\$6.826	\$2.524	\$1.156
Accrued Liabilities	\$37.151	\$22.821	\$19.917	\$16.770	\$16.770	\$12.961	\$10.291	\$9.767	\$8.291	\$6.884	\$2.666	\$1.173
Unfunded Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	(\$0.331)	(\$0.855)	(\$0.481)	\$0.058	\$0.142	\$0.017
Funded Ratio	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	103.22%	108.75%	105.80%	99.16%	94.67%	98.55%
Net Unrealized Gains/(Losses) ²	\$1.745	\$1.021	(\$0.656)	\$0.989	\$0.989	(\$0.296)	(\$0.473)	(\$0.473)	\$0.108	\$0.273	\$0.062	(\$0.044)

- ^a Information after completion of the experience study.
- ^b Information prior to completion of the experience study.
- ^c Information prior to benefit changes enacted January 7, 2013.
- ^d Valuation revised to reflect benefit changes enacted January 7, 2013.
- Restated upon finalization of actuarial valuation subsequent to issuance of 2016 Comprehensive Annual Financial Report.
- f Information after change in discount rate from 7.5% to 7.2%.

- ¹ Table presents actuarial information on a Funding Basis. For more information on the Funding Basis, refer to the Actuarial Section beginning on page 139.
- ² For actuarial purposes, and under the Funding Basis, the funding value of defined benefit assets recognizes total assumed investment returns each year. Differences between actual and assumed investment returns are phased in, or smoothed, over a closed four-year period. The funding value is not permitted to deviate from fair value by more than 12%. This amount represents the net unrealized investment gains/losses remaining at the end of each year to be smoothed in future years.

Health Care Assets vs Health Care Liabilities—Accounting Basis¹ (last four years, \$ in millions)										
Year	2020	2019	2018	2017						
Plan Fiduciary Net Position	\$13,227	\$12,647	\$11,253	\$12,819						
Total OPEB Liability	\$11,446	\$26,460	\$24,291	\$23,678						
Employers' Net OPEB Liability/(Asset)	(\$1,781)	\$13,813	\$13,038	\$10,859						
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	115.57%	47.80%	46.33%	54.14%						

¹ The Accounting Basis is calculated under GASB 74. GASB 74 was implemented as of December 31, 2017, data prior to 2017 is not available. For more information on the Accounting Basis, refer to Note 9 on page 76 in the Financial Section.

The calculation method defined in GASB 74 (Accounting Basis) requires different assumptions than are used to calculate the funded status of the program (Funding Basis). The following table identifies the key differences between the two methods. Additional details on the Accounting Basis actuarial assumptions can be found in the Financial Section (see Note 9 on page 76). Funding Basis assumptions can be found in the Actuarial Section starting on page 139.

A Health Care Assumptions—Key D	Health Care Assumptions—Key Differences Between Accounting and Funding Valuations									
Valuation Basis	Accounting	Funding								
Actuarial Valuation Date	December 31, 2019	December 31, 2019								
Rolled-Forward Measurement Date	December 31, 2020	N/A								
Asset Valuation Method	Fair Value	4-year, smoothed market—12% corridor ²								
Investment Rate of Return Used to Calculate Liability	Single Discount Rate ¹ 6.00%	Actuarial Assumed 6.00%								

Projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects: (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the rolled-forward measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of this rolled-forward measurement date valuation, the expected rate of return on OPEB plan investments is 6.00%; the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-year Municipal GO AA Index). The resulting Single Discount Rate is 6.00%.

² For actuarial purposes, and under the Funding Basis, the funding value of defined benefit assets recognizes total assumed investment returns each year. Differences between actual and assumed investment returns are phased in over a closed four-year period. The funding value is not permitted to deviate from fair value by more than 12%.

A Health (Care Ass	sets vs I	Health C	are Lial	oilities—	-Fundin	g Basis	(last 10 fisc	al years, \$ in	millions)	Total He	alth Car	e Fund
Year	2019 ^e	2018	2017 ^d	2017	2016	2015 ^a	2015 ^b	2014	2013	2012	2011	2010 ^{a, c}	2010 ^b
Health Care Assets	\$11,943	\$11,647	\$12,021	\$12,021	\$12,098	\$11,933	\$11,933	\$12,062	\$12,031	\$12,193	\$12,115	\$12,320	\$11,267
Accrued Liabilities	\$11,462	\$17,849	\$18,393	\$17,389	\$19,924	\$19,224	\$18,515	\$19,405	\$19,784	\$19,182	\$31,020	\$30,531	\$26,929
Unfunded Liabilities	(\$481)	\$6,202	\$6,372	\$5,368	\$7,826	\$7,291	\$6,582	\$7,343	\$7,753	\$6,989	\$18,905	\$18,211	\$15,662
Funded Ratio	104.20%	65.25%	65.36%	69.13%	60.72%	62.10%	64.45%	62.16%	60.81%	63.56%	39.06%	40.35%	41.84%
Solvency Period	23	11	13	13	12	Indefinite ²	10	11	11				
Net Unrealized Gains/(Losses) ³	\$705	(\$394)	\$797	\$797	(\$218)	(\$421)	(\$421)	\$764	\$1,080	\$635	(\$519)	\$0	\$1,052

- ^a Information after completion of the experience study.
- ^b Information prior to completion of the experience study.
- ^c Funding Value was set to Market Value as of December 31, 2010.
- d Information after change in discount rate from 6.5% to 6.0%.
- e Results reflect health care program changes effective January 2022, approved by the Board in January 2020.
- ¹ This table presents actuarial information on a Funding Basis. For more information on the Funding Basis, refer to the Actuarial Section beginning on page 139.
- ² Funds expected to be sufficient to fund future health care needs.
- ³ For actuarial purposes, and under the Funding Basis, the funding value of defined benefit assets recognizes total assumed investment returns each year. Differences between actual and assumed investment returns are phased in, or smoothed, over a closed four-year period. The funding value is not permitted to deviate from fair value by more than 12%. This amount represents the net unrealized investment gains/losses remaining at the end of each year to be smoothed in future years.

The Board approved changes to the OPERS health care plans in 2012. The ultimate goal of the health care changes was to match the income to the health care trust (assumed to be 4%) and disbursements from the health care trust (also assumed to be 4%). Additionally, the Board established a health care stabilization fund to hold income in excess of 4%. The balance of the stabilization fund will supplement income to the health care core (operating) fund when employer contributions or investment income of 4% was not available during the year or disbursements from the trust exceed 4% during the year. The stabilization fund is an accounting function only and not listed separately in the combining financial statements. Health care valuations disclosed previously (both on a Funding and Accounting basis) are prepared using total health care fund assets. The table below displays the valuation results for the health care plans using only the core fund assets and no stabilization fund assets.

A Health Car	re Assets		Health	Care—Co	ore Fund					
Year	2019	2018	2017 ^c	2017	2016 ^d	2015 ^a	2015 ^b	2014	2013	2012
Health Care Assets	\$10,350	\$10,162	\$10,113	\$10,113	\$10,143	\$10,109	\$10,109	\$10,622	\$11,110	\$11,759
Accrued Liabilities	\$11,462	\$17,849	\$18,393	\$17,389	\$19,924	\$19,224	\$18,515	\$19,405	\$19,784	\$19,182
Unfunded Liabilities	\$1,112	\$7,687	\$8,280	\$7,276	\$9,781	\$9,115	\$8,406	\$8,783	\$8,674	\$7,423
Funded Ratio	90.30%	56.94%	54.98%	58.16%	50.91%	52.59%	54.60%	54.74%	56.16%	61.30%
Solvency Period	18	10	10	10	10	Indefinite ²				

^a Information after completion of the experience study.

² Funds expected to be sufficient to fund future health care needs.

A Coi	ntribution Rates						
	Actuarially Determined Contribution Rate						
Year	All Plans	Traditional Pension Plan	Combined Plan	Note			
2020	6.68%	0.00%	0.00%				
2019	5.93	0.00	0.00				
2018	5.75	0.00	0.00				
2017	5.26	1.00	1.00				
2016	5.56	2.00	2.00				
2015	5.77	2.00	2.00				
2014	5.54	2.00	2.00				
2013	12.96	1.00	1.00	(1)			
2012	11.52	4.00	6.05	(1)			
2011	14.55	4.00	6.05	(1)			

(1) From 2008 through 2010, the employer contribution rate allocated to health care by the Combined Plan was less than the Traditional Pension Plan. Payment of the impact of the rate difference commenced in 2011 and continued in 2012. The total repaid to the 401(h) Health Care Trust exceeded the required amount. As a result, the amount contributed to the 401(h) Health Care Trust by the Combined Plan in 2013 was less than the actual contribution rate listed above.

A Health Ca	are
Self-Fund	ding Rate ¹
Year	Rate
2019	2.10%
2018	5.10
2017 ^c	4.80
2017	4.80
2016	4.60
2015 ^a	4.70
2015 ^b	4.00
2014	4.10
2013	4.10
2012	3.80
2011	6.40
2010	6.70

a Information after completion of the experience study.

b Information prior to completion of the experience study.

c Information after change in discount rate from 6.5% to 6.0%.

d Assets recalculated after issuance of 2017 report.

As the stabilization fund was created in 2012, information prior to 2012 is not available.

Information prior to completion of the experience study.

Information after change in discount rate from 6.5% to 6.0%.

¹ The self-funding rate is the percentage of contribution required to fund health care indefinitely without regard to repayment of the liability within 30 years.

Investment Rates by Portfolio—Defined Benefit and Health Care

OPERS uses several rates to evaluate the results of the investment portfolios. Actual and benchmark returns for the years listed can be found in the Investment Section. The expected rate of return is based on the asset allocation in place during the year presented and the actuarial assumed rate of return is the assumption used for the annual actuarial valuations, described further in the Actuarial Section. Finally, the single discount and long-term municipal bond rates reflect the requirements of GASB 74. These rates are used in the Accounting Basis valuations for health care and not available prior to 2016.

Rates are presented for eight years in the following table:

A Investment Rates by Portfolio										
	2020	2019	2018	2017	2016	2015	2014	2013		
Defined Benefit Portfolio Actual Rate of Return Benchmark Return Long-Term Expected Rate of Return Actuarial Assumed Rate of Return	12.02%	17.23%	(2.99%)	16.82%	8.31%	0.33%	6.96%	14.38%		
	11.65	17.06	(3.07)	15.19	8.64	0.25	5.81	14.24		
	6.90	8.00	8.00	8.00	8.00	8.00	8.00	8.00		
	7.20	7.20	7.20	7.50	7.50	8.00	8.00	8.00		
Health Care Portfolio¹ Actual Rate of Return Benchmark Return Long-Term Expected Rate of Return Actuarial Assumed Rate of Return Single Discount Rate (GASB 74)² Long-Term Municipal Bond Rate²	10.96%	19.59%	(5.76%)	15.25%	7.55%	(2.18%)	5.28%	11.36%		
	10.13	19.20	(5.96)	14.31	7.75	(1.88)	5.01	10.70		
	6.31	6.50	6.50	6.50	6.50	6.50	6.50	6.50		
	6.00	6.00	6.00	6.50	5.00	5.00	5.00	5.00		
	6.00	3.16	3.96	3.85	4.23	N/A	N/A	N/A		
	2.00	2.75	3.71	3.31	3.78	N/A	N/A	N/A		

¹ In 2016, the 401(h) Health Care Trust closed and assets were transferred to the 115 Health Care Trust. The 2016 partial year results for both portfolios can be found in the Investment Section, reflecting six month returns for the 401(h) Health Care Trust. For 2016, this chart displays the combined health care rates as disclosed in the Investment Section. For previous years, the rates represent the 401(h) Health Care Trust, as the majority of the health care assets resided in this trust until transferred to the 115 Health Care Trust.

² Projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Additional information on the Single Discount Rate can be found in Note 9 of the Notes to Combining Financial Statements found in the Financial Section.

Number of Retirees/Benefit Recipients by Category

The values included in the following tables represent the number of individuals receiving benefit payments. The 2011 through 2020 counts represent retired member accounts only, regardless of the number of recipients designated by the retiree's plan of payment. These statistics are representative of the OPERS contributing membership.

▲ Traditional F	Pension Plan			
Year End	Annuities	Disabilities	Survivors	Total
2020	183,950	19,287	12,491	215,728
2019	181,623	20,090	12,565	214,278
2018	179,113	20,684	12,541	212,338
2017	176,445	21,322	12,590	210,357
2016	173,500	21,848	12,569	207,917
2015	170,411	22,230	12,570	205,211
2014	167,608	22,532	12,649	202,789
2013	160,815	22,791	12,743	196,349
2012	155,008	22,768	12,712	190,488
2011	149,598	22,476	12,802	184,876

Annuities are comprised of a defined formula benefit paid to contributing members retiring with an age-and-service benefit, as well as, benefit annuities paid through the Additional Annuity and Money Purchase plans (refer to Plan Statement beginning on page 221). Members who retired from other Ohio retirement systems may return to OPERS-covered employment under the OPERS Money Purchase plan. These members receive an annuity in accordance with that program, based on the contributions paid during the re-employment period.

The table below displays the composition of the Traditional Pension Plan Annuities by type for 2011 through 2020. The Other Annuities column represents Money Purchase and Additional Annuity plan benefits. These benefits may accrue to members whose primary retirement is with OPERS or through another Ohio retirement system (ORS retirees).

⚠ Tradit	ional Pension Pl	an Annuities			
Year End	Age-and-Service Annuities	Age-and-Service Receiving Other Annuities	Subtotal Age-and-Service Annuities	Other Annuities (ORS retirees)	Total
2020	179,090	3,321	182,411	1,539	183,950
2019	176,792	3,266	180,058	1,565	181,623
2018	174,382	3,166	177,548	1,565	179,113
2017	171,766	3,127	174,893	1,552	176,445
2016	168,924	3,039	171,963	1,537	173,500
2015	165,997	2,913	168,910	1,501	170,411
2014	163,313	2,830	166,143	1,465	167,608
2013	156,755	2,643	159,398	1,417	160,815
2012	151,765	2,112	153,877	1,131	155,008
2011	146,687	1,901	148,588	1,010	149,598

Number of Retirees/Benefit Recipients by Category (continued)

The values included in the table below represent the number of retirees receiving benefit payments. Members in the Combined Plan receive an age-and-service defined formula benefit annuity from their employer contribution account, and may not elect a retirement distribution from their defined contribution account until they qualify for a defined benefit retirement. Prior to 2012, members in both the Combined Plan and Member-Directed Plan had the option to defer all or a portion of their defined contribution (DC) account, annuitize, or elect to receive installment payments from the defined contribution account. Effective April 1, 2012, the installment payment options were eliminated and new retirees may elect to annuitize, transfer their defined contribution account to another financial institution, or refund their account (refer to the Plan Statement beginning on page 221).

⚠ Combined Plan¹							
Year End	Age-and-Service Annuities	Annuitized DC Accounts	Installment Payments	Liquidated or Deferred DC Accounts ²	Number of Retirees		
2020	465	311	4		465		
2019	391	266	4		391		
2018	337	229	4		337		
2017	283	193	6		283		
2016	238	158	6		238		
2015	196	128	7		196		
2014	156	99	7		156		
2013	100	64	7	1	100		
2012	55	37	13	5	55		
2011	36	22	13	1	36		

¹ As of April 1, 2012, no member had elected a combination annuity and installment payment benefit distribution since commencement of the plan on January 1, 2003. Retirements effective on or after April 1, 2012 no longer have this option.

² Beginning in 2013, the number of members receiving a defined benefit age-and-service benefit does not equal the number of members receiving a defined contribution benefit. The defined contribution options of transferring the defined contribution account to another financial institution or refunding the account are recorded in OPERS systems as refund transactions. These specific types of refunds cannot be segregated from withdrawal from service refunds.

▲ Member-Directed Plan¹					
Year End	Annuities	Installment Payments	Total		
2020	330	3	333		
2019	316	4	320		
2018	278	5	283		
2017	242	5	247		
2016	219	7	226		
2015	185	9	194		
2014	154	13	167		
2013	131	14	145		
2012	62	16	78		
2011	38	15	53		

¹ As of April 1, 2012, no member had elected a combination annuity and installment payment benefit distribution since commencement of the plan on January 1, 2003. Retirements effective on or after April 1, 2012 no longer have this option.

Number of Covered Lives by Category

The values included in the tables below represent the number of lives covered by OPERS health care plans. The counts for the Health Care Plans table reflect the number of retirees and primary beneficiaries, and the number of additional dependents and other beneficiaries receiving coverage. In addition to a retiree, a primary benefit recipient could be a survivor of a deceased retiree continuing to receive coverage on the member's account. The values in the retirees and primary beneficiaries column represent OPERS contributing membership, while dependents and other beneficiaries represent other family members receiving primarily dental and vision coverage through a retiree's account. These counts represent all Traditional Pension Plan and Combined Plan retirees, dependents, and beneficiaries receiving post-employment health care coverage.

A Health Care Plans						
Year End	Number of Retirees and Primary Beneficiaries	Number of Dependents and Other Beneficiaries	Total Covered Lives			
2020	138,906	25,130	164,036			
2019	142,369	28,141	170,510			
2018	146,410	31,670	178,080			
2017 ^a	150,363	36,362	186,725			
2016 ^a	153,272	42,230	195,502			
2015	170,688	52,109	222,797			
2014	167,327	58,692	226,019			
2013	165,967	61,041	227,008			
2012	163,940	62,456	226,396			
2011	161,315	62,507	223,822			

^a Restated amounts for Health Care Connector.

The Member-Directed Plan Retiree Medical Account is an account in the member's name that can be used to reimburse qualified medical expenses for Member-Directed Plan retirees and eligible family members. Funding for Member-Directed Plan health care was accumulated in a Voluntary Employees' Beneficiary Association Trust (VEBA Trust). The VEBA Trust was closed as of June 30, 2016 and the net position transferred into the 115 Health Care Trust (115 Trust) on July 1, 2016. Beginning July 1, 2016, funding for the Member-Directed Plan health care is accumulated in the 115 Trust.

Member-D	Member-Directed Plan Retiree Health Care					
Year End	Total Covered Lives					
2020	7,171					
2019	6,940					
2018	6,660					
2017	6,203					
2016	5,605					
2015	4,063					
2014	3,509					
2013	3,112					
2012	2,589					
2011	2,073					

Schedule of Retirees by Benefit Type and Amount

The values included in the following tables represent the number of retired members receiving benefits. Other Annuities represents Money Purchase and Additional Annuity plan benefits. These benefits may accrue to members whose primary retirement is with OPERS or with another Ohio retirement system (ORS retirees).

Traditional Pension Plan (as of December 2020)								
		Age-and-Service	Subtotal					
Amount of	Age-and-Service	Receiving Other	Age-and-Service			Other Annuities	Total	
Monthly Benefit	Annuities	Annuities	Annuities	Disabilities	Survivors	(ORS retirees)	Retirees	
\$1-299	9,974	1,873	11,847	33	559	616	13,055	
\$300-499	8,114	524	8,638	72	1,541	282	10,533	
\$500-999	21,195	583	21,778	565	3,626	363	26,332	
\$1,000-1,499	20,631	173	20,804	1,891	2,890	159	25,744	
\$1,500-1,999	18,986	77	19,063	3,281	1,480	75	23,899	
\$2,000 & Over	100,190	91	100,281	13,445	2,395	44	116,165	
Totals	179,090	3,321	182,411	19,287	12,491	1,539	215,728	

Effective April 1, 2012, members electing to retire in the Combined Plan and Member-Directed Plan have the option to use their defined contribution account to annuitize, to transfer their defined contribution account to another financial institution, or to receive a refund of their defined contribution account. Prior to April 1, 2012, these members also had the option to draw on their defined contribution account under an installment payment plan. The installment payment option is still effective for members who retired prior to April 1, 2012.

Combined Plan members are also eligible for a defined formula benefit from their employer contributions. The Employer Age-and-Service Annuities column represents members receiving a formula benefit. Members may receive payments of their defined contribution accounts under the methods described above. For those members who retired prior to April 1, 2012, only installment payments with a remaining account balance are counted.

Combined Plan (as of December 2020)							
Amount of	Employer	Annuitized DC	DC Installment				
Monthly Benefit	Age-and-Service Annuities	Accounts	Payments				
\$1-299	155	153					
\$300-499	144	101					
\$500-999	145	48					
\$1,000-1,499	18	6					
\$1,500-1,999	3	2					
\$2,000 & Over		1					
Various			4				
Totals	465	311	4				

The Member-Directed Plan table displays the distribution of members electing either a defined benefit annuity or an installment payment option. For those members who retired prior to April 1, 2012, only installment payments with a remaining account balance are counted.

Member-Directed Plan (as of December 2020)						
Amount of	Annuitized DC	DC Installment				
Monthly Benefit	Accounts	Payments	Total Retirees			
\$1-299	139		139			
\$300-499	75		75			
\$500-999	90		90			
\$1,000-1,499	19		19			
\$1,500-1,999	4		4			
\$2,000 & Over	3		3			
Various		3	3			
Totals	330	3	333			

Number of New Pension Retirees

The values included in the following tables represent the number of new benefit recipients each year. The 2011 through 2020 counts represent retired members only, regardless of the number of recipients designated by the retiree's plan of payment. These statistics are representative of contributing membership.

⚠ Tradition	▲ Traditional Pension Plan							
Year	Annuities	Disabilities	Survivors	Total				
2020	7,823	465	345	8,633				
2019	7,204	527	404	8,135				
2018	7,475	513	364	8,352				
2017	7,668	550	446	8,664				
2016	7,388	641	430	8,459				
2015	7,209	737	355	8,301				
2014	11,011	702	368	12,081				
2013	9,831	971	446	11,248				
2012	9,793	1,245	358	11,396				
2011	10,885	1,051	400	12,336				

Annuities are comprised of a defined formula benefit paid to contributing members retiring with an age-and-service benefit, as well as benefit annuities paid through the Additional Annuity and Money Purchase plans (refer to the Plan Statement beginning on page 221). Members who retired from another Ohio retirement system may return to OPERS-covered employment under the OPERS Money Purchase plan. These members receive an annuity in accordance with that program based on the contributions paid during the re-employed period.

The table below displays the composition of the 2011 through 2020 Traditional Pension Plan Annuities by type. The Other Annuities column represents Money Purchase and Additional Annuity plan benefits. These benefits may accrue to members whose primary retirement is with OPERS or through another Ohio retirement system (ORS retirees).

⚠ Trad	Traditional Pension Plan Annuities								
Year	Age-and-Service Annuities	Age-and-Service Receiving Other Annuities	Subtotal Age-and-Service Annuities	Other Annuities (ORS retirees)	Total				
2020	7,762	14	7,776	47	7,823				
2019	7,147	10	7,157	47	7,204				
2018	7,402	15	7,417	58	7,475				
2017	7,601	13	7,614	54	7,668				
2016	7,316	7	7,323	65	7,388				
2015	7,127	16	7,143	66	7,209				
2014	10,915	16	10,931	80	11,011				
2013	9,476	53	9,529	302	9,831				
2012	9,607	53	9,660	133	9,793				
2011	10,730	54	10,784	101	10,885				

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Number of New Pension Retirees (continued)

Effective April 1, 2012, members electing to retire in the Combined Plan and Member-Directed Plan have the option to use their defined contribution account to annuitize, to transfer their defined contribution account to another financial institution, or to receive a refund of their defined contribution account. Prior to April 1, 2012, these members also had the option to draw on their defined contribution account under an installment payment plan. The installment payment option is still effective for members who retired prior to April 1, 2012 with no new elections after that date.

Combined Plan members are also eligible for a defined formula benefit from their employer contributions. The Employer Age-and-Service Annuities column represents members receiving a formula benefit. Members may receive payments of their defined contribution accounts under the methods described above.

A Combi	Combined Plan							
Year	Employer Age-and-Service Annuities	Member Annuitized Defined Contribution Accounts	Defined Contribution Installment Payments	Liquidated or Deferred Defined Contribution Accounts				
2020	77	48						
2019	55	38						
2018	54	36						
2017	49	38						
2016	43	30						
2015	41	30						
2014	56	35						
2013	45	27						
2012	19	15	1	3				
2011	15	9	7					

The Member-Directed Plan table displays the distribution of members electing either a defined benefit annuity or an installment payment option.

Mem	▲ Member-Directed Plan					
Year	Annuities	Installment Payments	Total			
2020	20		20			
2019	42		42			
2018	38		38			
2017	25		25			
2016	34		34			
2015	31		31			
2014	24		24			
2013	69		69			
2012	24	1	25			
2011	20	6	26			

Schedule of Average Benefits

This schedule displays the number of new retirees each year, grouped by years of credited service. Prior-year numbers are not adjusted as members roll off the rolls. Retirement benefits are calculated based on the final average salary (FAS) of the member, representing the member's three (or five) highest years of earnings (refer to the Plan Statement beginning on page 221 for benefit eligibility requirements). The Average Final Average Salary represents a composite for each group.

A	Schedule of Average	Benefits	1 (last 10 fiscal	years)			Traditio	nal Pens	ion Plan
					Years Credi	ted Service			
	Retirement Effective Dates	0-4	5-9	10-14	15-19	20-24	25-30	30+	Total New Retirees
2020	Average Monthly Benefit	\$642	\$610	\$976	\$1,413	\$1,885	\$2,721	\$3,857	\$2,516
	Average Final Average Salary	\$21,198	\$38,020	\$44,675	\$49,326	\$54,499	\$62,758	\$70,403	\$58,701
	Number of Active Recipients	71	694	934	913	1,350	1,277	3,347	8,586
2019	Average Monthly Benefit	\$678	\$629	\$996	\$1,437	\$1,949	\$2,679	\$3,826	\$2,406
	Average Final Average Salary	\$21,882	\$38,395	\$46,178	\$50,300	\$55,634	\$61,597	\$69,902	\$57,847
	Number of Active Recipients	74	751	974	945	1,271	1,267	2,806	8,088
2018	Average Monthly Benefit	\$670	\$579	\$945	\$1,323	\$1,828	\$2,586	\$3,690	\$2,281
	Average Final Average Salary	\$24,425	\$35,398	\$43,003	\$45,656	\$52,019	\$58,989	\$67,673	\$54,739
	Number of Active Recipients	77	788	1,004	968	1,301	1,389	2,767	8,294
2017	Average Monthly Benefit	\$625	\$627	\$940	\$1,335	\$1,866	\$2,499	\$3,509	\$2,285
	Average Final Average Salary	\$19,913	\$36,979	\$43,150	\$46,261	\$52,750	\$57,846	\$65,276	\$54,640
	Number of Active Recipients	89	743	989	945	1,272	1,444	3,128	8,610
2016	Average Monthly Benefit	\$480	\$607	\$924	\$1,275	\$1,817	\$2,464	\$3,476	\$2,208
	Average Final Average Salary	\$14,983	\$34,240	\$40,609	\$45,105	\$51,292	\$57,163	\$64,642	\$52,969
	Number of Active Recipients	96	768	1,011	925	1,238	1,467	2,889	8,394
2015	Average Monthly Benefit	\$301	\$573	\$865	\$1,248	\$1,816	\$2,413	\$3,464	\$2,053
	Average Final Average Salary	\$9,347	\$33,258	\$37,596	\$42,780	\$50,311	\$56,473	\$64,158	\$50,136
	Number of Active Recipients	180	907	1,165	967	1,183	1,247	2,586	8,235
2014	Average Monthly Benefit	\$289	\$560	\$832	\$1,218	\$1,787	\$2,370	\$3,282	\$1,880
	Average Final Average Salary	\$9,637	\$31,679	\$39,122	\$43,897	\$49,666	\$55,301	\$61,233	\$48,693
	Number of Active Recipients	163	926	2,341	1,964	1,451	2,044	3,112	12,001
2013	Average Monthly Benefit	\$310	\$555	\$879	\$1,271	\$1,823	\$2,362	\$3,402	\$2,021
	Average Final Average Salary	\$9,762	\$30,394	\$38,438	\$43,362	\$48,627	\$54,957	\$61,752	\$48,997
	Number of Active Recipients	167	1,030	1,747	1,413	1,495	1,810	3,284	10,946
2012	Average Monthly Benefit	\$236	\$668	\$904	\$1,323	\$1,824	\$2,361	\$3,309	\$2,078
	Average Final Average Salary	\$7,385	\$31,007	\$37,923	\$43,991	\$47,969	\$54,624	\$60,927	\$49,262
	Number of Active Recipients	146	1,035	1,677	1,353	1,544	1,761	3,747	11,263
2011	Average Monthly Benefit	\$309	\$606	\$897	\$1,320	\$1,857	\$2,361	\$3,270	\$2,186
	Average Final Average Salary	\$10,126	\$30,676	\$37,732	\$43,790	\$49,365	\$55,207	\$60,228	\$50,406
	Number of Active Recipients	156	962	1,569	1,410	1,518	1,786	4,834	12,235

¹ All years begin January 1 and end December 31.

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Schedule of Average Benefits (continued)

A	Schedule of Average Be	nefits¹ (last 10 f	iscal years)			Comb	oined Plan
	Years Credited Service						
	Retirement Effective Dates	0-4	5-9	10-14	15-19	20-24	Total New Retirees
2020	Average Monthly Benefit Average Final Average Salary Number of Active Recipients		\$273 \$63,836 6	\$494 \$56,067 30	\$660 \$57,950 39	\$880 \$69,331 2	\$571 \$57,970 77
2019	Average Monthly Benefit Average Final Average Salary Number of Active Recipients		\$288 \$52,173 11	\$568 \$65,659 20	\$600 \$52,662 19	\$994 \$77,770 5	\$562 \$59,573 55
2018	Average Monthly Benefit Average Final Average Salary Number of Active Recipients		\$261 \$51,411 13	\$527 \$58,150 25	\$659 \$58,940 15	\$1,429 \$122,395 1	\$517 \$57,937 54
2017	Average Monthly Benefit Average Final Average Salary Number of Active Recipients		\$303 \$47,088 13	\$507 \$54,249 31	\$627 \$51,388 4	\$1,097 \$62,070 1	\$475 \$52,275 49
2016	Average Monthly Benefit Average Final Average Salary Number of Active Recipients		\$285 \$49,655 17	\$471 \$54,075 23	\$588 \$53,375 3		\$406 \$52,279 43
2015	Average Monthly Benefit Average Final Average Salary Number of Active Recipients	\$5 \$1,933 1	\$272 \$54,371 15	\$382 \$48,705 21	\$370 \$35,431 4		\$331 \$48,342 41
2014	Average Monthly Benefit Average Final Average Salary Number of Active Recipients		\$274 \$45,794 10	\$346 \$45,889 42	\$363 \$48,167 3	\$270 \$15,897 1	\$332 \$45,458 56
2013	Average Monthly Benefit Average Final Average Salary Number of Active Recipients		\$211 \$41,043 27	\$300 \$41,121 18			\$247 \$41,074 45
2012	Average Monthly Benefit Average Final Average Salary Number of Active Recipients		\$255 \$48,341 9	\$263 \$39,064 10			\$259 \$43,459 19
2011	Average Monthly Benefit Average Final Average Salary Number of Active Recipients		\$237 \$49,177 12	\$454 \$75,127 3			\$281 \$54,367 15

¹ All years begin January 1 and end December 31.

Member Counts by Plan

The tables below represent the number of retired members in each retirement plan based on their status in the plan, regardless of the number of recipients designated by the retiree's plan of payment. These statistics are representative of OPERS contributing membership. Eligible members have the ability to change plans during their career, and leave their contribution accounts behind with the plan under which the contribution was made. Accordingly, a member may be active in one plan and inactive in another. See the table at the bottom of the next page for a composite total count of active, inactive, and retired members regardless of plan.

Member Cour	Tota	l All Pension Plans		
Year End	Active	Inactive	Retirees	Total
2020	289,435	677,873	216,523	1,183,831
2019	304,446	653,659	214,985	1,173,090
2018ª	303,920	628,091	212,953	1,144,964
2017	347,730	559,587	210,882	1,118,199
2016	346,959	537,309	208,381	1,092,649
2015	345,622	516,049	205,601	1,067,272
2014	346,509	498,610	203,112	1,048,231
2013	347,727	483,521	196,594	1,027,842
2012	348,235	467,298	190,621	1,006,154
2011	349,189	452,718	184,965	986,872

Member Cou	Member Count—Pension Plans Trad						
Year End	Active	Inactive	Retirees	Total			
2020	272,243	669,682	215,728	1,157,653			
2019	286,496	645,866	214,278	1,146,640			
2018 ^a	285,487	620,572	212,338	1,118,397			
2017	328,207	553,393	210,357	1,091,957			
2016	327,705	531,533	207,917	1,067,155			
2015	326,795	509,194	205,211	1,041,200			
2014	328,341	492,548	202,789	1,023,678			
2013	330,595	478,291	196,349	1,005,235			
2012	331,836	462,597	190,488	984,921			
2011	333,340	448,417	184,876	966,633			

^a In 2018, the data aggregation methodology was modified for Active and Inactive counts after system reconfigurations. Restated data for years prior to 2018 is not available.

Member Counts by Plan (continued)

Member Cour	Combined Plan			
Year End	Active	Inactive	Retirees	Total
2020	7,242	2,417	465	10,124
2019	7,519	2,289	391	10,199
2018 ^a	7,692	2,143	337	10,172
2017	7,905	1,825	283	10,013
2016	7,777	1,754	238	9,769
2015	7,587	2,031	196	9,814
2014	7,413	1,818	156	9,387
2013	7,175	1,637	100	8,912
2012	6,903	1,460	55	8,418
2011	6,674	1,314	36	8,024

Member Cour	Member Count—Pension Plans					
Year End	Active	Inactive	Retirees	Total		
2020	9,950	5,774	330	16,054		
2019	10,431	5,504	316	16,251		
2018ª	10,741	5,376	278	16,395		
2017	11,618	4,369	242	16,229		
2016	11,477	4,022	226	15,725		
2015	11,240	4,824	194	16,258		
2014	10,755	4,244	167	15,166		
2013	9,957	3,593	145	13,695		
2012	9,496	3,241	78	12,815		
2011	9,175	2,987	53	12,215		

The table below represents a System-level member count regardless of the plan of participation selected by the member. Only OPERS members are included in this table and each member is counted only once. Actively contributing retired OPERS members who return to OPERS-covered employment under the Money Purchase Plan are reported as retirees.

Member Count—Pension Plans All Pl						
Year End	Active	Inactive	Retirees	Total		
2020	289,435	676,436	216,500	1,182,371		
2019	304,446	652,237	214,963	1,171,646		
2018 ^a	303,920	626,684	212,937	1,143,541		
2017	347,729	558,205	210,868	1,116,802		
2016	346,959	535,941	208,361	1,091,261		
2015	345,621	514,607	205,581	1,065,809		
2014	346,508	497,212	203,091	1,046,811		
2013	347,727	482,156	196,575	1,026,458		
2012	348,235	465,940	190,619	1,004,794		
2011	349,188	451,353	184,963	985,504		

a In 2018, the data aggregation methodology was modified for Active and Inactive counts after system reconfigurations. Restated data for years prior to 2018 is not available.
 continued on next page

Member Counts by Plan (continued)

The values included in the tables below represent the number of individuals covered by the OPERS health care plans. Members include active and inactive employees, retirees, primary beneficiaries, dependents and other beneficiaries. In addition to a retiree, a primary benefit recipient could be a survivor of a deceased retiree. The survivor is continuing to receive coverage on the retiree's account, which is representative of the OPERS contributing membership. Dependents and Other Beneficiaries primarily receive dental and vision coverage.

Memb	er Count—Hea	Ith Care Plans	Total All Health Care Plans		
Year End	Active	Inactive	Retirees & Primary Beneficiaries	Dependents & Other Beneficiaries	Total
2020	10,112	5,514	146,077	25,130	186,833
2019	10,534	5,317	149,309	28,141	193,301
2018	10,976	5,081	153,070	31,670	200,797
2017 ^a	11,613	4,309	156,566	36,362	208,850
2016ª	11,469	3,976	158,877	42,230	216,552
2015	11,235	4,764	174,751	52,109	242,859
2014	10,745	4,194	170,836	58,692	244,467
2013	9,962	3,543	169,079	61,041	243,625
2012	9,501	3,189	166,529	62,456	241,675
2011	9,170	2,918	163,388	62,507	237,983

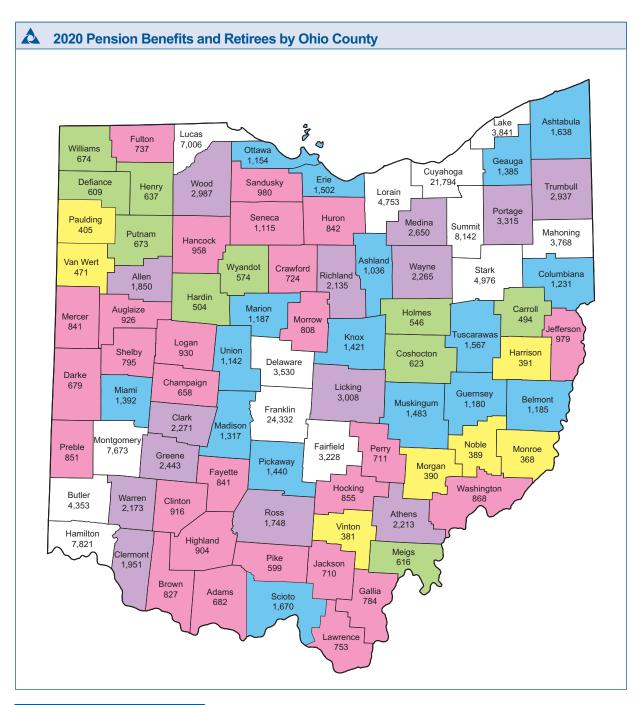
Member Count—Health Care Plans			Traditional Pension Plan and Combined Plan		
Year End	Active	Inactive	Retirees & Primary Beneficiaries	Dependents & Other Beneficiaries	Total
2020	N/A	N/A	138,906	25,130	164,036
2019	N/A	N/A	142,369	28,141	170,510
2018	N/A	N/A	146,410	31,670	178,080
2017 ^a	N/A	N/A	150,363	36,362	186,725
2016 ^a	N/A	N/A	153,272	42,230	195,502
2015	N/A	N/A	170,688	52,109	222,797
2014	N/A	N/A	167,327	58,692	226,019
2013	N/A	N/A	165,967	61,041	227,008
2012	N/A	N/A	163,940	62,456	226,396
2011	N/A	N/A	161,315	62,507	223,822

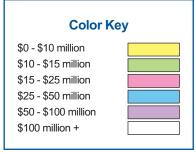
^a Restated amounts for Health Care Connector.

Member Counts by Plan (continued)

The Member-Directed Health Care Plan table represents participant counts in this plan for members in the Member-Directed Plan. Contributions are paid into the account during the member's career for use after retirement. The account is in the member's name and can only be used by the member to pay qualified medical expenses for the retiree and eligible family members. (Refer to the Plan Statement beginning on page 221.)

Member Cour	nt—Health Care Plar	Member-Directe	ed Health Care Plan	
Year End	Active	Inactive	Retiree Recipients	Total
2020	10,112	5,514	7,171	22,797
2019	10,534	5,317	6,940	22,791
2018	10,976	5,081	6,660	22,717
2017	11,613	4,309	6,203	22,125
2016	11,469	3,976	5,605	21,050
2015	11,235	4,764	4,063	20,062
2014	10,745	4,194	3,509	18,448
2013	9,962	3,543	3,112	16,617
2012	9,501	3,189	2,589	15,279
2011	9,170	2,918	2,073	14,161



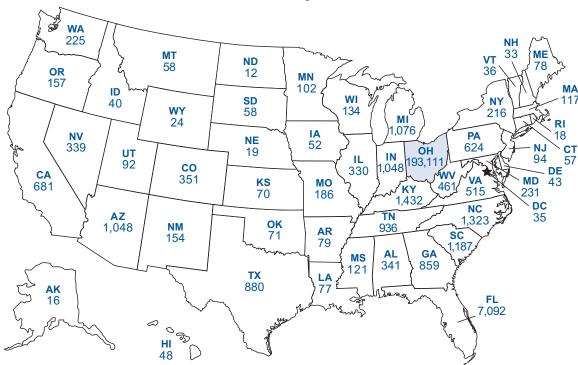


- Of the 216,500 OPERS retirees, 193,111, or 89.2%, remained Ohio residents as of December 31, 2020.
- Pension benefit payments of more than \$5.8 billion were distributed throughout Ohio to retirees and their beneficiaries, representing the OPERS impact on the state's economy.



Retirees by Geographical Location (as of December 31, 2020)

Retirees by State



Retirees Outside United States

Armed Forces—Europe	2
Armed Forces—Pacific	3
Australia	1
Bulgaria	
Canada	23
China	1
Czech Republic	1
England	4
Ethiopia	1
France	5
Germany	2
Greece	1
India	2
Ireland, Republic Of	1

Israel4
Italy5
Japan2
Jordan1
Latvia1
Lebanon1
Lithuania1
New Zealand2
Northern Ireland2
Northern Mariana Islands 1
Norway1
Philippines2
Poland1
Puerto Rico20

Scotland	. 1
Senegal	. 1
Serbia	. 1
Slovakia	.2
South Africa	. 1
Spain	. 1
Switzerland	.1
Thailand	.3
Turkey	.2
United Kingdom	.4
Virgin Islands	.3
West Indies	.1

Statistical Section

▲ Contrib	ution Rates	at December 31				Tradit	ional Pension Plan
				Employer Rates	•	Total	Total
	Year	Member Rates	Normal Cost	Unfunded Liability	Health	Employer Rates	Employer and Member Rates
State	2020 2019 2018 2017 2016 2015 2014 2013 2012 2011	10.00% 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00	3.90% 3.87 3.15 3.21 3.32 3.31 5.28 5.39 5.36 5.34	10.10% 10.13 10.85 9.79 8.68 8.69 6.72 7.61 4.64 4.66	0.00% 0.00 0.00 1.00 2.00 2.00 2.00 1.00 4.00	14.00% 14.00 14.00 14.00 14.00 14.00 14.00 14.00 14.00	24.00% 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00
Local	2020 2019 2018 2017 2016 2015 2014 2013 2012 2011	10.00% 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00	3.73% 3.71 2.82 2.89 2.98 5.05 5.05 5.05 5.05	10.27% 10.29 11.18 10.11 9.02 9.02 6.95 7.95 4.95 4.96	0.00% 0.00 0.00 1.00 2.00 2.00 2.00 1.00 4.00 4.00	14.00% 14.00 14.00 14.00 14.00 14.00 14.00 14.00 14.00 14.00	24.00% 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00
Law Enforcement	2020 2019 2018 2017 2016 2015 2014 2013 2012 2011	13.00% 13.00 13.00 13.00 13.00 13.00 13.00 12.60 12.10 11.60	6.79% 6.75 5.23 5.34 5.45 5.44 7.18 7.90 8.16 8.43	11.31% 11.35 12.87 11.76 10.65 10.66 8.92 9.20 5.94 5.67	0.00% 0.00 0.00 1.00 2.00 2.00 2.00 1.00 4.00 4.00	18.10% 18.10 18.10 18.10 18.10 18.10 18.10 18.10 18.10	31.10% 31.10 31.10 31.10 31.10 31.10 31.10 30.70 30.20 29.70
Public Safety	2020 2019 2018 2017 2016 2015 2014 2013 2012 2011	12.00% 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 11.50 11.00	5.42% 5.45 4.07 4.16 4.12 3.96 6.12 7.62 7.77 8.32	12.68% 12.65 14.03 12.94 11.98 12.14 9.98 9.48 6.33 5.78	0.00% 0.00 0.00 1.00 2.00 2.00 2.00 1.00 4.00	18.10% 18.10 18.10 18.10 18.10 18.10 18.10 18.10 18.10	30.10% 30.10 30.10 30.10 30.10 30.10 30.10 30.10 29.60 29.10

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Statistical Section

continued from previous page

A Contri	bution Ra	ates at Dece	mber 31					Combined Plan
				Employe	er Rates		Total	Total
	Year	Member Rates	Normal Cost	Unfunded Liability ¹	Mitigating Rate	Health	Employer Rates	Employer and Member Rates
State	2020 2019 2018 2017 2016 2015 2014 2013 2012 2011	10.00% 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00	7.13% 7.29 7.52 7.52 7.56 7.54 6.99 7.20 7.18 7.18	3.37% 4.27 4.48 3.98 3.44 3.69 4.24 5.03 0.00 0.00	3.50% 2.44 2.00 1.50 1.00 0.77 0.77 0.77 0.77	0.00% 0.00 1.00 2.00 2.00 2.00 1.00 6.05 6.05	14.00% 14.00 14.00 14.00 14.00 14.00 14.00 14.00 14.00 14.00	24.00% 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00
Local	2020 2019 2018 2017 2016 2015 2014 2013 2012 2011	10.00% 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00	7.27% 7.46 7.38 7.40 7.42 7.41 6.83 6.87 6.88 6.88	3.23% 4.10 4.62 4.10 3.58 3.82 4.40 5.36 0.30 0.30	3.50% 2.44 2.00 1.50 1.00 0.77 0.77 0.77 0.77	0.00% 0.00 1.00 2.00 2.00 2.00 1.00 6.05 6.05	14.00% 14.00 14.00 14.00 14.00 14.00 14.00 14.00 14.00	24.00% 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00

¹ Unfunded Liability includes the impact of defined contribution account purchases of defined benefit annuities.

A c	Contribution Rates at December 31 Member-Directed Pla										
				Employer Rates				Total	Total		
	Year	Member Rates	Normal Cost	Unfunded Liability	Administrative Fee	Mitigating Rate	Health ¹	Employer Rates	Employer and Member Rates		
State	2020 2019 2018 2017 2016 2015 2014 2013 2012 2011	10.00% 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00	6.44% 7.50 7.50 8.00 8.50 8.73 8.73 8.73 8.73 8.73	N/A N/A N/A N/A N/A N/A N/A N/A N/A	0.06% 0.06 0.50 0.50 0.50	3.50%a 2.44 2.00 1.50 1.00 0.77 0.77 0.77 0.77	4.00% 4.00 4.00 4.00 4.00 4.50 4.50 4.50 4.50	14.00% 14.00 14.00 14.00 14.00 14.00 14.00 14.00 14.00 14.00	24.00% 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00		
Local	2020 2019 2018 2017 2016 2015 2014 2013 2012 2011	10.00% 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00	6.44% 7.50 7.50 8.00 8.50 8.73 8.73 8.73 8.73	N/A N/A N/A N/A N/A N/A N/A N/A	0.06% 0.06 0.50 0.50 0.50	3.50%a 2.44 2.00 1.50 1.50 0.77 0.77 0.77	4.00% 4.00 4.00 4.00 4.00 4.50 4.50 4.50 4.50	14.00% 14.00 14.00 14.00 14.00 14.00 14.00 14.00 14.00	24.00% 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00 24.00		

Beginning October 2014, the Board approved the funding of participant Member-Directed Plan health care accounts using the reserves in the Member-Directed Plan health care plan (formerly VEBA Trust) rather than the allocation of employer contributions. Instead, employer contributions were allocated to the Member-Directed Plan through December 31, 2015 to repay the plan start-up and administrative costs. Contributions resumed to the Member-Directed health care plan January 2016.

^a A portion of the mitigating rate is funded with reserves.

▲ Nu	Number of Employer Units All Plan										
Year	State	County	Law Enforcement	Municipalities	Villages	Miscellaneous	Libraries	Townships	Totals		
2020	241	250	235	244	656	508	253	1,308	3,695		
2019	246	251	236	243	654	503	253	1,308	3,694		
2018	247	248	236	242	656	503	253	1,308	3,693		
2017	248	233	236	242	658	505	253	1,308	3,683		
2016	250	221	235	244	660	507	253	1,308	3,678		
2015	260	215	239	244	665	498	253	1,309	3,683		
2014	264	217	241	245	667	496	253	1,309	3,692		
2013	282	219	244	245	673	494	253	1,308	3,718		
2012	271	214	242	245	678	491	253	1,308	3,702		
2011	271	211	241	246	675	490	253	1,308	3,695		

¹ The number of employer units exceeds the number of reporting employers as some employers report multiple divisions or agencies. This count also includes private-sector employers that have assumed privatized functions from public employers for indeterminate periods. The number of employers reporting at December 31, 2020 was 3,222.

▲ Employer Units									
		2020		2011					
Employers by Employer Unit Ranking	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System			
The Ohio State University	31,435	1	10.86%	20,854	1	5.97%			
MetroHealth Medical Center	7,655	2	2.64	5,483	6	1.57			
Cuyahoga County	7,249	3	2.50	8,099	2	2.32			
Franklin County	5,951	4	2.06	6,442	3	1.85			
City of Cleveland	5,134	5	1.77	5,507	5	1.58			
City of Columbus	5,018	6	1.73	6,314	4	1.81			
Ohio Department of Transportation	4,884	7	1.69	5,481	7	1.57			
University of Cincinnati	4,556	8	1.57	5,455	8	1.56			
Hamilton County	3,727	9	1.29	4,407	9	1.26			
Montgomery County	3,536	10	1.22	4,389	10	1.26			
All Others (see table on next page)	210,290	N/A	72.67	276,757	N/A	79.25			
Total	289,435	N/A	100.00%	349,188	N/A	100.00%			

Statistical Section

		2020			2011 ^a		
Employers by Participating Employer Ranking	Covered Employees			Covered Employees	Rank	Percentage of Total System	
The Ohio State University	31,505	1	10.89%	20,854	1	5.97%	
MetroHealth Medical Center	7,655	2	2.64	5,483	6	1.57	
Cuyahoga County	7,482	3	2.59	8,099	2	2.32	
Franklin County	6,709	4	2.32	6,442	3	1.85	
City of Columbus	5,611	5	1.94	6,314	4	1.81	
City of Cleveland	5,134	6	1.77	5,507	5	1.58	
Ohio Department of Transportation	4,884	7	1.69	5,481	7	1.57	
University of Cincinnati	4,613	8	1.59	5,455	8	1.56	
Hamilton County	4,231	9	1.46	4,407	9	1.26	
Montgomery County	4,060	10	1.40	4,389	10	1.26	
All Others (see table below)	207,551	N/A	71.71	276,757	N/A	79.25	
Total	289,435	N/A	100.00%	349,188	N/A	100.00%	

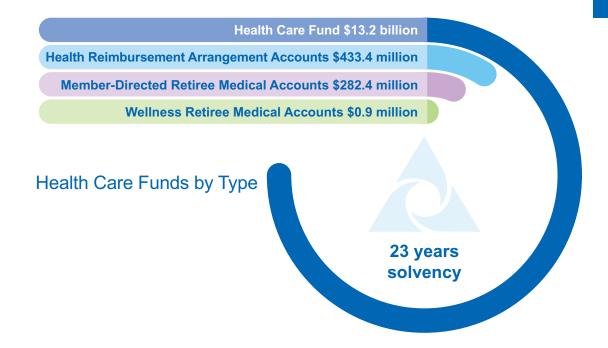
▲ Employers—All Other Categories¹									
		20	20			20	11 ^a		
	Employ	er Units	Participating	Participating Employers		Employer Units		Participating Employers	
Employer Type	Number	Employees	Number	Employees	Number	Employees	Number	Employees	
State	238	60,210	149	60,968	268	81,720	268	81,720	
County	245	56,818	113	60,690	206	75,961	206	75,961	
Municipalities	242	35,553	233	35,100	244	48,462	244	48,462	
Miscellaneous	508	18,659	501	18,567	490	21,064	490	21,064	
Libraries	253	10,639	252	10,629	253	13,621	253	13,621	
Townships	1,308	9,823	1,307	11,136	1,308	14,565	1,308	14,565	
Villages	656	10,431	657	10,461	675	14,189	675	14,189	
Law Enforcement/Public Safety	235	8,157	N/A	N/A	241	7,175	241	7,175	
Total	3,685	210,290	3,212	207,551	3,685	276,757	3,685	276,757	

^a The implementation of GASB 67 in 2014 modified the requirements of this schedule. Prior to GASB 67, OPERS reported number of employer units only. Beginning 2014, OPERS changed the presentation to reflect the number of participating employers, which is most associated with the reporting entities. A reporting entity can include multiple employer units. For example, a single reporting entity (a county) may report as three employer units (a county, hospital and law enforcement). The OPERS employer system is dynamic and historical reports based on participating employers by employer type, or reporting entities by employer type, do not exist. As a result, the values for 2011 in this table reflect the number of employers based on employer units.

¹ This table displays additional information on the All Other category in the table above and the table on the previous page presenting the 10 largest employers. To get the total number of employers reported in the table and related footnote on the previous page, combine the numbers in this table with those on the previous page for the employer units (10 plus 3,685 equals 3,695 for 2020) and participating employers (10 plus 3,212 equals 3,222 for 2020). GASB requires a 10 year look-back to the year being presented. Therefore, information for 2012 through 2019 is not relevant.

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Continuing forward: Although neither guaranteed nor mandated, OPERS strives to provide meaningful health care for all retirees. The impact of a health care program providing access to quality medical plans is an important element to enjoying life and financial security for retirees. By looking to the future, OPERS has reviewed, proposed and implemented changes to help sustain the health care program—with an eye to providing the program well into the future. The solvency years of the health care program actually increased from 11 years to 23 years as of December 31, 2019.



Ever-increasing Cost of Health Care:



The Ohio Public Employees Retirement System (OPERS or System) was created in 1935 by the Ohio General Assembly to provide retirement, disability, and survivor benefit programs to state and local employees. This summary outlines the plan features; however, it is not a substitute for the state and federal laws that govern OPERS.

All public employees in Ohio, except those covered by another state retirement system in Ohio or by the Cincinnati Retirement System, are required to become contributing members of OPERS when beginning public employment unless exempted or excluded.

The law provides for optional membership for elected public officials who did not contribute on prior elective service. Students, not already members, working for the public school, college, or university that they are attending may be exempt from contributing to OPERS by filing a request for exemption within the first month of employment.

OPERS provides special retirement coverage for certain Law Enforcement officers whose primary duties are to preserve the peace, to protect life and property, and to enforce the laws of Ohio. The Law Enforcement division has its own retirement, disability, and survivor benefit eligibility provisions.

Plan Types

For more than 80 years, OPERS has provided members with retirement benefits under a defined benefit plan, known as the Traditional Pension Plan.

In 2000, legislation required OPERS to establish one or more defined contribution plans to be offered to members in addition to the existing Traditional Pension Plan. OPERS began offering three retirement plans to members on January 1, 2003. The plans include the Traditional Pension Plan, the Member-Directed Plan, and the Combined Plan. A brief overview of each plan is provided below.

Effective January 7, 2013, legislation modified components of the Traditional Pension and Combined plans. Members were impacted by these changes to varying degrees based on retirement group. Three retirement groups (A, B and C) were designed to ease the transition for key components of the pension plan changes.

The Traditional Pension Plan

The Traditional Pension Plan is a defined benefit plan under which a member's retirement benefit is based on a formula. The formula is determined by the years of service credit and the average of the three or five (based on retirement group) highest years of eligible salary, referred to as final average salary (FAS). OPERS investment professionals manage the investment of employee and employer contributions to ensure that funds are available to pay the formula benefit.

The Member-Directed Plan

The Member-Directed Plan is a defined contribution plan under which employee and a portion of the employer contributions are deposited into a member's individual account and the member directs the investment by selecting from professionally managed OPERS investment options. The investment options include six core funds comprised of a series of fixed income and equity funds, 10 target date funds, and a self-directed brokerage account. Members become vested in the employer contributions at a rate of 20% for each year of participation until the member is fully vested at the end of five years. The account value available at retirement is based on employee and vested employer contributions and the investment gains and losses on those contributions.

The Combined Plan

The Combined Plan is a retirement plan with both a defined benefit and a defined contribution component. The employer contributions fund the defined benefit portion of the Combined Plan. The member's defined benefit retirement component is determined by a formula similar to, but lower than, the Traditional Pension Plan formula. OPERS investment professionals manage the investment of the employer contributions to ensure that funds are available to pay the formula benefit. Under the defined contribution component of the Combined Plan, employee contributions are deposited into the member's individual account and the member directs the investment by selecting from professionally managed OPERS investment options. The investment options include six core funds comprised of fixed income and equity funds, 10 target date funds, and a self-directed brokerage account. The defined contribution account value available at retirement is based on employee contributions and the investment gains and losses on those contributions.

Contributions

Employers are required to make contributions to the System on the basis of a percentage of eligible salary and at a rate based upon the recommendations of the OPERS actuary, subject to the statutory limitations. Penalties and interest are assessed for late payments. The contribution rate for State and Local employers in 2020 was 14.0%. Employers in the Law Enforcement and Public Safety divisions contributed 18.1%.

The 2020 employee contribution rate for State and Local members was 10.0% of eligible salary. Members in the Public Safety division contributed 12.0% of eligible salary, while members in the Law Enforcement division contributed 13.0%. Individual accounts for each OPERS member are maintained and funds contributed by members of the Traditional Pension Plan are fully refundable at service termination or death. The refund value of contributions made by members of the Combined Plan and the Member-Directed Plan are subject to changes (gains or losses) that occur as a result of the member's selected investment options.

Additional Voluntary Contributions

The Traditional Pension Plan

A member or a re-employed retiree who is contributing to a money purchase annuity may deposit additional money or rollover funds (pre- or post-tax) into the Additional Annuity Program. Voluntary after-tax additional annuity deposits are limited by federal tax law to 100% of a member's annual income from all public employers contributing to OPERS or to the current annual IRS limitation, whichever is less. Additional Annuity deposits are invested in the OPERS Stable Value Fund and are subject to daily investment gains and losses. Earnings are tax-deferred until the time of distribution.

Upon termination of employment or retirement, the member may either elect to receive a refund of the account value or an annuity. The annuity program offers the same payment options as those offered for an age-and-service retirement under the Traditional Pension Plan.

• The Member-Directed Plan and Combined Plan

Members participating in the Member-Directed or Combined plans may deposit additional money or rollover funds (pre- or post-tax) into their individual defined contribution account. Voluntary after-tax deposits are limited by federal tax law to 100% of a member's annual income from all public employers contributing to OPERS or to the current annual IRS limitation, whichever is less. The additional contributions are invested in the same investment options the member selected for his/her individual defined contribution account and are subject to investment gains and losses.

Upon termination of employment or retirement, members may elect to receive either a lump-sum refund of the account value or any of the retirement distribution options available to defined contribution accounts.

Benefits under the Traditional Pension Plan or the Combined Plan

Age-and-Service Retirement

In 2012, the Ohio General Assembly enacted into law a number of significant plan design changes that became effective on January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the new law applicable to each group. Members who were eligible to retire under the law in effect prior to the legislation or who were eligible to retire no later than five years after January 7, 2013, comprise retirement Group A. Members who had 20 years of service credit prior to January 7, 2013, or who will be eligible to retire under the law in effect prior to the legislation no later than 10 years after January 7, 2013, are included in retirement Group B. Retirement Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013.

Retirement benefits are specific to each plan and members must meet the eligibility requirements based on their age and years of service within the plan. Retirement eligibility also varies by division and retirement group. The charts below show the retirement eligibility requirements for all divisions and retirement groups. The requirements for the State and Local divisions apply to members who participate in either the Traditional Pension Plan or the Combined Plan. The Law Enforcement and Public Safety divisions are only applicable to the Traditional Pension Plan.

Unreduced	Gro	up A	Gro	ир В	Group C		
Onreduced	Age	Service	Age	Service	Age	Service	
	Any	30	52	31	55	32	
State/Local	Ally	30	Any	32	33	32	
	65	5	66	5	67	5	
Law	48	25	50	25	52	25	
Enforcement	62	15	64	15	64	15	
Dublic Sofoty	52	25	54	25	56	25	
Public Safety	62	15	64	15	64	15	
Law and Public Safety (public safety benefit)	52	25	54	25	56	25	

Reduced	Gro	up A	Gro	ир В	Group C		
Reduced	Age	Service	Age	Service	Age	Service	
State/Local	55	25	55	25	57	25	
State/Local	60	5	60	5	62	5	
Law	50	52 15		15	56	15	
Enforcement	32	13	48	25	48	25	
Dublic Sofoty	52	15	52	15	56	15	
Public Safety	48	25	48	25	52	25	
Law and Public Safety (public safety benefit)	48	25	48	25	52	25	

Benefit payments vary in amount depending on years of service credit, FAS, age, and plan of payment selection. FAS is the average of the three highest years of eligible salary for Groups A and B; and the average of the five highest years of eligible salary for members in Group C. The age-and-service formula benefit cannot exceed 100% of FAS (Law Enforcement is 90%), or the limits under Internal Revenue Code Section 415, and may be subject to the contribution-based benefit cap (CBBC). The base benefit amount calculated by the formula will be reduced if a member begins receiving a retirement benefit before he/she reaches the age-and-service requirements for an unreduced benefit.

In the Traditional Pension Plan, the benefit formula for State and Local members in retirement Groups A and B applies a factor of 2.2% to the member's FAS for the first 30 years of service. A factor of 2.5% is applied to years of service in excess of 30. The benefit formula for State and Local members in retirement Group C applies a factor of 2.2% to the member's FAS for the first 35 years of service and a factor of 2.5% is applied to years of service in excess of 35.

In the Traditional Pension Plan, the benefit formula for members in the Public Safety and Law Enforcement divisions applies a factor of 2.5% to member's FAS for the first 25 years of service as a Public Safety or Law Enforcement member. A factor of 2.1% is applied to years of service in excess of 25.

In the Combined Plan, the benefit formula for the defined benefit component of the plan for State and Local members in retirement Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for retirement Group C applies a factor of 1.0% to the member's FAS for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. In the defined contribution component of the Combined Plan, the current value of the individual account is available at retirement. The balance can be rolled over to another eligible retirement plan, made payable to the member with taxes withheld, or converted to a lifetime annuity through OPERS, or a combination of the three options.

Beginning in January 2013, the CBBC was introduced to reduce the impact of inflating FAS. For purposes of determining the CBBC, the member's accumulated contributions (less any contributions attributed to a non-law annuity) are combined with a portion of employer-paid delinquent contributions, a portion of early retirement incentive plan funding and member contributions used to fund a disability under the original plan, if applicable. The total accumulated member contributions (as calculated in the previous sentence) are multiplied by the OPERS Board of Trustees-established CBBC factor. The current CBBC factor in effect is 6.0. The member is eligible for the lesser of an annuity calculated on FAS and years of service credit or the calculated CBBC value. The CBBC applies to all new retirees, with an exception for certain members in Group A. The reduction caused by the CBBC for retirement Group A members may not exceed 5% of the retirement allowance the member would have otherwise received unless, for any full month of service after January 1, 1987, the member's monthly eligible salary was less than \$1,000.

Service credit allowed under Chapter 145 of the Ohio Revised Code for retirement eligibility and calculation of a formula benefit includes:

- 1) Service to the state of Ohio or an Ohio political subdivision for which contributions have been paid;
- 2) Certain military service that interrupted contributing public service;
- 3) Any out-of-public service period of three years or less during which the member was receiving an award under the Ohio Bureau of Workers' Compensation;
- 4) Previously unreported service in Ohio;
- 5) Service purchased by the member for:
 - a) Military service;

- b) Prisoner-of-war service;
- c) An authorized leave of absence that did not exceed one year;
- d) Comparable public service that is not being used for other retirement programs except Social Security, performed outside Ohio or with the federal government, or for which contributions were made to an Ohio municipal retirement system;
- e) Restoration of previously refunded service;
- Restoration of previously refunded service from the Ohio Police and Fire Pension Fund, Ohio State Highway Patrol Retirement System, or Cincinnati Retirement System, not being used for any other retirement benefit;
- g) Service that was previously covered by a valid exemption under OPERS;
- h) The amount of 35% additional credit on completed terms of full-time contributing elected official service, or board, commission, or other public body service by members who are appointed by the Governor with the advice and consent of the Senate:
- Service purchased in the Combined Plan or the Traditional Pension Plan representing contributing service earned in the Member-Directed Plan or Combined Plan; and,
- Restoration of contributing service earned in the Traditional Pension Plan prior to January 1, 2003, that was transferred to the Member-Directed Plan or the Combined Plan at initial plan selection.
- Service purchased by an employer under a retirement incentive plan.

Beginning in 2014, the minimum eligible salary required to earn full-time service was increased to \$600 per month, with an index feature that is based on salary increases granted to township trustees. The current minimum eligible salary required to earn full-time service credit is \$673.08. In 2021, the minimum eligible salary required to earn full-time service will increase to \$684.86.

A choice of several benefit payment plans is available. The choices include benefits payable throughout the member's lifetime (Single Life Plan) or in a lesser amount during the individual's life but continuing after the member's death to one or more survivors (the Joint Life Plan or the Multiple Life Plan).

A benefit payable under Joint Life Plan or Multiple Life Plan is the actuarial equivalent of the Single Life Plan, but the payment to the member is reduced because it is based on the combined life expectancies of the member and the beneficiary(ies).

The Multiple Life Plan is an option available to members whose retirement is effective on or after November 1, 2006. The payment plan is a multiple joint survivorship annuity providing benefits to the member throughout his/her lifetime, with payments continuing to the member's surviving beneficiaries after the member's death. The member may designate two-to-four beneficiaries, with each receiving at least 10% of the benefit (exceptions are court-ordered spousal benefits). Total allocations to all beneficiaries may not exceed 100% of the benefit.

Effective January 1, 2004, OPERS established a Partial Lump-Sum Option Payment (PLOP) for certain retirees and benefit recipients. The PLOP is an option at retirement that allows a recipient to receive a lump-sum benefit payment along with a reduced monthly retirement allowance. The PLOP cannot be less than six times or more than 36 times the monthly amount that would be payable to the member under the plan of payment selected, and cannot result in a monthly allowance that is less than 50% of that monthly amount. The total amount paid as a lump sum and a monthly benefit is the actuarial equivalent of the amount that would have been paid had the lump sum not been selected.

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Disability Benefits

OPERS members are eligible for one of two disability programs: the original plan or the revised plan. Employees who had contributions on deposit with OPERS on July 29, 1992, had a one-time opportunity to select coverage under one of these programs. Employees hired after July 29, 1992, are covered only under the revised plan. A number of features are common to both plans.

A member who has at least five years of service credit in either the Traditional Pension Plan or the Combined Plan and who becomes permanently mentally or physically disabled from the performance of his/her last public position may apply to OPERS for monthly disability benefits. Members in the Law Enforcement or Public Safety divisions may apply for disability at any time if the disabling condition was the result of an on-duty illness or injury. Coverage is limited to illness or injury that occurs before the member's contributing service terminates or, in the case of illness or injury that results from the member's employment, becomes evident no later than two years after the date the contributing service ends. The coverage does not extend to disability resulting from elective cosmetic surgery other than reconstructive surgery.

Application must be made within two years from the date the member's contributing service ended, unless the Board determines that the member was physically or mentally incapacitated for duty and unable to make an application. The member must not be receiving an age-and-service retirement benefit or have received a refund of his/her accumulated contributions. If the Board approves the disability benefit application and the member is otherwise eligible, the benefit is effective the first day of the month following the later of: 1) the last day for which compensation was paid or 2) the attainment of eligibility for the disability benefit. A disability benefit recipient may be required to undergo periodic medical examinations. A disability benefit terminates under either disability plan if the member is no longer disabled, returns to public employment, chooses to begin receiving an age-and-service benefit, or dies.

A new disability standard is applied to disability recipients (excluding Law Enforcement division disability recipients) whose application for disability was received by OPERS on or after January 7, 2013. Disability benefit recipients are evaluated under an own-occupation standard (at the time of application and for the first three years of disability). This time period may be extended from three years to five years, if the recipient is receiving rehabilitative services acceptable to a physician selected by the Board. The own-occupation standard requires the benefit recipient to be physically or mentally incapable of performing the duties of his/her last public position. Subsequent to the three-year or five-year period, the benefit recipient is evaluated under an any-occupation standard. The any-occupation standard for terminating a benefit requires the benefit recipient to be physically or mentally incapable of performing the duties of any position that meets the following criteria:

- 1) Replaces at least 75% of the recipient's inflation-adjusted FAS;
- 2) Can reasonably be found in the recipient's regional job market; and
- 3) The recipient is qualified to perform based on the recipient's experience or education.

Members covered under the original plan must apply for disability benefits prior to turning age 60 (or age 62 for members in retirement Group C). Under the original plan, the amount of the disability benefit is based on the member's FAS and total service credit, plus the length of time between the effective date of disability and age 60 (or 62). The disability benefit cannot exceed 75%, nor be less than 30%, of the member's FAS. The disability benefit continues for the member's lifetime as long as the qualifying disability persists. The benefit is funded by the employee's accumulated contributions and reserves accumulated from employer contributions. The benefit is fully taxable until age 60 (or 62), after which a specified dollar amount each month, representing the return of previously taxed contributions, is tax-free. For a Law Enforcement member disabled due to an on-duty injury or illness, 30% of the benefit payment is excludable from taxable income.

Under the revised plan, the disability benefit is based on the member's FAS and service credit. The disability benefit cannot be less than 45%, or exceed 60%, of the member's FAS. The benefit is funded by reserves accumulated from employer contributions, and is fully taxable. For a Law Enforcement member disabled due to an on-duty injury or illness, 45% of the benefit payment is excludable from taxable income.

Benefits under the revised plan are payable for only a finite period of time, depending on the member's age on the benefit effective date. When the disability benefit ends, the member may apply for a service retirement benefit or a refund of his/her account. The service retirement benefit amount is the greater of:
a) 2.2% of FAS multiplied by the years of service (contributing and disability) not to exceed 45% of FAS; or b) the regular or Law Enforcement benefit calculation using only the member's years of contributing service.

The disability benefit for Combined Plan members is calculated using the same formulas and criteria described above. Combined Plan members are required to transfer their individual defined contribution accounts to the Traditional Pension Plan to fund the benefit.

Members who apply for a disability benefit on or after January 7, 2013, are required to apply for Social Security Disability Insurance (SSDI). If a member is determined to be eligible for SSDI benefit, he/she may be subject to an offset to the extent that the member's OPERS disability benefit plus the SSDI benefit exceed the member's FAS, adjusted for inflation. The offset does not apply to a disability recipient who is a Law Enforcement member or who has at least five years of service credit for periods during which the recipient had earnings from other employment that were taxable under the Federal Insurance Contributions Act.

Survivor Benefits

A member's beneficiary is determined by statutory automatic succession unless a specific designation is made in writing on a form provided by OPERS. Listed below is the order of automatic succession under Ohio law:

- 1) Spouse,
- 2) Children,
- 3) Dependent parents.
- 4) If none of the above, parents share equally in a refund of the account; and
- 5) If none of the foregoing, a refund of the account is paid to the estate.

Qualified beneficiaries will be eligible to receive monthly survivor benefits if, at the time of the member's death, at least one of the following qualifications was met:

- The member had 18 months of Ohio service credit with three of those months within the two and one-half years immediately before death; or
- 2) The member was receiving a disability benefit from OPERS; or
- 3) The member was eligible for retirement but did not retire.

If none of these qualifications was met at the member's death, a refund of the member's OPERS account value as defined by the Ohio Revised Code may be made. The member's beneficiary may choose a refund of the member's account only if no children are eligible for monthly benefits. If the member dies while receiving a disability benefit under the original plan and eligible survivors select a cash refund of the account, the amount is reduced by the amount of disability benefits that had already been paid. There is no reduction in amount if the member dies while receiving a benefit under the revised disability plan or while still working.

Qualified surviving spouses (with no children eligible for monthly benefits) may receive a benefit representing the greater of \$250 a month or an annual benefit equal to 25% of the decedent's FAS. If the decedent had 20 or more years of service, the percent of FAS increases with each year of service over 20 up to a maximum of 60%. Benefits begin when a qualified surviving spouse reaches age 62, or at any age if the decedent had 10 or more years of Ohio service credit, qualifying children, or the spouse is adjudged physically or mentally incompetent. Benefits to a qualified survivor terminate when the survivor ceases to meet eligibility requirements.

If a deceased member was eligible for a service retirement benefit at time of death, a surviving spouse or other sole dependent beneficiary may elect to receive a monthly benefit calculated as though the member had retired and elected the Joint Life Plan with 100% to the survivor. This joint survivor option provides a monthly allowance that continues through the beneficiary's lifetime. The beneficiary also has the option of electing a PLOP.

A child of a deceased member may qualify for monthly benefits if the child has never been married and is under age 22. A child who is adjudged physically or mentally incompetent at the time of the member's death is eligible for benefits regardless of age. Benefits terminate upon the child's first marriage, adoption by someone other than a step-parent, abandonment, death, during active military service, or upon attaining age 22.

A dependent parent is one who received at least one-half support from the member during the 12 months preceding the member's death. A dependent parent may receive survivor benefits if age 65 or older, or at any age if adjudged physically or mentally incompetent at the time of the member's death. Survivor benefit payments terminate upon the parent's death.

The eligible survivors of Combined Plan members may elect to receive monthly survivor benefits. The survivor benefit is calculated using the same formulas and criteria described above, and the member's defined contribution account is transferred to the Traditional Pension Plan to fund the benefit.

Additional Benefits

Cost-of-Living Adjustment

When a benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment. This cost-of-living adjustment is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3%. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the cost-of-living adjustment has been based on the average percentage increase in the Consumer Price Index, capped at 3%.

Death Benefit

Upon the death of an age-and-service or disability benefit recipient, a lump-sum death benefit is paid to the qualified beneficiary. The benefit ranges from \$500 to \$2,500 based on the recipient's years of service credit.

Qualified Excess Benefit Arrangement

Total benefit payments to an individual are subject to the limitations identified in Section 415(b) of the Internal Revenue Code. In 2003, OPERS implemented a Qualified Excess Benefit Arrangement (QEBA) that allows OPERS recipients to receive the amount of their benefit that is subject to the IRS limits.

Refunds

A refund may be issued after two months have elapsed since the member terminated public service. For members of the Traditional Pension Plan, the refund value is equal to their member contributions

plus interest. Members of the Combined Plan may refund their defined contribution account balance comprised of member contributions and investment gains or losses on those contributions, and any member contributions plus interest in the defined benefit portion of the plan arising from the purchase of eligible service. Members of the Traditional Pension Plan and the Combined Plan may also qualify for an additional amount calculated on their eligible contributions. If the member has at least five but less than 10 years of qualified service credit in the plan, the additional amount is 33% of the member's eligible contributions. Members with at least 10 years of qualified service credit in the plan may receive an additional amount equal to 67% of eligible contributions.

Under the Traditional Pension Plan, full recovery of all employee contributions to OPERS is guaranteed. If the individual is eligible for a monthly retirement benefit and is legally married at the time the refund application is filed, spousal consent is required. A Traditional Pension Plan member who is also a member of the State Teachers Retirement System of Ohio or the School Employees Retirement System of Ohio is not required to refund from all systems at the time the member seeks a refund from OPERS.

Refunded service credit may be restored in the Traditional Pension Plan and the Combined Plan if the member returns to OPERS-covered employment for at least 18 months in the plan from which the refund was issued. The amount refunded, including interest and the additional amount (if applicable), must be repaid for service credit to be restored. The member must also pay interest (compounded annually) at a rate determined by the Board for the period from the date of refund to the date the refunded amount is repaid.

Benefits under the Member-Directed Plan

Retirement

Members participating in the Member-Directed Plan are eligible to retire after they reach age 55. The current vested value of the individual account is available at retirement. The balance can be converted to a lifetime annuity through OPERS; or a portion of the balance can be converted to an annuity through OPERS and the remainder can be rolled over to another eligible retirement plan or made payable to the member with taxes withheld.

Disability and Survivor Benefits

Participants in the Member-Directed Plan are not eligible for disability or survivor benefits. In the event of disability or death, the vested portion of the member's individual account is available for refund to the member or qualified beneficiaries.

Refunds

A refund may be issued after two months have elapsed since the member terminated public employment. Members participating in the Member-Directed Plan may receive employee contributions and investment gains or losses on those contributions. Depending on length of participation in the Member-Directed Plan, a member may also receive a portion of the employer contributions, plus any investment gains or losses on those contributions, based on the schedule below.

Years of Participation	Percent Vested
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

Coverage and Benefits for Re-employed Retirees

After a member retires, re-employment in an OPERS-covered job, including service in an elected position, is permitted but may affect continuing receipt of an age-and-service retirement benefit. Contributions must begin from the first day of re-employment. However, members who are re-employed anytime within the first two months after their effective retirement benefit date will forfeit their retirement benefit during this two-month period. This prohibition applies even if salary is waived for the two-month forfeiture period. OPERS health care coverage is also not available during any period of pension benefit forfeiture, and contributions remitted during the two-month forfeiture period will not be included in the calculation of a Money Purchase Plan benefit.

An OPERS retiree who returns to work in an OPERS-covered position must enroll in the employer's health care plan, if the employer offers a plan to other employees in similar positions. After the two-month forfeiture period, the retiree may continue his/her participation in an OPERS health care plan. The coverage provided by the employer plan is primary and the OPERS coverage is secondary. Federal law prohibits retirees from being covered by the OPERS health care plans as secondary coverage if the retiree is enrolled in a high deductible health plan and a health savings account. If the OPERS retiree is over age 65 and employer-sponsored coverage is not available, the retiree may elect to participate in the OPERS-sponsored coverage offered to re-employed retirees. Their health reimbursement arrangement (HRA) allowance deposit is suspended during the period of re-employment. The HRA was established for the OPERS Medicare Connector. Refer to the Health Care Coverage for Traditional Pension Plan and Combined Plan section below for more information on the OPERS Medicare Connector.

Retirees cannot continue to receive benefits and work as an independent contractor under a contract for any period of time for the employer from which they retired. This prohibition is applicable regardless of the number of hours or days actually worked. A retiree may be compensated under a contract for services as an independent contractor for another public employer. If this occurs within the first two months of retirement, he or she will forfeit pension benefits for the entire period of service as an independent contractor.

During re-employment, the retiree participates in the Money Purchase Plan. Upon termination of re-employment, retirees under age 65 may receive a refund of their Money Purchase account consisting of their employee contributions made during the period of re-employment, plus interest. Retirees age 65 and older may receive an annuity benefit or lump sum payment that is based on the amount of their employee contributions during the period of re-employment plus interest, and an amount from the employer's contributions established by the Board. The additional amount paid from employer contributions is currently set at 67% of the employee contributions and interest. Payment options for the annuity benefit are the same as those described under the Age-and-Service Retirement section.

Health Care Coverage for Traditional Pension Plan and Combined Plan

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

Eligibility

Members who applied for age-and-service retirement with effective dates of December 1, 2014, or earlier, and who had 10 or more years of service credit, had access to OPERS-provided health care coverage on a subsidized basis. Beginning January 1, 2015, members must be at least age 60 with 20 years of qualifying service. Members in Group A are eligible for coverage at any age with 30 or more

years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. See the Age-and-Service Retirement section beginning on page 224 for a description of Groups A, B and C.

Qualifying service credit for determining eligibility to participate in the health care plans includes the following types of credit: contributing service, other Ohio retirement system service transfers, interrupted military service under the Uniformed Services Employment and Reemployment Rights Act (USERRA), unreported time, and restored (refunded) service. Beginning January 1, 2014, contributing service credit for health care will be accumulated only if the member's eligible salary is at least \$1,000 per month. Partial health care credit will not be granted for months in which eligible salary is less than \$1,000. Credit earned prior to January 2014 will not be affected by this requirement.

In addition to retirees, access to health care coverage is also available for disability recipients and survivor recipients. Spouses and dependents of eligible recipients, as defined in rules governing the health care plans, may be covered through additional premiums.

Recipients of disability benefits prior to January 1, 2014, have continued access to health care coverage while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same way as an age-and-service retiree. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used. Recipients with an initial disability effective date on or after January 1, 2014, will have coverage during the first five years of disability benefits. After five years, the recipient must meet minimum age-and-service health care eligibility requirements or be enrolled in Medicare (due to disability status) to remain enrolled in OPERS health care. If enrolled, the allowance will be determined in the same way as an age-and-service retiree.

Coverage Options

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA.

For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51% and 90% of the base allowance. Those who retired prior to January 1, 2015 will have an allowance of at least 75% of the base allowance.

While spouses have access to select a health care plan, OPERS does not provide any financial support. Spouses who are not Medicare-eligible currently have access to OPERS group coverage at full cost. Spouses who are Medicare-eligible have access to the OPERS Medicare Connector also at full cost. If the retiree has at least 20 years of qualifying service and is enrolled in OPERS health care, children (up to age 26) will receive half of the retiree's allowance percentage.

Medicare Part A

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Medicare Connector. OPERS also will reimburse 50% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Medicare Part B

When members become Medicare-eligible, recipients and their covered dependents enrolled in OPERS health care must enroll in Medicare Part B (medical) to participate in a plan sponsored by OPERS.

Low-income Discount

Retirees not yet eligible for Medicare with household income at or below 200% of the poverty level may apply for a 30% reduction in the cost of medical and pharmacy premiums. In 2017, OPERS expanded the low-income discount policy for surviving spouses. Surviving spouses enrolled in Medicare Parts A and B who meet the income requirements of the program are eligible to continue receiving a spousal HRA allowance for health care for 2020. Recipients who may be eligible for the discount or the HRA allowance are required to provide proof of income and re-apply each year.

Dental and Vision Coverage

Recipients and dependents also have access to dental and vision coverage. These are fully insured products with the benefit recipient paying the total cost of coverage, including premiums, plan deductibles, and out-of-pocket expenses.

Health Care for Member-Directed Plan Participants

Members participating in the Member-Directed Plan have a portion of the employer contribution credited to an individual retiree medical account. Since January 1, 2017, interest on the accounts accrued only if the defined benefit investment portfolio earned a return greater than zero in the prior year. Beginning January 1, 2020, interest will accrue based on the investment performance of the OPERS Stable Value Fund, not to exceed 4%. Members with an account prior to July 1, 2015, become vested in the account at a rate of 20% for each year of participation until the member is fully vested at the end of five years. For members establishing accounts on or after July 1, 2015, the vesting schedule is below. Upon a refund or retirement, distribution of the vested balance in the member's account may be used for the reimbursement of qualified medical expenses.

Years of Participation	Percent Vested
0-5 years	0%
6 years	10%
7 years	20%
8 years	30%
9 years	40%
10 years	50%
11 years	60%
12 years	70%
13 years	80%
14 years	90%
15 years	100%

Summary of Upcoming Changes to Health Care

On January 15, 2020, the Board voted to adopt additional changes to health care coverage for Medicare and non-Medicare retirees. These changes are designed to improve the sustainability of the health care program.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. A summary of the changes effective January 1, 2022 is:

Eligibility

Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022.

Effective January 1, 2022, retirees in the Traditional Pension Plan or Combined Plan must meet the following health care eligibility requirements to receive an HRA allowance:

- 1) **Medicare Retirees**—Medicare-eligible with a minimum of 20 years of qualifying service credit.
- 2) **Non-Medicare Retirees**—Non-Medicare retirees qualify based on the following age-and-service criteria:
 - a) Group A—30 years of qualifying service credit at any age;
 - b) Group B—32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
 - c) Group C—32 years of qualifying service credit and minimum age 55; or,
 - d) A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if he/she has at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

HRA Allowances

Effective December 31, 2021, OPERS will no longer sponsor a medical and prescription drug group plan for non-Medicare retirees. Instead, effective January 1, 2022, eligible non-Medicare retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Non-Medicare retirees will have access to the OPERS non-Medicare Connector to help determine if the OPERS HRA allowance or the Premium Tax Credit provided through the Affordable Care Act (if they are eligible) would be most beneficial for their situation. The non-Medicare Connector will also assist them with enrolling in a medical plan on the open market. The non-Medicare monthly base allowance will be \$1,200. Retirees will receive a percentage (ranging between 51%–90%) of the base allowance determined by age and qualified years of service at retirement.

Also effective January 1, 2022, the base allowance used to determine the monthly HRA allowance for Medicare retirees will decrease from \$450 per month to \$350 per month. Additionally, Medicare retirees who retired prior to January 1, 2015 and were granted an allowance of 75% will have their allowance determined based on their age and years of service at retirement. Their allowance percentage will be between 51% and 74% of the base allowance as calculated on the OPERS allowance table.

Transition Deposit

A one-time HRA deposit of \$1,200 will be provided to retirees who are enrolled in the OPERS group plan effective December 1, 2021. This deposit is to assist in the transition to the individual marketplace.

Dependent Children

Effective January 1, 2022, retirees will no longer receive an additional allowance for eligible dependent children, regardless of age, ability or mental capacity. The retiree will be able to use his/her HRA to reimburse any qualified medical expenses incurred by their eligible dependents.

Re-employed Retirees

Effective January 1, 2022, eligible re-employed retirees will no longer have their HRA suspended during the re-employment period. Instead, re-employed retirees will receive the HRA allowance throughout the re-employment period provided enrollment requirements are met. The monthly HRA deposits will accrue in a Re-employed Accumulated HRA. However, re-employed retirees will not be able to use the accumulated money to reimburse for qualified medical expenses during the re-employment period. Upon completion of the re-employment period, all funds will be available for reimbursement of eligible expenses incurred outside of re-employment.

Note: The information contained in this section is intended to be a summary only. Complete pension and health care details can be obtained through OPERS. This document reflects approved information as of the date listed. All plans are subject to change. Health care is not a statutorily guaranteed benefit. As such, the Board has the discretion to review, rescind or modify the health care plans at any time. There is no promise, guarantee, contract, or vested right to health care coverage or an allowance.

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