NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM

SEVENTY-THIRD ANNUAL ACTUARIAL REPORT AS OF JANUARY 1, 2025

SUBMITTED: June 9, 2025

CavMac
Actuarial Consulting Services

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June 9, 2025

Public Employees Retirement Board
Nebraska Public E4mployees Retirement System
Post Office Box 94816
Lincoln, NE 68509

Re: Seventy-Third Annual Actuarial Report

Dear Board Members:

At your request, we have performed an actuarial valuation of the Omaha School Employees Retirement System (OSERS) as of January 1, 2025. The major findings of the valuation are contained in this report, including the actuarial required contribution rate and the additional School District contribution for the valuation year ending December 31, 2025. There have been no changes to the actuarial methods or benefit provisions from the prior valuation, but the set of economic assumptions has changed as scheduled (see page 1 of the Executive Summary).

In preparing this report, we relied, without audit, on information (some oral and some written) supplied by staff at the Nebraska Public Employees Retirement Systems (NPERS). This information includes, but is not limited to, statutory provisions, member data and financial information. This is the first year member data is being provided by NPERS. While we found this information to be reasonably consistent and comparable with information used in prior years, we did not audit the data. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and calculate actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. 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; 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. Due to the limited scope of our report, we did not perform an analysis of the potential range of future measurements. The Board of Education has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix C based on the experience study performed in 2021.

The actuarial computations presented in this report are for purposes of determining the actuarial required contribution rate for the System, as specified in the Nebraska state statutes. The calculations in the enclosed report have been made on a basis consistent with our understanding of the System's funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. For example, actuarial computations for purposes of fulfilling financial accounting requirements for the System under Governmental Accounting Standards No. 67 and No. 68 are presented in separate reports.

The consultants who worked on this assignment are pension actuaries. Cavanaugh Macdonald Consulting's advice is not intended to be a substitute for qualified legal or accounting counsel.

This is to certify that the independent consulting actuaries have experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System. We, Patrice A. Beckham, FSA, Brent Banister, FSA, and Aaron Chochon, ASA, are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. We are available to answer any questions on the material contained in this report or to provide explanations or further details as may be appropriate.

We herewith submit the following report and look forward to discussing it with you.

Respectfully Submitted,

Cavanaugh Macdonald Consulting, LLC

Patrice A. Beckham, FSA, EA, FCA, MAAA
Consulting Actuary

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Chief Actuary

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EXECUTIVE SUMMARY

The primary purposes of performing the actuarial valuation are as follows:

- to calculate the actuarial required contribution (ARC) rate necessary to maintain the solvency of the System, as set out in the Funding Policy;
- to determine the additional School District contribution amount, if any, given the fixed statutory contribution rates for members, the School District (101% of members' contributions), and the State of Nebraska;
- to evaluate the funded status of the System and disclose various asset and liability measures as of the valuation date;
- to evaluate and disclose the key risks to funding the System pursuant to Actuarial Standard of Practice Number 51;
- to determine the actual versus expected experience of the System since the last valuation; and
- to analyze and report on trends in System contributions, assets, and liabilities over the past several years.

This report presents the results of the January 1, 2025 actuarial valuation of the Omaha School Employees Retirement System (OSERS). The actuarial valuation results provide a "snapshot" view of the System's financial condition on January 1, 2025 based on the System's membership, benefit structure, and assets on that date. Key results are shown in the following table:

($ in millions)	January 1, 2025	January 1, 2024	Change
Actuarial Accrued Liability (AAL)	$2,938.5	$2,760.0	$178.5
Actuarial Value of Assets	1,754.0	1,650.3	103.7
Unfunded AAL (UAAL)	$1,184.5	$1,109.7	$74.8
Funded Ratio	59.69%	59.79%	(0.10%)
Actuarial Required Contribution Rate	29.05%	29.36%	(0.31%)
Statutory Contribution Rate	(21.66%)	(21.66%)	0.00%
Contribution Shortfall	7.39%	7.70%	(0.31%)
Projected Payroll	$487.4	$432.4	$55.0
Additional District Contribution*	$36.4	$33.7	$2.7

* Contribution amount is calculated as of August 31.

There have been no changes to the actuarial methods or benefit provisions from the prior valuation, but the set of economic assumptions has changed as scheduled. As a result of the 2021 quadrennial experience study, the set of economic assumptions was changed and the OSERS Board at the time decided to phase in the changes over four years, beginning with the January 1, 2022 valuation. As shown in the following table, the current valuation reflects the final phase-in of the set of economic assumptions:

	2022 Valuation	2023 Valuation	2024 Valuation	Current (2025 Valuation)
Price Inflation	2.70%	2.60%	2.55%	**2.35%**
Real Return	4.70%	4.70%	4.65%	**4.65%**
Investment Return	7.40%	7.30%	7.20%	**7.00%**
General Wage Inflation	3.20%	3.10%	3.05%	**2.85%**
Covered Payroll Growth	3.20%	3.10%	3.05%	**2.85%**

The impact on the January 1, 2025 valuation results due to the scheduled changes to the set of economic assumptions was an increase in the actuarial accrued liability of $56.0 million and an increase in the actuarial required contribution rate of 1.05% of payroll.

The valuation results reflect net unfavorable actuarial experience for the 2024 plan year as demonstrated by an unfunded actuarial accrued liability that was larger than expected (called an actuarial loss), based on the results and assumptions of the prior valuation. The following factors contributed to the change in the unfunded actuarial accrued liability:

- The rate of return on the market value of assets during 2024 was 9.4%, which is greater than the assumed 7.2% return during that period. Due to the asset smoothing method, the rate of return on the actuarial value of assets was 6.4% during 2024, resulting in an actuarial loss of $13 million which increased the unfunded actuarial accrued liability.

- There was also a net actuarial loss of $30 million on liabilities, which increased the UAAL. The loss is primarily the result of actual salary increases that were higher than expected.

- The additional District contribution for calendar year 2024 was $12 million more than the actuarial required contribution amount of $33.7 million which decreased the unfunded actuarial accrued liability.

In addition to the actuarial experience during 2024, the audit of the System identified several areas of improvement in the administration of OSERS' benefits. Many of the recommended changes had no impact on the System's actuarial valuation results and some of the items with an impact were already reflected in last year's valuation. However, a few items (such as correcting the medical COLA calculation) are first being reflected in this year's valuation. This is also the first valuation for which NPERS has provided the OSERS membership data for the valuation. There were several changes to the census data layout when compared to the historical data which was compiled by OSERS staff. Given the available data and time, we were not able to quantify the impact of either the changes resulting from the audit or the census data changes. However, the small amount of unexplained experience in the System's liabilities since the prior valuation would indicate that the overall impact was not material.

Membership

Over the last decade, there have been multiple changes to the benefit structure for OSERS members although the employee contribution rate is 9.78% for all members. A summary of the key provision changes is set out in the table below:

Provision	Tier 1 (Pre July 1, 2013)	Tier 2 (July 1, 2013)	Tier 3 (July 1, 2016)	Tier 4 (July 1, 2018)
Final Average Compensation (FAC)	Average of highest 3 fiscal years	Average of highest 5 fiscal years	Average of highest 5 fiscal years	Average of highest 5 fiscal years
Benefit formula	2.0% * FAC * Years of Creditable Service	2.0% * FAC * Years of Creditable Service	2.0% * FAC * Years of Creditable Service	2.0% * FAC * Years of Creditable Service
Cost of Living Adjustment	Lesser of 1.5% and actual CPI Medical COLA starting 10 years after retirement	Lesser of 1.0% and actual CPI Medical COLA starting 10 years after retirement	Lesser of 1.0% and actual CPI No medical COLA	Lesser of 1.0% and actual CPI No medical COLA
Form of payment	5 years certain and life	5 years certain and life	5 years certain and life	5 years certain and life
Normal Retirement	35 Years of Service Age 65 and 5 Years of Omaha Service Age 62 and 10 Years of Service Rule of 85 (Min age of 55)	35 Years of Service Age 65 and 5 Years of Omaha Service Age 62 and 10 Years of Service Rule of 85 (Min age of 55)	Age 65 and 5 Years of Omaha Service Rule of 85 (Min age of 55)	Age 65 and 5 Years of Omaha Service Rule of 85 (Min age of 60)
State Service Annuity	$3.50 * Years of Service	$3.50 * Years of Service	No state service annuity	No state service annuity

Each benefit tier has a slightly lower cost than the prior tier as evidenced in a lower normal cost rate (see Exhibit 4). Over time, as current active members covered by Tiers 1 through 3 leave covered employment and are replaced by Tier 4 members the cost of the System is expected to decrease slightly. However, it is expected to take another 10 to 15 years before the impact on the valuation results is material.

The following table summarizes the System's membership, by group, in the current and prior valuation. There was a notable change in the active member count from last year, increasing from 6,713 to 7,438. As previously mentioned, this is the first year that NPERS has compiled the membership data, and while a 10.8% increase in active membership is unusual the total active count is consistent with the NPERS staff's expectations. Due to the increase in the active membership, the total projected payroll also increased by 12.7% from $432.4 million in the January 1, 2024 valuation to $487.4 million in the current valuation. The number of inactive nonvested members also increased significantly when compared to last year, from 1,657 to 2,228 (34.5%). However, based on discussions with NPERS staff, our understanding is that most of the new inactive nonvested members are owed a very small remaining balance after receiving a refund. Therefore, the increase in the inactive nonvested member count did not result in a significant increase to the System's liabilities. Finally, the number of members receiving a benefit increased slightly from 5,411 to 5,417 (0.1%).

SYSTEM MEMBERSHIP	Jan. 1, 2025	Jan. 1, 2024	% Chg
1. Active Members			
a. Certificated			
(1) Tier 1	1,838	1,855	(0.9)
(2) Tier 2	397	435	(8.7)
(3) Tier 3	271	298	(9.1)
(4) Tier 4	1,489	1,217	22.4
(5) Total	**3,995**	**3,805**	**5.0**
b. Classified			
(1) Tier 1	842	845	(0.4)
(2) Tier 2	263	275	(4.4)
(3) Tier 3	243	212	14.6
(4) Tier 4	2,095	1,576	32.9
(5) Total	**3,443**	**2,908**	**18.4**
c. Total Active Members			
(1) Tier 1	2,680	2,700	(0.7)
(2) Tier 2	660	710	(7.0)
(3) Tier 3	514	510	0.8
(4) Tier 4	3,584	2,793	28.3
(5) Total	**7,438**	**6,713**	**10.8**
2. Retirees and Disabled Members	5,137	5,125	0.2
3. Beneficiaries	280	286	(2.1)
4. Inactive Vested Members	1,592	1,628	(2.2)
5. Inactive Nonvested Members	2,228	1,657	34.5
6. Total	16,675	15,409	8.2

Assets

As of January 1, 2025, the System had total assets of $1.716 billion measured on a market value basis. This was an increase of $147 million from the prior valuation and represents an annualized net rate of return, as provided by the Nebraska Investment Council, of 9.4%.

The market value of assets is not used directly in the calculation of the unfunded actuarial accrued liability (UAAL) and actuarial required contribution rate. An asset valuation method, which smooths the effect of market fluctuations, is used to determine the value of assets used in the valuation. This amount, called the "actuarial value of assets", is equal to the expected asset value, based on the actuarial value in the prior valuation and the assumed investment return of 7.2% for 2024, plus 25% of the difference between the actual market value and the expected asset value. The resulting value must be no less than 80% of market value and no more than 120% of market value (referred to as a "corridor"). The corridor did not apply this year as the actuarial value of assets was 102% of market value. The actuarial value of assets as of January 1, 2025 was $1.754 billion, an increase of $104 million from the prior year. The components of change in the actuarial and market values of assets from January 1, 2024 to January 1, 2025 are shown in the following table.

	Asset Values ($M)	
	Market	Actuarial
Net Assets, as of January 1, 2024	$1,569.7	$1,650.3
• Beginning of Year Asset Adjustment	10.6	10.6
Adjusted Net Assets, as of January 1, 2024	$1,580.3	$1,660.8
• District, State and Member Contributions	147.5	147.5
• Benefits Payments and Refunds	(160.7)	(160.7)
• Investment Return, Net of Expenses	149.4	106.4
Preliminary Assets, January 1, 2025	$1,716.5	$1,754.0
• Application of Corridor	N/A	0.0
Final Assets, as of January 1, 2025	**$1,716.5**	**$1,754.0**

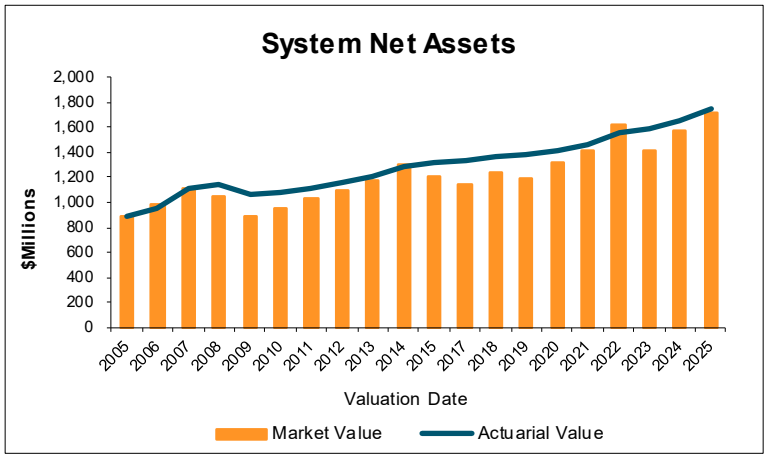
Note: Numbers may not add due to rounding.

The dollar-weighted annualized rate of return, net of investment and administrative expenses, measured on the actuarial value of assets was approximately 6.4%, which is below the assumed return of 7.2% for 2024. As a result, there was an actuarial loss of $13 million. A comparison of asset values on both the market and actuarial basis in recent valuations is shown below:

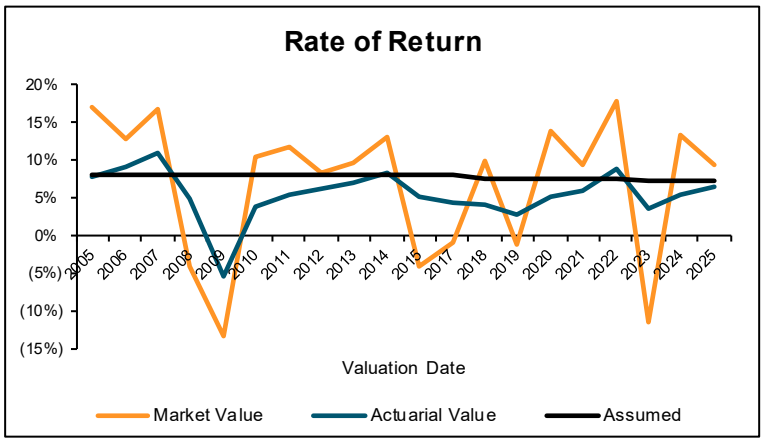
	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025
Market Value of Assets	$1,405	$1,626	$1,412	$1,570	$1,716
Actuarial Value of Assets	1,468	1,563	1,592	1,650	1,754
Actuarial Value/ Market Value	104%	96%	113%	105%	102%

EXECUTIVE SUMMARY

Due to the unfavorable investment performance during calendar year 2022, the System still has a deferred asset loss (actuarial value of assets exceeds the market value). Absent favorable investment experience in future years to offset the recognition of this deferred loss, it will work through the asset smoothing method and decrease the System's funded ratio and increase the actuarial required contribution rate over time. The recognition of the deferred investment loss in future years would be expected to increase the additional School District contributions as well if no other changes were made.



With the use of an asset smoothing method, the actuarial value is expected to be both above and below the market value of assets over a long period of time. However, for most of this period, the actuarial value of assets has exceeded the market value of assets.



The historical estimated rate of return on both the actuarial and market value of assets is shown in this graph. The asset smoothing method mitigates the volatility of market value returns as shown in the rates of return on the actuarial versus market value of assets.

Liabilities

The actuarial accrued liability is that portion of the present value of future benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and asset values at the same date is referred to as the unfunded actuarial accrued liability. The unfunded actuarial accrued liability will be reduced if the employer's contributions exceed the employer's normal cost for the year, after allowing for interest on the prior balance of the unfunded actuarial accrued liability. Benefit improvements, experience gains and losses, and changes in actuarial assumptions and methods also impact the total actuarial accrued liability and the unfunded portion thereof.

The unfunded actuarial accrued liability as of January 1, 2025 is shown below:

Actuarial Accrued Liability	$ 2,938,452,246
Actuarial Value of Assets	1,753,983,104
Unfunded Actuarial Accrued Liability	$ 1,184,469,142

Numerous factors contributed to the change in the System's UAAL during the 2024 plan year. The components are examined in the following discussion.

Actuarial gains (or losses) result from actual experience that is more (or less) favorable than anticipated based on the actuarial assumptions. These "experience" (or actuarial) gains or losses are reflected in the UAAL and are measured as the difference between the expected unfunded actuarial accrued liability and the actual unfunded actuarial accrued liability, taking into account any changes due to assumption, method or benefit provision changes. Overall, the System experienced an actuarial loss of $42.9 million. The investment return on the actuarial value of assets of 6.4% was lower than the assumed return of 7.2% for 2024, resulting in an actuarial loss of $12.5 million. There was also a net actuarial loss of $30.4 million on the actuarial accrued liability, primarily due to larger salary increases than expected by the actuarial assumptions. Exhibit 9 shows a breakdown of the various sources of liability experience during the 2024 plan year.

The change in the unfunded actuarial accrued liability between January 1, 2024 and January 1, 2025 is shown in the following table (in millions):

Change in Unfunded Actuarial Accrued Liability ($M)	
Unfunded Actuarial Accrued Liability, January 1, 2024	$1,110
• Expected Change in UAAL	
- Amortization Method	7
- Contributions greater than the actuarial required contribution	(12)
• Investment Experience	13
• Liability Experience	30
• Assumption Changes	56
• Other Experience	(20)
Unfunded Actuarial Accrued Liability, January 1, 2025	$1,184

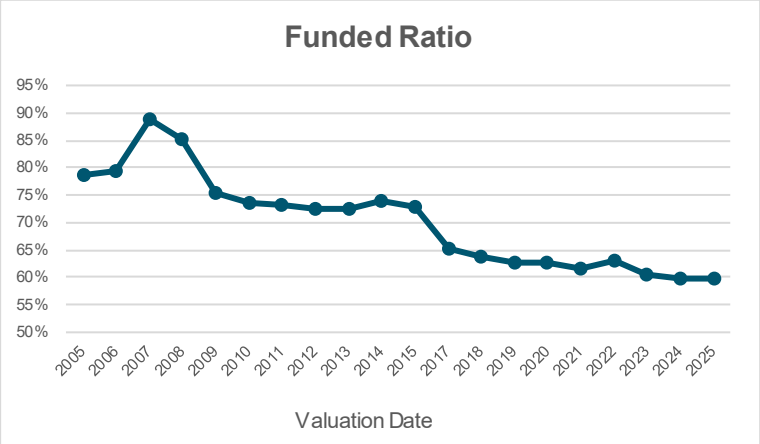
As shown above, various components impacted the dollar amount of the UAAL, which is amortized as a level-percent of payroll. This methodology results in UAAL payment amounts that are lower in the early part of the amortization period but increase each year in the future with the assumed payroll growth assumption. Given the current amortization policy and the actuarial assumptions, the UAAL amortization payment is first expected to be greater than the interest on the UAAL beginning in calendar year 2027. As a result, even if all assumptions had been met the dollar amount of the UAAL was expected to increase during the prior year, as evidenced in the first row in the table above.

EXECUTIVE SUMMARY

An evaluation of the unfunded actuarial accrued liability on a pure-dollar basis may not provide a complete analysis since only the difference between the assets and liabilities (which are both large numbers) is reflected. Another way to evaluate the unfunded actuarial accrued liability and the progress made in its funding is to track the funded status, the ratio of the actuarial value of assets to the actuarial accrued liability. Note that the funded ratio does not necessarily indicate whether or not additional funding is needed, nor does it indicate whether or not the plan has sufficient funds to settle all current obligations.

The funded status of OSERS is shown below (in millions):

	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24	1/1/25
Actuarial Value of Assets:						
Funded Ratio (AVA/AAL)	63%	62%	63%	61%	60%	60%
Unfunded AAL (AAL - AVA)	$848	$914	$913	$1,035	$1,110	$1,184
Market Value of Assets:						
Funded Ratio (MVA/AAL)	58%	59%	66%	54%	57%	58%
Unfunded AAL (AAL - MVA)	$942	$976	$850	$1,214	$1,190	$1,222



Changes in actuarial assumptions and methods, coupled with investment returns below the assumed rate and contributions below the actuarial required contribution rate significantly reduced the funded ratio over much of this period. However, with the Board's current funding policy and the statutory requirement for the full actuarial required contribution to be made, the funded ratio is expected to increase in the future, assuming all assumptions are met.

Contributions

The actuarial required contribution rate for the System consists of:

- a "normal cost" for the portion of projected liabilities allocated by the actuarial cost method to service of members during the year following the valuation date,
- an "administrative expense" load for the expenses expected to be paid from the trust during the year following the valuation date,
- an "unfunded actuarial accrued liability contribution" for the excess of the portion of projected liabilities allocated to service to date over the actuarial value of assets.

The actuarial required contribution rate is computed based on the System's funding policy. On that basis, the actuarial required contribution rate (Item 4 in the following table) is equal to the sum of the normal cost rate, the administrative expense rate, and the amortization payment on the UAAL. Effective with the January 1, 2019 valuation, OSERS amortizes the UAAL using a "layered" amortization approach. Under this method, the UAAL is split into multiple pieces; the first piece (legacy UAAL) is amortized, as a level-percent of pay, over a closed 30-year period beginning with the January 1, 2019 valuation (24 years remain as of the January 1, 2025 valuation). Beginning January 1, 2022, UAAL bases that result from actuarial experience are amortized, as a level-percent of pay, over a new 25-year closed period commencing on the respective valuation date. UAAL bases established prior to January 1, 2022 continue to be amortized over a closed 30-year period.

Please note that the use of closed amortization periods, coupled with the System's practice of contributing at least the full actuarial required contribution each year, will result in the plan being fully funded at or before the end of the amortization period, if all actuarial assumptions are met. The funding policy is intended to promote stable contributions, balance cost among generations of members, and ensure adequate advance funding of benefits. The amortization schedule will fully fund the UAAL within 26 years. In our opinion, the amortization policy meets the requirements of Actuarial Standard of Practice Number 4.

The actuarial required contribution rate for the plan year ending December 31, 2025, and the resulting additional School District contribution, is computed based on the January 1, 2025 actuarial valuation. The ongoing, fixed contributions to the System are set by state statute and are shown below in item 5, "Statutory Contribution Rate". They include the member contribution rate of 9.78%, the State contribution rate of 2.00%, and the School District contribution rate which is 101% of the member contribution rate.

Based on the results of this valuation, the District's additional contribution for the 2025 plan year is 7.39%, or $36.4 million, as shown in the table below:

Contribution Rate	Actuarial Valuation 1/1/2025	1/1/2024
1. Normal Cost	12.94%	12.74%
2. Administrative Expenses	0.24%	0.24%
3. UAAL Contribution	15.87%	16.38%
4. Actuarial Required Contribution Rate	29.05%	29.36%
5. Statutory Contribution Rate	21.66%	21.66%
6. Contribution Shortfall / (Margin) (4)-(5)	7.39%	7.70%
7. Additional District Contribution ($M)	$36.4	$33.7

Various factors resulted in a net decrease in the actuarial required contribution rate from the prior valuation. Overall, the actuarial required contribution rate has decreased by 0.31%, as shown in the following table.

Actuarial Required Contribution Rate	
Actuarial Required Contribution Rate as of January 1, 2024	29.36%
• Contributions Different Than Actuarial Rate	(0.16%)
• Investment Experience	0.16%
• Liability Experience	0.40%
• Change in Normal Cost Rate	(0.09%)
• Payroll Growth Different Than Expected	(1.45%)
• Assumption Changes	1.05%
• Other Experience	(0.22%)
Actuarial Required Contribution Rate as of January 1, 2025	29.05%

As discussed earlier, the difference in the actuarial required contribution rate and the statutory contribution rate results in a contribution shortfall for 2025 of 7.39% of covered payroll, or $36.4 million. Due to the favorable investment experience on the market value of assets for the year ending December 31, 2024, the $80.6 million of deferred investment loss (actuarial value exceeds the market value of assets) in the prior valuation has decreased to $37.5 million in the current valuation. Absent favorable investment experience in future years to offset the recognition of the deferred investment loss, the actuarial required contribution rate is expected to increase as the deferred investment experience is reflected through the asset smoothing method. If this occurs, the System's funded status is expected to decrease, and the actuarial required contribution rate shortfall is expected to increase. The following table illustrates the impact of the deferred investment experience on the District's additional contribution, if all assumptions are met in the future ($ in millions):

Year Ended December 31,	Total Payroll	Actuarial Required Contribution	Member and State Statutory	District Statutory	District Additional	District Additional (August 31)
2025	$487.4	29.05%	11.78%	9.88%	7.39%	$36.4
2026	501.5	29.10%	11.78%	9.88%	7.44%	37.7
2027	516.0	29.14%	11.78%	9.88%	7.48%	39.0
2028	530.3	29.16%	11.78%	9.88%	7.50%	40.2
2029	544.8	29.16%	11.78%	9.88%	7.50%	41.3
2030	559.5	29.16%	11.78%	9.88%	7.50%	42.4
2031	574.3	29.15%	11.78%	9.88%	7.49%	43.5

Favorable/unfavorable experience such as future investment returns above/below the assumed rate of return will decrease/increase the amount of the additional District Contribution.

Comments

The System's unfunded actuarial accrued liability increased from $1.110 billion in the January 1, 2024 valuation to $1.184 billion in the January 1, 2025 actuarial valuation, the funded ratio held steady at 60%, and the Actuarial Required Contribution Rate decreased from 29.36% to 29.05%. Net unfavorable experience occurred during the 2024 valuation year, the result of a $12.5 million actuarial loss on assets and a $30.4 million net actuarial loss on liabilities. This experience increased the unfunded actuarial accrued liability and the payment thereon and increased the Actuarial Required Contribution Rate by 0.56%. However, the contribution rate increase was more than offset by larger than expected covered payroll, which served to decrease the Actuarial Required Contribution Rate by 1.45%. The additional contribution made by the School District in 2024 was $45.5 million, $11.8 million higher than the additional actuarial required contribution of $33.7 million. The higher contribution by the District served to decrease the unfunded actuarial accrued liability more quickly than scheduled by the System's funding policy.

The Nebraska statutes provide that the School District shall contribute the greater of (a) one hundred and one percent of the contributions made by the employees or (b) such amount as may be necessary to maintain the solvency of the System, as determined annually by the Board of Education upon recommendation of the actuary. The Omaha School Board of Education adopted a Funding Policy that sets the criteria for determining the contribution amount necessary to maintain the solvency of the System. On this basis, the Actuarial Required Contribution Rate for the valuation year ending December 31, 2025 is 29.05% of payroll. The total of contributions expected to be paid by members, the State, and the School District is 21.66% of payroll, so the Actuarial Required Contribution Rate for 2025 exceeds the statutory contribution rates by 7.39% of payroll, or $36.4 million. This contribution shortfall of $36.4 million represents the additional required contribution by the School District needed for the 2025 plan year. Given the System's current funded status and statutory contribution rates, an additional District contribution is expected to be needed for many years.

The deferred investment loss (actuarial value less market value of assets) is $37.5 million as of January 1, 2025. Absent favorable investment experience in future years, the deferred investment loss will eventually be reflected in the actuarial value of assets in future years. While the use of an asset smoothing method is common for public retirement systems, it is important to identify the potential impact of the deferred investment experience. This is accomplished by comparing the key valuation results using both the actuarial and market value of assets:

	Using Actuarial Value of Assets	Using Market Value of Assets
Actuarial Accrued Liability	$2,938,452,246	$2,938,452,246
Asset Value	1,753,983,104	1,716,450,237
Unfunded Actuarial Accrued Liability	$1,184,469,142	$1,222,002,009
Funded Ratio	59.69%	58.41%
Normal Cost Rate	12.94%	12.94%
Administrative Expense Rate	0.24%	0.24%
UAAL Contribution Rate	15.87%	16.36%
Actuarial Required Contribution Rate	29.05%	29.54%
Total Statutory Contribution Rate	(21.66%)	(21.66%)
Contribution Shortfall	7.39%	7.88%
Additional District Contribution	$36,424,129	$38,839,261

A typical retirement plan faces many different risks. The term "risk" is most commonly associated with an outcome with undesirable results. However, in the actuarial world risk can be translated as uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. Actuarial Standard of Practice Number 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions. Risk evaluation is an important part of managing a defined benefit plan. Please see the Risk Considerations section of this report for an in-depth discussion of the specific risks facing OSERS.

We conclude this executive summary by presenting comparative statistics and actuarial information from both the January 1, 2024 and January 1, 2025 valuations.

EXECUTIVE SUMMARY

	Jan. 1, 2025	Jan. 1, 2024	% Chg
SYSTEM MEMBERSHIP			
1. Active Membership			
a. Number of Members			
i. Tier 1	2,680	2,700	(0.7)
ii. Tier 2	660	710	(7.0)
iii. Tier 3	514	510	0.8
iv. Tier 4	3,584	2,793	28.3
v. Total	7,438	6,713	10.8
b. Projected Payroll for Upcoming Calendar Year	$487.4M	$432.4M	12.7
c. Average Projected Salary	65,523	64,419	1.7
2. Inactive Membership			
a. Number Not in Pay Status	3,820	3,285	16.3
b. Number of Retirees/Beneficiaries/Disableds	5,417	5,411	0.1
c. Total Annual Benefits in Pay	$151.2M	$148.6M	1.7
ASSETS AND LIABILITIES			
1. Net Assets			
a. Market Value	$1,716M	$1,570M	9.3
b. Actuarial Value	1,754M	1,650M	6.3
2. Projected Liabilities			
a. Retired Members	$1,585M	$1,551M	2.2
b. Inactive Members	115M	99M	16.2
c. Active Members	1,789M	1,595M	12.2
d. Total Liability	3,488M	3,244M	7.5
3. Actuarial Accrued Liability (AAL)	$2,938M	$2,760M	6.4
4. Unfunded Actuarial Accrued Liability	$1,184M	$1,110M	6.7
5. Funded Ratio			
a. Actuarial Value Assets/AAL	59.69%	59.79%	(0.2)
b. Market Value Assets/AAL	58.41%	56.87%	2.7
SYSTEM CONTRIBUTIONS			
1. Actuarial Required Contribution Rate	29.05%	29.36%	(1.1)
2. Statutory Contribution Rate			
a. Member Contribution Rate	9.78%	9.78%	0.0
b. Employer Contribution Rate	9.88%	9.88%	0.0
c. State Contribution Rate	2.00%	2.00%	0.0
d. Total	21.66%	21.66%	0.0
3. Contribution Shortfall/(Margin) (1.) - (2.d.)	7.39%	7.70%	(4.0)
4. Additional District Contribution*	$36,424,129	$33,686,180	8.1

M = ($)Millions
Numbers may not add due to rounding.
* Contribution amount is calculated as of August 31

HISTORICAL CHANGES IN THE OSERS UNFUNDED ACTUARIAL ACCRUED LIABILITY

(dollars in millions)

	Valuation Date											
	9/1/03	9/1/04	9/1/05	9/1/06	9/1/07	9/1/08	9/1/09	9/1/10	9/1/11	9/1/12	9/1/13	9/1/14
Prior Valuation UAAL	163	191	223	240	246	138	198	349	390	406	437	455
Amortization Method	4	5	6	7	5	3	4	6	2	8	9	10
Actual Contributions												
Less than ARC	0	0	2	0	3	0	0	2	4	0	2	0
More than ARC	0	0	0	(2)	0	(7)	(2)	0	0	(4)	0	(4)
Actual vs Expected Experience												
Investment	27	23	1	(10)	(29)	33	151	42	26	20	12	(6)
Salary	(5)	(6)	(1)	4	1	1	0	(13)	(15)	(12)	(6)	(8)
Retirement	3	0	3	2	2	3	(2)	(4)	(1)	4	4	6
Mortality	2	5	4	3	3	1	(2)	0	(2)	2	(2)	(1)
Termination of Employment	(4)	(1)	2	3	1	7	2	3	2	0	1	(1)
Other	1	3	0	(1)	(3)	(1)	0	0	0	13	(8)	(5)
Benefit Changes	0	0	0	0	(3)[2]	0	0	0	0	0	(4)	0
Assumption Changes	0	0	0	0	0	20	0	0	0	0	10	0
Change to Actuarial Methods	0	3[1]	0	0	(88)[3]	0	0	5	0	0	0	0
Data Refinement	0	0	0	0	0	0	0	0	0	0	0	0
Total Change for Year End	28	32	17	6	(108)	60	151	41	16	31	18	(9)
UAAL on Valuation Date	**191**	**223**	**240**	**246**	**138**	**198**	**349**	**390**	**406**	**437**	**455**	**446**

[1]Included part-time members who are vested
[2]Increase in member contribution rate
[3]Actuarial asset value reset to market value

HISTORICAL CHANGES IN THE OSERS UNFUNDED ACTUARIAL ACCRUED LIABILITY (CONT.)

(dollars in millions)

	Valuation Date										
	9/1/15	1/1/17	1/1/18	1/1/19	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24	1/1/25	Total
Prior Valuation UAAL	446	486	713	771	814	848	914	913	1,035	1,110	
Amortization Method	9	12	7	7	12	11	11	10	8	7	163
Actual Contributions											
Less than ARC	0	0	3	0	0	0	0	0	0	0	16
More than ARC	(5)	(4)	0	0	(3)	(2)	(2)	(8)	(5)	(12)	(60)
Actual vs Expected Experience											
Investment	34	63	44	62	31	21	(21)	60	27	13	624
Salary	(3)	*	3	(29)	(12)	(10)	19	62	43	19	32
Retirement	9	*	7	6	8	8	5	3	(1)	(4)	61
Mortality	2	*	(1)	6	6	(4)	(1)	(3)	(4)	(6)	8
Termination of Employment	(2)	*	(1)	(6)	(8)	(5)	(13)	(23)	(20)	(2)	(65)
Other	(4)	(6)	(4)	(3)	0	(2)	1	(4)	(2)	3	(21)
Benefit Changes	0	0	0	0	0	0	0	0	0	0	(7)
Assumption Changes	0	138	0	0	0	0	0	25	29	56	278
Change to Actuarial Methods	0	0	0	0	0	0	0	0	0	0	(80)
Data Refinement	0	0	0	0	0	49	0	0	0	0	49
Total Change for Year End	40	227*	58	43	34	66	(1)	122	75	74	
UAAL on Valuation Date	**486**	**713**	**771**	**814**	**848**	**914**	**913**	**1,035**	**1,110**	**1,184**	

* Not calculated. Total liability experience was a $24 million loss, which is included in the total change at year end.

Note: Although a total column is shown, the amounts in each year are not additive because they are calculated on each valuation date and, therefore, represent a value at a different point in time.

SUMMARY OF FUND ACTIVITY
(Market Value Basis)

For Year Ended December 31, 2024

1. Market Value of Assets, January 1, 2024	$	1,569,697,000
2. Beginning of Year Asset Adjustment		10,580,697
3. Adjusted Market Value of Assets, January 1, 2024	$	1,580,277,697
4. Contributions		
(a) Member	$	45,530,864
(b) School District payroll-related contributions		45,984,856
(c) School District additional contributions		45,481,856
(d) State service annuity receipts		1,899,886
(e) State appropriations		8,639,634
(f) Total	$	147,537,096
5. Expenditures		
(a) Retirement benefits	$	149,833,772
(b) Refunds to employees		7,855,604
(c) Administrative expenses		2,975,652
(d) Total	$	160,665,028
6. Investment Return, Net of Expenses		
(a) Investment income	$	33,934,389
(b) Securities lending income		2,983,394
(c) Securities lending expense		(2,853,545)
(d) Net appreciation/(depreciation) in fair value of investments		112,295,753
(e) Other		2,940,481
(f) Net investment return	$	149,300,472
7. Market Value of Assets, January 1, 2025 [3 + 4(f) - 5(d) + 6(f)]	$	1,716,450,237

ACTUARIAL VALUE OF NET ASSETS

As of January 1, 2025

1.	Actuarial Value of Assets as of January 1, 2024	$	1,650,252,000
2.	Beginning of Year Asset Adjustment		10,580,697
3.	Adjusted Actuarial Value of Assets as of January 1, 2024	$	1,660,832,697
4.	Actual Contributions/Disbursements		
	a. Contributions	$	147,537,096
	b. Benefit payments and administrative expenses		(160,665,028)
	c. Net change	$	(13,127,932)
5.	Expected Value of Assets as of January 1, 2025	$	1,766,494,060
6.	Market Value of Assets as of January 1, 2025	$	1,716,450,237
7.	Difference between Market and Expected Values (6) – (5)	$	(50,043,823)
8.	Initial Actuarial Value of Assets as of January 1, 2025 (5) + [(7) x 25%]	$	1,753,983,104
9.	Corridor as of January 1, 2025		
	a. 120% of Market Value of Assets as of January 1, 2025	$	2,059,740,284
	b. 80% of Market Value of Assets as of January 1, 2025	$	1,373,160,190
10.	Final Actuarial Value of Assets as of January 1, 2025* (8), but not greater than (9a), nor less than (9b)	$	1,753,983,104
11.	Actuarial value divided by market value (10) / (6)		102.2%
12.	Market value less actuarial value	$	(37,532,867)

* The estimated annual rate of return on the actuarial value of assets during 2024 is about 6.4%.

ACTUARIAL BALANCE SHEET

As of January 1, 2025

ASSETS

Actuarial Value of Assets		$ 1,753,983,104
Present Value of Contributions for Unfunded Actuarial Accrued Liability		1,184,469,142
Present Value of Future Normal Costs		549,615,570
Total Assets		**$ 3,488,067,816**

LIABILITIES

Present Value of Future Benefits		
Retirees, Beneficiaries, and Disableds		$ 1,584,574,679
Inactive Vesteds		100,100,318
Inactive Nonvesteds		14,432,831
Active Members		
Retirement benefits	$ 1,692,346,066	
Termination benefits	84,125,866	
Death benefits	12,488,056	
		1,788,959,988
Total Liabilities		**$ 3,488,067,816**

NORMAL COST RATE

As of January 1, 2025

	Tier 1	Tier 2	Tier 3	Tier 4	Total
1. Normal Cost Amount					
a. Retirement	$23,184,731	$4,522,163	$3,031,013	$17,203,449	$47,941,356
b. Termination	4,661,957	920,821	607,969	3,582,964	9,773,711
c. Mortality	232,639	45,657	34,781	221,472	534,549
d. Total	$28,079,327	$5,488,641	$3,673,763	$21,007,885	$58,249,616
2. Expected Payroll for Current Actives During 2025	$207,157,145	$41,464,854	$28,854,268	$172,531,048	$450,007,315
3. Normal Cost Rate (1.d.) ÷ (2)	13.55%	13.24%	12.73%	12.18%	12.94%

UNFUNDED ACTUARIAL ACCRUED LIABILITY

As of January 1, 2025

1. Present Value of Future Benefits	$	3,488,067,816
2. Present Value of Future Normal Costs	$	549,615,570
3. Actuarial Accrued Liability (1) – (2)	$	2,938,452,246
4. Actuarial Value of Assets	$	1,753,983,104
5. Unfunded Actuarial Accrued Liability (3) – (4)	$	1,184,469,142

AMORTIZATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)

We believe the use of the layered amortization policy, with new bases over 25 years and the remainder of the legacy base over 24 years, complies with Actuarial Standard of Practice Number 4. This policy will fully amortize the individual as well as the total unfunded actuarial accrued liability within a reasonable timeframe and/or reduce the amount of the UAAL by a reasonable amount within a sufficiently short period.

Amortization Bases	Original Amount	1/1/2025 Remaining Payments	Date of Last Payment	Outstanding Balance as of 1/1/2025	Annual Contribution*
2019 UAAL Base	$ 814,069,000	24	1/1/2048	$ 867,677,522	$ 56,786,145
2020 Experience Base	21,863,793	25	1/1/2049	23,116,730	1,476,744
2021 Experience Base	54,475,149	26	1/1/2050	57,051,044	3,562,695
2022 Assumption Change Base	130,000	22	1/1/2046	131,930	9,108
2022 Experience Base	(11,662,141)	22	1/1/2046	(11,835,186)	(817,030)
2023 Assumption Change Base	24,662,000	23	1/1/2047	24,926,882	1,674,009
2023 Experience Base	87,006,970	23	1/1/2047	87,941,469	5,905,864
2024 Assumption Change Base	29,221,000	24	1/1/2048	29,391,829	1,923,582
2024 Experience Base	37,667,274	24	1/1/2048	37,887,480	2,479,589
2025 Assumption Change Base	56,045,503	25	1/1/2049	56,045,503	3,580,301
2025 Experience Base	12,133,939	25	1/1/2049	12,133,939	775,141
Total				**$ 1,184,469,142**	**$ 77,356,148**

* Contribution amount reflects mid-year timing.

1. Total UAAL Amortization Payments	$ 77,356,148
2. Projected Payroll for plan year ending December 31, 2025	$ 487,357,265
3. UAAL Amortization Payment Rate	15.87%

ANALYSIS OF CONTRIBUTION RATE

The System is financed by contributions from the members, the School District and the State. Effective September 1, 2013, the members contribute 9.78% of pay. The District is obligated to pay the greater of (a) one hundred and one percent of the member contributions or (b) such amount as may be necessary to maintain the solvency of the System. Under the Funding Policy adopted by the OSERS Board of Trustees in May 2013, the Actuarial Required Contribution Rate (ARC) is the normal cost rate, the administrative expense rate, plus the contribution necessary to amortize the UAAL. Effective July 1, 2014, the State of Nebraska contributes 2.0% of pay.

1. Normal Cost Rate	12.94%
2. Administrative Expenses	0.24%
3. UAAL Contribution Rate	15.87%
4. Actuarial Required Contribution Rate (1) + (2) + (3)	29.05%
5. Statutory Contribution Rate:	
(a) Member	9.78%
(b) District	9.88%
(c) State	2.00%
(d) Total	21.66%
6. Contribution Shortfall (4) - (5d)	7.39%
7. Additional District Contribution at August 31, 2025 (6) * $487,357,265 * (1.07 ^ (2/12))	$ 36,424,129

PROJECTION OF ADDITIONAL DISTRICT CONTRIBUTIONS

The projections below are based on the open group projection model prepared in conjunction with the January 1, 2025 actuarial valuation. It is assumed that all actuarial assumptions are met each year in the future, including the assumed rate of return on the market value of assets. The projections also assume the number of active members remains constant in the future. To the extent actual experience differs from that assumed, the actual valuation results in future years will also differ and the additional contribution required by the District will vary from the amounts shown below. The projections are not intended to predict the specific amount of the additional District contributions in the future, but rather to indicate the general trend and magnitude of such contributions if the actuarial assumptions are met.

Year Ended December 31,	Total Payroll	Actuarial Required Contribution	Member and State Statutory	District Statutory	District Additional	District Additional (August 31)
2025	$487,357,265	29.05%	11.78%	9.88%	7.39%	$36,424,129
2026	501,532,825	29.10%	11.78%	9.88%	7.44%	37,737,193
2027	515,977,984	29.14%	11.78%	9.88%	7.48%	39,032,832
2028	530,293,119	29.16%	11.78%	9.88%	7.50%	40,223,009
2029	544,821,461	29.16%	11.78%	9.88%	7.50%	41,324,991
2030	559,522,462	29.16%	11.78%	9.88%	7.50%	42,440,069
2031	574,305,087	29.15%	11.78%	9.88%	7.49%	43,503,257
2032	589,024,543	29.15%	11.78%	9.88%	7.49%	44,618,247
2033	604,029,684	29.14%	11.78%	9.88%	7.48%	45,693,789
2034	619,255,645	29.13%	11.78%	9.88%	7.47%	46,782,979
2035	634,147,915	29.14%	11.78%	9.88%	7.48%	47,972,181

Favorable/unfavorable experience such as future investment returns above/below the assumed rate of return will decrease/increase the amount of the additional District Contribution.

CALCULATION OF ACTUARIAL GAIN/(LOSS)

The overall actuarial gain/(loss) is comprised of both a liability gain/(loss) and an actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of January 1, 2025.

1.	Expected Actuarial Accrued Liability		
	a. Actuarial Accrued Liability as of January 1, 2024	$	2,760,001,000
	b. Normal Cost for 2024		50,944,000
	c. Benefit payments during 2024		(157,689,376)
	d. Additional liability for state service annuities and service purchases		1,899,886
	e. Interest on a., b., c., and d. to end of year		196,877,091
	f. Assumption changes		56,045,503
	g. Expected Actuarial Accrued Liability	$	2,908,078,104
2.	Actuarial Accrued Liability as of January 1, 2025	$	2,938,452,246
3.	Liability Gain/(Loss) (1.g.) – (2)	$	(30,374,142)
4.	Liability Gain/(Loss) as a Percent of Actuarial Accrued Liability		(1.03%)
5.	Expected Actuarial Value of Assets		
	a. Adjusted actuarial value of assets as of January 1, 2024	$	1,660,832,697
	b. Contributions during 2024 (including state service annuities and service purchases)		147,537,096
	c. Benefit payments and administrative expenses during 2024		(160,665,028)
	d. Interest on a., b., and c. to end of year		118,789,295
	e. Expected actuarial value of assets	$	1,766,494,060
6.	Actuarial Value of Assets as of January 1, 2025	$	1,753,983,104
7.	Asset Gain/(Loss) (6) – (5.e.)	$	(12,510,956)
8.	Asset Gain/(Loss) as a Percent of Actuarial Value of Assets		(0.71%)
9.	Overall Actuarial Gain/(Loss) (3) + (7)	$	(42,885,098)

EXHIBIT 9 – CALCULATION OF ACTUARIAL GAIN/(LOSS)

Gain/(Loss) By Source

The System experienced a net actuarial loss on liabilities of $30.4 million during the plan year ended December 31, 2024. The major components of this overall loss are shown below:

Liability Sources	$Millions
Salary Increases	$ (18.8)
Mortality	5.7
Terminations	2.4
Retirements	4.1
Disability	0.0
New Entrants/Rehires	(17.1)
Miscellaneous	(6.7)
Total Liability Gain/(Loss)	**$ (30.4)**
Asset Gain/(Loss)	**$ (12.5)**
Net Actuarial Gain/(Loss)	**$ (42.9)**

Note: Numbers may not add due to rounding.

Comments

The purpose of conducting an actuarial valuation of a retirement system is to determine the costs and liabilities for the benefits under the system, to determine the annual level of contribution required to support these benefits and, finally, to analyze the system's overall experience as it compares with the actuarial assumptions used in the valuation. The costs and liabilities of a retirement system reported in the valuation depend not only upon the level of benefits provided, but also upon factors such as investment return on invested funds, mortality rates for active and retired members, withdrawal rates among active members, rates at which salaries increase, and rates of retirement for ages at which members retire. The actuarial assumptions employed as to these and other contingencies in the current valuation are set forth in Appendix C of this report.

Net demographic actuarial experience for the year was a loss of $30.4 million, about 1.0% of the actuarial accrued liability. The largest source of unfavorable experience was an $18.8 million loss due to higher salary increases than expected for continuing active members.

Another significant contributor of negative experience for the year ending December 31, 2024 was the investment experience. The rate of return on the market value of assets during 2024 was 9.4%, which is greater than the assumed 7.2% return during that period. Due to the asset smoothing method, the rate of return on the actuarial value of assets was 6.4% during 2024, resulting in an experience loss of $12.5 million. As of January 1, 2025, there is a deferred investment loss of $37.5 million. Absent favorable investment experience, the deferred loss will flow through the valuation over the next few years and increase both the UAAL and the actuarial required contribution rate. Our analysis shows that a return of about 9.0% on the market value of assets would result in a 7.0% return on the actuarial value of assets and eliminate the deferred losses.

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

HISTORICAL FUNDING INFORMATION

Year Ending	Actuarial Required Employer Contribution (a)	Total Employer Contribution* (b)	Percentage of ARC Contribution (b) / (a)
8/31/2006	$24,311,628	$26,766,000	110.10%
8/31/2007	28,143,388	24,981,000	88.76%
8/31/2008	19,491,557	26,162,000	134.22%
8/31/2009	24,103,114	25,918,000	107.53%
8/31/2010	30,900,224	29,182,000	94.44%
8/31/2011	34,180,566	30,255,000	88.52%
8/31/2012	32,957,547	37,109,000	112.60%
8/31/2013	35,032,074	33,623,000	95.98%
8/31/2014	34,225,147	38,198,000	111.61%
8/31/2015	34,614,093	39,562,000	114.29%
8/31/2016	37,665,061	40,564,000	107.70%
12/31/2016**	12,836,281	13,861,000	107.98%
12/31/2017	57,941,493	55,145,000	95.17%
12/31/2018	63,111,681	63,112,000	100.00%
12/31/2019	61,699,371	64,755,000	104.95%
12/31/2020	63,114,251	64,646,000	102.43%
12/31/2021	67,216,627	69,162,000	102.89%
12/31/2022	70,210,926	77,892,000	110.94%
12/31/2023	80,432,198	85,432,000	106.22%
12/31/2024	88,310,670	100,106,346	113.36%

* Includes State and School District contributions.

** For the short Plan Year from September 1, 2016 through December 31, 2016.

Note: The Total Employer Contribution for fiscal year ending 8/31/2014 was changed because during our work on the GASB reports, we discovered the Service Annuity contribution was different from the initial amount reported to us. This figure now matches the number found in the GASB reports.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)		UAAL as a Percentage of Covered Payroll [(b - a)/c]
9/1/2005	$887,165,000		$1,126,967,000	$239,802,000	78.72%	$231,708,783		103.49%
9/1/2006	948,938,000		1,195,354,000	246,416,000	79.39%	248,759,070		99.06%
9/1/2007	1,117,628,000	*	1,255,527,000	137,899,000	89.02%	272,844,149		50.54%
9/1/2008	1,149,289,000		1,346,999,000	197,710,000	85.32%	272,720,007		72.50%
9/1/2009	1,061,326,000		1,410,318,000	348,992,000	75.25%	287,770,291		121.27%
9/1/2010	1,078,269,000		1,467,850,000	389,581,000	73.46%	302,229,282		128.90%
9/1/2011	1,110,033,000		1,516,284,000	406,251,000	73.21%	310,228,916		130.95%
9/1/2012	1,155,495,000		1,592,738,000	437,243,000	72.55%	307,258,065		142.30%
9/1/2013	1,205,265,000		1,660,287,000	455,022,000	72.59%	313,946,237		144.94%
9/1/2014	1,277,546,000		1,723,970,000	446,424,000	74.10%	323,077,710		138.18%
9/1/2015	1,312,905,000		1,798,706,000	485,801,000	72.99%	333,166,135		145.81%
1/1/2017	1,337,983,000		2,050,581,000	712,598,000	65.25%	351,940,122	**	202.48%
1/1/2018	1,365,013,000		2,136,385,000	771,372,000	63.89%	359,359,507		214.65%
1/1/2019	1,378,824,000		2,192,893,000	814,069,000	62.88%	375,598,301		216.74%
1/1/2020	1,417,961,000		2,265,653,000	847,692,000	62.59%	364,799,331		232.37%
1/1/2021	1,467,834,000		2,381,356,000	913,522,000	61.64%	364,310,430		250.75%
1/1/2022	1,562,787,000		2,476,073,000	913,286,000	63.12%	381,926,844		239.13%
1/1/2023	1,591,983,000		2,626,546,000	1,034,563,000	60.61%	413,799,805		250.02%
1/1/2024	1,650,252,000		2,760,001,000	1,109,749,000	59.79%	437,355,849		253.74%
1/1/2025	1,753,983,104		2,938,452,246	1,184,469,142	59.69%	465,550,757		254.42%

* The actuarial value of assets was reset to market value as of 9/1/2007.
** Covered Payroll was annualized for the short Plan Year in 2016.

SOLVENCY TEST

A short-term solvency test, which is one method of determining a system's progress under its funding program, compares the plan's present assets with: 1) the liability for active member contributions on deposit; 2) the liability for future benefits to present retirees; and (3) the liability for service already rendered by active members. In a system that has been following the level-percent of payroll financing discipline, the obligation for active member contributions on deposit (Item 1) and the liabilities for future benefits to present retired lives (Item 2) will be fully covered by present assets with the exception of rare circumstances. The obligation for service already rendered by active members (Item 3) will be partially covered by the remainder of present assets. Absent any significant benefit changes, if the system has been using level cost financing, the funded portion of Item 3 usually will increase over a period of time.

Actuarial Valuation*	Active Member Contributions (1)	Retirees, Beneficiaries, and Inactives (2)	Active Members Employer Financed Portion (3)	Actuarial Value of Assets	Portion of Liabilities Covered by Assets (1)	(2)	(3)
2012	$249,903,000	$955,399,000	$387,436,000	$1,155,495,000	100%	95%	0%
2013	272,347,000	1,001,953,000	385,987,000	1,205,265,000	100%	93%	0%
2014	281,672,000	1,058,156,000	384,142,000	1,277,546,000	100%	94%	0%
2015	292,731,000	1,129,399,000	376,576,000	1,312,905,000	100%	90%	0%
2017	306,276,000	1,266,557,000	477,748,000	1,337,983,000	100%	81%	0%
2018	316,337,000	1,311,949,000	508,099,000	1,365,013,000	100%	80%	0%
2019	326,524,000	1,356,615,000	509,754,000	1,378,824,000	100%	78%	0%
2020	334,253,000	1,414,441,000	516,959,000	1,417,961,000	100%	77%	0%
2021	338,589,000	1,465,905,000	576,862,000	1,467,834,000	100%	77%	0%
2022	338,431,000	1,529,040,000	608,602,000	1,562,787,000	100%	80%	0%
2023	344,721,000	1,597,250,000	684,575,000	1,591,983,000	100%	78%	0%
2024	355,283,000	1,649,459,000	755,259,000	1,650,252,000	100%	79%	0%
2025	392,716,171	1,699,107,828	846,628,247	1,753,983,104	100%	80%	0%

* The actuarial valuation date for years prior to 2017 was September 1.

ESTIMATED BENEFIT PAYMENTS*

Calendar Year	Currently In-Pay	Currently Not-In-Pay	Total
2025	$150,506,000	$ 8,319,000	$158,825,000
2026	150,107,000	15,366,000	165,473,000
2027	149,315,000	22,496,000	171,811,000
2028	148,295,000	29,845,000	178,140,000
2029	146,936,000	37,542,000	184,478,000
2030	145,339,000	46,097,000	191,436,000
2031	143,625,000	55,213,000	198,838,000
2032	141,933,000	64,779,000	206,712,000
2033	139,670,000	74,569,000	214,239,000
2034	137,262,000	85,016,000	222,278,000
2035	134,117,000	96,094,000	230,211,000
2036	131,057,000	107,364,000	238,421,000
2037	127,531,000	118,857,000	246,388,000
2038	123,621,000	130,742,000	254,363,000
2039	119,648,000	142,827,000	262,475,000
2040	115,448,000	154,429,000	269,877,000
2041	110,813,000	165,854,000	276,667,000
2042	106,259,000	176,998,000	283,257,000
2043	101,488,000	188,183,000	289,671,000
2044	96,768,000	199,470,000	296,238,000
2045	91,777,000	211,077,000	302,854,000
2046	86,630,000	222,576,000	309,206,000
2047	81,634,000	233,616,000	315,250,000
2048	76,524,000	244,064,000	320,588,000
2049	71,505,000	253,898,000	325,403,000
2050	66,800,000	262,597,000	329,397,000
2051	62,041,000	270,186,000	332,227,000
2052	57,655,000	276,695,000	334,350,000
2053	53,391,000	282,568,000	335,959,000
2054	49,349,000	287,765,000	337,114,000

*Amounts shown are the cash flows for current members only, based on the current benefit structure and assuming that all actuarial assumptions are met in each future year. To the extent that actual experience deviates from that expected, results will vary. Amounts are shown in future nominal dollars and have not been discounted to the valuation date.

RISK CONSIDERATIONS

Actuarial Standards of Practice are issued by the Actuarial Standards Board and are binding on credentialed actuaries practicing in the United States. These standards generally identify what the actuary should consider, document and disclose when performing an actuarial assignment. In September, 2017, Actuarial Standard of Practice Number 51, *Assessment and Disclosure of Risk in Measuring Pension Obligations*, (ASOP 51) was issued as final with application to measurement dates on or after November 1, 2018. This ASOP, which applies to funding valuations, actuarial projections, and actuarial cost studies of proposed plan changes, was first applicable for the January 1, 2019 actuarial valuation for the Omaha School Employees Retirement System (System).

A typical retirement plan faces many different risks. The term "risk" is most commonly associated with an outcome with undesirable results. However, in the actuarial world, risk can be translated as uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. ASOP 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions.

The various risk factors for a given plan can have a significant impact – positive or negative – on the actuarial projection of liability and contribution rates.

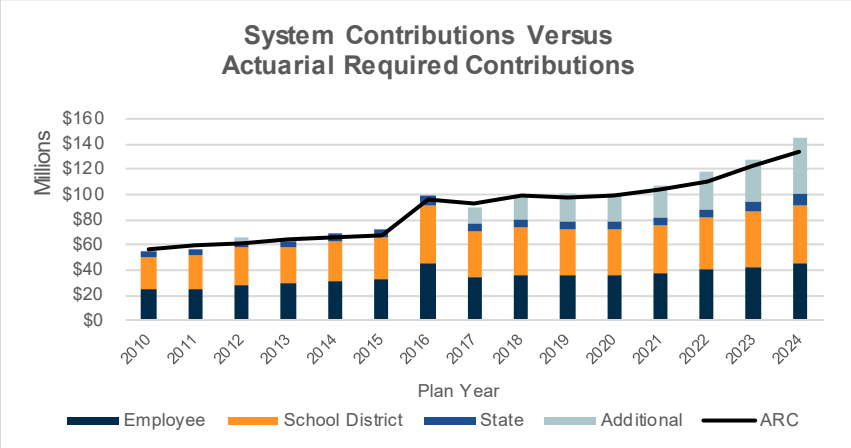
There are a number of risks inherent in the funding of any defined benefit plan. These include:

- economic risks, such as investment return and price inflation;
- demographic risks such as mortality, active membership size, payroll growth, aging population including impact of baby boomers, and retirement ages;
- contribution risk, i.e., the potential for contribution rates to be too high for the plan sponsor/employer to pay; and
- external risks such as the regulatory and political environment.

The last two risks are not required to be assessed by the actuary under ASOP 51, and so no discussion is included here.

In assessing the risks associated with funding a pension plan, it is important to realize that each retirement system is unique and may have different risks. This discussion is intended to identify and disclose the more significant risks to the funding of OSERS.

The biggest risk to any retirement system is the inability to pay benefits when they are due. That risk is minimized by the accumulation of assets in the System's trust. There is generally a direct correlation between healthy, well-funded retirement plans and consistent contributions equal to the full actuarial required contribution each year. As the following graph illustrates, the School District has contributed at least the full Actuarial Required Contribution in 11 of the past 15 years and has contributed an amount very close to the Actuarial Required Contribution in the other years.

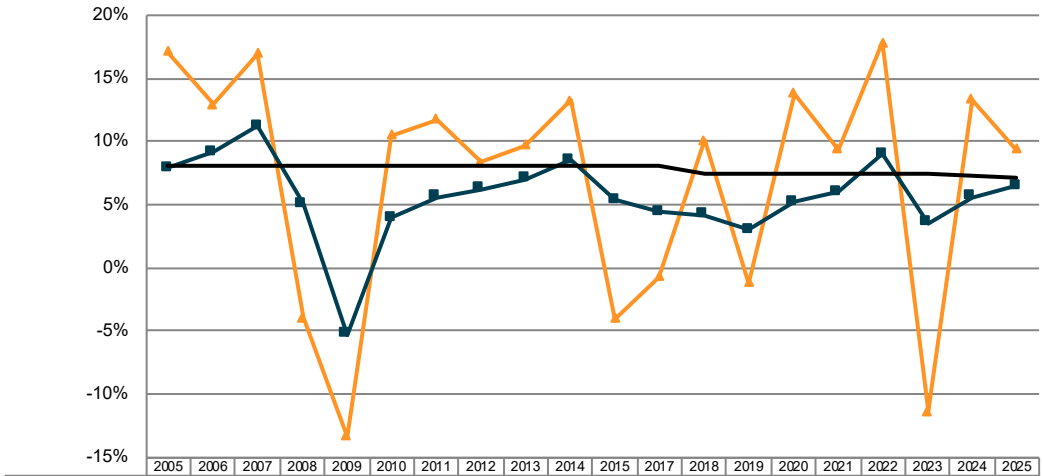


Current state statutes require the School District to contribute any shortfall between the Actuarial Required Contribution Rate and the statutory contributions by members, the State of Nebraska and the School District on or before August 31. As a result, the full Actuarial Required Contribution Rate can be expected to be contributed in future years and the funded status of OSERS should improve over time, if actuarial assumptions are met.

The System's funding policy, as modified in 2019, amortizes the legacy UAAL over a closed 30-year period, with payments calculated as a level-percent of pay. Effective with the January 1, 2022 actuarial valuation, new layers are amortized over a closed 25-year period. Both 30 and 25 years are relatively long amortization periods and thus will tend to improve the System's funded status relatively slowly. The payment pattern which develops a payment schedule that is level as a percent of payroll is the most common method used by public plans, but it is less conservative than the level-dollar amortization method because the dollar amount of the unfunded actuarial accrued liability could increase for several years before finally starting to decline, particularly over long periods like 30 years, even if all assumptions are met. In addition, amortization as a level percent of pay requires the use of an assumption regarding the growth of covered payroll in future years (currently 2.85% per year). This introduces another possible source of variation between actual and expected experience, thus increasing the funding risk for the System. If actual payroll does not increase as assumed, which could be due to a decline in the number of active members or actual salary increases that are less than expected, the UAAL contribution rate will increase. The dollar payment on the UAAL is the same, but the higher UAAL contribution rate ultimately pushes more of the UAAL funding to the District's additional contribution.

Perhaps the most significant risk factor for most Systems, including OSERS, is investment return because of the volatility of returns associated with the asset allocations. Over the past 20 years, actual returns each year have varied significantly from the assumed rate of return (see following graph). This is to be expected, given the underlying capital market assumptions and the System's asset allocation and standard deviation, but it does create a high degree of uncertainty or risk. The compound rate of return over this period was about 6.6%, but the range of returns varied from +18% to -13%. When actual investment returns are lower than the assumed rate of return, there is an increasing trend in the actuarial required contribution rate absent offsetting gains on liabilities or changes in actuarial assumptions or methods. The investment experience of the last two decades has been significantly lower than the assumption, resulting in a higher actuarial required contribution rate.

RISK CONSIDERATIONS



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2017	2018	2019	2020	2021	2022	2023	2024	2025
MVA	17.1%	12.9%	16.9%	-3.9%	-13.3%	10.5%	11.7%	8.3%	9.7%	13.3%	-4.1%	-0.7%	10.1%	-1.2%	13.8%	9.4%	17.8%	-11.4%	13.3%	9.4%
AVA	7.9%	9.1%	11.2%	5.0%	-5.3%	4.0%	5.6%	6.2%	7.0%	8.5%	5.3%	4.4%	4.2%	2.9%	5.2%	6.0%	8.9%	3.5%	5.6%	6.4%
Assumption	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.4%	7.3%	7.2%

The System is currently 60% funded using the actuarial value of assets and 58% funded on a market value basis. The low funded ratio has increased the actuarial required contribution rate, and the School District now has an obligation to make an additional contribution of around 7% of covered payroll. As the District's obligation to make the additional contributions is statutory, some risk of unmanageable contribution levels exists. The risk associated with investment returns has the potential to create significant volatility in the amount of additional District contributions. Given the asset allocation of the portfolio and the associated volatility of returns in any one year, it would not be unexpected to have returns that are more than 10% lower than the assumed return of 7.0%. In that case, the District's additional contribution could increase significantly (around 0.59% of pay or $2.9 million in the first year alone) because the full impact of the "miss" on investments impacts the District's additional contribution rate.

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we are required to include a low-default-risk obligation measure of the System's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of the plan. This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of December 31, 2024 with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately $3.00 billion. This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all of the accrued benefits had to be paid with cash-flow matched bonds. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan. However, this informational disclosure is required for all plans whether corporate or governmental and care should be taken to ensure the one size fits all metric is not misconstrued.

A key demographic risk for all retirement systems, including OSERS, is improvements in mortality (longevity) greater than anticipated. While the actuarial assumptions reflect small, continuous improvements in mortality experience over time and these assumptions are refined in every

experience study, the risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough that could quickly increase liabilities. Likewise, there is some possibility of a significant public health crisis that could result in a significant number of additional deaths in a short time period, as experienced with Covid-19. This kind of event is also significant, although the experience is more easily absorbed. While either of these events could happen, it represents a relatively small probability and thus represents much less risk than the volatility associated with investment returns.

The following exhibits in this section summarize certain historical information that helps indicate how certain key risk metrics may have changed over time. Many of the changes are due to the maturity of the Plan.

EXHIBIT 14 – HISTORICAL ASSET VOLATILITY RATIOS

As a retirement plan matures, the size of the market value of assets usually increases relative to the covered payroll of active members, on which the Plan is funded. The size of the plan assets relative to covered payroll, sometimes referred to as the asset volatility ratio, is an important indicator of the contribution risk (variability) for the plan. The higher this ratio, the more sensitive a plan's contribution rate is to investment return volatility. In other words, it will be harder to recover from investment losses with increased contributions (contribution rates will be higher).

OSERS' historical trends are somewhat different than those observed in most public plans. This is due both to the length of time the System has been in existence (since 1909) and the slow growth of assets over this period compared to payroll. The result is a stable or decreasing asset volatility ratio rather than an increasing trend which is more typical. As the System's funding improves over the long term, the asset volatility ratio is expected to increase.

Actuarial Valuation Date	Market Value of Assets	Actual Covered Payroll	Asset Volatility Ratio	Increase in ARC with a Return 10% Lower than Assumed*
9/1/2010	$951,214,000	$302,229,282	3.15	2.01%
9/1/2011	1,033,128,000	310,228,916	3.33	2.13%
9/1/2012	1,095,565,000	307,258,065	3.57	2.28%
9/1/2013	1,170,347,000	313,946,237	3.73	2.38%
9/1/2014	1,294,722,000	323,077,710	4.01	2.56%
9/1/2015	1,211,107,000	333,166,135	3.64	2.33%
1/1/2017	1,148,582,000	351,940,122	3.26	2.08%
1/1/2018	1,234,040,000	359,359,507	3.43	2.19%
1/1/2019	1,193,800,000	375,598,301	3.18	2.03%
1/1/2020	1,323,663,000	364,799,331	3.63	2.32%
1/1/2021	1,405,393,000	364,310,430	3.86	2.47%
1/1/2022	1,626,049,000	381,926,844	4.26	2.72%
1/1/2023	1,412,144,000	413,799,805	3.41	2.18%
1/1/2024	1,569,697,000	437,355,849	3.59	2.29%
1/1/2025	1,716,450,237	465,550,757	3.69	2.36%

* The impact of asset smoothing is not reflected in the increase in the Actuarial Required Contribution (ARC) rate. Current year assumptions and methods are used for all years shown. With asset smoothing, the first-year impact on contributions would be about 25% of the amount shown.

The assets at January 1, 2025 are 369% of payroll, so underperforming the investment return assumption by 10.00% (i.e., earning -3.00% for one year) is equivalent to a loss of about $172 million or 37% of payroll. The impact on the actuarial required contribution rate would be 2.36% once the full amount of actuarial loss worked through the asset smoothing method. While the impact in the first year is mitigated by the asset smoothing method, this illustrates the contribution risk associated with volatile investment returns.

EXHIBIT 15 – HISTORICAL CASH FLOWS

Plans with negative cash flows will experience increased sensitivity to investment return volatility. Cash flows, for this purpose, are measured as contributions less benefit payments. If the System has negative cash flows and experiences returns below the assumed rate, there are fewer assets to be reinvested to earn the higher returns that typically follow. While any negative cash flow will produce such a result, it is typically a negative cash flow of more than 4% to 5% of market value of assets that may cause significant concerns. In general, large negative cash flow is not a major risk for OSERS at this time.

Year End	Market Value of Assets (MVA)	Contributions*	Benefit Payments	Net Cash Flow	Net Cash Flow as a Percent of MVA
8/31/2010	$951,214,000	$56,616,000	$81,260,000	($24,644,000)	(2.59%)
8/31/2011	1,033,128,000	58,242,000	86,015,000	(27,773,000)	(2.69%)
8/31/2012	1,095,565,000	68,139,000	90,621,000	(22,482,000)	(2.05%)
8/31/2013	1,170,347,000	65,248,000	95,107,000	(29,859,000)	(2.55%)
8/31/2014	1,294,722,000	72,072,000	100,810,000	(28,738,000)	(2.22%)
8/31/2015	1,211,107,000	75,065,000	106,735,000	(31,670,000)	(2.61%)
12/31/2016	1,148,582,000	101,826,000	152,808,000	(50,982,000)	(4.44%)
12/31/2017	1,234,040,000	92,397,000	121,005,000	(28,608,000)	(2.32%)
12/31/2018	1,193,800,000	101,704,000	127,578,000	(25,874,000)	(2.17%)
12/31/2019	1,323,663,000	102,468,000	133,824,000	(31,356,000)	(2.37%)
12/31/2020	1,405,393,000	103,010,000	137,486,000	(34,476,000)	(2.45%)
12/31/2021	1,626,049,000	108,428,000	143,199,000	(34,771,000)	(2.14%)
12/31/2022	1,412,144,000	122,310,000	147,629,000	(25,319,000)	(1.79%)
12/31/2023	1,569,697,000	130,025,000	159,747,000	(29,722,000)	(1.89%)
12/31/2024	1,716,450,237	147,537,096	160,665,028	(13,127,932)	(0.76%)

** Contributions include additional revenue coming into the System such as Purchases of Service and State Service Annuity receipts.*

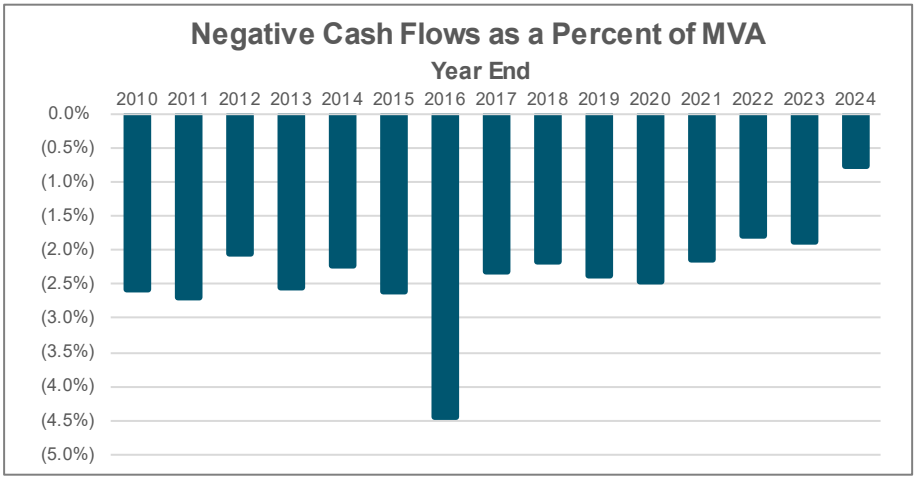


EXHIBIT 16 – LIABILITY MATURITY MEASUREMENTS

Most public sector retirement systems were established after World War 2 and have been in operation for many years. As a result, they have aging plan populations, and in some cases declining active populations, resulting in an increasing ratio of retirees to active members and a growing percentage of retiree liability. With more of the total liability residing with retirees, investment volatility has a greater impact on the funding of the plan since it is more difficult to restore the system financially after losses occur when there is comparatively less payroll over which to spread costs. Because OSERS has been in existence for a very long time (prior systems dating back to 1909 were consolidated to create OSERS), there has been no significant change in the percent of liability attributable to retirees over the last 15 years. The ratio of retiree liability to covered payroll has increased over this time period, however, which indicates an increase in contribution risk.

Actuarial Valuation Date	Retiree Liability (a)	Total Actuarial Accrued Liability (b)	Retiree Percentage (a) / (b)	Covered Payroll (c)	Ratio (b) / (c)
9/1/2010	$850,325,000	$1,467,850,000	57.9%	$302,229,282	4.86
9/1/2011	874,656,000	1,516,284,000	57.7%	310,228,916	4.89
9/1/2012	935,442,000	1,592,738,000	58.7%	307,258,065	5.18
9/1/2013	978,397,000	1,660,287,000	58.9%	313,946,237	5.29
9/1/2014	1,028,802,000	1,723,970,000	59.7%	323,077,710	5.34
9/1/2015	1,099,161,000	1,798,706,000	61.1%	333,166,135	5.40
1/1/2017	1,230,588,000	2,050,581,000	60.0%	351,940,122	5.83
1/1/2018	1,274,528,000	2,136,385,000	59.7%	359,359,507	5.94
1/1/2019	1,311,452,000	2,192,893,000	59.8%	375,598,301	5.84
1/1/2020	1,364,109,000	2,265,653,000	60.2%	364,799,331	6.21
1/1/2021	1,408,667,000	2,381,356,000	59.2%	364,310,430	6.54
1/1/2022	1,459,396,000	2,476,073,000	58.9%	381,926,844	6.48
1/1/2023	1,506,213,000	2,626,546,000	57.3%	413,799,805	6.35
1/1/2024	1,550,695,000	2,760,001,000	56.2%	437,355,849	6.31
1/1/2025	1,584,574,679	2,938,452,246	53.9%	465,550,757	6.31

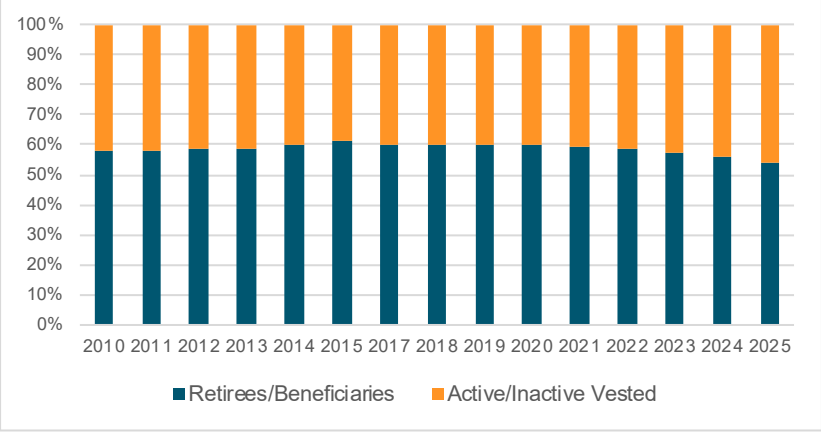


EXHIBIT 17 – VALUATION RESULTS UNDER ALTERNATE INVESTMENT RETURN ASSUMPTIONS

This exhibit is a sensitivity analysis that compares the key January 1, 2025 valuation results under the current investment return assumption and four (4) alternate investment return assumptions, both higher and lower than the current assumption. This information is intended to illustrate the impact of the investment return assumption on the funding of the System. Note that only the investment return assumption is changed for this purpose, as identified in the heading below. This may not result in a set of economic actuarial assumptions that complies with Actuarial Standard of Practice Number 27. The alternate return assumptions are only for purposes of identifying the impact of different investment return assumptions on the funding results. All other actuarial assumptions are unchanged for purposes of this analysis.

Investment Return Assumption	**6.00%**	**6.50%**	**7.00%**	**7.50%**	**8.00%**
Contributions					
Normal Cost Rate	16.60%	14.64%	12.94%	11.49%	10.24%
Administrative Expenses	0.24%	0.24%	0.24%	0.24%	0.24%
UAAL Contribution	18.99%	17.43%	15.87%	14.32%	12.78%
Actuarial Required Contribution Rate	35.83%	32.31%	29.05%	26.05%	23.26%
Statutory Contribution Rate	21.66%	21.66%	21.66%	21.66%	21.66%
Contribution Shortfall/(Margin)	14.17%	10.65%	7.39%	4.39%	1.60%
Additional District Contribution	$69,732,452	$52,451,187	$36,424,129	$21,654,428	$7,898,381
Actuarial Accrued Liability ($ in millions)	$3,326.2	$3,123.0	$2,938.5	$2,770.5	$2,617.4
Actuarial Value of Assets ($ in millions)	$1,754.0	$1,754.0	$1,754.0	$1,754.0	$1,754.0
Unfunded Actuarial Accrued Liability ($ in millions)	$1,572.2	$1,369.0	$1,184.5	$1,016.5	$863.4
Funded Ratio	52.7%	56.2%	59.7%	63.3%	67.0%

Note: Dollar amounts may not add due to rounding.

APPENDIX A

HISTORICAL BACKGROUND

APPENDIX A – HISTORICAL BACKGROUND

Historical Background

Since 1909, the Omaha School District has maintained a retirement system for its teachers. Since then, systems covering other employees were added. In 1951, the Nebraska Legislature consolidated the existing systems into one new System. Amendments of significance in the Nebraska statutes and federal Social Security Act have occurred from time to time. These changes in order of their occurrence are outlined briefly below:

1951 - New System

Prior to 1951, three separate retirement systems existed. In 1951 the Nebraska Legislature repealed these three separate systems and created the present single System covering all employees. This act provided, however, that a member of a pre-existing system might elect to retain his benefit and contribution rights under one of the former systems in lieu of the new System benefits and contributions. The members who so elected then became known by the following titles for retirement purposes:

(1) Employees covered by the former Omaha Teachers Retirement System were known as "Teachers,"
(2) Employees covered by the former Non-Teaching Employee Retirement System were known as "Non-Teachers,"
(3) Employees covered by the former Cafeteria Employee Retirement System were known as "Cafeteria."

All other employees became members of the new System and received credit for membership service starting September 1, 1951. Benefits as well as contributions under the new System became directly related to a member's compensation by formula. The maximum covered annual compensation under the new System became $5,000, but the maximum for Teachers, Non-Teachers and Cafeteria remained $3,000.

1955 Amendments

On September 24, 1955, Omaha School employees voted to become participants in the federal Social Security program. All Social Security benefits are payable in addition to the System benefits. As a result of Social Security coverage, changes were made in the benefit and contribution formulas of the System effective August 31, 1955. In general, the changes reduced contributions and benefits to 60% of the rates formerly in effect. In addition, the maximum covered compensation was increased from $5,000 to $6,000 except for Teachers, Non-Teachers and Cafeteria which remained at $3,000.

The amount contributed by the School District was also reduced to 60% of the rates in effect prior to the change and the School District's contributions, matching the refunds paid upon the withdrawal or death of employees, were retained in the retirement fund rather than being returned to the School District.

1963 Amendments

Effective September 1, 1963, several changes were made in the new System. The limit on covered compensation for contributions and benefits of members was removed.

The service retirement annuity credit was increased in order to integrate with the modifications in federal Social Security between 1955 and 1963. The disability annuity for members was increased to 100% of the service retirement annuity accrued to date of disability and the restriction as to the number of years for which it was payable was removed. The offset in the benefit formula for the Nebraska State Service Annuity credit was placed on a year-to-year basis for all members, increasing the annuity credit for service after September 1, 1951 for active and retired alike.

The employees who were participating as Teachers, Non-Teachers and Cafeteria began to make contributions and receive benefit credits at the same rates as other members of the System. It should be noted that any employee who retained rights under a pre-existing system still receives credit in accordance with the provisions of the former system if this is more than the credit, after the State service annuity offset, would be under the 1963 amendments.

The contribution rate for employees was changed to integrate with the modifications in Social Security and was no longer subject to revision depending upon the degree of actuarial soundness of the System as had been provided in 1962. The School District became solely responsible for maintaining the solvency of the System on the basis of annual actuarial valuations. The School District again became entitled to refunds equal to the refunds paid upon withdrawal or death of employees.

The restriction prohibiting the crediting of interest on refunds to employees who withdraw from employment during the first ten years of service was removed. Thus, all employees who withdraw after one year or more of service receive interest on their contributions made since September 1, 1951.

1965 Amendments

Effective September 1, 1965, a pre-retirement survivor's annuity was added to the System for long-service employees. This change gave an employee with 25 or more years of service protection at death approximately equivalent in value to the vesting which already existed at termination of employment for an employee with the same period of service.

Effective January 1, 1966, the Social Security tax base was increased from $4,800 to $6,600 per year. This change became effective in the System's contribution and benefit formulas as of September 1, 1966.

1967 Amendments

The 77th Session of the Nebraska Legislature enacted LB 494 which amended the Nebraska School Retirement System, effective October 23, 1967. A major change was the increase in the State service annuity credit from $1.50 to $3.00 per month for each year of credited service after July 1, 1968 and the removal of the 35 year limitation on credited State service. For the purpose of determining the new State service annuity offset in calculating the net Omaha annuity, the additional $1.50 per month for each year of service after July 1, 1968 is not applicable, but removal of the 35 year limitation does apply. This means that the State service annuity offset is still determined on the basis of $1.50 per month for each year of service. The increase in the State service annuity offset by virtue of eliminating the 35 year limitation represents a lower cost to the Omaha System for those members having more than 35 years of State service by age 65.

Another change with regard to the State service annuity was the manner in which the funds are transferred from the State to the Omaha System to pay these annuities. For retirements occurring after the effective date of the amendments (October 23, 1967), the State transfers the commuted value (equivalent single sum) of the individual State service annuity to the Omaha System and then the payment of the monthly annuity to the retired member is the School District's responsibility.

In 1967 the eligibility provisions for the pre-retirement survivors' annuity and the vested retirement rights were changed, reducing the service required from 25 years to 20 years and thereby granting these options to a larger number of employees.

Effective January 1, 1968, the federal Social Security taxable wage base was increased from $6,600 to $7,800 per year. This change became effective in the System's contribution and benefit formulas as of September 1, 1968.

1969 Amendments

The 80th Session of the Nebraska Legislature enacted LB 530 which amended the System effective August 11, 1969. The provisions of this bill improved the benefit structure of the System in two ways. The membership annuity credits (credits after 9/1/51) were increased approximately 10% and the Social Security wage base was "frozen" at the $7,800 level for purposes of calculating benefit credits and employee contributions.

By freezing the Social Security base, benefit credits and employee contributions for service after September 1, 1969 will not be reduced by virtue of future increases in the Social Security wage base. The System benefits will remain integrated with the Social Security program at the level provided by the $7,800 base.

1972 Amendments

During 1972, the Nebraska Legislature enacted LB 1116 which amended the System. These amendments were to become effective for retirements occurring on or after September 1, 1972. The provisions of this bill improved the benefit structure of the System and liberalized the eligibility condition for qualification upon termination for the deferred vested retirement benefit.

The benefits of the System were improved by increasing the membership annuity credits (credits after 9/1/51) by approximately 20% over those in existence on September 1, 1971.

In order to be eligible upon resignation to elect a deferred vested service annuity, the years of creditable service was reduced from 20 years to 15 years.

1973 Amendments

The 1973 Session of the Nebraska Legislature enacted LB 445 which created increases in the State service annuity of the Nebraska School Retirement System. LB 445 provides for (a) a State service annuity credit of $3.00 per month for each year of creditable service for all emeritus members and for all full time school employees who retire on or after July 1, 1973 and (b) for increases in the State service annuity for members who retired prior to July 1, 1973 based upon the difference between the Consumer Price Index on the date of retirement and July 1, 1973.

1976 Amendments

The 1976 Session of the Nebraska Legislature enacted LB 994 which increased the membership annuity credits (credits after 9/1/51) by 20%.

The members' contributions were increased to 2.90% of compensation up to $7,800 per year plus 5.25% of salary in excess of that amount.

1979 Amendments

The 1979 Session of the Nebraska Legislature changed the mandatory retirement date from age 65 to age 70. Late retirement benefits are actuarially increased from what would have been payable at the normal retirement date.

1982 Amendments

The 1982 Session of the Nebraska Legislature enacted LB 131 which made considerable changes to the System. LB 131 was approved by the Governor on February 19, 1982.

The most major revision in the System was to change the previous primary benefit formula from the step rate formula based on each year of salary to a final average compensation formula. The primary benefit formula became 1.5% of final average compensation for each year of creditable service not in excess of 30. Final average compensation was then defined to be 1/36 of the total compensation received during the three fiscal years of highest compensation. Also, the creditable service not in excess of 30 years was allowed to continue to accrue after the fiscal year in which the employee attains age 65. In addition, the State service annuity offset of $1.50 per year of creditable service was removed with respect to the final average compensation formula. The prior provisions of the System were retained as a minimum benefit, recognizing creditable service for those provisions through the earlier of the date of retirement or August 31, 1983.

Another major revision in the System was to change the step rate formula for employee contributions to a level 4.90% of compensation. In addition, the provision entitling the School District to receive refunds of its own contributions equal to the contributions refunded to employees was removed.

The early retirement date was liberalized. Previously an employee needed to have either 35 years of creditable service or to have attained age 60 with 25 years of creditable service. Now an employee can retire early if he has at least 10 years of creditable service and has attained age 55.

The actuarial equivalent of the annuity payable at the end of the fiscal year in which the employee attains age 65 was changed in the following two ways:

1. For employees retiring before age 62, the monthly formula retirement annuity is a reduced amount based on the actuarial equivalent of the annuity deferred to the employee's 62nd birthday. If retirement is at age 62 or later, there is no actuarial reduction. Previously there was an actuarial reduction, based on the benefit deferred to age 65, for any retirement before age 65.

2. For employees retiring on or after age 65, the monthly formula retirement annuity is to be based on total years of creditable service (not in excess of 30) and the employee's entire compensation history at date of retirement. Consequently, for retirements after the fiscal year in which the employee attains age 65 there is no longer an actuarial increase from the benefit available at the normal retirement date.

The eligibility provision to elect a deferred vested service annuity upon resignation was changed from 15 years of creditable service to 10 years.

1983 Amendments

The 1983 Session of the Nebraska Legislature enacted LB 488 which created benefit increases effective September 1, 1983 for members having retired before February 21, 1982. The amount of benefit increase was limited to the smaller of:

1. The percentage increase in the Consumer Price Index for all Urban consumers from the effective date of retirement to June 30, 1983 applied to benefits being paid and

2. The sum of $1.50 per month for each year of creditable service and $1.00 per month for each completed year of retirement from the effective date of retirement to June 30, 1983, actuarially adjusted for joint and survivor elections.

1985 Amendments

The 1985 Session of the Nebraska Legislature enacted LB 215 which removed the 30 year limit on years of service used in the benefit formula, provided for vesting after five years of service rather than ten years, and reduced the eligibility period for disability from ten years of service to five years of service.

LB 215 also provided for the employer “pick up” of employee contribution under IRC 414(h), thereby allowing employee contributions to be made on a pre-tax basis.

Unisex factors are now being used for determining early retirement reductions and actuarial equivalents for joint and survivor optional benefits.

1986 Amendments

The 1985 Session of the Nebraska Legislature enacted LB 1048 which granted increases in benefits for most retirees to reflect cost-of-living increases over the last several years. The increases ranged up to a maximum of 10.5%.

1987 Amendments

A "window of opportunity" was created for the buy-in or buy-back of service credits for participants qualifying for that right.

1989 Amendments

LB 237 was enacted by the 1989 Session of the Nebraska Legislature and provided: annual benefit accruals of 1.65% of final average compensation (up from 1.50%), unreduced benefits if a member retires with 35 or more years of service, a five year certain and life thereafter annuity as the normal form of benefit (instead of just a life annuity), employee contributions of 5.8% of pay (up from 4.9%), and increased benefits to retirees (the increases ranged up to 9.0%). There were some other changes as a result of this bill, but none that had a direct actuarial cost impact.

1992 Amendments

The 1992 Session of the Nebraska Legislature enacted LB 1001 which increased annual benefit accruals from 1.65% of final average compensation to 1.70%, and increased benefits to retirees (3% increase per year of retirement, not exceeding 9% total increase), a change in the preretirement joint and survivor option to allow it to become effective automatically after 20 years of service, and allowed employees to "buy-in" their time with other public school systems by means of a tax-deferred rollover of their refund from that System.

1995 Amendments

The 1995 Session of the Nebraska Legislature enacted LB 505 which increased annual benefit accruals from 1.70% to 1.80% of final average compensation. It also provided for unreduced retirement benefits when the sum of age and service equals or exceeds 85 (still maintaining the age 55 minimum), and reduced early retirement reductions to .25% per month prior to age 62. Early retirement at 84, 83, or 82 points is also allowed with a maximum reduction of 3%, 6% and 9% respectively. Employee contributions were increased to 6.3% of pay. The bill also provided for a one time increase to current retirees of 3% per year since retirement (not to exceed 9%), or if larger, 90% restoration of the purchasing power of their original pension. There are other changes resulting from this bill, which are not included since they did not have a direct actuarial impact. One change with no actuarial impact but worth noting is the provision for employer "pick up" of employee contributions to the System used to buy in outside service, pursuant to Section 414(h) of the Internal Revenue Code.

1998 Amendments

The 1998 Session of the Nebraska Legislature enacted LB 497 which increased annual benefit accruals from 1.80% to 1.85% of final average compensation. The bill also provided for a one time increase to current retirees of 3% per year since retirement (not to exceed 9%) and provides an annual automatic cost of living adjustment, not greater than 1.5%, beginning January 1, 2000.

2000 Amendments and Cost of Living Adjustment

The 2000 session of the Nebraska Legislature enacted LB 155 which increased accruals from 1.85% to 2.00% of final average compensation.

Pursuant to LB 497, the OSERS Board and the Omaha School District Board authorized a 1.5% discretionary COLA beginning January 1, 2000 in addition to the automatic COLA.

2001 Amendments and Cost of Living Adjustment

The 2001 session of the Nebraska Legislature enacted LB 711 which provided that certain members who previously left employment due to pregnancy could purchase their "lost" service. It also provided a post-retirement supplemental benefit to assist with medical costs. The supplement commences 10 years after retirement, beginning at $10 per month for each year retired and increasing by $10 each year to a maximum of $250 per month. For retirees with less than twenty years of service, the benefit is reduced proportionately.

Additionally, the OSERS Board and the Omaha School Board authorized a discretionary COLA to restore full purchasing power, beginning January 1, 2001, in addition to the automatic COLA.

2002 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2002.

2003 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2003.

2004 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2004.

2005 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2005.

2006 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2006.

2007 Amendment and Cost of Living Adjustment

The 2007 session of the Nebraska Legislature enacted Section 79-9, 113 which changed the employee contribution rate from 6.30% of compensation to 7.30% and provided for an employer contribution equal to 101% of the employee contribution rate.

The automatic 1.5% COLA was granted beginning January 1, 2007.

2008 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2008.

2009 Amendment and Cost of Living Adjustment

The 2009 session of the Nebraska Legislature enacted Legislative Bill 187 (LB 187), which increased the State's contribution from 0.7% to 1.0% of covered pay from July 1, 2009 to July 1, 2014. On July 1, 2014 the State's contribution returns to 0.7%. LB 187 also increased the employee contribution rate from 7.30% of compensation to 8.30%. The School District's contribution is equal to 101% of the employee contribution rate so the District's contribution rate increased from 7.373% of compensation to 8.383% as a result of the increase in the member contribution rate.

The automatic 1.5% COLA was granted beginning January 1, 2009.

2010 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2010.

2011 Amendment and Cost of Living Adjustment

The 2011 session of the Nebraska Legislature enacted Legislative Bill 382 (LB 382), which increased the Member's contribution from 8.30% of compensation to 9.30%. The School District's contribution is equal to 101% of the employee contribution rate so the District's contribution rate increased from 8.383% of compensation to 9.393% as a result of the increase in the member contribution rate. LB 382 also extended the 1% of payroll contribution by the State from July 1, 2014 to July 1, 2017.

The automatic 1.5% COLA was granted beginning January 1, 2011.

2012 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2012.

2013 Amendments and Cost of Living Adjustment

The 2013 session of the Nebraska Legislature enacted Legislative Bill 553 (LB 553), which increased the Member contribution rate from 9.30% of pay to 9.78% of pay. The School District's contribution is equal to 101% of the employee contribution rate so the District's contribution rate increased from 9.393% of pay to 9.878% of pay as a result of the increase in the member contribution rate. LB 553 also ended the scheduled decrease in the State contribution rate and instead increased the State contribution from 1.0% of pay to 2.0% of pay, effective July 1, 2014. LB 553 also created a new benefit structure for members hired on or after July 1, 2013. For these members, annual cost of living adjustments will be the lesser of 1.0% or CPI, and the final average compensation is defined as 1/60 of the total compensation received during the five fiscal years of highest compensation.

The automatic 1.5% COLA was granted beginning January 1, 2013.

2014 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2014.

2015 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2015.

2016 Amendments and Cost of Living Adjustment

The 2016 session of the Nebraska Legislature enacted Legislative Bill 447 (LB 447), which created a new benefit structure for members hired on or after July 1, 2016. The changes result in the same benefit structure for new OSERS members as for new members of the Nebraska School Retirement System. These members will not receive the supplemental medical COLA offered to employees hired before July 1, 2016. Other changes for these employees include a revised early retirement benefit reduction schedule and different retirement eligibility requirements.

The automatic 1.5% COLA was granted beginning January 1, 2016.

2017 Cost of Living Adjustment

The automatic 1.5% COLA was granted beginning January 1, 2017.

2018 Amendments and Cost of Living Adjustment

The 2017 session of the Nebraska Legislature enacted Legislative Bill 415 (LB 415), which created a new benefit structure for members hired on or after July 1, 2018. The changes result in the same benefit structure for new OSERS members as for new members of the Nebraska School Retirement System. The changes for these employees include a revised early retirement benefit reduction schedule and different retirement eligibility requirements.

The 2018 session of the Nebraska Legislature enacted Legislative Bill 1005 (LB 1005), which also affects the benefit provisions for members hired on or after July 1, 2018. As a result of LB 1005, the Board has the authority to set the actuarial assumptions used to determine the benefit amounts payable under optional forms of payment for members hired on or after July 1, 2018.

The automatic 1.5% COLA was granted beginning January 1, 2018.

2019 Cost of Living Adjustment

The automatic 1.5% COLA for members hired before July 1, 2013 was granted beginning January 1, 2019.

2020 Cost of Living Adjustment

The automatic 1.5% COLA for members hired before July 1, 2013 was granted beginning January 1, 2020.

2021 Amendments and Cost of Living Adjustment

The 2021 session of the Nebraska Legislature enacted Legislative Bill 147 (LB 147), which re-defines the term Regular Employee. The bill allows employees who are contracted to less than 30 hours per week to participate in the System, if they average more than 30 hours per week during any three calendar months of a fiscal year.

The automatic 1.5% COLA for members hired before July 1, 2013 was granted beginning January 1, 2021.

The automatic 1.0% COLA for members hired on or after July 1, 2013 was granted beginning January 1, 2021.

2022 Cost of Living Adjustment

The automatic 1.5% COLA for members hired before July 1, 2013 was granted beginning January 1, 2022.

The automatic 1.0% COLA for members hired on or after July 1, 2013 was granted beginning January 1, 2022.

2023 Cost of Living Adjustment

The automatic 1.5% COLA for members hired before July 1, 2013 was granted beginning January 1, 2023.

The automatic 1.0% COLA for members hired on or after July 1, 2013 was granted beginning January 1, 2023.

2024 Cost of Living Adjustment

The automatic 1.5% COLA for members hired before July 1, 2013 was granted beginning January 1, 2024.

The automatic 1.0% COLA for members hired on or after July 1, 2013 was granted beginning January 1, 2024.

APPENDIX B

SUMMARY OF PLAN PROVISIONS

Contributions

Employee Contributions: Employees contribute 9.78% of compensation, effective September 1, 2013. Such contributions are payable each year while employed. Contributions accumulated with interest are refundable at resignation unless the vested retirement benefit has been elected and at death unless the pre-retirement survivor's benefit has been elected.

State Contribution: The State contributes annually an amount equal to 2.0% of the members' compensation, effective July 1, 2014.

School District Contribution: The School District contributes the greater of (a) one hundred and one percent of the contributions by the employees or (b) such amount as may be necessary to maintain the solvency of the system, as determined annually by the board upon recommendation of the actuary engaged by the trustees.

Interest Credited on Refunds: Contributions made prior to September 1, 1951 and refunded at withdrawal or death are not credited with interest. Contributions after September 1, 1951 are credited with interest beginning September 1, 2016 at the rate equal to the daily treasury yield curve for one-year treasury securities, as published by the secretary of the treasury of the United States, that applies on September 1 of each year.

Benefits

General: The System provides annuities upon retirement from service or disability and upon death to designated survivors.

The service retirement formula is 2.0% per year of creditable service times the final average compensation.

Final average compensation is defined as 1/36 of the total compensation received during the three fiscal years of highest compensation for those who became members before July 1, 2013. For those who became members on or after July 1, 2013, final average compensation is defined as 1/60 of the total compensation received during the five fiscal years of highest compensation.

Annuities are paid for life, with 5 years guaranteed. Optional forms of payment are available.

The disability annuity, the pre-retirement survivor annuity and the vested retirement right are summarized in the following sections.

Benefits in pay status are subject to an annual cost of living adjustment equal to the lesser of 1.5% or CPI for those who became members before July 1, 2013. There is an additional COLA if surplus assets exist beginning January 1, 2000. Effective October 3, 2001, a medical cost of living adjustment is payable to retired members. Such amount will commence after the 10th year of retirement and shall be an amount equal to $10 per month for each year retired (subject to a maximum of $250 per month). The member's initial medical COLA amount will be prorated for years of service less than 20, but subsequent increases and the maximum are not prorated. For those who became members on or after July 1, 2013, the annual cost of living adjustment is capped at 1.0%.

Those who became members on or after July 1, 2016 are not eligible to receive the medical COLA benefit.

Retirement Annuities: An employee who becomes a member before July 1, 2016 may begin receiving a retirement benefit once the employee has left the employment of the School district, selected a retirement date and

(a) has completed 35 years of creditable service,
or
(b) has 10 years of creditable service (with at least five of those years being creditable Omaha service) and attained age 55,
or
(c) remained employed until his or her 65th birthday and completed at least five years of creditable Omaha service.

If an employee who was a member before July 1, 2016 begins receiving an annuity at or after age 62, or has achieved 85 points and is at least age 55, there is no adjustment for the retirement annuity. If, however, such employee begins receiving an annuity before age 62, the annuity shall be reduced by 0.25% for each month prior to age 62, but if 84 points have been achieved then the reduction is limited to 3%, if 83 points, 6%, and 82 points, 9%.

An employee who became a member on or after July 1, 2016 and before July 1, 2018 may begin receiving a retirement benefit once the employee has left the employment of the School district, selected a retirement date and

(a) has attained age 55 and the sum of the member's attained age and creditable service totals 85,
or
(b) has 5 years of creditable service and attained age 60.

For employees who became members on or after July 1, 2016 and before July 1, 2018, if an employee begins receiving an annuity before age 65, such annuity shall be reduced by 0.25% for each month prior to age 65. If, however, the employee has achieved 85 points and is at least age 55, then there is no reduction to the annuity.

An employee hired on or after July 1, 2018 may begin receiving a retirement benefit once the employee has left the employment of the School district, selected a retirement date and

(a) has attained age 60 and the sum of the member's attained age and creditable service totals 85,
or
(b) has 5 years of creditable service and attained age 60.

For employees who were hired on or after July 1, 2018, if an employee begins receiving an annuity before age 65, such annuity shall be reduced by 0.25% for each month prior to age 65. If, however, the employee has achieved 85 points and is at least age 60, then there is no reduction to the annuity.

Disability Retirement Annuities: Each employee who becomes totally disabled and who has completed five or more years of creditable Omaha service is entitled to a disability retirement annuity equal to the amount of service annuity earned to date of disability. Alternatively, the employee may defer the disability retirement and accrue service and compensation increases in the interim. The disability retirement annuity is payable each month until disability ceases, if before unreduced retirement, or death.

Pre-Retirement Survivor Annuities: Upon the death of a member who has completed 20 or more years of creditable service and who has not retired, a pre-retirement survivor annuity shall be paid to the member's primary beneficiary. The survivor must be a spouse or one other person whose attained age in the calendar year of the member's death is no more than 10 years less than the attained age of the member in such calendar year. If there is no beneficiary form on file with OSERS, the member's spouse at the time of death is deemed to be the beneficiary and eligible for a pre-retirement survivor annuity. The survivor annuity is the actuarial equivalent of the member's annuity accrued to the date of death, determined on the basis of the member's and beneficiary's attained ages on said date. The survivor annuity is payable in lieu of a refund of the member's accumulated contributions. However, a member may elect out of the survivor annuity and specify that such a refund be paid in lieu of the annuity. An election out of the pre-retirement survivor annuity is entirely independent of the election of a joint and survivor option at retirement. Within 60 days after the member's death, the beneficiary may request a refund of the member's accumulated contributions instead of the annuity; provided, however, that the member may direct the System to pay only an annuity.

If the member (not retired) has less than 20 years of creditable service, or the beneficiary does not meet the requirements stated above, a refund of the member's accumulated contributions shall be paid.

Vested Retirement Right: Each employee who has completed five or more years of creditable Omaha service is eligible upon resignation to elect a deferred vested benefit, first payable as an unreduced amount at age 65, in lieu of a refund of his accumulated contributions. With ten or more years of total creditable service (including at least five years of creditable Omaha service), the deferred vested benefit could commence, unreduced, at age 62 for employees who became members before July 1, 2016. If benefits start before age 62 (but not earlier than attained age 55), the benefit shall then be reduced as described above.

For employees who became members on or after July 1, 2016 and before July 1, 2018, the deferred vested benefit could commence, unreduced, at age 65. If benefits start before age 65 (but not earlier than attained age 55), the benefit shall then be reduced as described above.

For employees who were hired on or after July 1, 2018, the deferred vested benefit could commence, unreduced, at age 65. If benefits start before age 65 (but not earlier than attained age 60), the benefit shall then be reduced as described above.

APPENDIX C

ACTUARIAL ASSUMPTIONS AND METHODS

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

The valuation assumptions and methods used in conducting the current actuarial valuation are as follows:

Actuarial Assumptions

Investment Return Assumption: 7.00% per annum, compounded annually, net of investment expenses.

Inflation (CPI): 2.35% compounded annually.

Assumed Interest Rate Credited on Employee Contributions: 2.35% compounded annually.

Total Payroll Growth: 2.85% compounded annually.

Mortality Rates: Active members use the Pub-2010 General Members (Median) Employee Mortality Table projected generationally using MP-2019 modified to 75% of the ultimate rates.

Retirees use the Pub-2010 General Members (Median) Retiree Mortality Table projected generationally using MP-2019 modified to 75% of the ultimate rates.

Beneficiaries use the Pub-2010 General Members (Median) Contingent Survivor Mortality Table projected generationally using MP-2019 modified to 75% of the ultimate rates.

Disabled retirees use the Pub-2010 Non-Safety Disabled Retiree Mortality Table, without generational improvement.

Disability: None assumed.

Termination of Employment (prior to retirement eligibility): Illustrative rates of termination are as follows:

Certificated:

Duration	Percent Terminating Rate
1	10.00%
5	8.00
10	4.50
15	2.50
20	1.25
25	1.00
30	0.75

Classified:

	Percent Terminating	
Duration	Male	Female
1	10.00%	13.00%
5	6.00	8.00
10	2.65	4.00
15	1.60	1.75
20	1.00	0.80
25	0.50	0.50
30	0.50	0.50

Retirement Rates: Early retirement rates are assumed to occur according to the schedule illustrated below:

Became members before July 1, 2016

Certificated:		**Classified:**	
Age	Early	Age	Early
55	6%	55	5%
56	6	56	3
57	6	57	3
58	6	58	3
59	8	59	3
60	12	60	3
61	12	61	7

Became members on or after July 1, 2016

Certificated:		**Classified:**	
Age	Early	Age	Early
60	12%	60	3%
61	12	61	7
62	12	62	7
63	12	63	7
64	12	64	7

Unreduced retirement rates are assumed to occur according to the schedule illustrated below:

Became members before July 1, 2018

Certificated:

Age	1st Year Eligible	Ultimate
55	40%	
56	40	40%
57	40	20
58	40	20
59	40	20
60	30	20
61	22	20
62	22	25
63	25	20
64	25	25
65	40	30
66	40	40
67	40	40
68	40	35
69	100	35
70	100	100

Classified:

Age	1st Year Eligible	Ultimate
55	35%	
56	13	10%
57	13	10
58	13	10
59	13	10
60	13	10
61	13	10
62	18	15
63	18	15
64	18	15
65	18	35
66	18	35
67	18	30
68	18	30
69	18	25
70	100	25
71	100	25
72	100	25
73	100	25
74	100	25
75	100	100

Members hired on or after July 1, 2018

Certificated:

Age	1st Year Eligible	Ultimate
60	40%	
61	22	20%
62	22	25
63	25	20
64	25	25
65	40	30
66	40	40
67	40	40
68	40	35
69	100	35
70	100	100

Classified:

Age	1st Year Eligible	Ultimate
60	30%	
61	13	10%
62	18	15
63	18	15
64	18	15
65	18	35
66	18	35
67	18	30
68	18	30
69	18	25
70	100	25
71	100	25
72	100	25
73	100	25
74	100	25
75	100	100

Deferred vested members are assumed to retire at first unreduced retirement age.

Salary Scale:

Salaries are assumed to increase according to the schedule illustrated below:

	Annual Salary Increase	
Duration	Certificated	Classified
0	4.95%	6.25%
1	4.95	5.10
2	4.95	4.85
3	4.95	4.60
4	4.95	4.35
5	4.95	4.25
6	4.95	4.15
7	4.95	4.05
8-9	4.95	3.85
10	4.95	4.95
11	4.95	3.85
12-14	4.95	3.35
15	5.60	5.35
16-19	4.80	3.35
20	5.10	4.85
21-23	3.90	3.35
24	4.35	3.35
25	5.85	4.85
26-29	3.10	3.10
30	3.85	4.85
31-34	3.10	2.85
35	3.85	3.35
36-39	2.85	2.85
40	3.60	3.85
41+	2.85	2.85

Pre-Retirement Survivor Annuity:

It is assumed that females are three years younger than males, and that 85% of members are married.

Probability of Electing a Refund:

The proportion of terminating vested members electing a refund of member contributions:

20% for Certificated members with less than 15 years of service
10% for Certificated members with 15 or more years of service
35% for Classified members with less than 11 years of service
25% for Classified members with 11 or more years of service

Cost of Living Adjustments:

1.5% if became member before 7/1/2013
1.0% if became member on or after 7/1/2013

Inactive Vested Load:

A 5% load on deferred monthly benefits is included to reflect that some inactive vested members' account balances are greater than the present value of their deferred benefit.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

Administrative Expense:	0.24% of payroll
Pop-up Benefit:	If a retired member has elected to receive a "pop-up" benefit, their benefit amount is assumed to increase by 10% in the event their beneficiary predeceases them.
Decrement Timing:	Middle of year
Valuation Salary Methodology:	Salaries for first year members are annualized by NPERS and reflected in the Calculated Salary field in the census data. This is used in the valuation process for new active members. For continuing active members, the Accumulated Salary field from the census data, presenting the actual salary earned in the prior fiscal year, is used in the valuation process. Salaries are assumed to increase by 2.0% for members who have not yet finalized their contract negotiations as of the valuation date. This assumption did not impact any members in the January 1, 2025 valuation.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Cost Method

The actuarial cost method is a procedure for allocating the actuarial present value of pension plan benefits and expenses to time periods. The method used for the valuation is known as the individual entry-age actuarial cost method and has the following characteristics.

(i) The annual normal costs for individual active member are sufficient to accumulate the value of the member's pension at time of retirement.
(ii) Each annual normal cost is a constant percentage of the member's year-by-year projected pensionable compensation.

The entry-age actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's pensionable compensation between the entry-age of the member and the assumed exit-ages.

The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the actuarial accrued liability. Deducting accrued assets from the actuarial accrued liability determines the unfunded actuarial accrued liability (UAAL).

Asset Valuation Method

Assets are valued at expected value at the valuation date plus 25% of the difference between the market value and expected value. As a starting point for implementation of this asset valuation method, the actuarial value of assets as of September 1, 1996 was set equal to the market value. As of September 1, 2007, the actuarial value was again reset to market value. The smoothing method was again implemented in the 2008 valuation. Effective September 1, 2008, the actuarial value must fall within a corridor of 80% to 120% of market value.

UAAL Amortization Method

Effective with the January 1, 2017 valuation, OSERS began to amortize the UAAL using a "layered" approach. Under this method, the UAAL is split into pieces or layers; the initial or legacy UAAL was amortized, as a level-percent of payroll, over a closed 30-year period that began with the September 1, 2013 valuation (27 years remained as of the January 1, 2017 valuation). All ensuing UAAL bases were to be amortized, as a level-percent of payroll, over a new 25-year period commencing on the respective valuation date. At the March 6, 2019 meeting, the OSERS Board of Trustees modified the System's Funding Policy to reset the legacy amortization base to the UAAL as of January 1, 2019 with payments calculated as a level percentage of payroll over a closed 30-year period. New layers of UAAL that occur in the future are also amortized over new 30-year periods. As a result of the quadrennial experience study performed in 2021, effective with the January 1, 2022 valuation, future bases will be amortized, as a level-percent of pay, over a closed 25-year period. We believe the use of the layered amortization policy, with new gain or loss bases amortized over 25 years complies with Actuarial Standard of Practice Number 4. This policy will fully amortize the individual, as well as the total, unfunded actuarial liability within a reasonable timeframe and/or reduce the amount of the unfunded actuarial liability by a reasonable amount within a sufficiently short period.

APPENDIX D

MEMBERSHIP DATA

SUMMARY OF MEMBERSHIP DATA

	Active	Inactive Vesteds	Inactive Nonvesteds	Retirees*	Beneficiaries	Deferred Disableds	In-Pay Disableds	Total
Members on 1/1/2024	6,713	1,622	1,657	5,112	286	6	13	15,409
Terminated – vested	(164)	164	0	0	0	0	0	0
Terminated – refund due	(298)	0	298	0	0	0	0	0
Terminated – refunded	(84)	(98)	(180)	0	0	0	0	(362)
Retired	(142)	(43)	0	185	0	0	0	0
Disability retirement	0	0	0	0	0	(1)	1	0
Death	(1)	(3)	0	(173)	(17)	0	(1)	(195)
Payments ended	0	0	0	0	(7)	0	0	(7)
New beneficiaries	0	0	0	0	18	0	0	18
New Alternate Payees	0	0	0	0	0	0	0	0
New members	1,217	0	595	0	0	0	0	1,812
Rehires	197	(55)	(142)	0	0	0	0	0
Corrections/adjustments	0	0	0	1	0	0	(1)	0
Members on 1/1/2025	7,438	1,587	2,228	5,125	280	5	12	16,675

* Includes QDROs

HISTORICAL SUMMARY OF MEMBERS

The following table displays selected historical data that was used in the actuarial valuation for the System.

Valuation		Active Members						Number			
			Average								
Date January 1*	Total Count	Number	Age	Entry Age	Service	Annual Pay ($)	Pay Increase	Inactive Vested	Inactive Nonvested	Retired	Act/Ret Ratio
2000	8,885	6,057	43.8	34.1	9.7	30,544	3.56%	380		2,448	2.47
2001	9,156	6,259	44.0	34.4	9.6	32,091	5.06%	368		2,529	2.47
2002	9,409	6,383	43.9	34.5	9.4	33,406	4.10%	384		2,642	2.42
2003	9,425	6,279	44.0	34.5	9.5	33,877	1.41%	385		2,761	2.27
2004	9,711	6,399	44.2	34.6	9.6	34,698	2.42%	473		2,839	2.25
2005	10,124	6,623	44.1	34.8	9.3	35,234	1.54%	485		3,016	2.20
2006	10,522	6,972	44.1	34.9	9.2	35,732	1.41%	442		3,108	2.24
2007	10,769	7,041	44.2	35.1	9.1	36,720	2.77%	483		3,245	2.17
2008	11,228	7,313	44.2	35.2	9.0	37,725	2.74%	515		3,400	2.15
2009	11,480	7,438	44.5	35.5	9.0	38,686	2.55%	553		3,489	2.13
2010	11,644	7,491	44.7	35.4	9.3	39,152	1.20%	566		3,587	2.09
2011	11,602	7,215	45.1	35.2	9.9	40,394	3.17%	680		3,707	1.95
2012	11,881	7,315	44.9	35.0	9.9	40,793	0.99%	723		3,843	1.90
2013	12,152	7,372	44.9	34.9	10.0	41,731	2.30%	813		3,967	1.86
2014	12,477	7,415	44.7	34.8	9.9	42,427	1.67%	937		4,125	1.80
2015	12,938	7,393	44.5	34.7	9.8	44,050	3.83%	984	210	4,351	1.70
2017	13,386	7,462	44.5	34.1	10.4	44,998	2.15%	1,035	347	4,542	1.64
2018	13,703	7,569	44.5	34.1	10.4	46,233	2.74%	1,043	413	4,678	1.62
2019	13,788	7,177	44.8	33.8	11.0	47,300	2.31%	1,114	671	4,826	1.49
2020	14,218	7,366	44.5	33.9	10.6	47,571	0.57%	1,163	709	4,980	1.48
2021**	14,411	7,182	44.2	33.4	10.8	52,027	9.37%	1,223	917	5,089	1.41
2022	14,837	7,086	44.1	33.4	10.7	54,980	5.68%	1,361	1,152	5,238	1.35
2023	15,067	6,712	44.6	33.6	11.0	60,528	10.09%	1,539	1,476	5,340	1.26
2024	15,409	6,713	44.7	33.9	10.8	64,419	6.43%	1,628	1,657	5,411	1.24
2025	16,675	7,438	44.4	34.2	10.2	65,523	1.71%	1,592	2,228	5,417	1.37

* Years prior to 2017 have a valuation date of September 1.

** Salary data refinement.

SUMMARY OF MEMBERSHIP COUNTS

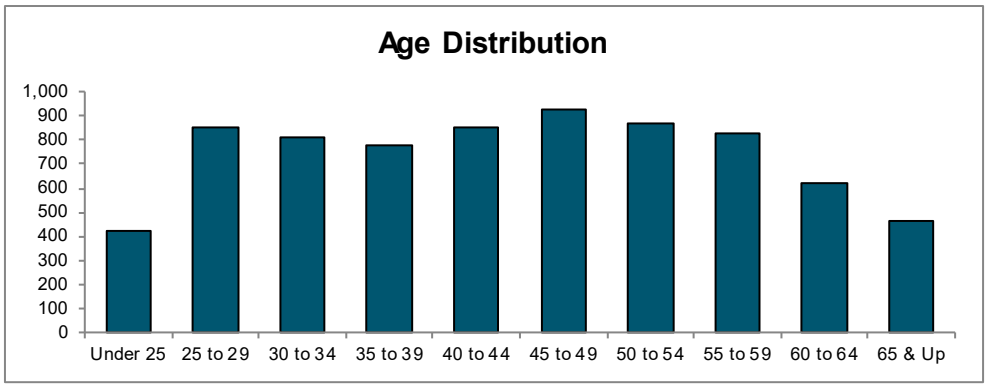
SYSTEM MEMBERSHIP	Jan. 1, 2025	Jan. 1, 2024	% Chg
1. Active Members			
a. Certificated			
(1) Tier 1	1,838	1,855	(0.9)
(2) Tier 2	397	435	(8.7)
(3) Tier 3	271	298	(9.1)
(4) Tier 4	1,489	1,217	22.4
(5) Total	**3,995**	**3,805**	**5.0**
b. Classified			
(1) Tier 1	842	845	(0.4)
(2) Tier 2	263	275	(4.4)
(3) Tier 3	243	212	14.6
(4) Tier 4	2,095	1,576	32.9
(5) Total	**3,443**	**2,908**	**18.4**
c. Total Active Members			
(1) Tier 1	2,680	2,700	(0.7)
(2) Tier 2	660	710	(7.0)
(3) Tier 3	514	510	0.8
(4) Tier 4	3,584	2,793	28.3
(5) Total	**7,438**	**6,713**	**10.8**
2. Retirees and Disabled Members	5,137	5,125	0.2
3. Beneficiaries	280	286	(2.1)
4. Inactive Vested Members	1,592	1,628	(2.2)
5. Inactive Nonvested Members	2,228	1,657	34.5
6. Total	16,675	15,409	8.2

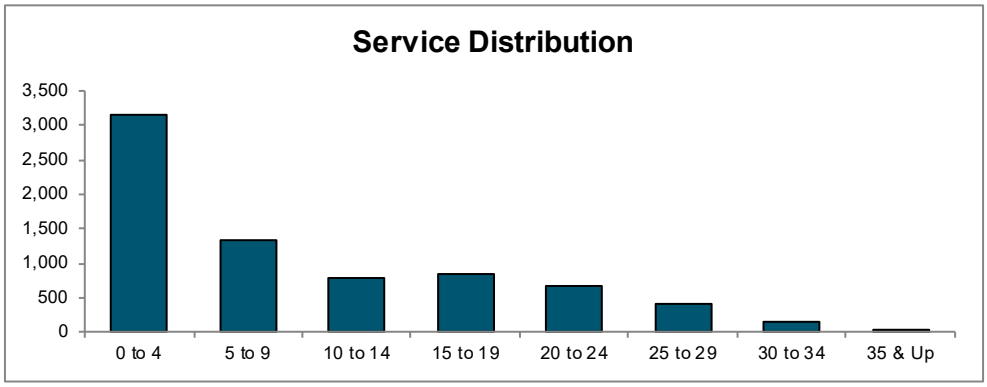
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Total

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	425	1	0	0	0	0	0	0	426
25 to 29	765	88	0	0	0	0	0	0	853
30 to 34	450	309	49	0	0	0	0	0	808
35 to 39	319	215	206	40	0	0	0	0	780
40 to 44	256	153	137	262	47	0	0	0	855
45 to 49	246	134	89	166	247	42	0	0	924
50 to 54	185	129	83	112	144	186	29	1	869
55 to 59	200	112	101	118	117	114	62	7	831
60 to 64	165	104	66	102	75	55	29	28	624
65 & Up	146	88	70	56	49	29	19	11	468
Total	3,157	1,333	801	856	679	426	139	47	7,438





OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
PROJECTED SALARY DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Total

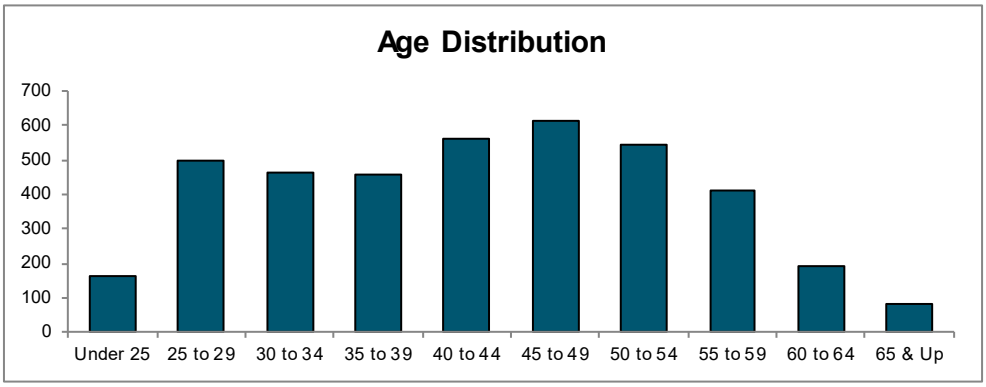
Age	Service 0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	17,210,884	31,121	0	0	0	0	0	0	17,242,005
25 to 29	39,007,402	5,459,974	0	0	0	0	0	0	44,467,376
30 to 34	22,376,241	20,378,147	3,640,334	0	0	0	0	0	46,394,722
35 to 39	15,875,863	15,003,832	16,199,859	3,367,323	0	0	0	0	50,446,877
40 to 44	14,456,886	9,818,521	10,317,510	23,759,165	4,158,622	0	0	0	62,510,704
45 to 49	13,714,612	8,819,285	7,070,445	13,756,770	23,992,125	4,124,452	0	0	71,477,689
50 to 54	9,778,280	8,499,905	5,683,691	9,201,124	12,871,092	19,279,133	3,315,320	140,667	68,769,212
55 to 59	11,289,771	7,368,637	6,733,415	8,687,250	8,990,644	11,077,098	6,640,348	920,647	61,707,810
60 to 64	7,958,192	5,421,590	3,768,569	7,309,904	5,243,715	4,333,801	2,595,057	2,813,402	39,444,230
65 & Up	5,982,874	4,762,640	3,644,836	3,106,245	3,399,519	1,709,721	1,131,961	1,158,844	24,896,640
Total	157,651,005	85,563,652	57,058,659	69,187,781	58,655,717	40,524,205	13,682,686	5,033,560	487,357,265

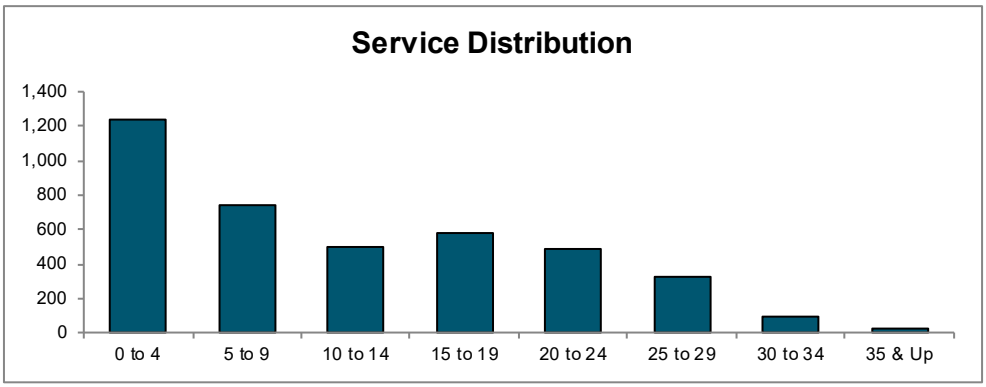
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Certificated - Total

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	161	0	0	0	0	0	0	0	161
25 to 29	440	59	0	0	0	0	0	0	499
30 to 34	183	241	40	0	0	0	0	0	464
35 to 39	102	148	179	30	0	0	0	0	459
40 to 44	96	83	108	238	39	0	0	0	564
45 to 49	95	68	60	126	230	32	0	0	611
50 to 54	53	58	43	74	115	174	25	1	543
55 to 59	57	39	48	62	62	84	56	6	414
60 to 64	29	25	14	39	30	26	13	19	195
65 & Up	18	17	11	8	16	7	4	4	85
Total	1,234	738	503	577	492	323	98	30	3,995





OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
PROJECTED SALARY DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Certificated - Total

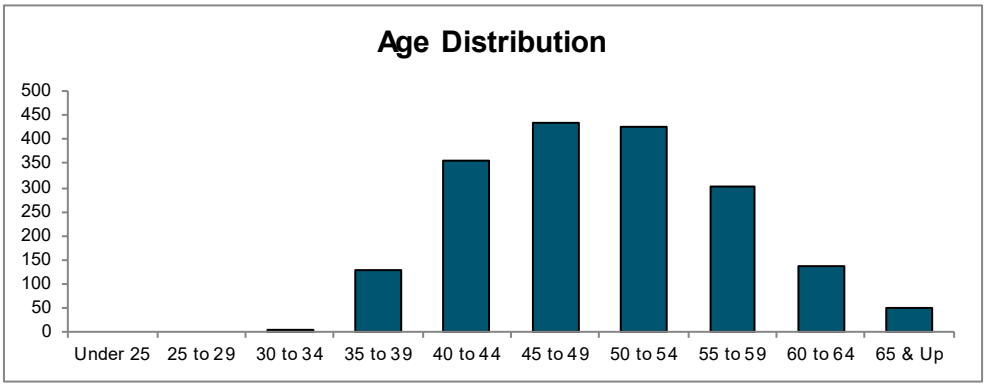
Age	Service 0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	9,064,033	0	0	0	0	0	0	0	9,064,033
25 to 29	26,746,023	4,023,464	0	0	0	0	0	0	30,769,487
30 to 34	12,014,956	17,153,957	3,124,981	0	0	0	0	0	32,293,894
35 to 39	6,938,017	10,860,055	14,382,907	2,755,437	0	0	0	0	34,936,416
40 to 44	7,544,182	6,197,040	8,548,471	22,152,649	3,726,631	0	0	0	48,168,973
45 to 49	7,153,291	5,264,975	4,926,112	11,235,782	22,912,497	3,280,999	0	0	54,773,656
50 to 54	4,274,840	4,495,536	3,556,291	6,758,480	10,997,223	18,337,491	2,846,235	140,667	51,406,763
55 to 59	4,723,516	3,459,990	3,768,906	5,242,059	5,598,062	8,550,450	6,270,673	834,975	38,448,631
60 to 64	2,316,441	1,852,368	1,163,994	3,285,828	2,690,183	2,583,253	1,298,904	1,917,127	17,108,098
65 & Up	1,375,688	1,399,963	908,184	686,233	1,500,103	626,188	371,270	518,273	7,385,902
Total	82,150,987	54,707,348	40,379,846	52,116,468	47,424,699	33,378,381	10,787,082	3,411,042	324,355,853

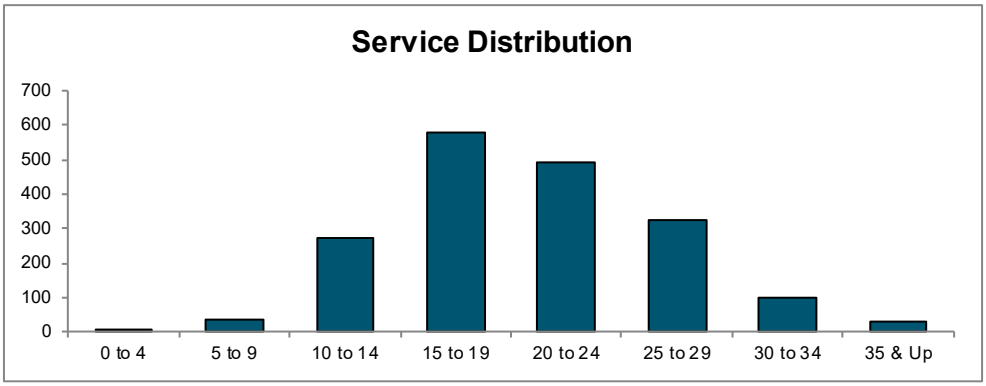
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Certificated - Tier 1

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0
30 to 34	0	0	3	0	0	0	0	0	3
35 to 39	0	4	94	30	0	0	0	0	128
40 to 44	0	9	68	238	39	0	0	0	354
45 to 49	3	5	37	126	230	32	0	0	433
50 to 54	0	11	27	74	115	174	25	1	427
55 to 59	1	4	27	62	62	84	56	6	302
60 to 64	1	2	9	39	30	26	13	19	139
65 & Up	4	2	7	8	16	7	4	4	52
Total	9	37	272	577	492	323	98	30	1,838



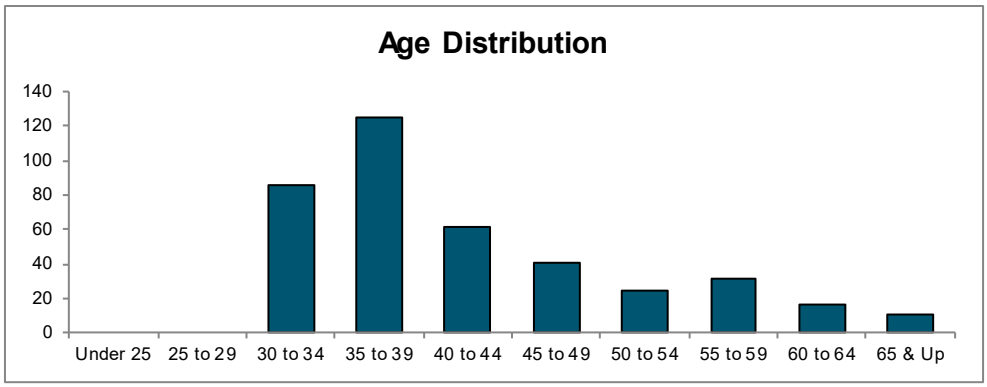


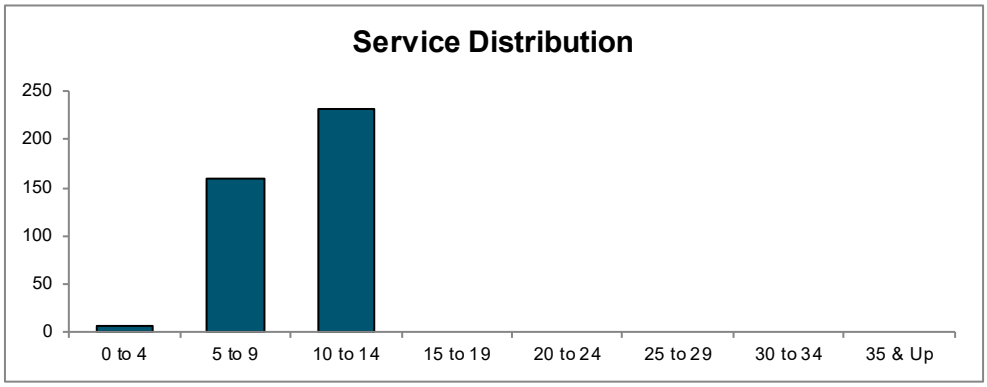
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Certificated - Tier 2

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0
30 to 34	0	49	37	0	0	0	0	0	86
35 to 39	0	40	85	0	0	0	0	0	125
40 to 44	0	22	40	0	0	0	0	0	62
45 to 49	0	18	23	0	0	0	0	0	41
50 to 54	0	8	16	0	0	0	0	0	24
55 to 59	1	9	21	0	0	0	0	0	31
60 to 64	5	7	5	0	0	0	0	0	17
65 & Up	1	6	4	0	0	0	0	0	11
Total	7	159	231	0	0	0	0	0	397



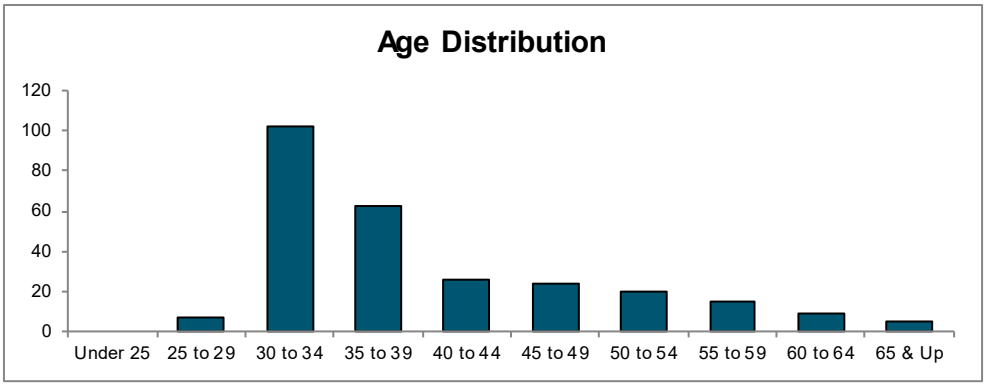


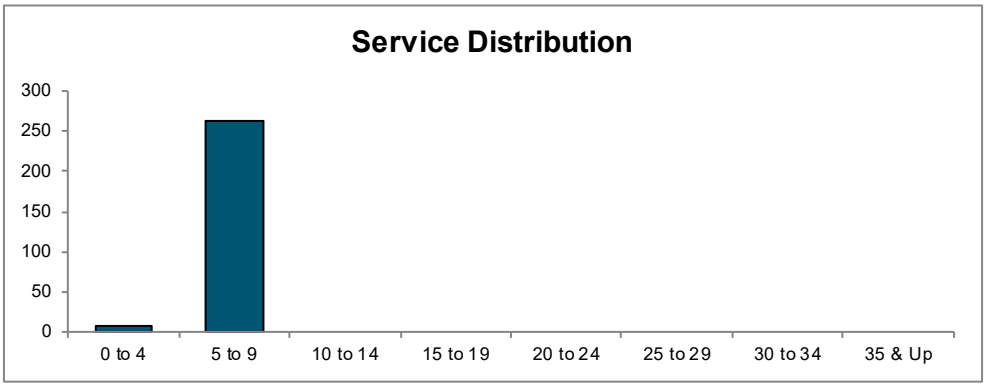
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Certificated - Tier 3

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0
25 to 29	2	5	0	0	0	0	0	0	7
30 to 34	2	100	0	0	0	0	0	0	102
35 to 39	1	62	0	0	0	0	0	0	63
40 to 44	1	25	0	0	0	0	0	0	26
45 to 49	0	24	0	0	0	0	0	0	24
50 to 54	1	19	0	0	0	0	0	0	20
55 to 59	1	14	0	0	0	0	0	0	15
60 to 64	0	9	0	0	0	0	0	0	9
65 & Up	0	5	0	0	0	0	0	0	5
Total	8	263	0	0	0	0	0	0	271



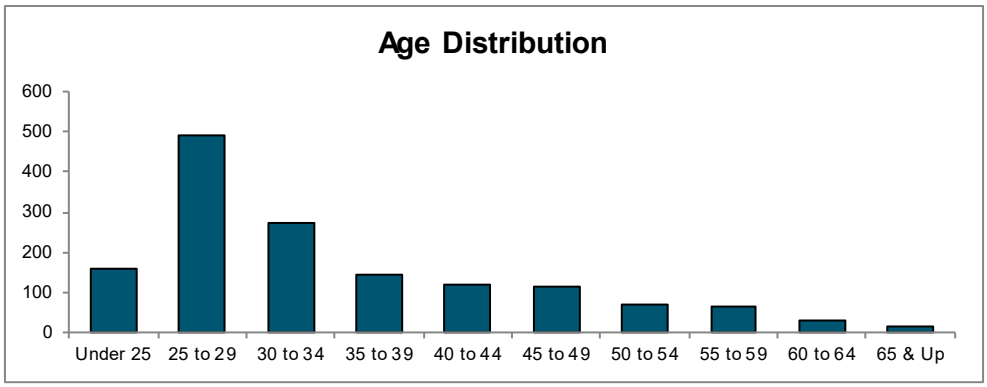


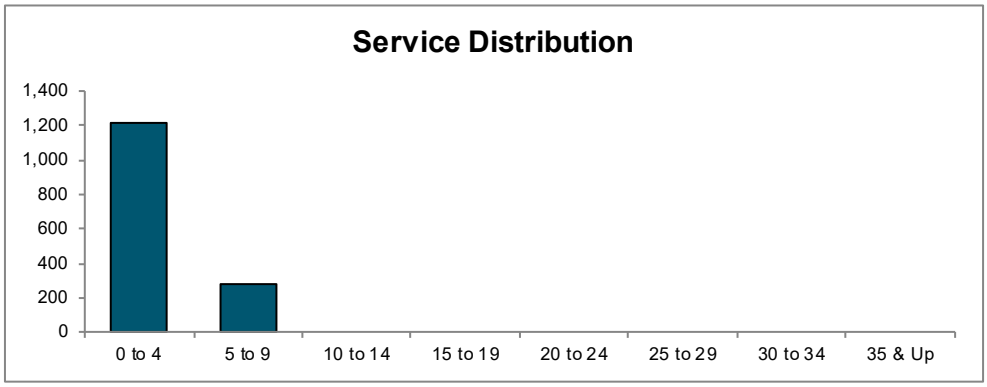
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Certificated - Tier 4

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	161	0	0	0	0	0	0	0	161
25 to 29	438	54	0	0	0	0	0	0	492
30 to 34	181	92	0	0	0	0	0	0	273
35 to 39	101	42	0	0	0	0	0	0	143
40 to 44	95	27	0	0	0	0	0	0	122
45 to 49	92	21	0	0	0	0	0	0	113
50 to 54	52	20	0	0	0	0	0	0	72
55 to 59	54	12	0	0	0	0	0	0	66
60 to 64	23	7	0	0	0	0	0	0	30
65 & Up	13	4	0	0	0	0	0	0	17
Total	1,210	279	0	0	0	0	0	0	1,489



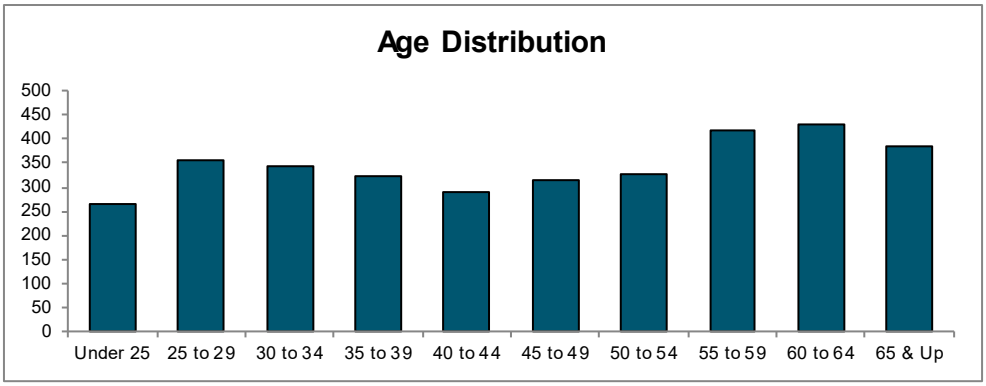


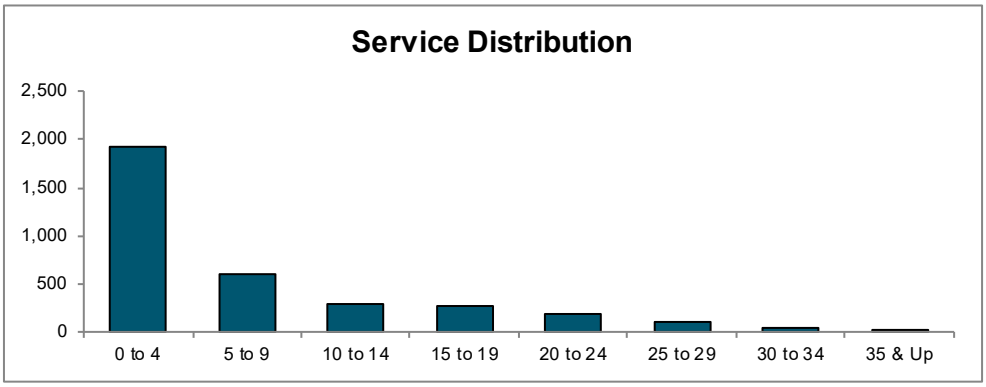
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Classified - Total

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	264	1	0	0	0	0	0	0	265
25 to 29	325	29	0	0	0	0	0	0	354
30 to 34	267	68	9	0	0	0	0	0	344
35 to 39	217	67	27	10	0	0	0	0	321
40 to 44	160	70	29	24	8	0	0	0	291
45 to 49	151	66	29	40	17	10	0	0	313
50 to 54	132	71	40	38	29	12	4	0	326
55 to 59	143	73	53	56	55	30	6	1	417
60 to 64	136	79	52	63	45	29	16	9	429
65 & Up	128	71	59	48	33	22	15	7	383
Total	1,923	595	298	279	187	103	41	17	3,443





OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
PROJECTED SALARY DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Classified - Total

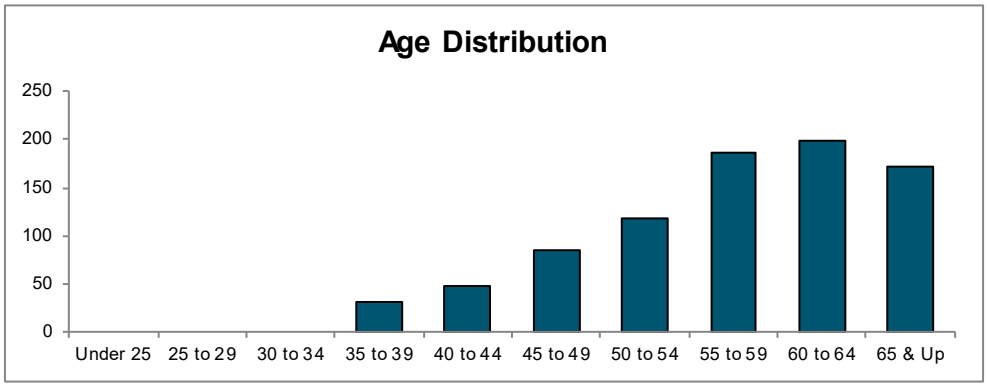
Age	Service 0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	8,146,851	31,121	0	0	0	0	0	0	8,177,972
25 to 29	12,261,379	1,436,510	0	0	0	0	0	0	13,697,889
30 to 34	10,361,285	3,224,190	515,353	0	0	0	0	0	14,100,828
35 to 39	8,937,846	4,143,777	1,816,952	611,886	0	0	0	0	15,510,461
40 to 44	6,912,704	3,621,481	1,769,039	1,606,516	431,991	0	0	0	14,341,731
45 to 49	6,561,321	3,554,310	2,144,333	2,520,988	1,079,628	843,453	0	0	16,704,033
50 to 54	5,503,440	4,004,369	2,127,400	2,442,644	1,873,869	941,642	469,085	0	17,362,449
55 to 59	6,566,255	3,908,647	2,964,509	3,445,191	3,392,582	2,526,648	369,675	85,672	23,259,179
60 to 64	5,641,751	3,569,222	2,604,575	4,024,076	2,553,532	1,750,548	1,296,153	896,275	22,336,132
65 & Up	4,607,186	3,362,677	2,736,652	2,420,012	1,899,416	1,083,533	760,691	640,571	17,510,738
Total	75,500,018	30,856,304	16,678,813	17,071,313	11,231,018	7,145,824	2,895,604	1,622,518	163,001,412

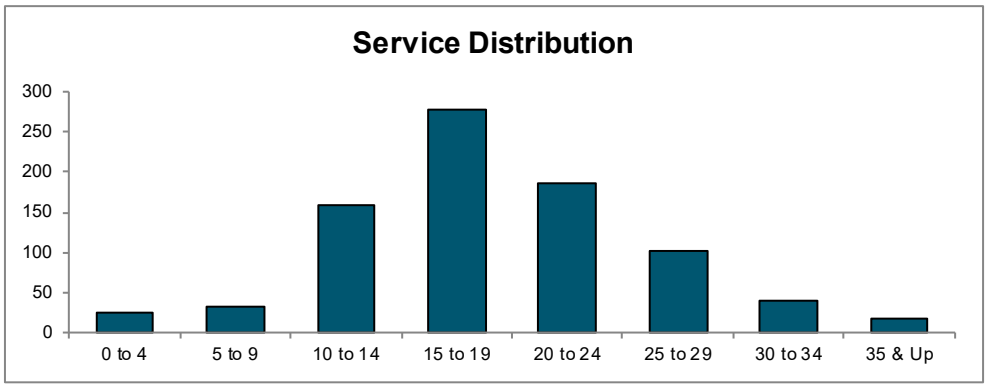
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Classified - Tier 1

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0
35 to 39	0	3	19	10	0	0	0	0	32
40 to 44	3	2	12	24	8	0	0	0	49
45 to 49	1	2	16	40	17	10	0	0	86
50 to 54	3	6	26	38	29	12	4	0	118
55 to 59	3	5	30	56	55	30	6	1	186
60 to 64	6	5	26	63	45	29	16	9	199
65 & Up	9	9	29	48	33	22	15	7	172
Total	25	32	158	279	187	103	41	17	842



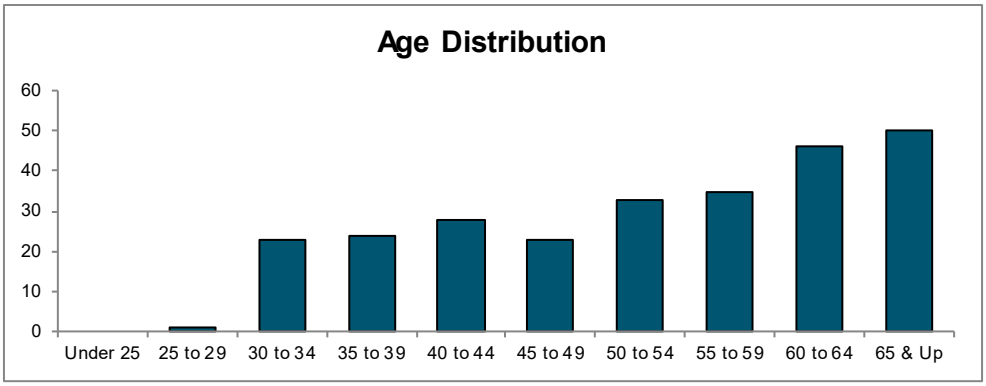


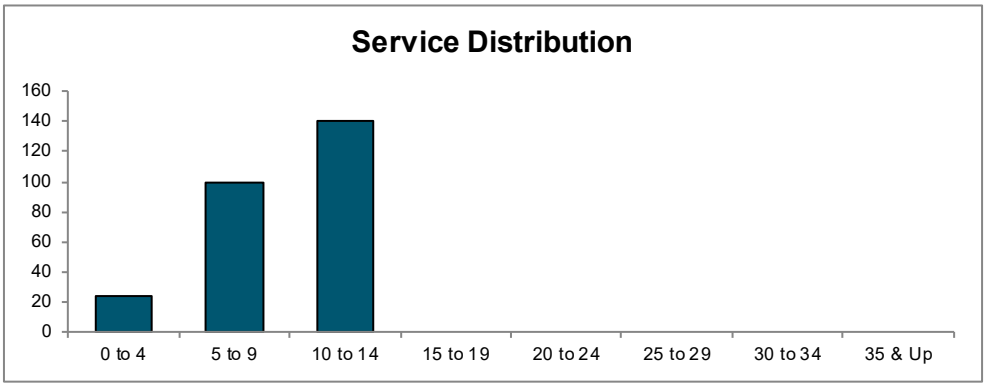
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Classified - Tier 2

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0
25 to 29	1	0	0	0	0	0	0	0	1
30 to 34	3	11	9	0	0	0	0	0	23
35 to 39	1	15	8	0	0	0	0	0	24
40 to 44	1	10	17	0	0	0	0	0	28
45 to 49	1	9	13	0	0	0	0	0	23
50 to 54	8	11	14	0	0	0	0	0	33
55 to 59	2	10	23	0	0	0	0	0	35
60 to 64	4	16	26	0	0	0	0	0	46
65 & Up	3	17	30	0	0	0	0	0	50
Total	24	99	140	0	0	0	0	0	263



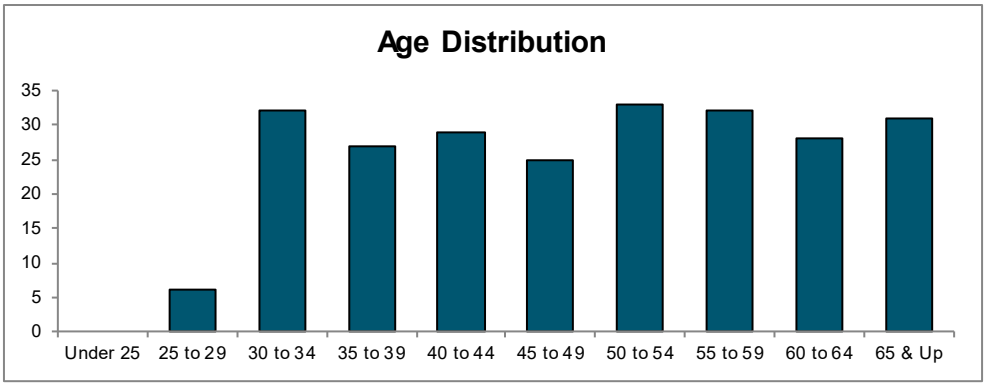


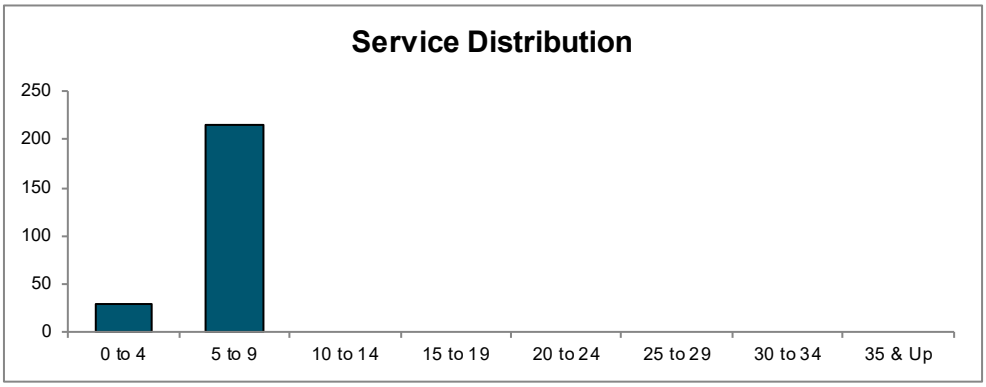
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Classified - Tier 3

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	0	0	0	0	0	0	0	0	0
25 to 29	2	4	0	0	0	0	0	0	6
30 to 34	4	28	0	0	0	0	0	0	32
35 to 39	3	24	0	0	0	0	0	0	27
40 to 44	3	26	0	0	0	0	0	0	29
45 to 49	3	22	0	0	0	0	0	0	25
50 to 54	4	29	0	0	0	0	0	0	33
55 to 59	6	26	0	0	0	0	0	0	32
60 to 64	1	27	0	0	0	0	0	0	28
65 & Up	3	28	0	0	0	0	0	0	31
Total	29	214	0	0	0	0	0	0	243



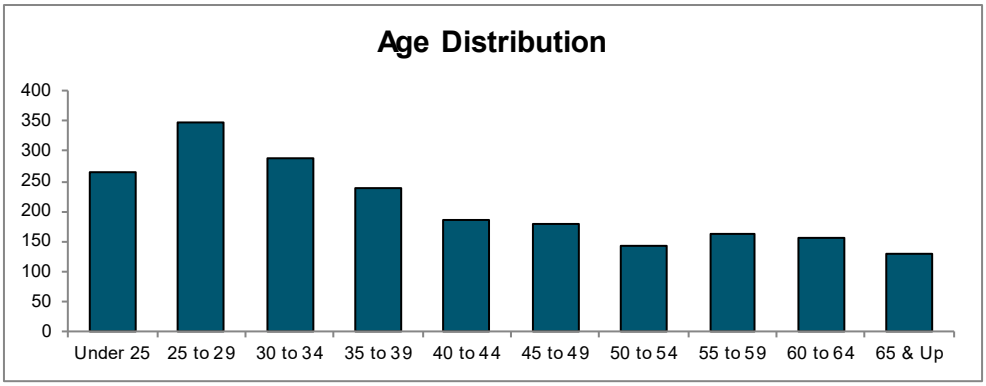


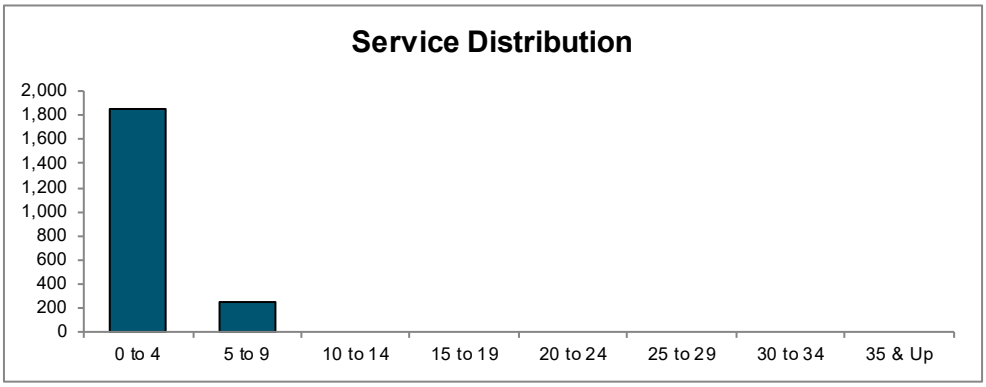
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
DISTRIBUTION OF ACTIVE MEMBERS

as of January 1, 2025

Classified - Tier 4

	Service								
Age	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	Total
Under 25	264	1	0	0	0	0	0	0	265
25 to 29	322	25	0	0	0	0	0	0	347
30 to 34	260	29	0	0	0	0	0	0	289
35 to 39	213	25	0	0	0	0	0	0	238
40 to 44	153	32	0	0	0	0	0	0	185
45 to 49	146	33	0	0	0	0	0	0	179
50 to 54	117	25	0	0	0	0	0	0	142
55 to 59	132	32	0	0	0	0	0	0	164
60 to 64	125	31	0	0	0	0	0	0	156
65 & Up	113	17	0	0	0	0	0	0	130
Total	1,845	250	0	0	0	0	0	0	2,095



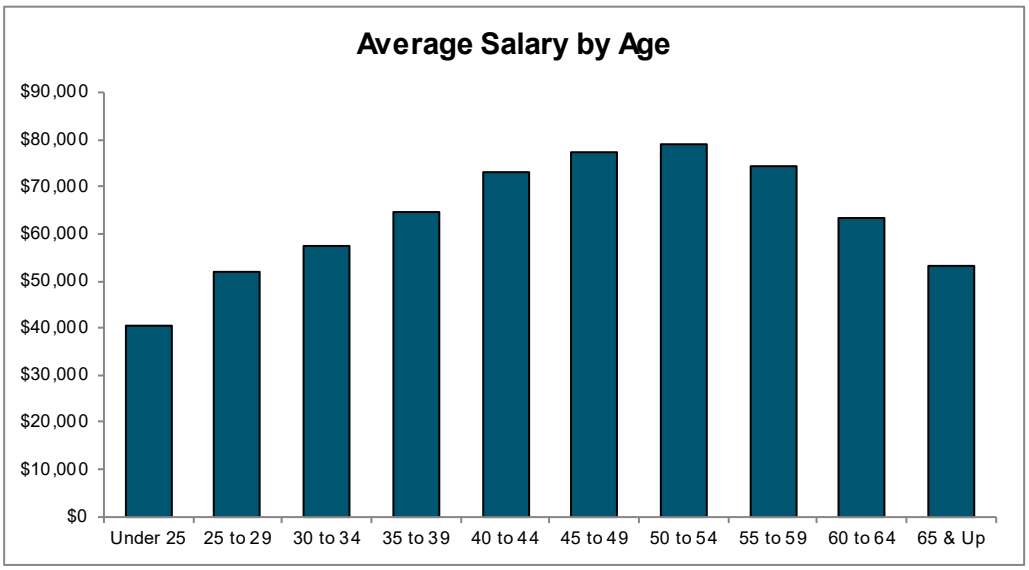


OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
SUMMARY OF ACTIVE MEMBERS

as of January 1, 2025

Total

	Number			Projected Salaries		
Age	Males	Females	Total	Males	Females	Total
Under 25	91	335	426	$4,020,849	$13,221,156	$17,242,005
25 to 29	236	617	853	12,730,297	31,737,079	44,467,376
30 to 34	225	583	808	14,063,158	32,331,564	46,394,722
35 to 39	223	557	780	15,045,746	35,401,131	50,446,877
40 to 44	248	607	855	19,179,531	43,331,173	62,510,704
45 to 49	252	672	924	20,852,021	50,625,668	71,477,689
50 to 54	235	634	869	19,924,438	48,844,774	68,769,212
55 to 59	248	583	831	20,282,294	41,425,516	61,707,810
60 to 64	191	433	624	13,768,245	25,675,985	39,444,230
65 & Up	162	306	468	9,579,913	15,316,727	24,896,640
Total	2,111	5,327	7,438	$149,446,492	$337,910,773	$487,357,265

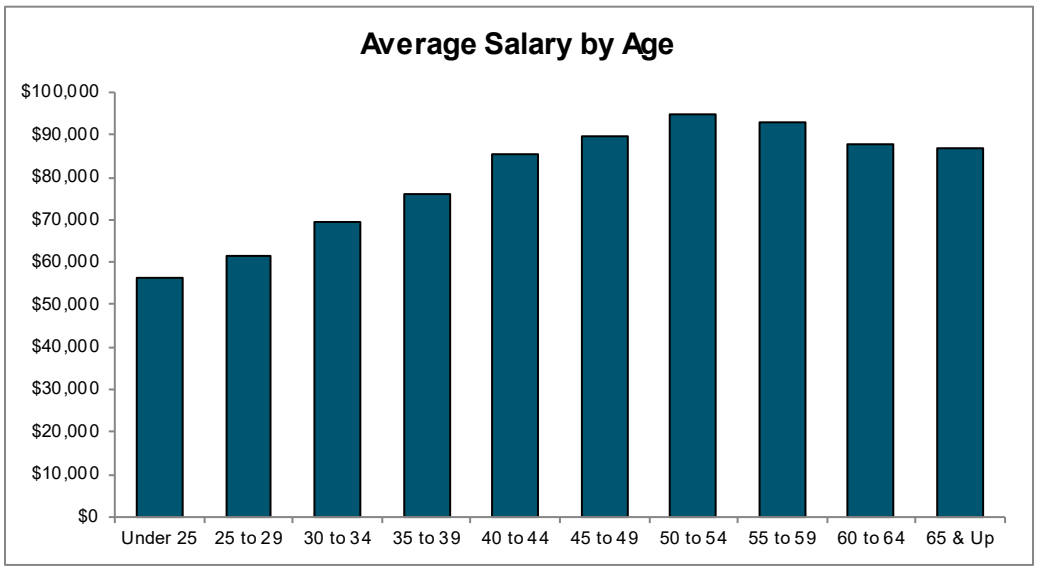


OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
SUMMARY OF ACTIVE MEMBERS

as of January 1, 2025

Certificated

	Number			Projected Salaries		
Age	Males	Females	Total	Males	Females	Total
Under 25	35	126	161	$2,026,921	$7,037,112	$9,064,033
25 to 29	112	387	499	7,075,704	23,693,783	30,769,487
30 to 34	130	334	464	9,165,214	23,128,680	32,293,894
35 to 39	112	347	459	8,479,777	26,456,639	34,936,416
40 to 44	152	412	564	12,870,873	35,298,100	48,168,973
45 to 49	142	469	611	13,468,089	41,305,567	54,773,656
50 to 54	132	411	543	12,756,641	38,650,122	51,406,763
55 to 59	97	317	414	9,365,258	29,083,373	38,448,631
60 to 64	42	153	195	3,781,425	13,326,673	17,108,098
65 & Up	23	62	85	2,015,948	5,369,954	7,385,902
Total	977	3,018	3,995	$81,005,850	$243,350,003	$324,355,853

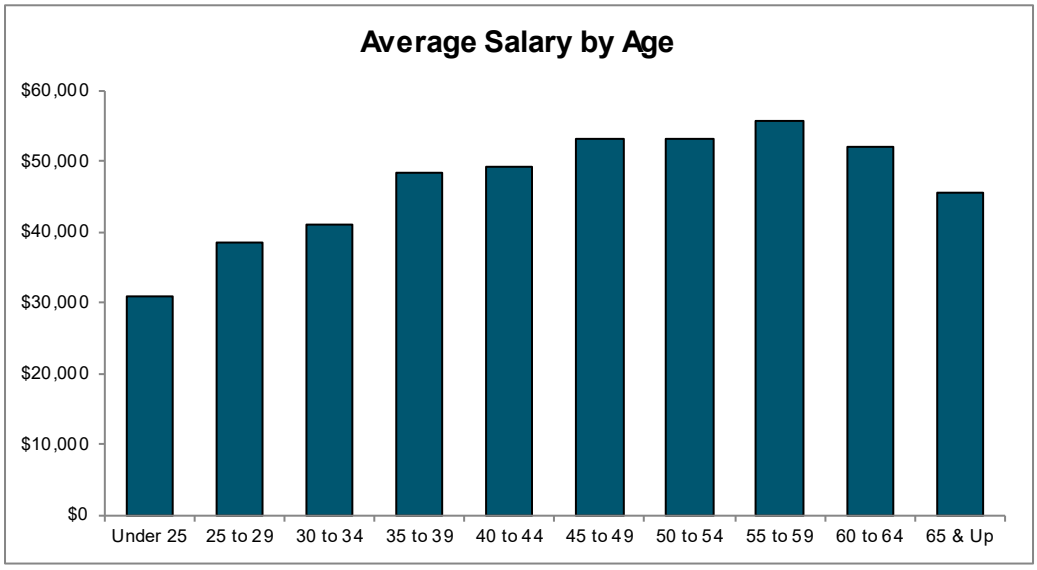


OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
SUMMARY OF ACTIVE MEMBERS

as of January 1, 2025

Classified

	Number			Projected Salaries		
Age	Males	Females	Total	Males	Females	Total
Under 25	56	209	265	$1,993,928	$6,184,044	$8,177,972
25 to 29	124	230	354	5,654,593	8,043,296	13,697,889
30 to 34	95	249	344	4,897,944	9,202,884	14,100,828
35 to 39	111	210	321	6,565,969	8,944,492	15,510,461
40 to 44	96	195	291	6,308,658	8,033,073	14,341,731
45 to 49	110	203	313	7,383,932	9,320,101	16,704,033
50 to 54	103	223	326	7,167,797	10,194,652	17,362,449
55 to 59	151	266	417	10,917,036	12,342,143	23,259,179
60 to 64	149	280	429	9,986,820	12,349,312	22,336,132
65 & Up	139	244	383	7,563,965	9,946,773	17,510,738
Total	1,134	2,309	3,443	$68,440,642	$94,560,770	$163,001,412



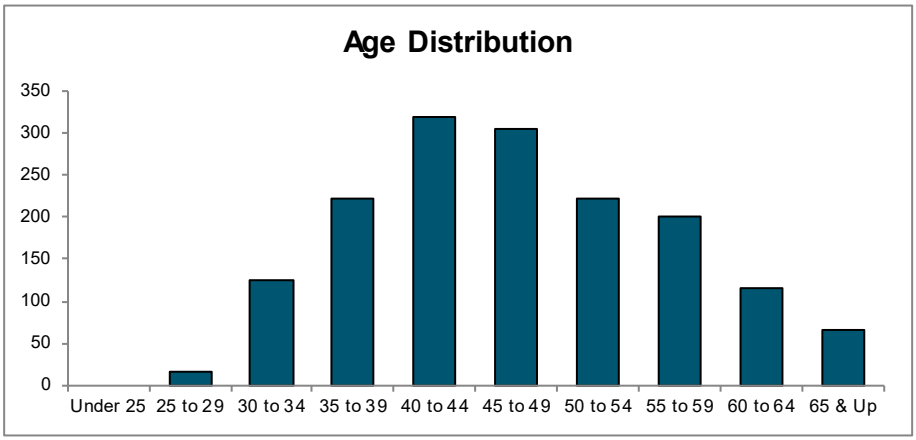
OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
SUMMARY OF INACTIVE VESTED MEMBERS

as of January 1, 2025

Total

Age	Number			Monthly Benefit at Unreduced Retirement		
	Males	Females	Total	Males	Females	Total
Under 25	0	0	0	$ 0	$ 0	$ 0
25 to 29	2	15	17	1,011	6,274	7,285
30 to 34	17	108	125	9,233	52,413	61,646
35 to 39	37	184	221	24,468	122,305	146,773
40 to 44	78	241	319	72,843	218,411	291,254
45 to 49	79	227	306	103,048	223,251	326,299
50 to 54	51	171	222	69,824	193,934	263,758
55 to 59	46	154	200	53,952	127,531	181,483
60 to 64	23	93	116	19,388	54,208	73,596
65 & Up	7	59	66	8,226	23,384	31,610
Total	340	1,252	1,592	$361,993	$1,021,711	$1,383,704

Note: Includes 5 deferred disabled members.



OMAHA SCHOOL EMPLOYEES RETIREMENT SYSTEM
SUMMARY OF RETIREES, BENEFICIARIES AND DISABLED MEMBERS

as of January 1, 2025

Total

	Number			Total Monthly Benefit		
Age	Males	Females	Total	Males	Females	Total
Under 55	4	9	13	$ 3,720	$ 9,692	$ 13,412
55 to 59	39	131	170	122,756	391,912	514,668
60 to 64	120	347	467	314,135	879,682	1,193,817
65 to 69	234	757	991	491,533	1,635,749	2,127,282
70 to 74	327	938	1,265	811,138	2,053,352	2,864,490
75 to 79	329	845	1,174	862,136	2,037,837	2,899,973
80 to 84	245	492	737	686,293	1,066,119	1,752,412
85 to 89	113	283	396	237,518	586,172	823,690
90 to 94	29	124	153	73,152	241,155	314,307
95 & Up	9	42	51	20,753	74,297	95,050
Total	1,449	3,968	5,417	$3,623,134	$8,975,967	$12,599,101