



Trustworthy &
Transparent

2024

Popular Annual
Financial Report
for the year ended
December 31, 2024



Popular Annual Financial Report

(for the year ended December 31, 2024)

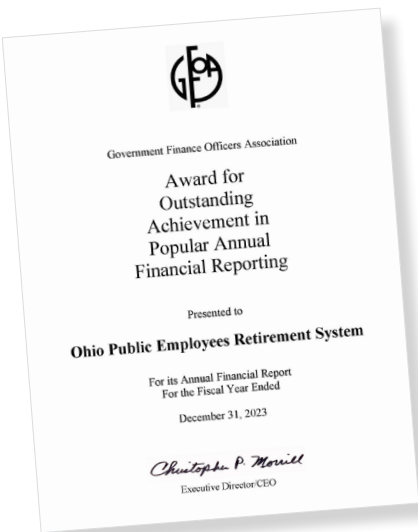
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Responsible Financial Reporting

This *Popular Annual Financial Report* is derived from information contained in the *OPERS 2024 Annual Comprehensive Financial Report* (annual report), but does not contain detailed financial information by plan, nor is it presented in a manner to conform to Generally Accepted Accounting Principles (GAAP). For a complete set of financial definitions included in this summary report, please refer to the OPERS annual report, which is prepared in conformity with GAAP and may be obtained by visiting OPERS website, opers.org, or by contacting OPERS to request a copy.

Additionally, those interested in learning more about the OPERS health care program are invited to obtain a copy of the *OPERS 2024 Health Care Report*, which will be made available at opers.org at the end of June 2025.



2023 Award for Outstanding Achievement in Popular Annual Financial Reporting—

For the 14th 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, 2023. 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.

To our fellow members and stakeholders:

It's a pleasure to present to you the *2024 Popular Annual Financial Report* (PAFR) of the Ohio Public Employees Retirement System (OPERS). Our theme—*OPERS: Trustworthy & Transparent*—reflects the unwavering dedication and steadfast commitment displayed by our Board of Trustees, leadership and staff throughout 2024.

As we look forward to celebrating our 90th anniversary, we remain committed to addressing challenges so that we ensure a secure retirement for our present and future members.

Key Activities in 2024

Investment Activity and Pension Funding Status—At the start of 2024, the primary concerns for U.S. financial markets were inflation, monetary policy, and the economy's capacity to maintain growth while avoiding a recession. Throughout the year, the global economy faced geopolitical tensions, rapid technological changes, and inflation concerns. Despite challenges, markets saw strong returns. Overall, the total OPERS portfolio for 2024 returned 9.08%, compared to 11.72% in 2023. This performance allowed OPERS to maintain its stable funding position, with a funded ratio of 83% and an amortization period of 15 years in 2024.

Partnership with Ohio Public Employees Deferred Compensation Program (ODC)—During 2024, ODC and OPERS established memorandums of understanding governing specific services, including, but not limited to, OPERS providing executive leadership and administrative services to ODC. Since OPERS provides executive leadership, this changed the relationship between ODC and OPERS and as a result, as of January 1, 2024, ODC meets the definition of a fiduciary component unit and is reflected in OPERS financial reporting under Governmental Accounting Standards Board (GASB) applicable standards. Accordingly, ODC financial information is included in various sections throughout this PAFR.

Combined Plan Consolidation into the Traditional Pension Plan—As of January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan—an action resulting from low participation in the Combined Plan. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes.

In closing

As responsible and dedicated stewards of public funds, we must make responsible decisions to maintain confidence and trust from all members, retirees and stakeholders. Our dedicated and diligent Board works with OPERS management and staff to meet each challenge and opportunity with professionalism, innovation, and commitment. We have a fiduciary duty to act in the best interest of all members, ensuring prudent stewardship and proactive preparation for future challenges.

We will continue to take actions that position OPERS as a strong, financially stable pension system. We are honored to be associated with and deeply appreciate the efforts of all involved as we uphold our commitment to trustworthiness and transparency.



Respectfully Submitted,

Karen E. Carraher

Karen E. Carraher, CPA
Executive Director

Jennifer H. Starr

Jennifer H. Starr, CPA
Chief Financial Officer



2024 OPERS Board of Trustees and Leadership



Board of Trustees as of 2024

Left to right: James Kunk, Governor-Appointed Investment Expert; Stewart Smith, Representative for Miscellaneous Employees and Board Vice Chair; Julie Albers, Representative for County Employees; Ken Thomas, Representative for Municipal Employees; Tim Steitz, Representative for Retirees; Steve Toth, Representative for Retirees; Chris Mabe, Representative for State Employees and Board Chair

Not Pictured: Kathleen Madden, Director—Department of Administrative Services (Statutory Member); Scott Richter, Treasurer-Appointed Investment Expert; James Tilling, General Assembly Appointed Investment Expert; Randy Desposito, Representative for Non-teaching College/University Employees

OPERS management and staff work closely with the members of the OPERS Board of Trustees—the governing body of OPERS that is ultimately responsible for the administration and management of all OPERS activities. This dedicated Board meets periodically throughout the year and receives no compensation, but is reimbursed for necessary business expenses.



OPERS Leadership Team as of 2024

Front Row (left to right): Karen Carraher, Executive Director; Allen Foster, Deputy Executive Director; Stephen Kell, Director—Information Technology; Ciji Wilhelm, Director—Human Resources; Lauren Gresh, Deputy Executive Director; Caroline Stinziano, Director—Internal Audit; Tonya Brown, Deputy Executive Director; Jennifer Starr, Chief Financial Officer

Back Row (left to right): Chuck Quinlan, Director—Information Technology Strategy; Paul Greff, Chief Investment Officer; Gordon Gatien, Director—External Relations; Eric Harrell, General Counsel

OPERS Members by Plan · 2024

Plan Overviews and Enrollment Figures

During 2024, OPERS offered members two retirement plans—each providing different features designed to accommodate individual member's knowledge base and risk tolerance. Take a look:

Traditional Pension Plan: Retirement benefit is based on a defined benefit formula determined by years of contributing service, final average salary, and a multiplier. OPERS invests funds and absorbs all risk for these defined benefits. Ideal for those who want security in retirement, have a low risk tolerance and low desire to handle financial transactions.

Effective January 1, 2024, the Combined Plan (which is no longer available for member selection) was consolidated into the Traditional Pension Plan as a separate division. No changes were made to the benefit design features of the Combined Plan, a hybrid plan where member contributions are deposited into a self-selected account (similar to Member-Directed Plan) and employer contributions are deposited into the guaranteed defined benefit option.

Member-Directed Plan: Retirement benefit is based on member contributions, vested employer contributions and the gains and losses on those contributions. Members choose from a variety of funds—including fixed income and equity funds, target date funds and a self-directed brokerage account. Provides control but significant market risk for members.

Below is a table which displays the number of active, inactive and retired members in each plan as of December 31, 2024. Inactive members are no longer contributing to OPERS, but have not refunded their accounts and may be eligible to receive a retirement benefit.

	Traditional Pension Plan (excluding Combined Plan Division)	Combined Plan Division of the Traditional Pension Plan	Member-Directed Plan	Total
Active Members	299,224	5,795	11,195	316,214
Average Age	43.5	49.3	45.6	
Average Service Credit (Years)	9.7	13.8	7.5	
Average Final Average Salary	\$48,205	\$70,656	\$68,055	
Inactive Members¹	776,532	2,596	6,761	785,889
Average Age	40.4	45.4	40.5	
Average Service Credit (Years)	1.2	5.6	3.2	
Average Final Average Salary	\$7,283	\$38,759	\$34,151	
Retired Members	220,210	781	507	221,498
Average Age	71.5	70.5	71.2	
Average Service Credit (Years)	23.4	13.6	N/A	
Average Annual Benefit	\$33,369	\$10,920	\$6,523	
Total Members	1,295,966	9,172	18,463	1,323,601

¹ Inactive members no longer contribute, but still have an account that may be activated upon return to public service and may be eligible to receive a retirement benefit.

Ohio Public Employees Deferred Compensation Program (ODC)

As of January 1, 2024, ODC is reflected in OPERS financial reporting as a fiduciary component unit. See page 1 for further information. Members of OPERS and participants of ODC will not experience any changes in the benefits or services they have enjoyed for years. OPERS and ODC share a goal of enhancing the education provided to our stakeholders on the importance of a comprehensive retirement plan. ODC participants are not included in the OPERS membership information shown above.



2024 Assets and Liabilities

Summary Comparative Statements of Fiduciary Net Position

Presented below are the assets and liabilities for the years ended December 31, 2024 and 2023. The net position represents the funds accumulated by end of year to pay pension benefits for retirees, participants, active and inactive members, as well as health care costs for current and future retirees. The increase in net position reflects the inclusion of the Ohio Deferred Compensation (ODC) fiduciary component unit beginning in 2024 (see page 1 for further information) and income from investing activity recognized in 2024. The ODC investment balance of \$21.8 billion is included in 2024 and represents 80% of the increase. The beginning of the year net position has been restated in 2024 to include the ODC fiduciary component unit beginning balance of \$19.4 billion, which represents over 70% of the increase in the net position below.

Despite strong investment returns, OPERS saw a slight decrease in the pension funded ratio from 84% in 2023 to 83% in 2024, while the amortization period remained at 15 years. The decrease in funded ratio results from actuarial smoothing, in which market gains and losses are recognized over a four-year period to reduce the impact of the market volatility. Market losses from 2022 continue to be recognized and offset the 2024 market gains, resulting in \$2.4 billion in unrealized losses as of the end of 2024.

	2024 ^a	2023	Amount Increase/ (Decrease) from 2023 to 2024
Assets and Deferred Outflows			
Cash and Cash Equivalents	\$6,170,199,657	\$6,471,751,676	(\$301,552,019)
Receivables	1,725,732,605	985,460,262	740,272,343
Investments	135,062,584,221	107,640,738,936	27,421,845,285
Collateral on Loaned Securities	12,444,499,849	10,623,542,006	1,820,957,843
Net Capital Assets	156,019,397	139,728,803	16,290,594
Prepaid Expenses and Other Assets	3,011,727	1,946,613	1,065,114
Due from ODC	1,327,833		1,327,833
Total Assets	155,563,375,289	125,863,168,296	29,700,206,993
Deferred Outflows—Other	1,032,441		1,032,441
Total Assets and Deferred Outflows	155,564,407,730	125,863,168,296	29,701,239,434
Liabilities and Deferred Inflows			
Benefits Payable	175,724,204	156,386,536	19,337,668
Investment Commitments Payable	267,578,984	294,327,203	(26,748,219)
Obligations Under Securities Lending	12,428,427,081	10,617,430,025	1,810,997,056
Accounts Payable and Other Liabilities	52,222,134	41,401,085	10,821,049
Due to OPERS	1,327,833		1,327,833
Total Liabilities	12,925,280,236	11,109,544,849	1,815,735,387
Deferred Inflows—Lessor Obligations and Other	2,278,916	1,642,771	636,145
Total Liabilities and Deferred Inflows	12,927,559,152	11,111,187,620	1,816,371,532
Net Position Restricted for Pensions and OPEB*	\$142,636,848,578	\$114,751,980,676	\$27,884,867,902

^a ODC became a fiduciary component unit of the OPERS financial reporting entity in 2024; see page 1 for further information.

* Other post-employment benefits such as health care

Summary Comparative Statements of Changes in Fiduciary Net Position

The statement below shows OPERS income (additions) and expenses (deductions) for 2024 and 2023. As discussed on page 1, ODC additions and deductions are included beginning in 2024, resulting in an increase in activity from the prior year. Significant ODC activity added in 2024 included voluntary participant contributions (\$653.9 million), income from investing activity (\$3.1 billion), and distributions to participants and transfers to other retirement plans (\$1.4 billion).

Investment earnings continue to be the main component of income, with a total OPERS portfolio return of 9.08% in 2024. Member and employer contributions increased compared to 2023 due to continued impacts of wage inflation and an increase in the active member population.

OPERS paid \$7.5 billion in pension benefits and \$0.5 billion in health care expenses, net of health care receipts, to more than 221,000 retirees and their beneficiaries, compared to \$7.2 billion and \$0.5 billion in 2023. The increase in pension benefits paid reflects demographic changes in the retiree population, and an annual simple cost-of-living adjustment.

	2024 ^a	2023	Amount Increase/ (Decrease) from 2023 to 2024
Additions			
Member and Participant Contributions	\$2,537,969,100	\$1,771,099,964	\$766,869,136
Employer Contributions	2,636,833,748	2,478,806,116	158,027,632
Contract and Other Receipts	189,253,324	76,478,623	112,774,701
Net Income from Investing Activity	13,238,532,654	12,078,361,904	1,160,170,750
Other Income, net	494,822	650,356	(155,534)
Interplan Activity	28,959,270	48,202,584	(19,243,314)
Total Additions	18,632,042,918	16,453,599,547	2,178,443,371
Deductions			
Pension Benefits	7,476,971,013	7,228,906,262	248,064,751
Health Care Expenses	620,877,441	606,891,438	13,986,003
Health Care Receipts	(74,755,715)	(61,931,879)	(12,823,836)
Distributions and Transfers—ODC	1,360,467,577		1,360,467,577
Refunds of Contributions	647,391,778	580,205,075	67,186,703
Administrative Expenses (Non-investment)	91,679,320	76,465,870	15,213,450
Interplan Activity	28,959,270	48,202,584	(19,243,314)
Total Deductions	10,151,590,684	8,478,739,350	1,672,851,334
Net Increase	8,480,452,234	7,974,860,197	505,592,037
Net Position Restricted for Pensions and OPEB*			
Balance, Beginning of Year, as previously stated	114,751,980,676		
Changes to and within the financial reporting entity ^a	19,404,415,668		
Balance, Beginning of Year, as restated	134,156,396,344	106,777,120,479	27,379,275,865
Balance, End of Year	\$142,636,848,578	\$114,751,980,676	\$27,884,867,902

^a ODC became a fiduciary component unit of the OPERS financial reporting entity in 2024; see page 1 for further information.

* Other post-employment benefits such as health care



2024 Investment Summary

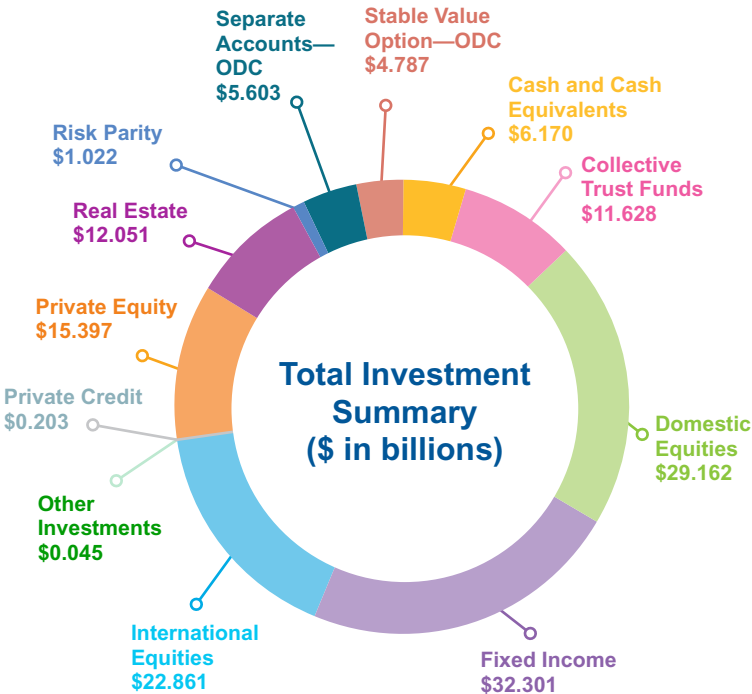
2024 Investment Overview

Throughout their careers, Ohio's public employees entrust OPERS with contributions to be invested for future retirement income. As careful stewards of these contributions, we recognize that trust. For 90 years, we have delivered on that trust.

Investment returns will always be an important focus for OPERS, as they provide approximately two-thirds of the funding for each retiree's pension. OPERS works to attain returns over the long term that will provide adequate funding for benefits.

In 2024, although global financial markets fluctuated, the economy proved to be more stable than anticipated. Through dedication and commitment to established asset-diversification policies, OPERS successfully navigated a complex investment environment. We ended with strong results for 2024.

In 2024, the OPERS defined benefit portfolio returned 8.82%, which was above the assumed rate of return of 6.9%. The health care portfolio returned 10.00%, also above the assumed rate of return of 6.0%. 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, excluding ODC, for 2024 was 9.08%.



Historical Investment Returns (net of fees)

The historical investment returns listed below do not include the component unit ODC returns.

Year	Total Portfolio Return	Total Defined Benefit Return	Total Health Care Return	Total Defined Contribution Return
2024	9.08%	8.82%	10.00%	13.74%
2023	11.72	11.26	13.97	18.08
2022	(12.49)	(12.03)	(15.51)	(16.00)
2021	15.20	15.34	14.34	13.99
2020	11.95	12.02	10.96	14.96

It is important to put the annual returns of 2024 in context with the long-term focus of the System. Yearly returns will vary with the market volatility; we expect years with positive returns above our expectations and years with returns below our expectations, or even losses. The goal is to structure an investment portfolio that will provide desired long-term returns. This long-term approach must be balanced by keeping in mind our short-term liquidity needs and liability due dates—meaning meeting our obligations to members. The upcoming year presents its own unique set of challenges, but the OPERS Investment Staff will remain vigilant in protecting OPERS capital.



Funding Retiree Pension Benefits 2024

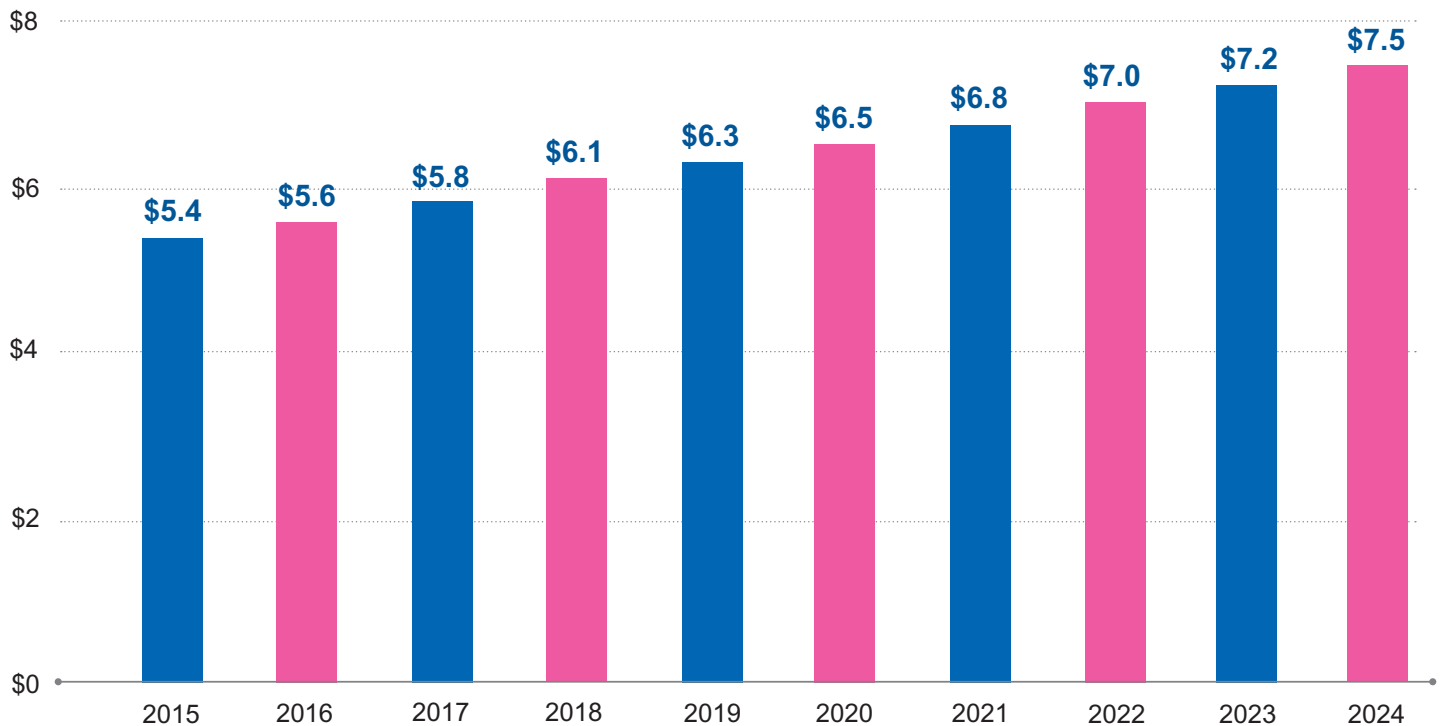
OPERS Provides Secure Retirement

For 90 years, OPERS has provided a secure financial retirement to Ohio public employees through pension benefits to retirees and beneficiaries. Trustworthy means worthy of confidence; dependable. OPERS has earned this label through the decades by never missing a pension payment. That's more than 1,000 months of payments to each and every generation of retirees. OPERS honors that trust—we meet our commitments.

How does OPERS continue to deliver on its commitment to members year after year? Only through responsible actions, strict adherence to stringent financial practices, and the focus to anticipate and plan for change. This has allowed the System to face challenges such as members working longer with a higher final average salary, retirees living longer in retirement than ever before, volatile global markets, and an ever-decreasing member-to-retiree ratio.

Demonstrating these challenges, pension payments have grown 38% over the past 10 years, from \$5.4 billion in 2015 to \$7.5 billion in 2024.

Pension Benefits Paid (\$ in billions)



2024 Facts

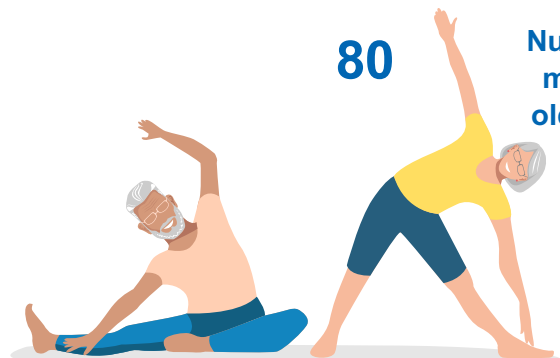
Age of
oldest
OPERS
member

109



80

Number of
members
older than
100





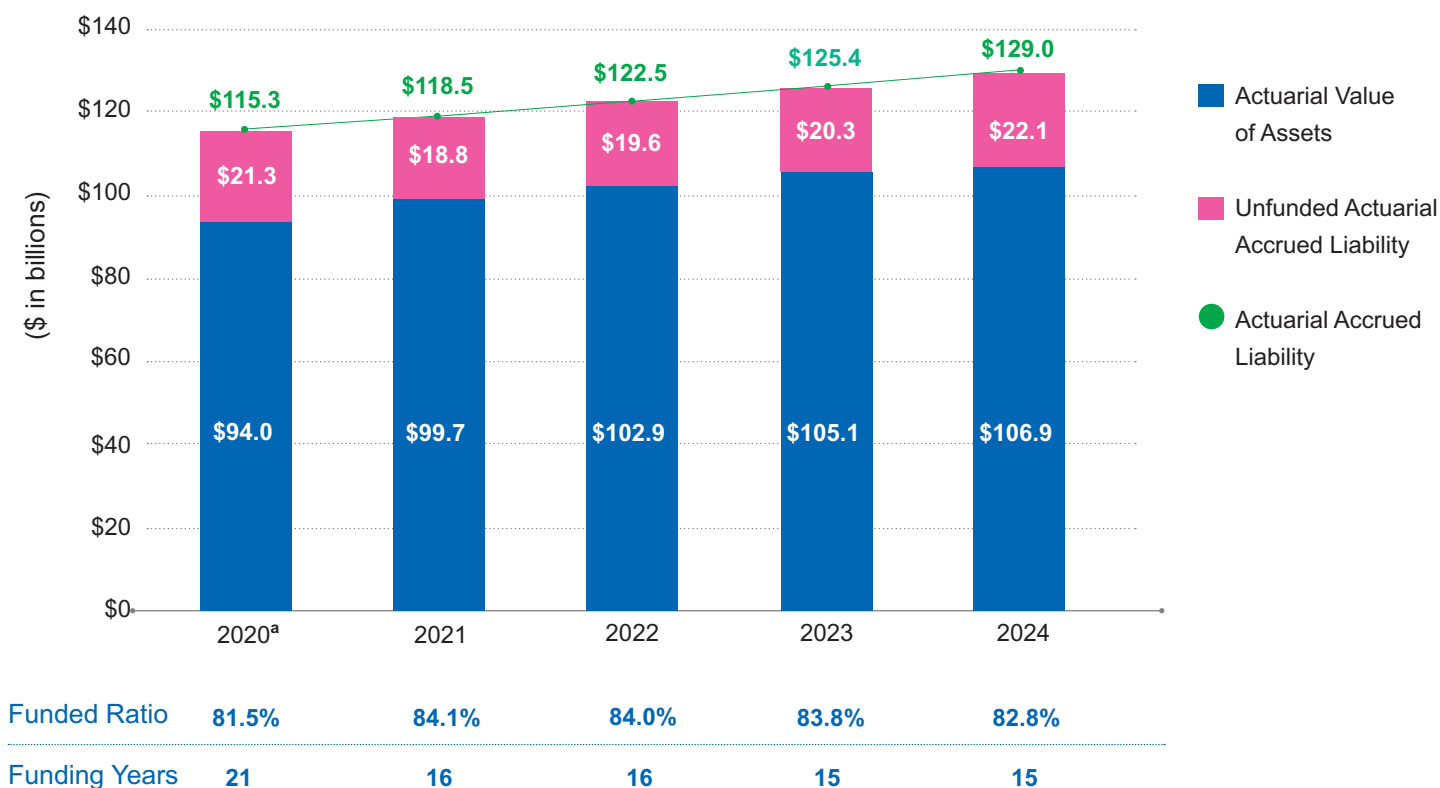
2024 Funding Retiree Pension Benefits *(continued)*

Pension Funding Status

Retiree pension benefits are funded by contributions from members and employers and income earned from responsibly investing these funds throughout a member's career. At OPERS, we take responsibility of serving as the trusted steward for these funds seriously.

OPERS is required by law to remain within a 30-year funding window—meaning the System is in the position to fund all pension liabilities within 30 years. Funded status measures the progress of accumulation of the funds necessary to meet future obligations. The December 31, 2024 valuation funded status was 82.8%. The unfunded liability was expected to be funded within 15 years on a funding basis. We are dedicated to maintaining and enhancing the stability of this System.

Components of Unfunded Actuarial Accrued Liability for Pension¹ (All Plans)



^a Revised actuarial assumptions based on experience study.

¹ This table includes the funded ratio and funding years based on actuarial assumptions and includes the smoothing of investment gains and losses over a closed four-year period. Information shown on this funding basis is used to monitor the funding status of OPERS.

Pension benefit payments by type

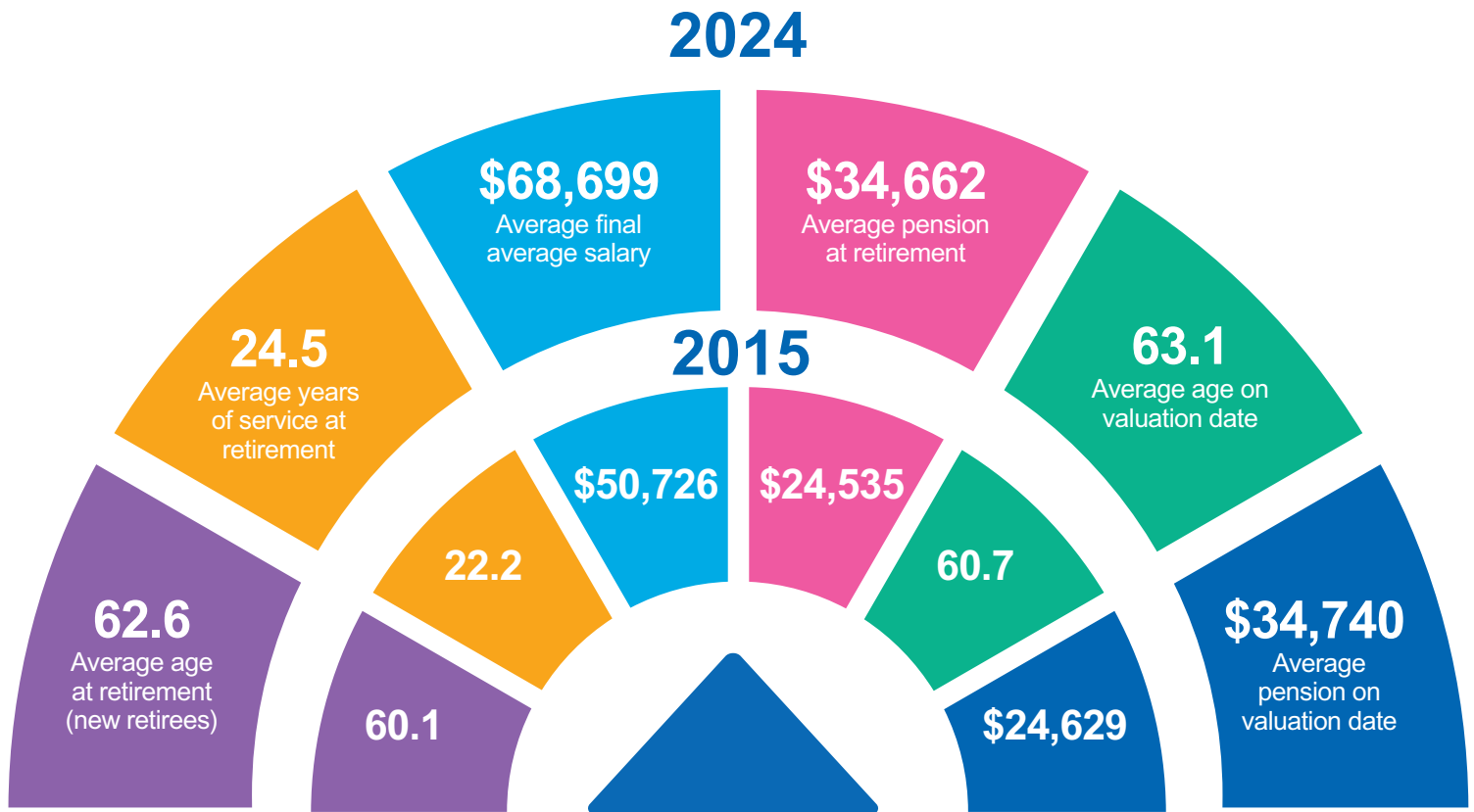


Average Retiree Pension Benefits 2024

2024 Averages At-a-Glance

The average benefits paid to retirees receiving a defined benefit are included below with several other averages. The cost of retirement will continue to increase as new retirees with higher final average salaries replace long-time retirees with lower final average salaries and as members continue to work longer.

Total OPERS — New Retirees December 31



Active members by employer type employers (top number)



236 State	228 County	244 Municipalities	518 Miscellaneous	253 Libraries	1,307 Townships	655 Villages	241 Law Enforcement/ Public Safety
116,697 employees	88,350 employees	50,043 employees	20,606 employees	12,037 employees	9,962 employees	10,355 employees	8,164 employees

This table does not include data for ODC.

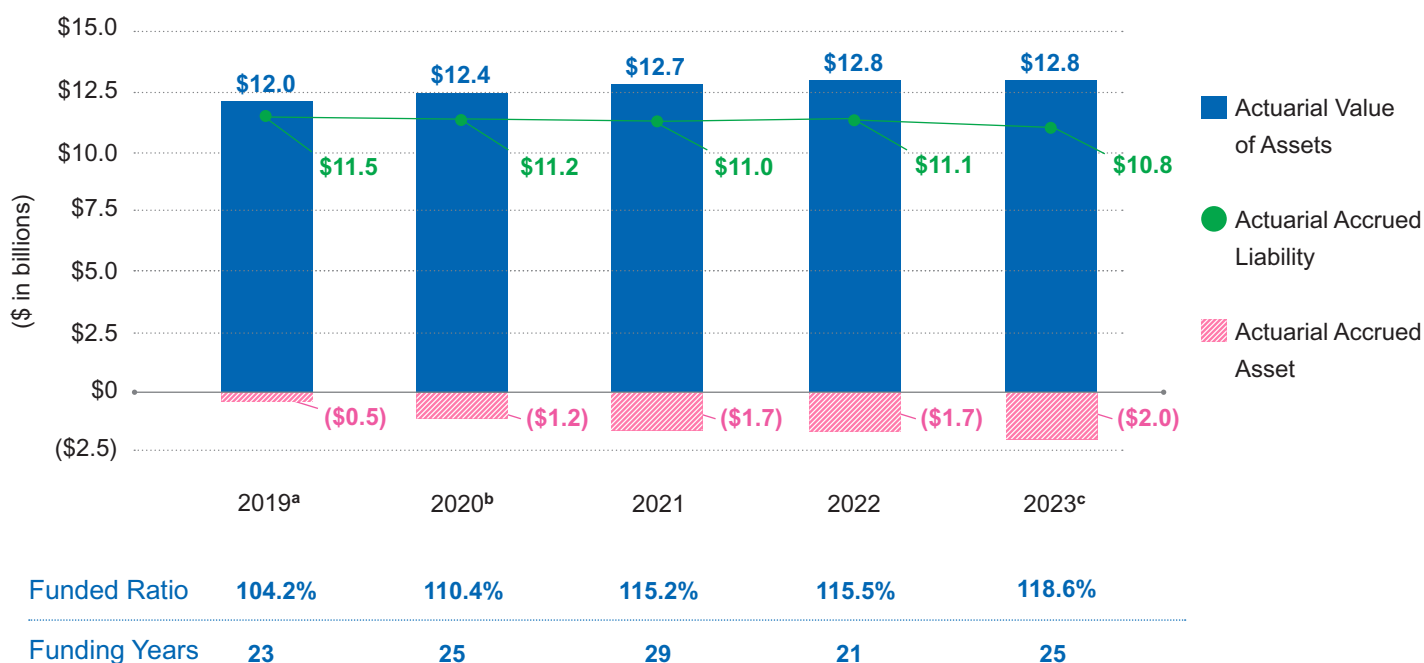


2024 Funding Retiree Health Care

Health Care Funding Status

Although health care is neither mandated nor guaranteed, OPERS understands access to meaningful health care plays a significant role in a secure retirement. The tradition of working to preserve the health care fund through incremental changes designed to lengthen the solvency of that fund will continue. OPERS has remained open and transparent regarding the challenges we've faced in this endeavor. As of the December 31, 2023 health care actuarial funding valuation (the most recent), OPERS was 118.6% funded.

Components of Unfunded Actuarial Accrued Liability/(Asset) for Health Care¹



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

^b Revised actuarial assumptions based on experience study.

^c The health care information is a year in arrears. Thus, 2023 reflects the most recent actuarial valuation and does not reflect the 2024 investment market gains.

¹ This table includes the funded ratio and funding years based on actuarial assumptions and includes the smoothing of investment gains and losses over a closed four-year period. Information shown on this funding basis is used to monitor the funding status of OPERS.

Preserving Health Care

Over the past several years, OPERS has adopted incremental changes to address funding challenges posed by increasing health care costs, including a growing number of retirees, longer life expectancies, and costly advances in medical care. Because of the current pension funding needs, OPERS currently must allocate all employer contributions to fund the pension benefit—meaning no funding other than investment income is available for the health care program.



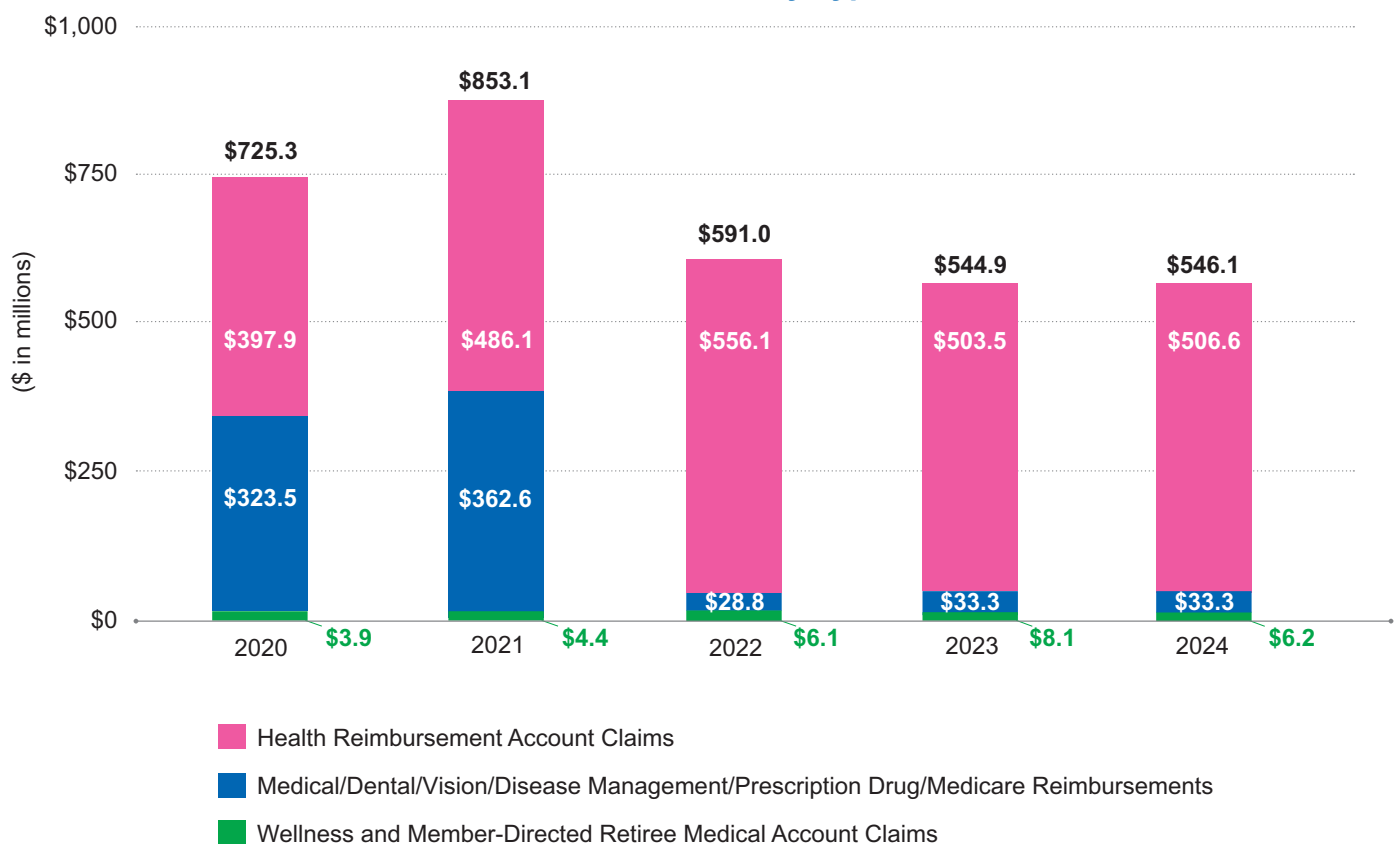
Health Care Costs 2024

Despite the lack of funding from employer contributions, the health care program remains strong. The investment earnings have exceeded the target goal with additional earnings that make up for the contributions. We will continue to monitor the health care program and to provide transparent, easily accessible and plain-language communications and education to members so that any modifications are understood. We know that modest changes can provide strong results—changes implemented over the past several years continue to positively impact the fund in 2024. Health care assets accumulated to fund the liabilities exceeded the liabilities by \$2.0 billion in 2023 (the latest information available). The health care trust fund is currently expected to last approximately 25 years, an improvement over the prior year's solvency period of 21 years.

HRA Allowances

The majority of retirees receiving health care benefits are members of the Traditional Pension Plan and have a health reimbursement arrangement (HRA) account. Eligible retirees have an allowance and assistance in choosing a health care plan via the OPERS Connector. The Connector helps retirees determine the best use of health care funding for their particular situation as well as provide assistance in enrollment. Eligible retirees receive a percentage (determined by age and qualified years of service at retirement) of the base allowance; in 2024, the base allowance was \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees (increase to \$400 in 2025).

Health Care Costs by Type





2024 Good for Members and Good for Ohio

OPERS Is Good for Ohio, Consider This:

As the largest public pension system in Ohio, and the 14th largest in the U.S., OPERS is a significant economic driver for the state. The majority of our 1.3 million members and retirees live and work in Ohio, providing economic stability throughout the state.

For every dollar received by OPERS from public employers in 2024, \$3.04 is returned to the economy through pension and health care payments made to retirees—retirees who spend the majority of retirement proceeds on goods and services within the state.



Member and employer contributions are carefully invested



\$2.1 billion
in assets were invested
with Ohio-based companies

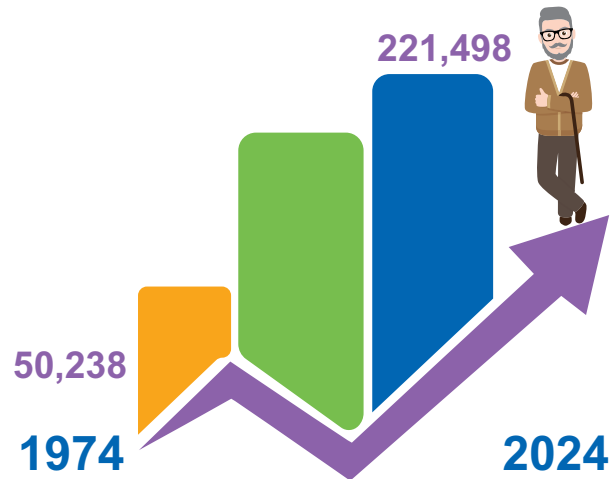


\$117.5 billion
in assets are managed
through in-state custodian

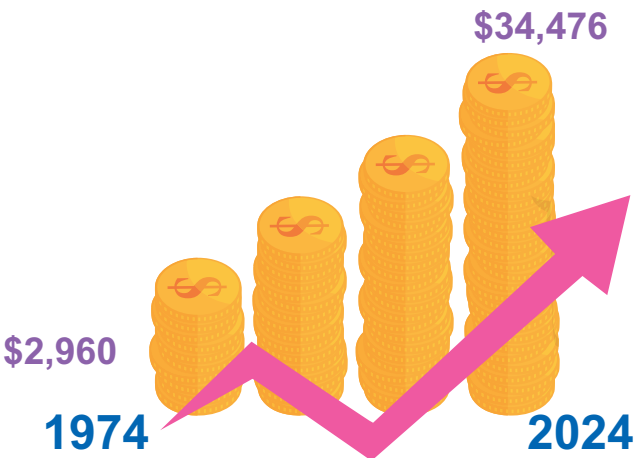
Retirement by the Numbers (all plans)

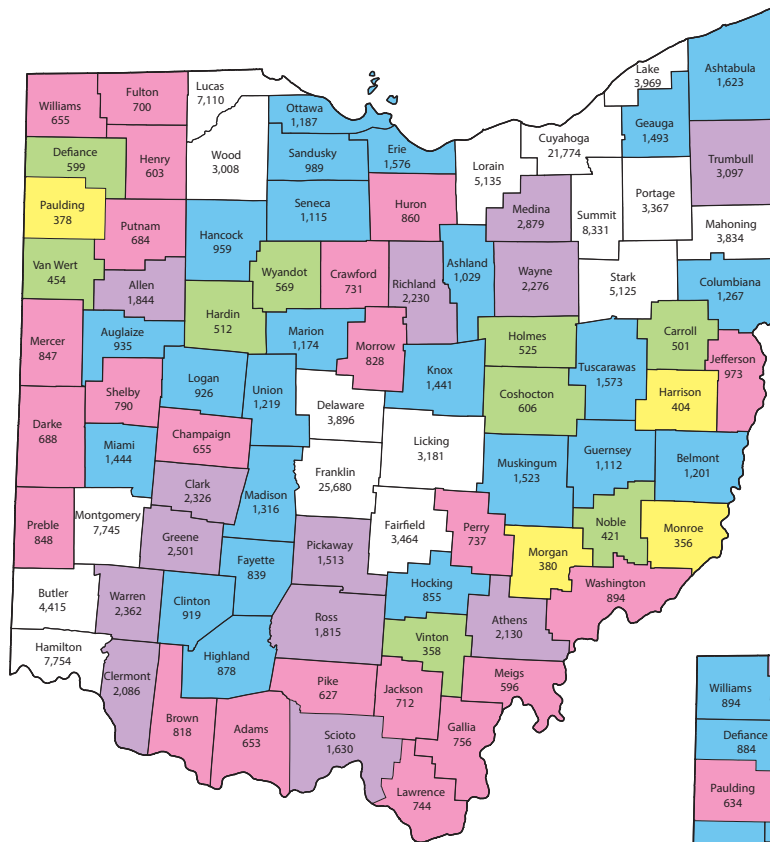
Preparing for financial security in retirement takes planning. All members are encouraged to be active participants in their retirement planning.

Number of OPERS Retirees



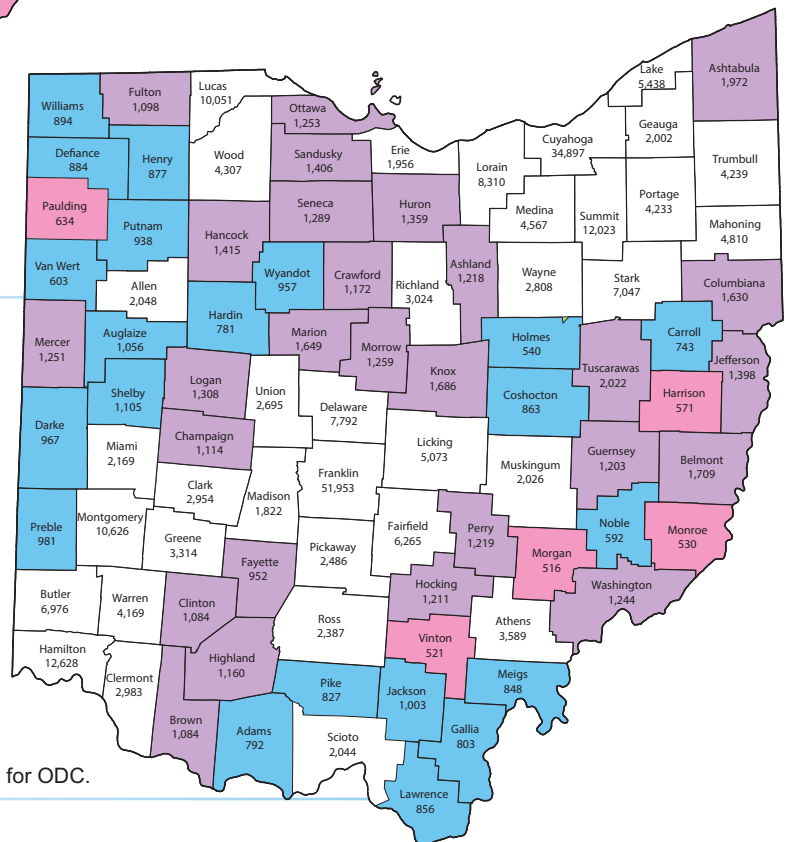
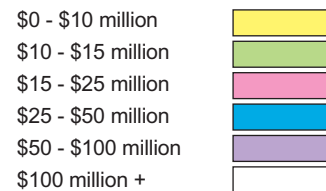
Average annual OPERS pension





2024 Pension Benefits and Retirees by Ohio County

Retiree Pension Benefits and Active Employees Payroll Color Key



2024 Active Employees and Payroll by Ohio County

The information included within this section does not contain data for ODC.



- ▲ Of the 221,465 OPERS retirees, 197,532, or 89.2%, remained Ohio residents as of December 31, 2024.
- ▲ Pension benefit payments of more than \$6.7 billion were distributed throughout Ohio to retirees and their beneficiaries, representing the OPERS impact on the state's economy.



Mission

To provide secure retirement benefits for our members.

Vision

To be your trusted retirement partner delivering responsive high-quality service.



Ohio Public Employees Retirement System

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