

Revised language for page 3 of "Ohio Retirement Systems: 1998-2022, ORSC Staff Report on the Historical Experience of the Five Ohio Retirement Systems Since 1998"

and the ORSC conducting investment performance reports beginning in 1999. Second, this is when the 30-year amortization requirement began and marked a different statutory approach to the funding of pension benefits than in the past. Finally, and crucially, all the systems' ratios of assets to liabilities exceeded 90% in the 1998-2001 period, marking a relatively consistent, and healthy, funded ratio among the systems.

OP&F does not concur with this starting point, noting that, had OP&F been 100% funded at its inception in 1967, rather than 15%, that it would have up to \$35 billion more in assets today than it currently does (see OP&F comments on page 49). ORSC staff note that this calculation requires the assumption that all other factors would have stayed the same between 1967-2022 (i.e., General Assembly would not have expanded benefits or adjusted the employee or employer rates, or different allocations being made to health care or other non-statutory benefits).

ORSC staff believe starting earlier would not provide significant analytical advantages and would functionally lump together two very different types of systems, causing distortion. ORSC staff acknowledge that this analysis results in certain history being excluded, including the "13th check" at the State Teachers Retirement System (STRS), any remaining legacy debt in all the systems, state subsidies provided to the systems prior to 1998, and the remittance of liability payments to the Ohio Police and Fire Pension Fund (OP&F) occurring prior to 1998. Including such information would cloud the clearly dominant role that the post-1998 period has had on the current collective status of the systems. It is ORSC staff's contention that a combination of the investment environment and decisions by the General Assembly and the systems after 1998 have determined the present condition of the systems rather than anything prior to that point.

ORSC staff note that at *no point* in this 25-year period have any of the five retirement systems failed to provide a statutory monthly benefit due to insufficient funds. The basic mission of the systems to provide pension benefits to members and beneficiaries of the state retirement systems after retirement has been successfully achieved. It is an explicit assumption of this report that the sole statutory purpose of the systems is to provide these statutory pension benefits.